



# Cambridge University Hospitals

NHS Foundation Trust



## Annual report and accounts 2017/18

Together-Safe | Kind | Excellent

Addenbrooke's Hospital | Rosie Hospital

5 July 2018 is the 70th birthday of the National Health Service (NHS). To mark this anniversary, the front cover shows a selection of photographs from the past 70 years at our hospitals.

**From top left to bottom right:**

Old Addenbrooke's Hospital on Trumpington Street, Cambridge

Professor Sir Roy Calne in front of his portrait at the Faces of Addenbrooke's exhibition

Teddy bear hospital at a CUH open day

Her Majesty the Queen meeting nurses

Staff outside the new Rosie Hospital extension

Last patient being moved from old Addenbrooke's Hospital

Members of the Physiotherapy team enjoying the Addenbrooke's museum

Celebrating the new breast ultrasound scanner

Mima Puddicombe OBE (Addenbrooke's matron 1958-1970)

Dr Afzal Chaudhry launches the Epic patient record system

Story time at Addenbrooke's in the 1950s

Gabby Logan opening Cambridge IVF

The da Vinci robot surgery system in action

Princess Margaret meeting staff and patients

# Annual Report and Accounts 2017/18

Cambridge University Hospitals  
NHS Foundation Trust



Annual Report

**Cambridge University Hospitals  
NHS Foundation Trust Annual Report and Accounts  
2017/18**

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



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# 1. Chair's statement

This is my second introduction as Chair of Cambridge University Hospitals (CUH) and it allows me the opportunity to reflect on the Trust's progress over the last year in the wider context of significant pressures for the NHS as a whole, including unprecedented demand for services, high levels of bed occupancy, tighter budgets and staffing challenges.

Despite these challenging circumstances, the hard work and dedication of everyone at Addenbrooke's and the Rosie has remained consistent. On behalf of myself and the Board of Directors, I would like to thank all our staff for the tremendous work they do every day to deliver outstanding care and make a real difference to the lives of our patients.

Everything we do at CUH is focused on improving the quality, safety and experience of the care we provide. As part of our ongoing improvement journey, we have continued to build on the progress we made last year and work on the four main areas of our strategy for the future, CUH Together:

- Improving patient journeys
- Working with our communities
- Strengthening the organisation
- Contributing nationally and internationally

Since my last report, the capacity challenges experienced by our hospitals have affected other NHS organisations locally and nationally. We have continued to work hard, alongside our partners in health and social care, to reduce waiting times and the number of our patients waiting too long in hospital beds once they are ready to move on to where the next stage of their care should be. This not only helps to improve their experience and outcomes, but also creates more capacity for other patients needing our care. However, there is still much to do on this alongside a national picture of severe capacity pressures, with every hospital in the country asked to cancel elective surgery in order to ensure patient safety in January this year.

Our financial challenges have also continued, as have our strict cost controls. These have allowed our staff to deliver £49.1m in savings against our ambitious original Cost Improvement Programme target for 2017/18 of £49m. This is a significant achievement, not only as it is the third consecutive year that we have been able to realise our target, but also because we have achieved this despite severe winter pressures and cancellations of planned surgery. Access to capital remains a major problem, both nationally and locally, and is a constraint for our future plans.

The Trust Board and whole hospital have worked extremely hard on our financial challenges. This is at various levels, ranging from internal financial budgetary control through to working at national and local level on our overall financial sustainability. The Board acknowledges that we do not, yet, have a path to a recurring break-even revenue position on an annual basis nor have we a clear way to refinance our historic debt. We are not unique in this regard. The Board will continue to work on this issue at national level.

We know the challenges we face are not easy to meet and are not ones we can deal with in isolation. The only way we can move forward is by working closely together with shared goals across the whole patient pathway. We continue to work as part of the Cambridgeshire and Peterborough Sustainability and Transformation Partnership (STP), made up of NHS bodies and local authorities across the county, to develop integrated services across the region. This system-wide effort has led to some positive results for our patients, including improved experience and considerably reduced length of stay, which in turn has allowed our staff to admit other patients who require acute care. We will, though, need to redouble our efforts as there is still much to do to improve the way the whole health and social care system works for patients.

Our workforce has continued to grow, with now over 10,000 people employed at CUH. The Board is committed to strengthening the organisation and empowering staff to give our patients the high quality of care they want to offer, by investing in training and development, and championing equality and diversity.

The development of a Workforce Race Equality Standard continues to be a key priority for the Board, particularly post-Brexit, since 27% of our workforce is of non-UK nationality by origin. Work to improve the experience of our BAME staff and other minority groups is ongoing, with the launch of a Trust BAME Network to support staff and promote race equality and inclusion across our hospitals. In summer 2017 I hosted an event to celebrate the cultural diversity of the CUH family and to welcome our newest staff from overseas.

In March 2018, the Trust published its first Gender Pay Gap Report, which sets out our priorities in this area and has informed the swift development of an action plan. This report, a copy of which is available on our website, is a positive addition to the workforce information used by the Board to monitor diversity and make decisions relating to inequalities.

Our staff are key to our success and we are committed to developing the skillset of our workforce to match demand and priorities. We are working with partners at Anglia Ruskin University to deliver a nursing apprenticeship scheme and continue to work on a leadership development programme with The King's Fund and Cambridge Judge Business School to support cultural development and our long-term improvement strategy. We also continue to lobby at a national level to encourage more affordable housing and improved transport options as the Cambridge Biomedical Campus (CBC) continues to grow.

Looking ahead, 2018 will see the opening of the new Royal Papworth Hospital on the campus, shortly followed by the global headquarters of Astra Zeneca, Abcam and others. Our position at the heart of the CBC offers unique opportunities for collaboration in order to contribute nationally and internationally to the latest advances in science and medicine.

The Government has stressed its commitment to the development of science linked to clinical care and we are a major contributor to the UK's Life Sciences Industrial Strategy to develop new forms of disease prevention, detection and treatment for the benefit of patients. Working on this with our campus partners and as a member of Cambridge University Health Partners is a key priority for the future.

This year is also the 70th anniversary of the NHS, which is a cause for celebration and reflection on how patient care and clinical science has changed over time, as well as how the NHS may look in another 70 years. CUH will be hosting a number of events throughout the year, including a celebration to mark 50 years since the first successful liver transplant in Europe, which was performed at Addenbrooke's in May 1968. I look forward to celebrating this and other achievements of our hospitals, our workforce and the wider NHS over the past 70 years with our patients, staff, local community and wider partners.

In summary, for CUH this has been a challenging year as part of a national picture of extreme pressures for the wider NHS. As we move forward into the year ahead, we look to continue to deliver our excellent outcomes and outstanding patient care, and to collaborate and engage with our partners on the CBC and in the local health and social care system to improve services, drive innovation and deliver our strategic priorities.

Finally, I would like to offer a personal thank you to all our staff for their tireless efforts for our patients and their continued commitment to improving the quality of services that we provide. I would also like to thank our patients, partners, stakeholders, the local community and local MPs Heidi Allen, Lucy Frazer and Daniel Zeichner for their unstinting support of our hospitals. I look forward to continuing to work together to build a sustainable future for our hospitals, our patients and our staff.



**Mike More**  
Chair

## 2. Performance report

### 2.1 Overview

This section of the report provides a summary of the organisation, its purpose, the key risks to the achievement of its objectives and performance during the past year.

### 2.2 Statement from the Chief Executive

I would like to start by thanking our patients, staff and partners for their support throughout the year. Our focus remains on our relationship with these three key communities. Everything we do at Addenbrooke's and the Rosie is focused on improving the safety, experience and outcomes of the care we provide for our patients. This year has been one of ongoing improvement after our good rating from the CQC in 2017, and continued focus operationally on capacity, including delayed transfers of care and staffing to deliver high quality care, in the face of growing demand, as well as on our financial plan.

The Trust has continued to make progress in the wider context of significant pressures for the NHS as a whole. Our performance remains strong against the four-hour emergency department standard as well as in cancer waiting times, referral to treatment times and harm-free care. The latest peer data shows that Addenbrooke's and the Rosie has the second lowest death rate when compared to similar teaching Trusts outside of London, and the second lowest within its regional peer group.

This year, the Trust saw its highest uptake of the influenza vaccine to date, with 6,500 members of staff vaccinated in the first six weeks and 86.3% of frontline workers in total. Addenbrooke's and the Rosie had the third highest uptake in the country, it led in the East of England region and was ranked number one in the Shelford Group. The influenza vaccination of frontline staff was also a CQUIN target and we successfully obtained this vital funding for the year. As a result of this success, the Trust has been nationally recognised and commended as a leading example by NHS Employers and NHS Improvement. We could not have achieved this without the engagement of our staff and I would like to thank all those who had the vaccination to protect themselves and ensure the safety of our patients.

I'm pleased to report that we have met our financial performance target for the third consecutive year, which is a significant achievement, not only as we have been able to realise our £49m target again, but also because we have succeeded despite a great deal of operational pressure. This has helped to reduce our deficit to £32.4m, which is £9.7m ahead of plan. This is a significant achievement and a reflection of the hard work and commitment of our staff. I would like to take this opportunity to thank everyone at Addenbrooke's and the Rosie, as well as our partners and our patients, for their support.

Once again, this year has seen improvements for the Trust in the National Staff Survey, with the Trust remaining above the national average as a place that our staff would recommend both to work and receive treatment. However, there is still more to do to improve the experience of our staff in relation to discrimination and

equality and diversity here at Addenbrooke's and the Rosie. We are committed to paying attention to feedback and choosing to improve, and we are disappointed that our extensive inclusion work, which is so important for staff experience and patient care, including the development of an Addenbrooke's and the Rosie black, Asian and minority ethnic (BAME) network, is yet to see an impact. We continue to focus both at a Trust-wide level and within teams across the Trust on what staff surveys tell us and the actions we need to take to improve the experience of our workforce.

We have continued to work with our patients, staff and partners on developing the four areas of the strategy CUH Together; improving patient journeys, working with our communities, strengthening the organisation, and contributing nationally and internationally, to build on the progress we made last year, with ongoing innovations to design pathways to deliver the best patient care. Work as part of the Cambridgeshire and Peterborough Sustainability and Transformation Partnership (STP) is also ongoing, alongside other hospitals in the system and local authorities across the county to develop integrated services across the region. This system-wide effort has already led to some positive results for our patients, including improved experience and considerably reduced length of stay, which in turn has allowed our staff to admit other patients who require acute care.

The biomedical campus continues to grow and later this year we look forward to welcoming the new Royal Papworth Hospital as they open their doors for the first time. They will shortly be followed by the global headquarters of Astra Zeneca, Abcam and others, and we look forward to collaborating with them as a major contributor to the UK's life sciences industrial strategy.



**Roland Sinker**

Chief Executive

23 May 2018

## 2.3 Purpose and history

Cambridge University Hospitals NHS Foundation Trust (CUH), including both Addenbrooke's and the Rosie Hospitals, was one of the first NHS foundation trusts to be authorised under the Health and Social Care (Community Health and Standards) Act 2003, and came into being in July 2004.

Our constitution defines our principal purpose as 'the provision of goods and services for the purposes of the health service in England'.

The Trust has its foundation in Addenbrooke's Hospital, which opened in October 1766 in Trumpington Street, Cambridge, as one of the first provincial teaching hospitals in the country. By the 1950s, the hospital was experiencing difficulty accommodating the expansion generated by the introduction of the NHS, and moved to the site on Hills Road. It was officially opened by Her Majesty Queen Elizabeth II in 1962.

Today, CUH has over 1,000 beds and 10,000 members of staff. We are one of the largest and best known acute hospital trusts in the country. The 'local' hospital for our community, delivering care through Addenbrooke's and the Rosie, CUH is also a leading regional and national centre for specialist treatment; a government-designated comprehensive biomedical research centre; a partner in one of six academic health science centres in the UK – Cambridge University Health Partners (CUHP); and a university teaching hospital with a worldwide reputation.

Our CUH Together Strategy has been developed with staff, patients and partners. Patients are central to everything we do and we want to ensure that CUH is an exciting and supportive place to work. Our vision is to improve people's quality of life through innovative and sustainable healthcare. We will deliver our vision in a way that is consistent with our values of *Together* – Safe | Kind | Excellent, and the associated behaviours that define how we care for our patients and work with our colleagues and partners.

Our strategy has four key priorities:

- Improving patient journeys
- Working with our communities
- Strengthening the organisation
- Contributing nationally and internationally

We are particularly grateful to Addenbrooke's Charitable Trust (ACT) for its financial support and the fundraising efforts of everyone within the Trust, and in the wider local community, who raise charitable funds which help us to provide improved services for our patients.

## 2.4 Key risks

Key risks are identified by the Board of Directors through the Board Assurance Framework (BAF). At the end of 2017/18, the three most significant risks to achieving the organisation's strategic objectives as identified by the Board were: (i) insufficient capacity to sustain timely and effective emergency and elective patient flow; (ii) insufficient capital funding and decant capacity to address estates backlog maintenance and statutory compliance priorities; and (iii) inadequate fire safety arrangements and plans impacting on patient and staff safety and continuity of clinical service delivery.

The BAF is used by the Board of Directors and its sub-committees to track progress in seeking assurance that appropriate controls are in place and actions are being taken to mitigate the key risks to the achievement of the Trust's strategic objectives. Further details of how the Board gains assurance that there are effective arrangements in place for internal control and risk management to safeguard public investment, the Trust's assets, patient safety and service quality are included in the Annual Governance Statement (AGS).

A comprehensive review of the design, content and use of the BAF was undertaken during 2017/18. Each risk on the BAF is assigned to a lead Executive Director who reviews the risk on a monthly basis. The BAF is discussed on a monthly basis by the Risk Oversight Committee, which is chaired by the Chief Executive, and is received by the Board of Directors four times a year. In addition, each Board sub-

committee reviews those risks assigned to it at each of its meetings to ensure that it has appropriate assurance on the effectiveness of the controls in place and progress on actions to address any gaps in control and/or assurance.

The processes outlined above and in the AGS ensure that the BAF is a living document, representing the risks of greatest concern to the Board of Directors.

### Table 1: Board Assurance Framework (BAF)

The top eight 'red' risks identified in the 2017/18 BAF as reviewed by the Board of Directors on 14 March 2018 were as follows:

Risk ref.	Current rating	Risk description	Lead Executive	Board monitoring committee
002/17	20	The Trust has insufficient capacity to sustain timely and effective emergency and elective patient flow through its hospitals which impacts on waiting times, safety and patient experience.	Chief Operating Officer	Performance Committee
007/17	20	There is insufficient capital funding and decant capacity to address estates backlog maintenance and statutory compliance priorities (including infection) which impacts on safety and continuity of clinical service delivery.	Chief Finance Officer	Performance Committee/ Quality Committee
007a/17	20	Inadequate fire safety arrangements and plans impact on patient and staff safety and continuity of clinical service delivery.	Chief Finance Officer	Board of Directors
004/17	16	As a result of recruitment and retention challenges, the Trust does not have adequate staffing which impacts on the delivery of safe and responsive services for our patients.	Director of Workforce	Workforce and Education Committee

009/17	<b>16</b>	As a result of slippage against its financial plan, the Trust does not achieve its financial control total for 2017/18.	Chief Finance Officer	Performance Committee
010/17	<b>16</b>	As a result of not achieving the necessary efficiency improvements and securing support for the structural element of the deficit, the Trust does not achieve a position of financial sustainability by 2020 which impacts on its ability to improve services for patients.	Chief Finance Officer	Performance Committee
005/17	<b>15</b>	The Trust does not continue to maintain its focus on quality governance and improvement metrics in the post-Special Measures period which may lead to increased variation in services and impact on sustained and consistent delivery of high quality care.	Chief Nurse	Quality Committee
011/17	<b>15</b>	There is insufficient resilience in the Trust's IT network and technology platform given the reliance on electronic patient information to cope with IT infrastructure failures or a cyber attack which impacts on the delivery of safe and effective services for patients.	Director of Improvement and Transformation	Board of Directors

## 2.5 Going concern statement

The Trust has considered the situation with regard to 'going concern' and after making enquiries, the directors have a reasonable expectation that CUH will have access to adequate resources to continue in operational existence for the foreseeable future.

This assessment is based on the fact that there remains the anticipation of the provision of services in the future. All of the Trust's principal contracted commissioners have signed the NHS standard contract for the provision of services at CUH for 2018/19. The existence of these contracts and the contractual obligation of the commissioners to pay for the services provided means that the directors have a reasonable expectation that adequate financial resources are available. In relation to the forecast deficit position and its impact on the Trust's cash flow, the Department of Health has been providing the Trust with ongoing cash support in the form of a working capital facility and the directors expect that this support will continue throughout 2018/19.

It is for these reasons that the directors continue to adopt the 'Going Concern' basis in preparing the accounts. Further details are set out in Note 1.2 of the financial statements.

## 2.6 Performance management approach

The Trust's approach to performance management is based on our operational plan with clear priorities, objectives and metrics. A process is in place to ensure staff are clear about the priorities and that these are linked to individual objectives. Arrangements are in place for reporting to our commissioners and regulators, and there is a clear and simple quality message to our patients and the wider public through our quality account.

Performance is monitored by the Board of Directors through a monthly Integrated Performance Report, with detailed scrutiny and assurance sought by the Performance Committee of the Board. There is a focus across a broad range of metrics covering quality, operational performance, workforce and finance. Clinical divisions review performance through their divisional boards and associated governance arrangements and monthly performance review meetings are held between the executive team and each clinical division, with issues escalated as required to the Management Executive.

## 2.7 Performance analysis for the year

Detailed information regarding the performance of the Trust is included in the Quality Account (Chapter 4).

### Financial performance

The Trust's financial results for 2017/18 were better than planned, with a deficit for the financial year of £32.3m against a plan of £42.1m. The Trust is currently rated within segment 2 of NHS Improvement's Single Oversight Framework, an improved position from the rating of segment 3 in 2016/17. The plan included an ambitious cost improvement plan (CIP) of £49m, which the Trust overachieved by delivering £49.1m of savings. £37.2m (76%) of these savings have a recurrent benefit, with £11.9m (24%) being delivered non-recurrently.

The Trust's deficit continues to be the result of a number of challenges, both local to the organisation and reflected nationally. However, during 2017/18 the Trust also benefitted from £24.3m of Sustainability and Transformation Fund income,

which is non-recurrent in nature and is earned throughout the year as a result of the achievement of key targets.

Financial control has remained a strong focus throughout the year and has concentrated on short-term cost control measures with inbuilt quality and safety safeguards, CIP governance and delivery, and cash management. These measures have been effective in improving the financial position of the Trust.

## **2.8 Environmental matters, social, community and human rights issues**

The activities and policies of CUH in the areas of social, environmental, community and human rights are outlined in Chapter 3, specifically within the equality, diversity and inclusion report and sustainability and climate change report.

## **2.9 Emergency Planning, Resilience and Response**

The Trust is a Category 1 responder under the Civil Contingencies Act 2004. Our role and responsibilities under the NHS England Emergency Planning, Resilience and Response (EPRR) Framework is to ensure that there are arrangements in place to respond incidents or events impacting on the health of the community. Our Major Incident Plan sets out the process by which we will respond to, manage and recover from such an incident.

The Accountable Emergency Officer and sponsor of the Incident Response Plan is the Chief Operating Officer, and the owner of the Plan is the Trust's Resilience Manger. During 2017/18, the Trust's has undertaken a number of training events and exercises and has revised its incident response plan to take into account the learning from recent events at home and abroad. The Trust has responded to various incidents including the WannaCry ransomware cyber-attack which affected the NHS.

The Trust has undertaken a self-assessment against the NHS England core standards for EPRR which was subject to peer review and declared substantial compliance against the core standards. In addition the Trust's arrangements were also assessed as part of NHS England's strategic asset assessment and no significant areas of improvement were highlighted by the inspection team.

The Trust continues to participate in emergency planning exercises which support the development of specific plans. The organisation is an active member of a number of Local Resilience Forum working groups.

Our emergency planning priorities for 2018/19 include:

- Develop arrangements to meet the requirements of latest guidance to manage mass casualties.
- Revise business continuity plans.
- Undertake a live exercise in the summer of 2018.

## **2.10 Significant events after the balance sheet date**

There were no significant events after the balance sheet date.

## **2.11 Associate arrangements**

During the reporting period the Trust was engaged in arrangements with associates. The Annual Report and Accounts reports the investment of the Trust with each associate.

# **3. Accountability report**

## **Directors' report**

### **3.1 Board of Directors**

The Board of Directors comprises full-time Executive and part-time Non-Executive Directors, the latter selected for their knowledge, areas of relevant expertise and experience. All directors meet the Fit and Proper Persons Requirements.

The role of the Board of Directors is to provide effective and proactive leadership of the NHS foundation trust; to set the strategic aims of the Trust, ensuring the quality, safety and effectiveness of the services provided; and to ensure that the Trust is well-governed in all aspects of its activities.

The description below of each of the current directors demonstrates the balance, completeness and relevance of the skills, knowledge and expertise that each of the directors bring to the foundation trust.

The Board of Directors met 13 times during the year under review (12 times during 2016/17).

### **3.2 Board and committee effectiveness**

The performance of the Board of Directors is reviewed collectively as part of a board evaluation process; and individually, with each board director undertaking performance appraisal with either the Chief Executive (executive directors) or Chair (Chief Executive and non-executive directors). The Chair is appraised by the Senior Independent Director in consultation with the Lead Governor. Board committees undertake an annual review of their effectiveness against their terms of reference and work programmes and report to the Board of Directors on this.

### 3.3 Trust Chair

#### **Dr Michael More, CBE – Chair (from 11 April 2017)/ Interim Chair (until 10 April 2017)**

Mike became Chair of CUH on 11 April 2017. He joined the CUH Board of Directors in September 2013 bringing extensive experience from health, police, transport and local government. He was Chief Executive of Westminster City Council until the end of 2013. Mike began his career at the National Audit Office in 1981. He was Senior Auditor at Cambridgeshire County Council in 1986, moving to a number of increasingly high-level positions at the council including head of finance. Mike was appointed as the Director of Resource Management of Suffolk County Council in 1999, and progressed to the position of Chief Executive in 2002. He joined Westminster City Council as Chief Executive in April 2008. He has held a number of roles in partnership boards across London and the East of England. He is also a Group Board NED of L&Q Housing Association, one of the biggest in its sector. Mike holds a PhD from the University of Hull.

### 3.4 Non-Executive Directors

#### **Daniel Abrams – Non-Executive Director (from 1 September 2017)**

Daniel initially trained as a barrister and subsequently qualified as a chartered accountant with Arthur Andersen. He was previously Head of Corporate Finance and Strategy for Diageo plc and Chief Finance Officer and Vice President, Finance for PepsiCo, Inc, Asia and Africa division. In 1997 Daniel joined biotech company Xenova plc as Group CFO and subsequently was Group CFO at technology company CDT Inc, global textiles manufacturing business Fiberweb plc and electrical and optical global business Volex plc. He is a Senior Adviser to private equity clients and a Non-Executive Director and Audit Committee Chair of Nottingham based Bio City Group Ltd.

#### **Adrian Chamberlain – Non-Executive Director (from 1 September 2017)**

Adrian began his career working with Bank of America before joining Boston Consulting Group after receiving an MBA from London Business School. In 1986 he joined British Telecom plc as a Business Strategy Manager before becoming Marketing and Commercial Director for Sears Sports and Leisurewear. Subsequently he undertook a number of senior roles with Cable and Wireless plc including Chief Executive of the Consumer Markets Division (now Virgin Media), Managing Director of the Consumer and Multimedia Division in Australia and Group Director of Strategy and Corporate Development. He then became Chief Executive Officer of Global Services for Europe and Asia and a member of the Cable and Wireless Board. In 2003 he was appointed Main Board Director and CEO Europe of Bovis Lend Lease Corporation, a leading construction, property development and property Management Company. Between 2006 and 2015 he was CEO of private equity backed MessageLabs and Achilles, high tech companies specialising in software as a service cyber security and supply chain management.

### **Dr Annette Doherty OBE – Non-Executive Director (from 1 September 2017)**

Annette has 30 years of international experience working within the pharmaceutical sector, leading Research and Development groups worldwide, including at Pfizer and GlaxoSmithKline (GSK). She is currently Senior Vice President, Global Head of Product Development and Clinical Supply at GSK. She has published more than 100 scientific manuscripts and written 19 reviews in the research areas in which she has worked. She is co-inventor of over 30 patents. In 2007 she received an honorary degree of Doctorate of Science from the University of Greenwich for her scientific leadership in research and contributions to education and industry/academic partnerships. She chaired the Association of British Pharmaceutical Industry (ABPI) R&D group from 2005-2009 and served on the ABPI Board. She was a Member of the Technology Strategy Advisory Board and an industry participant in a House of Lords session on Genomic Medicine. She has been a member of the Medical Research Council (2008-2012) and the Council of the Royal Society of Chemistry (2011-2015). She is currently a Board member of the Medical Research Council Technology charity, LifeArc, and of the Council of Queen Mary, University of London. In 2009, Annette was awarded the OBE in recognition of her services to the pharmaceutical sector

### **Dr Michael Knapton – Non-Executive Director**

Mike combines a high-profile portfolio of board-level positions with clinical practice – he is a leading general practitioner in Cambridge. Mike holds an MA in physiology from the University of Cambridge, a bachelor of medicine & bachelor of surgery (MB BChir) and is a fellow of the Royal College of General Practitioners. Mike's career began at Cambridge University Hospitals, volunteering at Old Addenbrooke's site in 1977, as a clinical student in 1980 and a junior doctor at Cambridge University Hospitals from 1982 to 1986, moving into local general practice as GP principal in 1987 at the surgery in Harston. He has also worked at Addenbrooke's as GP tutor, as well as a spell as cardiology assistant at from 1997 to 2003. He joined Cambridge City Primary Care Group 1999 as Professional Executive Committee Chairman and by 2005 was appointed Medical Director of Cambridge and South Cambridgeshire Primary Care Trust. He was Associate Medical Director of the British Heart Foundation from 2006 until 2017. Mike's additional roles include treasurer roles for Cambridge Medical Society, and past Chairman of the East Anglian Faculty of the Royal College of General Practitioners. He is also a trustee for Addenbrooke's Charitable Trust.

### **Professor Patrick Maxwell – Non-Executive Director**

Patrick is the head of the University of Cambridge, School of Clinical Medicine – CUH is the major teaching hospital for the University. He is also the Regius Professor of Physic – one of the oldest professorships at the University, founded by Henry VIII in 1540 and appointed by the Queen. Patrick holds a Wellcome Trust senior investigator award for his research on oxygen sensing. At CUH Patrick has a special interest in quality, patient safety, audit and public engagement. Patrick undertook postgraduate clinical and research training in nephrology and general medicine at Guy's Hospital and in Oxford. He was appointed as university lecturer and then reader at the University of Oxford. In 2002 he moved to the Professorship of Nephrology at Imperial College, followed by the Chair of Medicine at University College London in 2008. Patrick is a member of the board of Cambridge University Health Partners (CUHP) – a partnership between the University and the NHS.

Patrick was elected a fellow of the Academy of Medical Sciences in 2005.

### **Professor Sharon Peacock CBE – Non-Executive Director**

Sharon is a Professor of Clinical Microbiology at the London School of Hygiene and Tropical Medicine in London, an Honorary Senior Research Fellow in the Department of Medicine at the University of Cambridge, and an honorary faculty member at the Wellcome Trust Sanger Institute. Her research group work between the Sanger Institute and the Cambridge Biomedical Campus, and focus on the translation of bacterial genome sequencing into diagnostic and public health microbiology. Sharon was based full-time in the Department of Medicine, University of Cambridge between 2009 and 2015, and was Head of Bacterial Diseases Research at the Wellcome Trust Major Overseas Programme in Thailand between 2003 and 2009. Sharon sits on numerous funding panels and advisory groups with a particular focus on drug-resistant infections, including being the Board Chair of the Wellcome Trust Surveillance and Epidemiology of Drug Resistant Infections Consortium (SEDRIC), and a member of the Technical Advisory Group to the Department of Health Fleming Fund.

### **Shirley Pointer – Non-Executive Director and Senior Independent Director**

Shirley Pointer joined the Trust as a Non-Executive Director on 1 December 2015. Shirley has worked in both the public and private sectors and is a highly respected, experienced leader and senior executive with extensive experience in the areas of people, organisational capability and change. In addition to her role at CUH Shirley is a CQC Inspection Specialist Adviser and also works as an independent consultant. Shirley joined CUH from the Department of Health where she was the HR Director. She has also held senior leadership roles in the Department for Communities and Local Government, the Department for Innovation, Universities and Skills and the Department for Trade and Industry. Prior to joining the Civil Service Shirley spent 20 years in the private sector, primarily in financial services. Latterly she was the HR Director for Abbey National Retail Bank (now Santander). She also has non-executive experience gained in the charity sector as a trustee of the Whitehall and Industry Group, an organisation whose primary purpose is to build understanding and co-operation between the public, private and voluntary sectors. Shirley brings extensive experience of working with senior leadership teams delivering transformational change. Her focus is to create successful organisations through authentic leadership underpinned by robust governance and management practices.

### **David Parfrey – Interim Non-Executive Director (until 31 August 2017)**

David Parfrey left the Trust on 31 August 2017. Further details of his expertise and experience can be found in our annual report for 2016/17.

### **Dr Andrew Richards CBE – Non-Executive Director (until 31 August 2017)**

Dr Andrew Richards left the Trust on 31 August 2017. Further details of his expertise and experience can be found in our annual report for 2016/17.

### **Dr Peter Southwick – Non-Executive Director (until 31 August 2017)**

Dr Peter Southwick left the Trust on 31 August 2017. Further details of his expertise and experience can be found in our annual report for 2016/17.

## **3.5 Executive Directors**

### **Roland Sinker – Chief Executive**

**Areas of responsibility include:** *accounting officer, overall responsibility for management of the Trust, ensuring its obligations and targets are met within a framework of prudent and effective systems of internal control*

Roland started as Chief Executive of Cambridge University Hospitals NHS Foundation Trust in November 2015. Previously he was the Acting Chief Executive at King's College Hospital NHS Foundation Trust, and spent 2009 to 2015 as their Chief Operating Officer. Coming from ten years working in law and management consulting, Roland served as Director of Strategic Development at King's between 2005 and 2008, and was the Programme Director for King's Health Partners, the Academic Health Sciences Centre.

### **Dr Jag Ahluwalia – Medical Director (until 31 October 2017)**

Dr Jag Ahluwalia left the role of Medical Director on 31 October 2017. Further details of his expertise and experience can be found in our annual report for 2016/17.

### **Nicola Ayton – Director of Strategy and Major Projects (from 26 March 2018)**

**Areas of responsibility include:** *establishing and agreeing strategic choices, business planning, and leading the Trust in co-creating and delivering the Cambridgeshire and Peterborough STP to improve health and care for our local population*

Nicola previously worked in the Civil Service, holding senior policy roles in the Department of Education and HM Treasury, focused on social work and school funding reform, as well as Home Office and health spending. In 2015 she joined NHS England as Head of Strategy and Delivery for the New Care Models Programme, before taking on the position of Deputy Director for the System Transformation Group.

### **Dr Ewen Cameron – Director of Improvement and Transformation (from 1 February 2018)**

**Areas of responsibility include:** continuous improvement within the organisation as well as cost improvement, eHospital, information governance and innovation

Ewen took up the post of Director of Improvement and Transformation for CUH in February 2018. Having originally trained in Cambridge, he returned to the Trust as a Consultant Gastroenterologist with an interest in Endoscopy in 2007. He was the Clinical Lead for Endoscopy and the Clinical Director of the Cambridge Bowel Cancer Screening Centre from 2007 until 2013 when he was appointed Divisional Director for Medicine. He was subsequently the Divisional Director for Division C from 2014. Ewen leads and is responsible for the development of a programme of continuous improvement within the organisation as well as cost improvement, eHospital and innovation. He continues to practice as a Gastroenterologist.

### **Mark Friedman – Director of Recovery (until May 2017)**

Mark was Director of Recovery until May 2017.

### **Sam Higginson – Chief Operating Officer**

**Areas of responsibility include:** *clinical and operational services, performance management and emergency planning*

Sam joined Cambridge University Hospitals NHS Foundation Trust as Chief Operating Officer in March 2017. Previously he was Director of Strategic Finance for NHS England and between 2010 and 2013 was Director of Strategic Development at University College London Hospitals NHS Foundation Trust.

Sam started his career as a management consultant before working on health spending issues at HM Treasury. He then joined the NHS where over the last ten years he has undertaken various strategy, finance and delivery roles.

### **Ann-Marie Ingle – Chief Nurse**

**Areas of responsibility include:** *nursing and midwifery strategy and standards, executive lead for quality and safety and patient experience, safeguarding children and vulnerable adults, professional lead for allied health professionals, and executive lead for psychological medicine services*

Ann-Marie has over 30 years' experience in the NHS at ward and board level and a background in critical care and nurse education. Ann-Marie leads the nurses at CUH in providing patient care which reflects the Trust's values – kind, safe and excellent. Ann-Marie is the executive lead for quality of care and has led the Trust's quality and safety improvement plan. She is also responsible for education and training so our nurses have the opportunity to develop professionally and our patients get the best possible care. She is also the professional lead for allied health professionals (AHPs) including physiotherapists and occupational therapists. Ann-Marie joined CUH from Papworth Hospital NHS Foundation Trust where she was Director of Nursing. She took the executive lead on the Papworth Board for patient safety, patient experience, professional support services, clinical governance and risk management, as well as theatres, critical care, pathology and radiology services.

**Jonathan Rowell – Acting Chief Finance Officer  
(until 1 October 2017)**

Further details of his expertise and experience can be found in our annual report for 2016/17.

**Rebekah Ley – Acting Director of Corporate Affairs  
(until 14 May 2017)**

Rebekah was Acting Director of Corporate Affairs until 14 May 2018.

**Paul Scott – Chief Finance Officer (from 2 October 2017)**

**Areas of responsibility include:** *financial strategy, financial planning, financial management, estates and facilities, commissioning and contracting and statutory accounts.*

Paul joined Cambridge University Hospitals as Chief Finance Officer in October 2017. Previously he held the position of Executive Director of Finance, Strategy and Performance at Ipswich Hospital NHS Trust, covering Finance, Strategy, Partnerships and Commercial Contracts and IT. Before joining Ipswich in 2013, Paul spent three years as Executive Director of Finance at the East of England Ambulance Service. He has also worked in a range of Finance roles across the East of England, including at Mid-Essex Hospitals Trust, Barts and The London NHS Trust and local PCTs.

**Dr Ashley Shaw – Medical Director (from 1 November 2017)**

**Areas of responsibility include:** *professional medical governance; medical revalidation clinical outcomes; infection prevention and control; research and development; medicines management; clinical networks; GP liaison; undergraduate education; post-graduate education*

Ashley took up the post of Medical Director for CUH in November 2017. He joined the Trust as a Consultant Radiologist with an interest in cancer imaging in 2004 and became Divisional Director for Investigative Sciences in 2012, subsequently for Division B from 2014. Ashley continues to practice as a consultant radiologist.

**Mark Turner – Director of Major Projects, Strategy and Transformation (until 31 March 2018)**

Mark was Director of Major Projects, Strategy and Transformation until 31 March 2018.

### **Ian Walker – Director of Corporate Affairs (from 15 May 2017)**

**Areas of responsibility include:** corporate governance, public engagement, legal services, communications, foundation trust membership and raising concerns.

Ian joined the Trust in May 2017, having previously worked at Barts Health NHS Trust for 14 years as Director of Corporate Affairs and Trust Secretary. Prior to that, Ian worked at Her Majesty's Treasury where he undertook a wide range of roles, including on health policy and funding.

### **David Wherrett – Director of Workforce**

**Areas of responsibility:** *human resources (including medical staffing); organisational development and design, health and safety, recruitment, employee relations, occupational health, pensions and voluntary services*

David Wherrett is the Trust's Director of Workforce, joining CUH in April 2014. He leads on all aspects of the Trust's workforce agenda including human resources, staff health and wellbeing, medical staffing, learning and development, temporary staffing and volunteering. David has worked in human resources for over 20 years in various organisations. He has spent the majority of his recent career in the NHS, working primarily in hospitals. His primary focus is to ensure that CUH supports its staff to deliver excellent care for patients and carers. David has been Chair of Cambridge Global Health Partnerships (formerly Addenbrooke's Abroad) since 2016.

## **3.6 Board advisers**

The following individuals served as Board advisers during 2017/18:

- Sir Ron Kerr CBE – Board Adviser (until 14 June 2017)

## **3.7 Register of interests**

At the time of their appointment, all directors are asked to declare any interests on the register of directors' interests.

This register is reviewed on a quarterly basis and maintained by the Director of Corporate Affairs. The register is available for inspection by members of the public.

Anyone who wishes to see the register of directors' interests should make enquiries to the Director of Corporate Affairs at the following address:

Director of Corporate Affairs, Box 146, Cambridge University Hospitals NHS Foundation Trust, Cambridge Biomedical Campus, Hills Road, Cambridge CB2 0QQ or telephone 01223 256256.

### 3.8 Appointment of Chair and Non-Executive Directors

The Council of Governors has the responsibility for appointing the Chair and the other Non-Executive Directors (except in the case of the Regius Professor of Physic) in accordance with the Constitution and in line with relevant legislation.

Candidates are nominated by the Council of Governors' Nomination and Remuneration Committee. This Committee comprises one public, one patient, one staff and one partnership governor. It is chaired by the Chair of the Trust for Non-Executive Director appointments only, and by a governor (currently Public Governor – Wendy Menon) for all its other functions including the appointment of the Trust Chair.

Non-Executive Directors are normally appointed for a term of three years. Following this term, and subject to satisfactory performance appraisal, a Non-Executive Director is eligible for consideration by the Council of Governors for a further uncontested term of office of three years. Following that period, and as long as the individual's term as a Non-Executive Director has not exceeded nine years, they are able to apply for a further term/s of office through a process of open competition.

When undertaking its nomination responsibilities, the Committee reviews the structure, size and composition (including skills, knowledge and experience) required of the Board of Directors compared to its current position and makes recommendations for change when appropriate.

The removal of a Non-Executive Director requires the approval of three quarters of members of the Council of Governors. Details of the criteria for disqualification from holding the office of a director can be found in the Constitution.

Disclosures of the remuneration paid to the Chair and Non-Executive Directors (and also to the Chief Executive and Executive Directors) are given in the remuneration report at section 3.22.

### 3.9 Non-Executive Directors' expenses

CUH is committed to reimbursing expenses incurred on Trust business to the Chair and Non-Executive Directors at rates set by the Council of Governors. A copy of the policy is available from the Director of Corporate Affairs.

### 3.10 Attendance at Board meetings in 2017/18

#### Meeting dates

**2017:** 12 April, 10 May, 24 May, 14 June, 12 July, 13 September, 25 September, 11 October, 8 November and 13 December

**2018:** 10 January, 14 February and 14 March

**Table 2: Attendance at Board meetings in 2017/18**

<b>Name</b>	<b>Title</b>	<b>Attendance</b>
Dr Mike More	Trust Chair	12/13
Daniel Abrams	Non-Executive Director	7/8
Dr Jag Ahluwalia	Medical Director	6/8
Nicola Ayton	Director of Strategy and Major Projects	0/0*
Dr Ewen Cameron	Director of Improvement and Transformation	2/2
Adrian Chamberlain	Non-Executive Director	6/8
Dr Annette Doherty	Non-Executive Director	3/8
Sam Higginson	Chief Operating Officer	12/13
Ann-Marie Ingle	Chief Nurse	12/13
Dr Mike Knapton	Non-Executive Director	12/13
Rebekah Ley	Acting Director of Corporate Affairs	2/2
Professor Patrick Maxwell	Non-Executive Director	8/13
David Parfrey	Interim Non-Executive	4/5
Professor Sharon Peacock	Non-Executive Director	10/13
Shirley Pointer	Non-Executive Director	12/13
Dr Andy Richards	Non-Executive Director	4/5
Jonathan Rowell	Acting Chief Finance Officer	7/7
Paul Scott	Chief Finance Officer	6/6
Dr Ashley Shaw	Medical Director	5/5
Roland Sinker	Chief Executive	12/13
Dr Peter Southwick	Non-Executive Director	3/5
Mark Turner	Director of Major Projects,	11/13
David Wherrett	Director of Workforce	13/13
Ian Walker	Director of Corporate Affairs	11/11

\* There were no Board meetings in the period between the individual taking up their post and the reporting year end.

### 3.11 Committees of the Board of Directors

The Board of Directors is required to establish and maintain an Audit Committee and Remuneration Committee. Further details about the Audit Committee and Remuneration Committee are contained in sections 3.12 (Audit Committee) and 3.22 (Remuneration Committee).

The Board of Directors has also established the following committees of the Board:

- Performance Committee
- Quality Committee
- Workforce and Education Committee

The membership of the committees is determined by the Chair of the Trust in consultation with the Board of Directors.

**Table 3: Committee membership as of 31 March 2018**

<b>Committee</b>	<b>Membership</b>
Audit Committee	NEDs: Daniel Abrams (Chair), Professor Sharon Peacock, Professor Patrick Maxwell
Remuneration Committee	All Non-Executive Directors. Chaired by Shirley Pointer.
Quality Committee	NEDs: Professor Sharon Peacock (Chair), Adrian Chamberlain, Dr Mike Knapton Executive Directors: Chief Nurse, Medical Director, Chief Operating Officer, Director of Workforce
Performance Committee	NEDs: Adrian Chamberlain (Chair), Daniel Abrams, Shirley Pointer Executive Directors: Chief Finance Office, Chief Operating Officer, Chief Nurse, Medical Director, Director of Workforce
Workforce and Education Committee	NEDs: Shirley Pointer (Chair), Dr Mike Knapton, Professor Patrick Maxwell  Executive Directors: Director of Workforce, Chief Nurse, Medical Director, Chief Operating Officer

### 3.12 Audit Committee

Membership of this committee is made up of Non-Executive Directors and was chaired by David Parfrey on an interim basis until 31 August 2017 and from 1 September 2017 by Daniel Abrams.

The committee's primary role is to oversee the governance and assurance process and the effectiveness of risk management systems and the control environment, including the Trust's financial systems and annual financial statements. It considers any matters concerning the external auditors, and also the adequacy of the Trust's internal audit arrangements.

The committee's terms of reference are available on request from the Director of Corporate Affairs.

**Table 4: Attendance at Audit Committee meetings 2017/18**

<b>Name</b>	<b>Title</b>	<b>Attendance</b>
Daniel Abrams	Chair from 1 September 2017	2/2
Professor Patrick Maxwell	Non-Executive Director	1/4
David Parfrey	Interim Chair until 31 August 2017	2/2
Professor Sharon Peacock	Non-Executive Director	3/4
Dr Peter Southwick	Non-Executive Director until 31 August 2017	2/2
Dr Andy Richards	Non-Executive Director until 31 August 2017	2/2

Dr Mike More attended two meetings in his capacity as Chair of the Trust.

### Meeting dates

The Audit Committee met as follows:

- 2017: 17 May, 19 July and 27 September
- 2018: 7 February

### Significant issues

The Audit Committee met on 17 May 2018 to consider the financial statements for the period for the period 2017/18. The Audit Committee reviewed the financial statements and identified no significant issues with the statements.

### External auditors

During 2015/16, following a tender process, the Council of Governors appointed Mazars Limited as external auditors for three years from 1 April 2016. Mazars Limited reports to the Council of Governors through the Audit Committee. Mazars' accompanying report on the financial statements is based on its examination conducted in accordance with the audit code for NHS Foundation Trusts as issued by NHS Improvement. Their work includes a review of our internal control structure for the purposes of designing their audit procedures.

The external audit process is subject to annual review by the Trust in terms of competency efficiency and the relationship between the Trust and its auditors. The Audit Committee meets with the external auditor without any Trust Executive Directors present prior to each meeting, to improve its knowledge of their contribution.

Non-audit work may be performed by the external auditors where the work is clearly audit-related and the external auditors are best placed to do that work. For such assignments the Audit Committee approved protocol is followed which ensures all such work is properly considered. The processes in place ensure auditor objectivity and independence is safeguarded.

## Audit Fees

The statutory audit fee, including quality account and whole of government accounts and others is included in note 3 to the accounts.

## Internal auditors

During 2016/17, following a tender process, KPMG were appointed as the internal auditors for the Trust with effect from 1 April 2017. The previous suppliers of internal audit services to the Trust, RSM, handed over to KPMG following the conclusion of the remaining elements of the 2016/17 internal audit activity.

The internal auditors are responsible for undertaking the internal audit functions on behalf of the Trust. The Head of Internal Audit reports to each meeting of the Audit Committee on the audit activity undertaken.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the 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. Further details are provided in the Annual Governance Statement.

## 3.13 Remuneration and Nomination Committee of the Board of Directors

The work of the Remuneration and Nomination Committee is described in section 3.22.

There is also a Governors' Nomination and Remuneration Committee which identifies and nominates Non-Executive Directors as described in section 3.8

## 3.14 Cost statement

CUH has complied with the cost allocation and charging requirements as set out in HM Treasury and Office of Public Sector information guidance during 2017/18.

## 3.15 Better payment practice code

The Trust's performance against the better payment practice code in 2017/18 was as follows:

### Non-NHS

Number of invoices paid in year	114,665
Number paid within 30 days	24,189
% paid within 30 days	21.1%

**NHS**

Number of invoices paid in year	3,304
Number paid within 30 days	183
% paid within 30 days	5.5%

### 3.16 Quality strategy

With input from the Council of Governors, the Board of Directors agreed a five year quality strategy in 2013 which aims to ensure every patient receives the safest, highest quality care personalised to their needs.

As the period for the previous Quality Strategy comes to an end, the Trust has begun developing the plan to continue to improve quality over the next five years (2018-2023). Ensuring that the new plan is aligned to the Trust's overarching strategy has been key, with a clear focus on ensuring improvement work enhances patient care across all domains of quality while supporting improved performance.

The Quality Plan (2018-2023) builds on the work already undertaken over the past five years, outlining how staff will be supported to increase capability and capacity for improvement. The Quality Plan will outline how successes will be shared and learned from, in addition to reinforcing the framework for improvement through the principles outlined in the CUH Together strategy.

Details of our quality performance in 2017/18 and the priorities we have set ourselves for 2018/19 are provided in our Quality Report at section 4. This also includes the detail of external reviews and audits of the services we provide.

### 3.17 Income statement

CUH has met the requirement of Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) that the Trust's income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes. Other income which the Trust has received has had no impact on its provision of goods and services for the purposes of the health service in England.

### 3.18 Statement regarding disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware. The directors have taken all of the steps that they ought to have taken as directors to be aware of any relevant audit information and to establish that the auditors are aware of that information.

## 3.19 Patient care

### Improvements in patient/carer information

In 2017/18, the Trust documents team altered the frequency with which our Trust Reader Panel reviews all new patient information leaflets and procedure specific consent forms, in order to improve efficiency. This has been received well by both staff and Reader Panel members. The panel also now contains two groups of members who only review leaflets relating to cancer and maternity services. The quarterly patient information audit put in place to monitor the availability and quality of Trust patient information leaflets in both inpatient and outpatient areas across the hospital was altered to take place annually from 2017/18 onwards. Compliance of in-date patient information leaflets and procedure specific consent forms is reported monthly to each division's governance forums.

### The Accessible Information Standard

In July 2016 it became mandatory for every organisation providing adult health and social care services to be compliant with the NHS Accessible Information Standard. The accessible information standard directs and defines a specific, consistent approach to identifying, recording, flagging, sharing and meeting individual's information and communication support needs by NHS and adult social care service providers.

A steering group is working to embed the standard into everyday practice with particular focus on how we ensure our patients consistently receive written correspondence in a format that meet their needs.

### Information on complaints handling

The Trust welcomes patient feedback and aims to make the complaints process accessible and responsive. The information from complaints investigations is used to make improvements to treatment and the patient's experience of the care provided. In 2017/18, CUH received 608 formal complaints, a 20% increase on the previous year's total of 508. The overall rate of complaints, at 0.06% of activity (0.05% in 2016/17) ('activity' here means patient episodes, e.g. an inpatient stay or outpatient attendance), remains below the Trust target of 0.1% of activity. Of the total number of complaints received, investigated and closed over the year, of the available data, 14% were fully upheld, 31% were partially upheld and 40% were not upheld after investigation. To note, a proportion of the complaints remain under investigation. Where complaints are not upheld – i.e. where it is considered that there are no shortfalls in the care provided – we nevertheless apologise for the patient's experience.

The complaints regulations require NHS organisations to acknowledge complaints within three working days. In 2017/18, we achieved this in 97% of cases. We did not manage to acknowledge all complaints within three working days at times when the department was very busy. Under the current legislation, NHS organisations have six months to resolve a complaint: this allows for flexibility and agreement with the complainant as to an appropriate timescale for investigating and responding. CUH aims to provide a response in a timely manner as possible, and works to an internal standard of responding to 50% of complaints within 30 working days. More complex cases often take longer to investigate and respond to

and in those cases the complaints team communicate with complainants in order to negotiate an extended timeframe for response. We responded to 44% of complaints within 30 days. We agreed an extension to the responding timeframe in a further 52% of cases.

We have monitored the time taken to respond to complaints taking longer than 30 working days closely over 2017/18. If an investigation and response is going to take longer than 30 working days, we agree a specific date by which we will respond to the complainant. This has proved challenging to meet in all cases as unexpected delays, such as staff absence, can lead to us missing the target by a few days. Of the available data, we responded to 79% of complaints either within 30 working days or by the later date agreed. To note, a proportion of the complaints remain under investigation.

We categorise complaints by their main subject (e.g. 'clinical care'), together with sub-subjects within that category (e.g. delay or failure in treatment or procedure, post-treatment complications). The most common main subject of all complaints received is consistently clinical care. This category encompasses aspects of a patient's medical or nursing care at the Trust. Within this category, delays or failure in treatment and delays or failure to diagnose are commonly identified.

The Parliamentary and Health Service Ombudsman (PHSO) undertakes the second stage in the complaints procedure. Complainants may take their case to the PHSO if they consider that attempts at local resolution have failed, and the PHSO will decide whether to re-investigate. 16 cases were accepted for investigation by the PHSO in 2017/18, compared with six cases in 2016/17. Over the year, of the investigations concluded by the PHSO, seven cases were upheld or partially upheld (compared with three cases in 2016/17) and the Trust implemented action plans to remedy the deficits identified by the PHSO.

In addition to formal complaints, the Trust receives and responds to a larger volume of feedback through the Patient Advice and Liaison Service (PALS) encompassing enquiries, comments, concerns and compliments. There has been an increase of 5% in PALS activity over the year: 7,610 cases were dealt with compared with 7,238 in 2016/17. Problems with communication and delays or cancelled appointments are most commonly identified via PALS feedback. 490 compliments were received by the PALS team, but this is just a small proportion of the greater number of compliments and expressions of gratitude received directly by ward and clinic staff. The PALS team aim to turn round cases within ten working days, and this target was met in 88% of cases.

Emphasis is placed on identifying learning and all feedback and outcomes are captured and analysed, then reported internally to enable staff to implement learning outcomes. The main Trust-wide forum for consideration of complaints and PALS cases is the quarterly Patient Experience Committee meeting. The detailed report to this committee provides information on trends and themes, and this information is subsequently provided in summary form to the Quality Committee of the Board. Over the past year, examples of actions implemented as a result of patient complaints include; a review of the guidelines for when women should attend clinic, a working group looking at producing a communication tool for staff to improve the handover process, the introduction of a patient suggestion box on a ward and extra tapes to be put in hospital gowns to preserve a patient's dignity.

## 3.20 Stakeholder engagement

### ACTIVE (Children and Young People's Board at CUH)

Active is thriving with high quality engagement from children and young people (CYP), as evidenced by 37 members who are aged 8-18 years and with 10 recent new members. We have on average 16 young people at each whole group meeting and excellent support from CYP for project meetings, community events and planning sessions.

Group focus has been on projects that are a mix of CYP and staff initiation and work has been with a coproduction and collaborative method. The Map Project, an Active leader idea to signpost the hospital from a child's view has been progressed with an emphasis on making sure there is a child friendly welcome at main reception and the Jungle trail is more widely known about and signposted.

Transition to adult services for patients was highlighted by a Rheumatology Consultant to be an area for improvement. This has been progressed by Active for all patients with chronic conditions—we had a visit from the Trust Chair and the CYP shared their views on this topic. A counsellor has worked with Active on a life in hospital booklet for younger patients to record their stay and thoughts and feelings and this was an idea from a young patient that has been developed with a strong collaboration of ideas between CYP and staff. As have new developments for wall decoration with staff on D2.

Our strong relationship and work with the Child Branch at Anglia Ruskin University has been fruitful with an Active member producing a booklet called 'My Ideal Nurse' it summarises the views of many CYP, some of these perspectives were also shared by Active members at the 4th Nursing Conference@ARU and with year 10 work experience students who were to encouraged to have a voice by joining Active.

CYP input to research projects continued. At the Play specialist conference, the group to planned, presented and ran workshops to stimulate discussion about the care of teens. At the NHS Big Meetup in London, Active with many Youth NHS forums— shared their perspectives. Over 100 young people discovered that their main priorities for the NHS were highlighting communication is a two way conversation and everyday mental well-being is everyone's responsibility. The work of Active has been communicated more widely on their Facebook page.

### Patient experience

Six focus groups have been held throughout the year, where recent patients/carers are invited to a give their opinions on key issues relating to either the Trust broadly, or specific departments. Governors are invited to attend to hear the views first hand.

The Patient Experience Committee, which monitors the activities relating to patient experience, has governor representation to ensure that the views of members and the public are heard.

The Patient Experience Committee reviews the quarterly patient experience data. This includes complaints and concerns, local and national patients survey results,

focus group activity, patient partnership groups and other sources of feedback that have taken place in the quarter. As part of the Trust's Governance review the Patient Experience Committee will become the Patient Experience Group, with an increased frequency of meetings (bi-monthly). This will allow Divisions to highlight areas of development and best practice in all aspects of patient experience, in addition to receiving reports from operational groups who have a clear focus on improving patient experience.

## **Cambridge University Health Partners (CUHP) and Academic Health Science Centre**

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, clinical services and partnerships with the Life Sciences Industry which are based in Cambridge and the surrounding area.

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

It has been another very busy year for CUHP as we have helped to establish Cambridge as the Capital of UK Life Sciences. We have achieved this by demonstrating the growth, success and impact which people, organisations and companies are making in the Cambridge Cluster and particularly on the Cambridge Biomedical Campus (CBC).

Capitalising on the Government's Life Sciences Industrial Strategy, CUHP have been working with partners in a number of key areas:

- The development of a MedTech Cluster where clinicians and technology companies will work together to develop devices and software to improve healthcare.
- The creation of a regional datahub to link electronic patient record systems across the NHS with significant biodata repositories such as the NIHR BioResource, generating a huge pool of real time information to help researchers, clinicians and industry partners accelerate their work.
- Supporting the development of clinical research infrastructure, such as the Precision Cancer Medicine Hospital and the Heart and Lung Research Institute, together with multiple projects across specialities of strength in Cambridge.
- Working with Government on implementation of the Life Sciences Industrial Strategy, including ecosystem development to assist with company 'scale up' players and the construction of sector deals for the region.
- Supporting the growth in skills and the creation of new jobs across the East of England while working with local authorities to ensure provision of appropriate amenities and infrastructure.

In addition, CUHP has been working with Cambridge Medipark Limited to support their efforts to market CBC to future occupiers. The Campus is already the largest employment site in Cambridge with 17,250 people - set to increase to 21,000 by

2021. The partnership has also assisted with the creation of the Campus Executive Group to oversee major policy and investment decisions for amenities and infrastructure on the site.

Finally at the start of 2018, Laurel Powers-Freeling was announced as the new independent Chair of CUHP following the retirement of Baroness Helene Hayman. She brings a wealth of business experience primarily from the banking sector, having set up M&S Bank, been a Director at the Court of the Bank of England and is currently Chair of Uber UK.

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

### **Consultation with local authorities covering the membership area**

Cambridgeshire County Council adopted alternative governance arrangements with effect from May 2015 and the health overview and scrutiny functions are exercised by the Cambridgeshire Health Committee. The Trust has worked closely with the Committee during the reporting period.

The Trust also actively engages with the Cambridgeshire Health and Well-being Board.

### **Education and training**

CUH is a teaching hospital for medical undergraduates and postgraduates, nurses and students in other clinical professions. Patient-centred teaching is one of our core activities and is central to our vision to be one of the best academic healthcare organisations in the world. We are the teaching hospital for the University of Cambridge through the School of Clinical Medicine and the Postgraduate Medical Centre which provide the infrastructure and support to facilitate the education, training and continuing development of postgraduate professionals in hospital medicine, general practice and dentistry. Further information on education and training of our staff is given in the Quality Report

### **Research and development**

CUH works strategically in partnership with other NHS organisations, universities, research councils, research charities and industry to provide an outstanding infrastructure that builds research capacity and supports excellence in clinical research that will benefit patients. Further information on research and development is given in the Quality Report.

## **3.21 Trust membership**

### **The membership**

The membership of CUH is split into three constituencies: patient, public and staff.

### Public membership

Any person who is sixteen years of age or over and who lives within our membership area is eligible for public membership.

**Table 5: The membership areas**

Braintree District Council	Bumpstead electoral ward
Cambridge City Council	All wards
East Cambridgeshire District Council	All wards
East Hertfordshire District Council	Buntingford; Braughing and Mundens and Coterred electoral wards
Forest Heath District Council	All Saints; Exning; Severals and St Mary's electoral wards
North Hertfordshire District Council	Ermine; Royston Palace; Royston Meridian and Royston Heath electoral wards
South Cambridgeshire District Council	All wards
St Edmundsbury District Council	Withersfield; Haverhill North; Haverhill South; Haverhill East; Haverhill West and Kedington electoral wards
Uttlesford District Council	Ashdon; Clavering; Debden and Wimbish; Littlebury, Chesterford and Wenden Lofts; Newport; Saffron Walden Audley; Saffron Walden Castle; Saffron Walden Shire; The Sampfords; Takeley and Thaxted and the Eastons electoral wards.

### Patient membership

Any individual who has been a patient at any of the Trust's hospitals from 5 July 1948, or who has been a carer of a patient who meets that criterion, is eligible for patient membership, regardless of where they live, as long as they are aged sixteen years or over.

### Staff membership

All staff at CUH with contracts of at least twelve months, or contracts with no fixed term, are automatically members unless they choose to opt out. The Trust greatly values the contribution employees of other companies on campus make to the organisation and for this reason staff membership includes on application all employees of companies based on the campus who provide services to CUH, once the employees have worked on site for twelve months.

### Membership numbers

At 31 March 2018 there were 19,414 members (2017: 19,173); patients 4,383 (2017: 4,820); public 5,067 (2017: 5,382); staff members 9,964 (2017: 8,971 excluding volunteers).

### Membership strategy

Our membership strategy was produced in support of our application for NHS Foundation Trust status in March 2004 and a revision was approved by the Council

of Governors in September 2016. The revision sets out our vision for a representative, active and engaged membership, grouped around five key areas:

**Maintaining and continuing to build a representative membership of our constituencies**

Work is on-going to target hard-to-reach groups identified through reporting on the membership database, according to age, ethnicity, gender and socio-economic groupings; with a view to improving diversity within the membership.

**Ensuring members are informed and that their views are valued and listened to**

Members are informed of opportunities to speak with governors via the annual Members Matter newsletter, on the main website, through regular email communications with active members and at all Trust events with which governors are directly involved, such as the annual members' meeting, Medicine for Members lecture series and care of the patient environment inspection events. Members wishing to make contact with governors can do so by contacting the Foundation Trust membership office:

**Email:** [governors@addenbrookes.nhs.uk](mailto:governors@addenbrookes.nhs.uk) or [foundation.trust@addenbrookes.nhs.uk](mailto:foundation.trust@addenbrookes.nhs.uk)

**Telephone:** 01223 256256

**Post:** NHS Foundation Trust Membership Office  
Box 146  
Cambridge University Hospitals NHS Foundation Trust  
Cambridge Biomedical Campus  
Hills Road  
Cambridge  
CB2 0QQ

**Increasing the proportion of total membership who wish to be more actively involved and promote more effective, more modern and more timely communication with members**

New ways of reaching out to current and future members are being explored and deployed, including engagement via digital channels and social media. Digital channels provide timely communications at less cost than more traditional channels, and a drive to increase the number of email addresses held for members who wish to go digital is ongoing. Members are encouraged to update their personal profile and let the Foundation Trust Office know what interests them and how to contact them in order to update them on their chosen interest areas.

**Ensuring a high level of interest/participation and attracting high quality candidates for the annual governor elections**

A comprehensive communications and engagement plan has generated renewed interest from the staff, public and patient bodies in standing for election for the Council of Governors. The message "give back to your hospital" was received well and resulted in triple the number of candidates to vacancies standing in 2017.

**Aligning engagement activities with other local health bodies and campus partners to have a constituent-centred approach**

The Cambridge Biomedical Campus combines world-class biomedical research, patient care and education on a single site. Expansion will grow the already 12,000 strong community of healthcare professionals and research scientists into one of the leading biomedical centres in the world by 2020. Collaborating, sharing

activities and aligning public engagement programmes with campus partners will enrich our members' experience of CUH Foundation Trust membership.

### Council of Governors

The Council of Governors is composed of 19 elected governors (eight patient, seven public and four staff), nine appointed governors. The council is chaired by the CUH chair.

Julia Loudon is the Lead Governor and was elected from 1 July 2016 for a two year term. In March 2018 Julia Loudon was re-elected for a further two terms of two years with effect from 1 July 2018.

David Dean is the Deputy Lead Governor, and was elected from 1 December 2016 for a two year term. Prior to 30 November 2017 Lorne Williamson was the Deputy Leader Governor.

### Patient governors

The table below shows patient governors, representing and elected by the patient members of Cambridge University Hospitals NHS Foundation Trust.

**Table 6: Patient governors**

Ruth Greene	Elected in 2016 for a three-year term
Dr Fred Jacobsberg	Re-elected in 2017 (3rd term) for a one-year term
Dr Julia Loudon	Elected in 2015 for a three-year term
Laura Minter	Elected in 2017 for a three-year term
Harry Richardson	Elected in 2016 for a three-year term
Christopher Stanley	Elected in 2017 for a three-year term
Dr Neil Stutchbury	Elected in 2017 for a three-year term
Dr Louisa Wood	Elected in 2015 for a three-year term. Resigned in January 2018.

### Public governors

The table below shows public governors, representing and elected by the public members of Cambridge University Hospitals NHS Foundation Trust.

**Table 7: Public governors**

Dr Jane Biddle	Elected in 2017 for a three-year term
Dawn Chapman MBE	Elected in 2015 for a three-year term
David Dean	Elected in 2017 for a three-year term
Jan Lupton	Elected in 2017 for a one-year term
Wendy Menon	Re-elected in 2016 for a second three-year term
Professor Patrick Smith	Re-elected in 2015 for a second three-year term
Lorne Williamson	Re-elected in 2017 for a second three-year term.

### Staff governors

The table below shows staff governors, representing and elected by the staff members of Cambridge University Hospitals NHS Foundation Trust.

**Table 8: Staff governors**

Roberto Gherseni	Elected in 2015 for a three-year term. Resigned in January 2018.
Dr Fraz Mir	Elected in 2015 for a three-year term
Dr Patricia Set	Elected in 2017 for a three-year term
Andi Thornton	Elected in 2017 for a two-year term

**Governor elections 2017**

In 2017, four patient governors, four public governor and two staff governors were elected by members of the foundation trust. These elections were conducted on a 'first past the post' basis and Electoral Reform Services acted as returning officer and independent scrutineer.

**Table 9: Governor Election Turnout by constituency 2016 and 2017**

<b>Constituency</b>	<b>2016</b>	<b>2017</b>
Patient Constituency	31.8%	29.2%
Public Constituency	28.1%	26.4%
Staff Constituency	n/a	27.4%

The staff constituency election in 2016 was uncontested.

**Partnership governors**

The table below shows partnership governors, representing and appointed by external organisations to the Council of Governors.

**Table 10: Partnership governors**

Anglia Ruskin University	Professor Ruth Taylor	Appointed in July 2014 for a three-year term and re-appointed in 2017.
Cambridge Biomedical Campus Research Organisations	Dr John Wells	Appointed by Cancer Research UK to represent research organisations on the biomedical campus site in July 2013 for a three-year term and re-appointed in 2016.
Cambridge City Council	Cllr Margery Abbott	Appointed in July 2016 until the next Annual Meeting of the Council (May 2017) and re-appointed in May 2017 until the next Annual Meeting of the Council (May 2018). Resigned as a City Councillor and from the Council of Governors in March 2018.
Cambridgeshire and Peterborough Clinical Commissioning Group	Jessica Bawden	Appointed in June 2017 for a three-year term.
Cambridgeshire and Peterborough NHS Foundation Trust	Stephen Legood	Appointed as in February 2015 for three years. Reappointed in February 2018 for a further term of three years.
Cambridgeshire County Council	Cllr Mark Howell	Appointed by Cambridgeshire County Council in June 2017 for the life of the Council (May 2021) subject to annual review.
Royal Papworth Hospital NHS Foundation Trust	Josie Rudman	Appointed as partnership governor in October 2017 for a three year term to replace Professor John Wallwork.
University of Cambridge	Professor Andrew Lever	Re-appointed in July 2010 for a three year term. Reappointed in July 2013 and again in July 2016.
University of Cambridge	Professor Fiona Karet	Appointed as partnership governor in June 2017 for a three year term to represent University of Cambridge to replace Jonathan Nicholls who left the Council of Governors in December 2016.

## Advisers

Advisers are individuals who are appointed to advise the Council of Governors. The Board of Directors can select up to four advisers and recommend them to the Council of Governors for appointment. The Council of Governors makes the final decision as to whether to appoint those recommended. Advisers have no voting rights and act in an advisory capacity only when carrying out their functions relating to the Trust.

During the reporting period Roger Quince, Chair of West Suffolk NHS Foundation Trust acted as an adviser. Roger retired from the role at West Suffolk Hospital NHS Foundation Trust and as adviser to the CUH Council of Governors in January 2018. Currently there are no appointed advisers to the Council of Governors.

## Register of governors' interests

All governors are asked to declare any interests on the register of governors' interests at the time of their appointment or election. The register is reviewed and maintained by the Director of Corporate Affairs. It is available for inspection on the Trust website and any enquiries should be made to the Director of Corporate Affairs at the following address:

Director of Corporate Affairs, Box 146, Cambridge University Hospitals NHS Foundation trust, Cambridge Biomedical Campus, Hills Road, Cambridge CB2 0QQ or telephone 01223 256256.

## Governor expenses

Governors participating in events like council meetings whose expenses are not paid by another organisation are entitled to claim reasonable expenses. Expenses are reimbursed at rates agreed by the Council of Governors, who have adopted HMRC approved amounts. Expenses to be reimbursed include: Travel by car, motor cycle or bicycle; public transport on a like for like basis on provision of a receipt; receipted costs for caring arrangements; expenses for a companion required to enable the individual to participate. Governor expenses are reported in the remuneration report, 3.22. The full policy is available from the Director of Corporate Affairs.

**Table 11: Attendance at Council of Governors' meetings in 2017/18**

Name	Title	Attendance (out of 7 unless stated) to 31 March 2018
Dr Mike More	Trust Chair	5/7
Cllr Margery Abbott	Partnership Governor	5/7
Jessica Bawden	Partnership Governor	3/4
Dr Jane Biddle	Public Governor	4/4
Dawn Chapman MBE	Public Governor	5/7
Tony Coad	Patient Governor	2/3
David Dean	Public Governor	4/4
Valerie Freestone	Staff Governor	2/2
Anna Gallop	Public Governor	1/3

Roberto Gherseni	Staff Governor	3/6
Ruth Greene	Patient Governor	5/7
CLlr Mark Howell	Partnership Governor	3/4
Dr Fred Jacobsberg	Patient Governor	4/7
Professor Fiona Karet	Partnership Governor	3/4
Stephen Legood	Partnership Governor	3/7
Peter Lester	Staff Governor	3/3
Professor Andrew Lever	Partnership Governor	4/7
Dr Julia Loudon	Patient Governor	7/7
Janice Lupton	Public Governor	4/4
Wendy Menon	Public Governor	6/7
Laura Minter	Patient Governor	4/4
Dr Fraz Mir	Staff Governor	5/7
CLlr Tony Orgee	Partnership Governor	2/2
Harry Richardson	Patient Governor	4/7
Carlos de la Riva	Public Governor	0/3
Tony Roberts	Patient Governor	1/3
Josie Rudman	Partnership Governor	1/2
Dr Patricia Set	Staff Governor	3/4
Professor Patrick Smith	Public Governor	6/7
Christopher Stanley	Patient Governor	4/4
Dr Neil Stutchbury	Patient Governor	4/4
Professor Ruth Taylor	Partnership Governor	3/7
Dr Andi Thornton	Staff Governor	3/4
John Wells	Partnership Governor	6/7
Lorne Williamson	Public Governor	6/7
Dr Louisa Wood	Patient Governor	1/6

There were seven meetings of the Council of Governors during 2017/18. The Chief Executive, Non-Executive Directors and Executive Directors also attended.

### Governor activities

All governors and directors are invited to attend the two Governor/Director Working Groups on Scrutiny and Performance and Communications and Engagement which meet quarterly. The groups continue to ensure that the views of members, patients and the wider local community are brought directly to the directors, and also to ensure that governors are up-to-date on key issues of concern and interest. All governors and directors attend one or both of these groups. Governor access to papers is via the secure governors' extranet. In addition, governors are provided with a fortnightly digest which is emailed with forthcoming meetings and events, Trust news, wider NHS news, relevant national policy initiatives and press coverage for the preceding two weeks. All headlines are linked through to the extranet for further information.

As well as a code of conduct, all governors on appointment/election are expected to sign up to the fact that they have read and will abide by our policy for governor communication with members and the public. The emphasis is, as always, on encouraging interaction, listening and capturing views, speaking on behalf of members and thereby being able to influence opinions and decisions before feeding-back to members and the public.

To aid this two-way communication process, governors attend community groups throughout the local area on request to speak on issues of interest or concern. They 'host' focus groups led by the patient experience team which not only gives them an opportunity to hear patient views on certain key issues, but enables them to feedback information on Trust decisions. Many governors and members use PLACE visits (Patient-Led Assessments of the Care Environment) to talk personally to patients/visitors and inspect the care surroundings. Similarly, the 'Fifteen Steps' initiative is used to enable governors to be involved first-hand in the patients' experience of first entering a ward area. The governors and the membership office have dedicated mailboxes to allow members/public to contact governors directly and these are advertised in the 'Members Matter' newsletter, the CUH website and when out and about at events. Governors also continue to host the quarterly 'Medicine for Members' lecture series which this year saw the wide-ranging subjects of plastic surgery, care of the elderly, epilepsy and the future of the Cambridge Biomedical Campus discussed. All these give potentially wide access to a variety of patient, public and staff opinion on a variety of issues.

The Annual Public Meeting took place in September under a new format which was adopted in an attempt to increase engagement with members / members of the public and to encourage higher attendance numbers. The first part of the evening presented the annual report and accounts; and provided attendees with a review of 2016/17 with an update on current and future developments. The second part of the evening was designed to engage further with attendees and generate qualitative feedback. Attendees were invited to join tables populated with senior members of CUH staff, governors and facilitators in order to discuss one of two topics: A&E and Discharge. Discussion was lively and valuable insight was gained, which has been shared with the appropriate teams in order to inform strategic decisions on the design of services in the future.

Representatives of the Governors attended the annual NHS providers' conference in order to network with governors from other Trusts and to share good practice. A record of governor 'activity' is kept centrally and evaluative responses from any such attendances are noted for the communications and engagement governor/director working group.

The Lead Governor also attends and reports to public Board of Directors meetings. Governors meet informally with Non-Executive Directors on a quarterly basis, in order to be briefed directly at the highest level on Trust issues, priorities and developments as they arise, to enable them to fulfil their duty to hold the non-executive directors to account. Governors are actively involved in the development of the Annual Plan and the Trust's Quality Account.

## **Remuneration Report**

### **3.22 Remuneration report**

#### **Annual statement on remuneration**

In 2017/18, the Remuneration and Nomination Committee maintained its overview of Executive Directors' salaries, following the principles established for Executive and senior salaries in 2015/16 (from the external review commissioned in that year).

During 2017/18 the Trust engaged a number of time-limited external consultants as part of the organisational 'turnaround' agenda. The Committee paid particular attention to these arrangements. The Committee also worked in partnership with its regulators on these arrangements.

### Senior managers' remuneration policy

CUH is aware of public attention given to the levels of remuneration of senior managers within the NHS. CUH has always strived to operate with openness and transparency when reviewing and setting the pay levels for senior management and we will continue to do this going forward.

To determine Board of Director level salaries, the Remuneration and Nomination Committee may use one or more of the following:

- Benchmarking data surveyed confidentially among CUH's peer group.
- NHS Employers' annual salary survey of NHS Chief Executives and Executive Directors.
- IDS NHS Boardroom pay report and other benchmark information.
- NHS and other relevant advertised jobs databases.
- The prevailing market position, including the ability to recruit and retain individuals.

Amendments to annual salary are decided by the Remuneration and Nomination Committee on the basis of the size and complexity of the job portfolio. Annual salary is inclusive of other payments such as bonus, overtime, long hours, on-call, standby, etc. With the exception of a temporary arrangement for the Chief Executive, additional payments do not feature in Executive Directors' remuneration. The Trust has no plans to introduce performance related pay. The Medical Director and the Director of Improvement and Transformation's salary is in accordance with the terms and conditions of service of the consultant contract 2003 plus a responsibility allowance determined by the Committee payable for the duration of office.

Chief Executive and Executive Director performance is measured against objectives set at the beginning of the financial year and agreed by the Committee.

There are no special contractual compensation provisions for the early termination of Executive Directors' contracts. Early termination by reason of redundancy is subject to the normal provisions of the 'Agenda for Change: NHS terms and conditions of service' handbook (section 16); or, for those above the minimum retirement age, early termination by reason of redundancy or 'in the interests of the efficiency of the service' is in accordance with the NHS Pension Scheme. Employees above the minimum retirement age who themselves request termination by reason of early retirement are subject to the normal provisions of the NHS Pension Scheme.

Pay awards agreed nationally for other staff groups working at CUH, including staff on Agenda for Change contracts and medical and dental staff, are determined by the Department of Health/NHS Pay Review Body, which looks at salaries and pay conditions across the NHS.

## Annual report on remuneration

### Duration of contracts, notice periods and termination payments

**Table 12: Executive Director contractual terms**

<b>Executive Director</b>	<b>Date in post</b>	<b>Unexpired term</b>	<b>Notice</b>
Chief Executive	16.11.15	Permanent	Six months
Chief Finance Officer	02.10.17	Permanent	Six months
Chief Nurse	01.03.14	Permanent	Six months
Chief Operating Officer	13.03.17	Permanent	Six months
Director of Corporate Affairs	15.05.17	Permanent	Six months
Director of Improvement and Transformation	01.02.18	Permanent	Six months
Director of Strategy and Major Projects	26.03.18	Permanent	Six months
Director of Workforce	01.04.14	Permanent	Six months
Medical Director	01.11.17	5 years	Six months

### Remuneration and Nomination Committee of the Board of Directors

Membership of the committee comprises Non-Executive Directors and the Chair with the Chief Executive in attendance.

The Committee met twice during 2017/18. The Committee was chaired by Shirley Pointer, Non-Executive Director and Senior Independent Director.

The role of the Committee is to:

- Review the structure, size and composition (including skills, knowledge and experience) of the Board of Directors compared to its current position and make recommendations for change when appropriate. It also considers succession planning arrangements for directors and other senior executives and is responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise (nomination responsibility).
- Review the remuneration, allowances and other terms and conditions of office of Executive Directors. It also sets the objectives for Executive Directors and reviews their performance as part of the appraisal process (remuneration responsibility).

### Membership of the Committee

- Dr Michael Knapton – current
- Professor Patrick Maxwell – current
- Dr Michael More – current
- Shirley Pointer – current
- Professor Sharon Peacock – current
- Dr Andrew Richards – up to 31 August 2017
- Dr Peter Southwick – up to 31 August 2017
- Dr Annette Doherty – from 1 September 2017

- Adrian Chamberlain – from 1 September 2017
- Daniel Abrams – from 1 September 2017

**Table 13: Attendance at Remuneration and Nomination Committee meetings in 2017/18**

Name	Title	Attendance out of 2 unless otherwise stated
Daniel Abrams	Non-Executive Director	0/1
Dr Michael Knapton	Non-Executive Director	2/2
Adrian Chamberlain	Non-Executive Director	1/1
Dr Annette Doherty	Non-Executive Director	0/1
Professor Patrick Maxwell	Non-Executive Director	0/2
Dr Michael More	Trust Chair	2/2
Shirley Pointer	Non-Executive Director	2/2
Professor Sharon Peacock	Non-Executive Director	2/2
Dr Andrew Richards	Non-Executive Director	0/1
Dr Peter Southwick	Non-Executive Director	1/1

**Statement of directors' remuneration** - Subject to Audit

The Trust's Remuneration and Nomination Committee oversees pay arrangements for posts whose salary is not determined through national term and conditions. This includes but is not limited to the Executive Directors of the Trust (both voting and non-voting executive Board members). The Committee is mindful of discharging its obligations in respect of salaries above £150,000. This salary is updated as set out in the guidance from NHSI, updated in April 2018. It considers each new post and the process to be followed on an individual basis. The Governors' Nomination and Remuneration Committee establishes remuneration for Non-Executive Directors.

**Fair pay multiple** - Subject to Audit

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid Executive Director in Cambridge University Hospitals NHS Foundation Trust in the financial year 2017/18 was £260,000 to £265,000. This was 11.58 times (year ended 31 March 2017, 11.24 times) the median remuneration of the workforce, which was £22,683 (year ended 31 March 2017, £22,458).

**Table 14: Statement of remuneration 2017/18 - Subject to Audit**

<b>Name of senior manager</b>	<b>2017/18 Salary &amp; fees (in bands of £5k) £000s (Band of £5k)</b>	<b>2017/18 All taxable benefits (total to the nearest £100) £s (nearest £100)</b>	<b>2017/18 All pension-related benefits (in bands of £2.5k) £000s (Band of £2.5k)</b>	<b>2017/18 Other (total to the nearest £5k) £s to nearest £5k</b>	<b>2017/18 Total (bands of £5k) £000s (Band of £5k)</b>
Dr Jag Ahluwalia, Medical Director (to 31/10/17)*	40-45		17.5-20	80-85	145-150
Ann-Marie Ingle, Chief Nurse	155-160		62.5-65		215-220
David Wherrett, Director of Workforce	145-150		55-57.5		200-205
Roland Sinker, Chief Executive	260-265	4600	110-112.5		375-380
Sam Higginson, Chief Operations Officer	170-175		32.5-35		200-205
Jonathan Rowell, Interim Chief Finance Officer (from 18/03/17)	70-75		120-122.5		190-195
Dr Ashley Shaw, Medical Director (from 01/11/17) *	30-35		0	60-65	90-95
Paul Scott, Chief Finance Officer (from 02/10/2017)	80-85				80-85
Nicola Ayton, Director of Strategy & Major Projects (from 26/03/18)	0-5				0-5
Dr Ewen Cameron, Director of Improvement & Transformation (from 01/02/18)*	5-10		70-72.5	25-30	100-105
Rebekah Ley, Acting Director of Corporate Affairs (until 15/05/17)	5-10				5-10
Mr Mark Turner, Director of Major Project, Strategy and Transformation**	160-165				160-165
Ian Walker, Director of Corporate Affairs (from 15/5/2017)	115-120				115-120
Daniel Abrams, NED (from 01/09/17)	5-10	1000			10-15
Adrian Chamberlain, NED (from 01/09/17)	5-10				5-10

Dr Annette Doherty, NED (from 01/09/17)	0	500			0-5
Dr Michael More CBE, Chair	55-60				55-60
Dr Michael Knapton, NED	10-15				10-15
Professor Patrick Maxwell, NED ***	10-15				10-15
Professor Sharon Peacock CBE, NED	10-15				10-15
Shirley Pointer, NED	10-15	1800			15-20
David Parfrey, NED (until 31/08/17)	5-10				5-10
Dr Andrew Richards CBE, NED (until 31/08/17)	5-10				5-10
Dr Peter Southwick, NED (until 31/08/17)	5-10	100			5-10

\* Other remuneration for three Directors relates to their pay in respect of clinical duties.

\*\* Mark Turner is seconded from NHS Improvement and his salary recharged to the Trust. As such, he is subject to the terms and conditions of his employing organisation. NHS Improvement was paid in the band £160-165k for Mr Turner's services in 2017/18.

\*\*\* Prof Patrick Maxwell is the Regius Professor of Physic of the University of Cambridge. He is employed and paid by the University of Cambridge. The Trust paid £14,000 in 2017/18 to the University of Cambridge in recognition of his time spent at Board meetings.

**Table 15: Statement of remuneration 2016/17 - Subject to Audit**

<b>Name of senior manager</b>	<b>Job title (and period of office if relevant)</b>	<b>Salary &amp; fees (in bands of £5k) £000s</b>  <b>(Band of £5k)</b>	<b>All taxable benefits (total to the nearest £100)</b>  <b>£s (nearest £100)</b>	<b>Other (total to the nearest £100) £s</b>  <b>(nearest £100)</b>	<b>All pension-related benefits (in bands of £2.5k) £000s</b>  <b>(Band of £2.5k)</b>	<b>Total (bands of £5k) £000s</b>  <b>(Band of £5k)</b>
Roland Sinker	Chief Executive	250 - 255	10,200	-	292.5- 295	550 - 555
Dr Jag Ahluwalia <sup>1</sup>	Medical Director	70 - 75	-	135,000	127.5- 130	335 - 340
Evelyn Barker <sup>2</sup>	Chief Operating Officer to 20 January 2017	See Note 2	-	-	-	-
Iain Alexander <sup>2</sup>	Interim Chief Finance Officer to 30 June 2016	See Note 2	-	-	-	-
Jonathan Rowell	Acting Chief Finance Officer from 18 March 2017	0- 5	-	-	47.5-50	50 - 55
Ann-Marie Ingle	Chief Nurse	150 -155	-	-	175 – 177.5	330 - 335
David Wherrett	Director of Workforce	140 -145	-	-	107.5 - 110	250 - 255
Sam Higginson	Chief Operating Officer from 13 March 2017	5 - 10	-	-	55 – 57.5	60 - 65
Julie Smith	Acting Chief Operating Officer from 21 January 2017 to 12 March 2017	15 - 20	-	-	250-252.5	265 - 270
Bill Boa <sup>2</sup>	Interim Chief Finance Officer from 28 July 2016 to 17 March 2017	See Note 2	-	-	-	-
Adrian Goodchild	Acting Chief Finance Officer from 1 July 2016 to 27 July 2016	5 - 10	-	-	77.5-80	85-90
Jane Ramsey <sup>3</sup>	Chair to 31 October 2016	30 - 35	5,700	-	-	35 – 40

<b>Name of senior manager</b>	<b>Job title (and period of office if relevant)</b>	<b>Salary &amp; fees (in bands of £5k) £000s</b>  <b>(Band of £5k)</b>	<b>All taxable benefits (total to the nearest £100)</b>  <b>£s (nearest £100)</b>	<b>Other (total to the nearest £100) £s (nearest £100)</b>	<b>All pension-related benefits (in bands of £2.5k) £000s (Band of £2.5k)</b>	<b>Total (bands of £5k) £000s</b>  <b>(Band of £5k)</b>
Professor Sharon Peacock	Non-Executive Director	10 - 15		-	-	10 - 15
Shirley Pointer	Non-Executive Director from	10 - 15	2,300	-	-	15 - 20
Dr Michael Knapton	Non-Executive Director	10 - 15	-	-	-	10 - 15
Dr Peter Southwick	Non-Executive Director	10 - 15	-	-	-	10 - 15
Dr Michael More	Chair from 1 November 2016 and Non-Executive Director to 31 October 2016	35 - 40	-	-	-	35 - 40
Dr Andy Richards	Non-Executive Director	10 - 15	-	-	-	10 - 15
Prof Patrick Maxwell <sup>4</sup>	Non-Executive Director	See note 4	-	-	-	
Dallas Ariotti	Non-Executive Director to 31 May 2016	0 - 5	-	-	-	0 - 5
David Parfrey	Interim Non-Executive Director from 1 March 2017	0 - 5	-	-	-	0 - 5
Mark Friedman <sup>2</sup>	Director of Recovery	See Note 2	-	-	-	-
Mark Turner <sup>5</sup>	Director of Major Projects, Strategy & Transformation	See Note 5	-	-	-	-

Note 1: Other remuneration for the Medical Director relates to his contract as a Neo-Natal Consultant.

Note 2: Directors paid through a third party organisation – the values stated below are those paid to the third party organisation and do not necessarily reflect the amounts paid by those organisations to the individuals involved - the values included here are net of VAT.

<b>Name</b>	<b>Band of £5k</b>
Evelyn Barker	255 – 260
Iain Alexander	85 – 90
Bill Boa	235 – 240
Mark Friedman	540 – 545

Note 3: The taxable benefit for Jane Ramsey relates to her hospital accommodation benefit as agreed by Council of Governors and incurs tax and national insurance.

Note 4: Prof Patrick Maxwell is the Regius Professor of Physic of the University of Cambridge. He is employed and paid by the University of Cambridge. The Trust paid £14,000 in 2016/17 to the University of Cambridge in recognition of his time spent at Board meetings.

Note 5: Mark Turner was seconded from NHS Improvement and his salary recharged to the Trust. As such, he was subject to the terms and conditions of his employing organisation. NHS Improvement was paid in the band £125-130k for Mr Turner's services in 2016/17.

### Statement of directors' and governors' expenses

Directors and governors are reimbursed for expenses incurred on Trust business in accordance with agreed Trust policies. Where applicable, these are subject to income tax and national insurance in accordance with HMRC legislation and guidance.

**Table 16: Governors' expenses**

Name	Mileage (Car/Cycle)	Rail/bus Travel	Meals/ Subsistence and parking	Total 2017/18	Total 2016/17
Cllr Margery Abbott	£0.00	£0.00	£0.00	£0.00	£0.00
Jessica Bawden	£0.00	£0.00	£0.00	£0.00	N/A
Dr Jane Biddle	£0.00	£0.00	£0.00	£0.00	N/A
Daryl Brown	N/A	N/A	N/A	N/A	£158.40
Dawn Chapman	£280.80	£0.00	£27.60	£308.40	£630.90
Tony Coad	£0.00	£0.00	£0.00	£0.00	£0.00
Nick Cork	N/A	N/A	N/A	N/A	£160.05
David Dean	£0.00	£0.00	£0.00	£0.00	N/A
Maureen Donnelly	N/A	N/A	N/A	N/A	£0.00
Cllr Robert Dryden	N/A	N/A	N/A	N/A	£0.00
Valerie Freestone	£0.00	£0.00	£0.00	£0.00	£0.00
Anna Gallop	£0.00	£0.00	£0.00	£0.00	£583.90
Roberto Ghersemi	£0.00	£0.00	£0.00	£0.00	£0.00
Ruth Greene	£0.00	£0.00	£0.00	£0.00	£0.00
Cllr Roger Hickford	N/A	N/A	N/A	N/A	£0.00
Elizabeth Howe	N/A	N/A	N/A	N/A	£0.00
Cllr Mark Howell	£0.00	£0.00	£0.00	£0.00	N/A
Liz Hunt	N/A	N/A	N/A	N/A	£0.00
Dr Fred Jacobsberg	£0.00	£0.00	£0.00	£0.00	£0.00
Prof Fiona Karet	£0.00	£0.00	£0.00	£0.00	N/A
Stephen Legood	£0.00	£0.00	£0.00	£0.00	£0.00
Peter Lester	£0.00	£0.00	£0.00	£0.00	£0.00
Prof Andrew Lever	£0.00	£0.00	£0.00	£0.00	£0.00
Dr Julia Loudon	£719.13	£61.60	£112.20	£892.93	£1,807.65
Jan Lupton	£181.80	£0.00	£49.10	£230.90	N/A
Wendy Menon	£0.00	£0.00	£0.00	£0.00	£0.00
Laura Minter	£0.00	£0.00	£0.00	£0.00	N/A
Dr Fraz Mir	£0.00	£0.00	£0.00	£0.00	£0.00
Dr Jonathan Nicholls	N/A	N/A	N/A	N/A	£0.00

Cllr Tony Orgee	£0.00	£0.00	£0.00	£0.00	£0.00
Harry Richardson	£0.00	£0.00	£0.00	£0.00	£0.00
Carlos de la Riva	£0.00	£0.00	£0.00	£0.00	£39.52
Tony Roberts	£0.00	£0.00	£0.00	£0.00	£340.20
Josie Rudman	£0.00	£0.00	£0.00	£0.00	N/A
Dr Patricia Set	£0.00	£0.00	£0.00	£0.00	N/A
Prof Patrick Smith	£0.00	£0.00	£0.00	£0.00	£567.00
Chris Stanley	£0.00	£0.00	£0.00	£0.00	N/A
Dr Neil Stutchbury	£0.00	£0.00	£0.00	£0.00	N/A
Prof Ruth Taylor	£0.00	£0.00	£0.00	£0.00	£0.00
Andi Thornton	£0.00	£0.00	£0.00	£0.00	N/A
Prof John Wallwork	£0.00	£0.00	£0.00	£0.00	£0.00
Dr John Wells	£0.00	£0.00	£0.00	£0.00	£0.00
Lorne Williamson	£275.40	£151.60	£134.90	£561.90	£278.60
Dr Louisa Wood	£0.00	£0.00	£0.00	£0.00	£0.00

Table 17: Directors' expenses

	2017/18								2016/17
	Travel home to Trust	Mileage	Train	Taxi	Hotels	Meals and Parking	Misc	Total	Total
Daniel Abrams	£ 980.55	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£980.55	N/A
Dr Jag Ahluwalia	N/A	£44.00	£307.20	£38.00	£0.00	£32.10	£0.00	£ 421.30	£384.72
Iain Alexander	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£0.00
Nicola Ayton	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	N/A
Dallas Ariotti	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£188.50
Evelyn Barker	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£182.50
Bill Boa	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£0.00
Dr Ewen Cameron	N/A	£0.00	£92.90	£0.00	£0.00	£0.00	£0.00	£92.90	N/A
Adrian Chamberlain	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	N/A
Dr Annette Doherty	£460.20	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£460.20	N/A
Sam Higginson	N/A	£0.00	£298.10	£0.00	£0.00	£0.00	£0.00	£298.10	£32.40
Ann-Marie Ingle	N/A	£0.00	£140.90	£0.00	£100.00	£38.00	£0.00	£278.90	£169.60
Dr Mike Knapton	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Professor Patrick Maxwell	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Dr Mike More	£0.00	£0.00	£514.80	£ 28.00	£0.00	£0.00	£0.00	£542.80	£540.60
David Parfrey	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Professor Sharon Peacock	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

Shirley Pointer	£1,785.70	£0.00	£19.00	£0.00	£0.00	£0.00	£0.00	£1,804.70	£2347.10
Jane Ramsey	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£1163.15
Dr Andy Richards	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Jonathan Rowell	N/A	£0.00	£170.40	£0.00	£0.00	£0.00	£68.00	£238.40	£0.00
Paul Scott	N/A	£0.00	£269.80	£0.00	£0.00	£0.00	£0.00	£269.80	N/A
Dr Ashley Shaw	N/A	£0.00	£170.90	£0.00	£0.00	£0.00	£0.00	£170.90	N/A
Roland Sinker	N/A	£0.00	£68.70	£281.00	£204.00	£125.46	£0.00	£679.16	£768.04
Julie Smith	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£0.00
Dr Peter Southwick	£130.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£130.00	£210.06
Mark Turner	See footnote 3								
Ian Walker	N/A	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	N/A
David Wherrett	N/A	£0.00	£ 178.00	£0.00	£0.00	£0.00	£0.00	£178.00	£89.00

### Notes

1. Non-Executive Directors may claim for home based to Trust travel costs and if claimed are taxable benefits. Non home base to Trust travel costs are not classed as taxable benefits.
2. Executive Directors may not claim for home to Trust travel costs.
3. Mark Turner is seconded from NHS Improvement and under the terms of the secondment agreement has received expense payments of £17,241.94 in 2017/18 and £11,458.07 in 2016/17.

**Table 18: Pension benefit 2017/18**

<b>Name and title</b>	<b>Real increase / (decrease) in pension at pension age</b>	<b>Real increase / (decrease) in pension lump sum at pension age</b>	<b>Total accrued pension at pension age at 31 March 2018</b>	<b>Lump sum at pension age related to accrued pension at 31 March 2018</b>	<b>Cash equivalent transfer value at 31 March 2017</b>	<b>Real increase / (decrease) in cash equivalent transfer value</b>	<b>Cash equivalent transfer value at 31 March 2018</b>	<b>Employer's contribution to stakeholder pension</b>
	<b>(bands of £2500)</b>	<b>(bands of £2500)</b>	<b>(bands of £5000)</b>	<b>(bands of £5000)</b>				
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Mr Roland Sinker  Chief Executive	5-7.5	0	35-40	0	344	77	421	0
Dr Jag Ahluwalia Medical Director	0-2.5	2.5-5	75-80	235-240	1641	63	1704	0
Ms Ann-Marie Ingle Chief Nurse	2.5-5	0-2.5	40-45	115-120	763	60	823	0
Mr David Wherrett Director of Workforce	2.5-5	0	50-55	130-135	899	51	951	0
Mr Sam Higginson Chief Operating Officer	0-2.5	0	20-25	0	230	25	256	0
Dr Ashley Shaw Medical Director from 1/11/2017	0	0	0	0	0	0	0	0

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Mr Jonathan Rowell Acting Chief Finance Officer from 18/03/2017 until 1 October 2017	5-7.5	7.5-10	25-30	65-70	308	71	379	0
Dr Ewen Cameron Director of Improvement and Transformation from 01/02/2018	2.5-5	2.5-5	30-35	80-85	426	95	521	0

These pension disclosures relate to directors who were members of the NHS Pension Scheme during the financial year. The figures represent estimates by the NHS Pensions Agency of the theoretical value of each directors pension "fund" at the start and end of the financial year. The difference between these two values is taken to represent the directors pension benefits for the year. Any benefits earned in this way remain in the pension scheme until the director retires in accordance with the rules of the NHS Pension Scheme. These rules are the same for both directors and staff.



**Roland Sinker**  
Chief Executive

23 May 2018

## Staff report

### 3.23 Staff report

#### Staff numbers

As of 31 March 2018 the Trust had 15 directors (ten male and five female) and 10,006 employees (2,610 male and 7,396 female).

Average number of employees (WTE basis)	2017/18	2017/18	2017/18	2016/17	2016/17	2016/17
	Total Number	Permanent Number	Other Number	Total Number	Permanent Number	Other Number
Medical and dental	<b>1308</b>	562	782	<b>1,273</b>	1,248	25
Ambulance staff	<b>0.0</b>	0.0	0.0	<b>0</b>	0	0
Administration and estates	<b>2232</b>	1965	267	<b>1732</b>	1,610	122
Healthcare assistants and other support staff	<b>1711</b>	1375	336	<b>507</b>	264	243
Nursing, midwifery and health visiting staff	<b>3130</b>	2710	420	<b>3996</b>	3718	278
Nursing, midwifery and health visiting learners	<b>0.0</b>			<b>0</b>	0	0

Scientific, therapeutic and technical staff	<b>730</b>	648	82	<b>1110</b>	1107	3
Healthcare science staff	<b>495</b>	440	19	<b>0</b>	0	0
Social care staff	<b>0.0</b>	0.0	0.0	<b>0</b>	0	0
Agency and contract staff	0.0	0.0	0.0	<b>0</b>	0	0
Bank staff	0.0	0.0	0.0	<b>0</b>	0	0
Other				<b>136</b>	136	0
<b>Total average numbers</b>	<b>9570</b>	<b>7664</b>	<b>1906</b>	<b>8,754</b>	<b>8,083</b>	<b>671</b>

## Recruitment and retention

To support our recruitment and retention strategy the following is in place:

- work/life balance schemes to offer opportunities for part time hours and flexible working along with comprehensive childcare facilities (two on-site nurseries and access to a local discounted holiday play scheme)
- 'Advantage' salary sacrifice scheme offering a wide range of options for staff to make tax and NI savings: including on-site nursery fees, childcare vouchers, bicycles for work, work-related training, car lease scheme, on-site car parking, laptops, phones
- annual leave purchase scheme
- eldercare/family support schemes
- NHS pension scheme
- a range of on-site facilities – leisure and social centre (Frank Lee Centre)
- comprehensive range of staff engagement surveys and many joint working initiatives with staff and trade unions
- occupational health service and Care First counselling service and a range of health and well-being initiatives
- onsite shopping and eating services
- range of leadership and employee development opportunities along with continuous professional development
- relocation assistance to provide financial support for nurses who move home to work at CUH
- employee referral scheme which offers a monetary incentive for employees to refer potential nursing candidates who are successfully employed by CUH
- exit questionnaire in which leavers are contacted and given the opportunity to feed back so that we can improve our employees' experience at work
- deposit loan scheme of up to £3,000 of all staff Bands 1 – 6 to cover the first month's rent and deposit for a new property, open to both starters and existing staff

## Our role as a local employer

CUH is an important local employer and always looks for ways to develop its role and to work with the local community to develop pathways into employment for disadvantaged groups. We offer a range of schemes: work experience, traineeships, voluntary worker schemes, apprenticeships and work with the long-term unemployed including the Prince's Trust. We continue to provide a comprehensive apprenticeship scheme and are committed to maintaining this.

### Information about staff sickness

The information in the table below is compiled on a calendar year basis according to national requirements.

	<b>2017/18</b>	<b>2016/17</b>
Total days lost	66,589	69,416
Total staff years	9,064	9,030
Average working days lost per WTE	7.3	8

### Equality and diversity

The Trust uses the NHS equality delivery system (EDS2) as a tool to use as evidence of compliance with the public sector equality duty (PSED) to engage with the public and staff and agree equality objectives. The Trust's equality performance was rated against the 18 EDS service and workforce equality EDS outcomes by a community EDS rating panel on 26 September 2016 and a revised updated EDS improvement plan for 2017/18 that has driven our equality, diversity and inclusion work was agreed to meet our equality objectives focusing on these areas:

- Better health outcomes for all
- Improve transition care between services for both admission and discharge of those patients with special complex needs
- Improvement of data collection in referral information to highlight special needs of patients by protected characteristic to ensure reasonable adjustments can be made
- Fully embed the Accessible Information Standard since implementation in 2016
- Improved patient access and experience
- Improve equality monitoring collection of patients' complaints and patient survey data recorded by protected characteristic to identify areas to improve the patients' experience
- Accessible premises and services
- Empowered, engaged and well-supported staff
- Fair recruitment and selection processes lead to a more representative workforce at all levels in the organisation
- Training and development opportunities are taken up and positively evaluated by all staff
- When at work staff are free from abuse, harassment bullying and violence from any source
- Staff report positive experiences of their membership of the workforce
- Workforce Race Equality Standard implementation
- Inclusive leadership at all levels of the organisation

- Board and senior leaders routinely demonstrate their commitment to promoting equality within and beyond the organisation
- Middle managers and line managers support staff to work in culturally competent ways within a work environment free from discrimination

Our patient profile and workforce equality monitoring reports are published on our public website equality and diversity pages.

<https://www.cuh.nhs.uk/about-us/our-responsibilities/equality-and-diversity>

Our 3rd Workforce Race Equality Standard report and coproduced action plan for 2017-2019 with BAME staff and directors was approved by the Board in September 2017 and published on the Trust public website.

Our first Gender Pay Gap report with narrative and action plan was approved by the management executive and published on our website on 29 March 2018.

The Trust is not only committed to fulfilling its legislative requirements but to go beyond what is legally required and to be an exemplar of best practice.

## **Disabled employees**

The Trust is a 'Disability Confident employer and is a signatory of the 'Mindful Employer Charter' for 'Employers who are Positive about Mental Health'. The Trust's Equality Diversity and Inclusion in employment policy is applied and in addition, all workforce policies include an equality and diversity statement which sets out the Trust position and intent. This is provided below:

'Cambridge University Hospitals NHS Foundation Trust is committed to a policy of equal opportunities in employment. The aim of this procedure is to ensure that no job applicant or employee receives less favourable treatment because of their race, colour, nationality, ethnic or national origin, or on the grounds of their age, gender, gender reassignment, marital status, domestic circumstances, disability, HIV status, sexual orientation, religion, belief, political affiliation or trade union membership, social or employment status or is disadvantaged by conditions or requirements which are not justified by the job to be done. This procedure concerns all aspects of employment for existing staff and potential employees.'

## **Consulting staff and representatives on matters of concern and the performance of the organisation**

The Trust works in partnership with staff side representatives through a number of mechanisms on matters of concern to staff and the performance of the organisation. In addition the Trust follows a communication strategy to update and consult employees with relevant information. The following points provide examples of some of the actions taken by the Trust to keep the employees updated and provide opportunities for staff to raise their views and concerns.

- CUH Daily is a daily email update that is sent to all employees regarding current trust status, upcoming events, IT outages and any other information that the employees need to be aware of.
- 8:27 is a weekly Tuesday meeting which provides an opportunity for staffs to hear the latest developments within the Trust and speak with the chief

executive and senior management team about progress on key issues. It is an open invitation to all staffs to participate in the forum.

- Chair and Chief briefings happen every 6-8 weeks to keep the employees updated about the current trust focus and future plans. This is an open forum for all employees which provides an opportunity for them to ask questions to the Chair and the CEO.
- There are drop-in sessions with executive team twice or thrice monthly throughout the year for employees to meet them and ask questions. Each session has an executive director and divisional director to provide updates and answer on any questions that the staffs are concerned about. The full schedule and location are published in Connect 2 trust's internal site and is also communicated through CUH daily.
- Management staff forum is the formal body for Trust-wide consultation which meets approximately every six weeks. The Forum includes the Trust recognised senior management and staff representatives who come from the unions. These two groups come together in the Forum to foster good employee relationships which then in turn benefit patient services.
- Addenbricks is a series of comics that help trust to communicate with staff, patients and public. Addenbricks has been adapted to support different internal and external campaigns, such as preparation for the CQC inspection, winter, flu vaccination, and Addvent (trust's own advent calendar).
- CEO brief is published every month with updates from the Chief Executive to all members of the staff.
- Weekly media update which is a summary of articles mentioning Cambridge University Hospitals in media is also sent via email and updated in trust internal site.
- Connect 2 trust's internal site has a communication hub where information that has been communicated across the Trust via internal communications channels. Employees and managers can access this webpage if they had missed any communications.
- Employees can also share their views in Share Your Views online forum which provides a platform for them to raise any concerns or views.

## Health and safety

This year the health and safety team launched its 'Proactive H&S Risk Assessment Programme' whereby the team provided support to managers in the development of their health and safety risk assessments. To-date, there are now over 200 written health and safety risk assessments in place which describe the hazards associated with workplaces and activities and the precautions that need to be taken to reduce the risk of harm.

The programme identified that overall there was good health and safety practice, however, there was a lack of documentation to evidence what was being done. It also identified a number of common themes which will require further exploring, including COSHH risk assessments (hazardous substances), arrangements for health and safety at off-site locations, and selection and use of respiratory-protective equipment (RPE).

In 2018, the team will be focusing on the above areas and auditing the management of health and safety. The latter will involve managers completing self-assessments with the team undertaking more in-depth audits of a selection of areas and hazards.

## Occupational health

Cambridge Health at Work provides a full range of occupational health services to CUH staff as well as to private and public sector companies in the local area. Through our own team and partnerships with other organisations we are offering a greater range of support than ever before. We are one of the biggest NHS OH services in the country, currently supporting around 20,000 NHS colleagues across three Trusts in two counties.

Our purpose is to support the improvement and protection of the health of our workforce. We continue to operate below the national average cost per capita for occupational health services in the NHS. This is made possible by our external income generating contracts.

We are proud to continue to meet the stringent SEQOHS (Safe Effective Quality Occupational Health Service) accreditation quality standards. We have again this year achieved the highest take-up rate for staff flu vaccinations ever at CUH with 84.3% of our frontline staff receiving their vaccination. We have been shortlisted for 'best team' at the NHS Employers Flu Fighter Awards 2018 and contributed to national best practice sharing for the wider health & wellbeing initiatives and model we are delivering.

The latest national staff survey results for health & wellbeing show improved results compared to 2015 when the questions were included. Although, we recognise and remain committed to doing all we can to have a positive impact work has on our health and the impact our health has on our work.

In the year ahead our vision and mission is to continue to enhance the offer we make to our workforce across the region and make a positive impact on individuals lives and for the organisation. We hope to support further partner organisations in the local biomedical ecosystem.

## Counter fraud

CUH has taken all reasonable steps to comply with the requirements set out in the code of conduct for NHS managers, and has a named individual nominated to provide the lead local counter fraud specialist function, who is an accredited counter fraud specialist. When that specialist is absent, arrangements have been made to ensure that specialist assistance is available.

Under the NHS Standard Contract for 2017-2018, all organisations providing NHS services (providers) must put in place and maintain appropriate anti-crime arrangements. CUH fully complies with this requirement.

## Standards of business conduct and the Bribery Act

The Bribery Act 2010 has been in force since July 2011. This act creates the offences of offering, promising or giving a bribe, requesting, agreeing to receive or accepting a bribe, bribing a foreign public official and the corporate offence of failing to prevent bribery. We have a clear standard of business conduct policy, which includes our zero-tolerance approach to bribery. Our stance is equally strong and clear in relation to those associated with or contracting with the Trust, and we avoid doing business with any individuals and organisations who fail to demonstrate their commitment to operate fairly, openly and honestly. Doing business transparently and preventing bribery is important in safeguarding the proper use of public money and resources, and a clear stance also provides patients, other customers, potential contractors and business partners as well as our governors and members with confidence that we will act in a transparent and

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fair way. This in turn protects our trusted position within our community and our reputation as a leading national and international centre for specialist treatment, education and research.

CUH has in place a number of procedures for the prevention of bribery, including a clear whistle-blowing policy and procedure, and a local counter-fraud specialist. In addition, we keep a publicly-available register of interests for directors, governors and staff as well as a hospitality register. All staff have a role to play, but individuals with specific responsibility for implementing bribery-prevention procedures include the Board of Directors, the Trust Secretary, and our managers, both clinical and non-clinical.

We work closely with colleagues both within and outside the NHS to support a concerted effort to promote fair, honest and open operations and to prevent bribery, for the ultimate benefit of the patients and public we serve.

## **Staff survey**

Staff engagement is an important issue for CUH. CUH continues to carry out a rolling programme of internal staff surveys as well as participating in the NHS national staff survey. All of our staff (not a sample) are invited to participate in these surveys which help the Trust measure staff engagement and develop plans to address key themes.

Our 2017 staff survey saw a significantly improved response rate resulting in just under half of our staff responding – this is encouraging and provides us with rich information to build upon. The results this year indicate that we compare well with other large teaching Trusts although it is important to highlight that for the first time there has been an overall decline in survey results across the National Health Service. We are proud that our score for staff recommendation of the organisation as a place to work or receive treatment is unchanged at 3.92 out of 5. The national average score is 3.76.

Our overall staff engagement score is at 3.84, a 0.04 decline from 3.88 in 2016, however this does compare favourably to the national average for all acute trusts at 3.79. We were disappointed not to have maintained our engagement score and we will continue to focus on this as an overall indicator of staff satisfaction.

We will refresh and build upon work commenced last year where we have not seen significant improvement and or decline: discrimination at work, bullying and harassment and equality of opportunity, along with key findings focussed on staff motivation at work and also their ability to contribute towards improvement. These will inform the organisation's staff engagement and experience plan 2018-19.

Staff survey response rate				
	2016/17 (previous Year)	2017/18 (current year)		
	CUH	CUH	Benchmarking group (Acute teaching trust) average	Trust improvement /decline
Response rate	45%	49% Above average for acute trusts in England	44%	Increase/decrease in % points ↑5%

**Table 19**

2017 five top ranking (TR) scores (against key findings – KF)

<i>*Period of survey Oct- Dec 2017</i> Key Findings	2015 CUH score	2016 CUH score	2017 CUH Score	2017 average and best score for acute Trusts	Trust improvement /deterioration
<b>KF11 – Percentage of staff appraised in last 12 months</b> <i>(high % is better score)</i>	95%	95%	95% (top20%)	86% best score 96%	<b>Unchanged</b>
<b>KF15 – Percentage of staff satisfied with the opportunities for flexible working patterns</b> <i>(high % is better score)</i>	54%	58%	57% (top20%)	51% best score 60%	↓1%
<b>KF22 –</b>	13%	12%	13%	15%	↑1%

Percentage of staff experiencing physical violence from patients, relatives or public in last 12 months ( <i>low % is better score</i> )			(top20%)	best score 9%	
KF23 – Percentage of staff experiencing physical violence from staff in last 12 months ( <i>low % is better score</i> )	1%	1%	1% (top20%)	2% best score 1%	<b>Unchanged</b>
KF25 – Percentage of staff experiencing harassment, bullying or abuse from patients/relatives in last 12 months ( <i>low % is better score</i> )	24%	23%	24% (top20%)	28% best score 20%	↑1%

**Overall Staff Engagement**

<i>*Period of survey Oct-Dec 2017</i> Key Findings	2015 CUH Score	2016 CUH Score	2017 CUH Score	2017 average and best score for acute Trusts	Trust improvement /deterioration
<b>KF1 - Staff recommendation of the Trust as a place to work or receive treatment</b> <i>(score out of 5, higher the score the better)</i>	3.88	3.92 (top 20%)	<b>3.92 (better than average)</b>	3.75 best score 4.12	<b>Unchanged</b>
<b>KF7 - Staff ability to contribute to towards improvements at work</b> <i>(high % is better score)</i>	69%	74% (top 20%)	<b>70% (average)</b>	70% best score 78%	↓4%
<b>KF4 - Staff motivation at work</b> <i>(score out of 5, higher the score the better)</i>	3.95	3.96 (better than average)	<b>3.89 (below average)</b>	3.92 best score 4.07	↓0.07

**Table 20**

2017 five bottom ranking (BR) scores (against key Findings – KF)

<i>*Period of survey Oct-Dec 2017</i> Key Findings	2015 CUH score	2016 CUH Score	2017 CUH score	2017 average and best score for acute trusts	Trust improvement /deterioration
<b>KF20 - Percentage of staff experiencing discrimination at work in the last 12 months</b> <i>(lower % is better score)</i>	12%	13%	<b>14%</b>	12% best score 8%	↓1%

<b>KF27 – Percentage of staff reporting most recent experience of harassment, bullying or abuse</b> <i>(high % is better score)</i>	37%	43%	<b>42%</b>	45% best score 59%	↓1%
<b>KF8 – Staff satisfaction with level of responsibility and involvement</b> (higher score is better)	3.86	3.91	<b>3.87</b>	3.91 best score 4.04	↓0.04
<b>KF4 - Staff motivation at work</b> (higher score is better)	3.95	3.96	<b>3.89</b>	3.92 best score: 4.07	↓0.07
<b>KF21 - Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion</b> <i>(high % is better score)</i>	83%	85%	<b>84%</b>	85% best score 94%	↓1%

### Action plan priority areas of focus 2017-18

- Priority 1 Appraisals being meaningful to job role and development.
- Priority 2 Staff feel listened to, valued, appreciated, confident to speak up and report concerns.
- Priority 3 Staff feel supported to have a healthy and safe work experience.
- Priority 4 Equality of opportunity for career progression, training and development.

Data from staff surveys will also be cross-referenced with information from other key sources of staff feedback and patient experience

### Future priorities and targets 2018-19

From an organisational perspective, we will refresh and build upon the areas of focus from last year, whilst paying attention to key findings focussed on Staff motivation at work, staff ability to contribute towards improvements at work and satisfaction with level of responsibility and involvement. Together these will inform the organisation's staff engagement and experience plan 2018 -19. Alongside the Trust response, Clinical Divisions and Corporate departments are currently refreshing their own local priority areas for action.

**Monitoring arrangements**

Once the staff engagement action plan has been finalised and communicated, progress will be monitored through the Trust's Workforce Education Committee meetings which reports into the Trust Board.

**Future priorities and how they will be measured**

Performance will be monitored upon receipt of national staff survey 2018 and local staff engagement results to determine levels of improvement.

**Table 21**  
**Analysis of staff costs - Subject to Audit**

<b>Employee expenses</b>	<b>2017/18 Total £000</b>	<b>2017/18 Permanently employed Total £000</b>	<b>2017/18 Other Total £000</b>
Salaries and wages	371,139	367,584	3,555
Social security costs	36,462	36,462	-
Apprenticeship Levy	1,734	1,734	
Pension cost – defined contribution plans employers contributions to NHS pensions	41,521	41,521	-
Pension costs - other	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	0	0	0
Temporary staff – external bank			
Temporary staff – agency/contract staff	7,236		7,236
NHS charitable funds staff	0	0	0
<b>Total gross staff costs</b>	<b>458,092</b>	<b>447,301</b>	<b>10,791</b>

## Expenditure on consultancy

Information regarding expenditure on consultancy can be found in the accounts.

## Off-payroll engagements

**Table 22: For all off-payroll engagements as of 31 March 2018, for more than £245 per day and that last for longer than six months.**

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

**Table 23: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £245 per day and that last for longer than six months.**

Number of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	
Of which:	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	1
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

**Table 24: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018**

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
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.	22

### Exit packages - Subject to Audit

Exit packages are accounted for in full in the year of departure.

**Table 25 Exit packages**

Reporting of other compensation schemes - exit packages 2017/18 Exit package cost band (including any special payment element)	Number of compulsory redundancies Number	Cost of compulsory redundancies £000s	Number of other departures agreed Number	Cost of other departures agreed £000s	Total number of exit packages Number	Total cost of exit packages £000s	Number of departures where special payments have been made Number	Cost of special payment element included in exit packages
<£10,000	5	8	3	16	8	24	1	13
£10,001 - £25,000	5	102	3	43	8	145		
£25,001 - 50,000	1	32			1	32		
£50,001 - £100,000	2	140			2	140		
£100,001 - £150,000	2	252			2	252		
£150,001 - £200,000	0	0			0	0		
>£200,000	0	0			0	0		
Total	15	534	6	59	21	593	1	13

Reporting of other compensation schemes - exit packages 2016/17 Exit package cost band (including any special payment element)	Number of compulsory redundancies Number	Cost of compulsory redundancies £000s	Number of other departures agreed Number	Cost of other departures agreed £000s	Total number of exit packages Number	Total cost of exit packages £000s	Number of departures where special payments have been made Number	Cost of special payment element included in exit packages
<£10,000	1	9	2	12	1	21	1	5
£10,001 - £25,000	7	119	1	24	7	143		
£25,001 - 50,000	3	129	1	47	3	176		
£50,001 - £100,000	1	94	1	89	1	183		
£100,001 - £150,000	0	0	0	0	0	0		
£150,001 - £200,000	0	0	0	0	0	0		
>£200,000	0	0	0	0	0	0		
Total	12	351	5	172	17	523	1	5

Exit packages: other (non-compulsory) departure payments - 2016/17	2016/17 Payments agreed Number	2016/17 Total value of agreements £000	2015/16 Payments agreed Number	2015/16 Total value of agreements £000
Voluntary redundancies including early retirement contractual costs				
Mutually agreed resignations (MARS) contractual costs				
Early retirements in the efficiency of the service contractual costs				
Contractual payments in lieu of notice	5	46	4	167
Exit payments following employment tribunals or court orders				
Non-contractual payments requiring HMT approval* <i>i</i>	1	13	1	5
Total	6	59	5	172
of which:				

non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary				
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## Code of governance

### 3.24 Code of governance

The 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, most recently reviewed in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012. The Trust has reviewed our compliance with the 'NHS Foundation Trust code of governance'. As a result of this review, we consider that CUH 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 B1.1. The Board of Directors has determined that all of the NEDs are independent in character and judgement. This includes the appointed representative of University of Cambridge, Professor Patrick Maxwell, the Regius Professor of Physic, notwithstanding the Trust's relationship during this reporting period with the University of Cambridge, School of Clinical Medicine and with Cambridge University Health Partners (CUHP).

In relation to the more detailed provisions of the code of governance, CUH is compliant with the provisions with the following exceptions:

**B.1.3** The Chief Nurse holds a position of partner governor of Royal Papworth Hospital NHS Foundation Trust and the Director of Nursing (from November 2017 – prior to that Royal Papworth was represented by the Trust Chair) from Royal Papworth Hospital NHS Foundation Trust is a partner governor of the CUH Council of Governors. During the reporting period the Director of People and Business Development of Cambridgeshire and Peterborough NHS Foundation Trust was a partner governor on the CUH council of governors.

## NHS Improvement's Single Oversight Framework

### 3.25 NHS Improvement's 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.

<b>Finance and use of resources rating</b>	<b>2017/18</b>
Capital service cover rating	<b>4</b>
Liquidity rating	<b>4</b>
I&E margin rating	<b>4</b>
I&E margin: distance from financial plan	<b>1</b>
Agency rating	<b>1</b>

<b>Overall finance and use of resources risk rating</b>	
Overall rating unrounded	2.80
Risk ratings after overrides	<b>3</b>

### 3.26 Well Led

The Trust commissioned an external review against NHS Improvement’s Well-Led Framework which reported in late 2016.

The recommendations of the Well-Led Review were implemented during 2016/17 and 2017/18, with updates provided to the Board of Directors. This included during 2017/18 the implementation of changes to the Board committee structure to provide greater clarity on roles and responsibilities, and to bring together assurance on operational, quality, financial and workforce performance under a single Performance Committee, while focusing the attention of the Quality Committee on providing assurance on more detailed review of trends, learning and quality improvement. The Board also led a refresh of the Trust’s strategy during the year. In line with a recommendation of the Well-Led Review, work was undertaken during 2017/18 to develop a formal Accountability Framework for the organisation which was endorsed by the Board of Directors in May 2018.

## 3.27 Annual Governance Statement

### 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*.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Cambridge University Hospitals 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 Cambridge University Hospitals NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

The system of internal control integrates a number of individual controls as described in other sections of this statement, and other key policies and procedures such as the Standing Orders, identification of matters reserved to the Board, Standing Financial Instructions and Scheme of Delegation used to govern the Trust's activities, together with checks and balances provided by Board oversight, and internal and external audit reviews.

### Capacity to handle risk

The Board of Directors sets the policy framework and provides leadership for the management of risk within the Trust. The Chief Nurse is the Executive Director lead for risk management.

The Board Assurance Framework (BAF) identifies the principal risks to the achievement of the Trust's strategic objectives, together with key controls and assurances and any gaps in those controls and assurances.

Operational responsibility for risk management sits within the clinical divisions and corporate directorates. Each clinical division and corporate directorate is required to have processes in place by which risks are identified, evaluated and managed at a local level, and escalated as required in accordance with the Trust's policy framework.

The principles of risk management are included as part of the mandatory corporate induction programme and guidance and training are provided to staff through the annual refresher programme, risk management training, Trust-wide policies and procedures and feedback from audits, inspections and incidents.

The Trust also learns from good practice through a range of mechanisms including those detailed above together with clinical supervision and reflective practice, individual and peer reviews, performance management, continuing professional development programmes, clinical audit and application of evidence-based practice.

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

The Risk Management Strategy and Policy sets out the approach to managing risk within the organisation. The latest version of the Strategy and Policy was approved by the Board of Directors in June 2017. It defines the roles, responsibilities and reporting lines in relation to risk management as well as the overall governance structure underpinning this both at Board and divisional/directorate level. It details the Trust's approach to identification, assessment, management, monitoring and escalation of risk including information on risk appetite.

During the year the BAF has been reviewed and redesigned as part of a comprehensive review of the Trust's risk management system and policy which has included the continued development of a Corporate Risk Register.

As noted above, the BAF sets out the principal risks to the achievement of the Trust's strategic objectives. The Executive Director with delegated responsibility for managing and monitoring each risk is clearly identified. The BAF describes controls in place to manage each of the risks and explains how the Board is assured that those controls are in place and operating effectively. The BAF also identifies any gaps in control or assurance and the actions being taken to address these.

The BAF is reviewed on a monthly basis through a peer review process by the Executive Directors who are leads for each risk and jointly by the Risk Oversight Committee (see below). The BAF is received by the Board of Directors four times a year, detailing movements in risk and mitigating actions being taken. All entries on the BAF are considered by the relevant Board assurance committees to which they are assigned.

The Risk Oversight Committee meets monthly. It is chaired by the Chief Executive and membership comprises all members of the Management Executive. The Risk Oversight Committee reviews the BAF and the Corporate Risk Register, which includes risks escalated from clinical divisions and corporate directorates.

At an operational level, responsibility rests with each Divisional Director, supported by the Associate Director of Operations and Head of Nursing, for clinical divisions; and with each Executive Director for the corporate directorates. Divisional 'red-rated' risks are reviewed at divisional Performance Meetings with members of the Executive Team.

The above meetings and associated processes are intended to facilitate a seamless risk management system from Board to ward.

The Board of Directors has previously agreed the principles regarding the level of risk which the Trust is prepared to seek, accept or tolerate in pursuit of its agreed objectives. These principles are focused on quality, finance and value for money,

innovation, commercial opportunities, compliance and regulatory framework, reputation and workforce. The Board of Directors has reviewed the principles and the organisational risk appetite during the financial year.

The 2017/18 internal audit report on the BAF and risk management provides an overall assessment of 'significant assurance with minor improvement opportunities'. The recommendations of the report have been accepted by the Executive Team and will be actioned during 2018/19.

As at 31 March 2018, the Trust identified through the BAF the most significant risks to the achievement of its strategic objectives as being:

- The Trust has insufficient capacity to sustain timely and effective emergency and elective patient flow through its hospitals which impacts on waiting times, safety and patient experience.
- There is insufficient capital funding and decant capacity to address estates backlog maintenance and statutory compliance priorities (including infection) which impacts on safety and continuity of clinical service delivery.
- Inadequate fire safety arrangements and plans impact on patient and staff safety and continuity of clinical service delivery.
- As a result of recruitment and retention challenges, the Trust does not have adequate staffing which impacts on the delivery of safe and responsive services for our patients.
- As a result of slippage against its financial plan, the Trust does not achieve its financial control total for 2017/18.
- As a result of not achieving the necessary efficiency improvements and securing support for the structural element of the deficit, the Trust does not achieve a position of financial sustainability by 2020 which impacts on its ability to improve services for patients.
- The Trust does not continue to maintain its focus on quality governance and improvement metrics in the post-Special Measures period which may lead to increased variation in services and impact on sustained and consistent delivery of high quality care.
- There is insufficient resilience in the Trust's IT network and technology platform given the reliance on electronic patient information to cope with IT infrastructure failures or a cyber attack which impacts on the delivery of safe and effective services for patients.

The Trust has identified the controls in place to manage these risks and the sources of assurance that the controls are effective. It has also identified any gaps in control or assurance and the associated actions being taken to address these gaps. The Board of Directors and Board assurance committees regularly seek assurance on the effectiveness of the controls and progress being made to address gaps in control and assurance to reduce the level of risk, where this is within the Trust's ability to do so.

#### *Quality governance*

The Board of Directors has a collective responsibility for providing high quality care to the Trust's patients and has put in place a quality governance framework to ensure that quality is an integral part of the Trust's activities. The quality governance framework has been reviewed and strengthened during the year,

having due regard to the Well-Led Framework and best practice from other organisations.

The Quality Committee, in conjunction with the Performance Committee, provides assurance to the Board on the quality of patient care and compliance with national and local standards, with reference to the monthly Integrated Performance Report and other relevant reports and data. It reviews the Trust's clinical audit programme, compliance with the requirements of the Care Quality Commission, and Trust preparedness for regulatory inspections.

The Committee also oversees the implementation of the Trust's Quality Plan and its ongoing development. This includes a focus on clinical quality improvement to ensure that the Trust learns, shares and takes appropriate action in respect of safety reporting, and prospective and proactive patient safety risk detection; information and experience from outside the Trust; external reviews of Trust activity; and the results of clinical audit. It also oversees the development of and agrees priorities for the Trust's annual Quality Account.

Never Events and clinical and non-clinical incidents which are significant enough to be classified as Serious Incidents are identified by the Director of Clinical Quality and are reported immediately to the Executive Directors and to the Trust's lead commissioner. The incidents are detailed in the monthly Integrated Performance Report. Incident information is reviewed at the monthly divisional Quality meetings.

All incidents are subject to a Root Cause Analysis and learning is shared with the divisions and through the organisation. Themes are identified in the Integrated Report. The Quality Committee receives a bi-monthly report on serious incidents as part of the patient safety report including themes and actions taken.

#### *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 a robust 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 divisional processes and that there is ongoing compliance.

The Trust complies with the requirements of the NHS Digital Information Governance Toolkit for the management and control of risks to information. The current level of compliance with the Information Governance Toolkit is 83%.

The Director of Improvement and Transformation is the Trust's Senior Information Risk Owner (SIRO), reporting to the Board, and Dr Adrian Boyle, Consultant in Accident and Emergency, is its Caldicott Guardian. Senior managers across the Trust are information asset owners, accountable for a particular group of information assets under the Information Governance policy and management framework. The Information Security and Governance Programme Board is chaired by the SIRO and reports to the Board of Directors through the Quality Committee.

*Risks to foundation trust governance*

An additional condition was imposed on the Trust's Operating Licence in September 2015 when the organisation was placed in special measures and related to a requirement to put in place "sufficient and effective Board and management capacity and capability, as well as appropriate governance systems and processes". The condition was accompanied by a set of wide ranging enforcement undertakings which the Trust entered into at the time with what was then Monitor.

During 2017/18, following a review of progress in delivering the enforcement undertakings, NHS Improvement (NHSI) concluded that they had been discharged and that the Trust had sufficiently strengthened its leadership capacity and capability and its governance systems and processes to enable the licence condition to be removed. At the same time, NHSI moved the Trust in a positive direction from segment 3 to segment 2 on its Single Oversight Framework.

The Board of Directors is responsible for setting the vision and values and the strategic objectives of the Trust. During the year the Board has undertaken a review of the Trust's strategy. The Trust's core governance documents establish the roles and responsibilities of directors and other trust officers.

The Audit Committee is the Board committee with primary responsibility for overseeing the Trust's governance and assurance processes and, in particular, for independently reviewing the effectiveness of the system of internal control and risk management, and ensuring that all significant risks are properly considered and communicated to the Board.

The Performance Committee, the Quality Committee and the Workforce and Education Committee provide independent and objective oversight and assurance to the Board of Directors on the Trust's performance in relation to operational standards, quality, finance and workforce.

The clinical divisions are held to account and escalate issues as required through monthly Performance Review meetings with the Executive Team. Each division provides a balanced scorecard of performance information which is included in the monthly Integrated Performance Report.

Work has been undertaken during 2017/18 to develop a formal Accountability Framework for the Trust, as one of the recommendations of the external review against the Well-Led Framework which was undertaken in the second half of 2016/17. This has been the last of the outstanding actions from the Well-Led review.

A risk assessment against the Trust's operating license is carried out annually.

*Involvement of stakeholders in risk*

The Trust endorses three principles which underpin the quality framework:

- Quality is at the heart of all that the Trust does.
- There is an open and transparent culture to facilitate a learning organisation.

- The organisation will work collaboratively with stakeholders to ensure the quality and safety of services and demonstrate commitment to continual improvement.

Further information regarding patient and public engagement in the Trust is included in the annual report.

The Trust informs and engages with its commissioners throughout the year in relation to risk through regular meetings to review contract/clinical quality matters and to engage with them on the development of the Trust's Quality Account.

The Trust engages with public stakeholders and the local Healthwatch in discussions including consideration of risks which impact on them. Governors are involved in discussions about risks which impact upon the public and members through regular meetings including of the Council of Governors and Governor-Director Working Groups. They are also involved in the development of the Trust's Operational Plan and Quality Account.

#### *CQC registration*

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission (CQC).

The Trust was subject to a full inspection by the CQC in April 2015. The Trust received an overall 'Inadequate' rating and was placed into special measures in September 2015. The Trust was partially re-inspected in February 2016 which resulted in a rating of 'Requires Improvement'. A further full inspection was undertaken in September 2016 and the Trust was rated 'Good' and removed from special measures.

The Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period.

#### *Other compliance issues*

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 are complied with.

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

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

The Trust's Operational Plan for 2017/18 was approved by the Board of Directors following review by the Council of Governors. The Plan was submitted to and accepted by NHS Improvement.

Delivery of the Operational Plan was monitored by the Management Executive. Progress against cost improvement programmes was monitored through a robust programme management office process reporting to the Finance Steering Group and Management Executive. The Performance Committee sought assurance on behalf of the Board of Directors on the achievement of the Operational Plan.

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. Non-financial audits relating to quality are considered by the Quality Committee.

The process to ensure that resources are used economically, efficiently and effectively across clinical services include divisional Performance Reviews meetings, the clinical audit programme and the regular monitoring of clinical indicators covering quality and safety.

**Information Governance**

During 2017/18 the Trust recorded 41 incidents relating to information governance, including data loss or confidentiality breach, which were classified as level 2 in the Information Governance Incident reporting tool. These cases have been reported to the Information Commissioner's Office.

**Annual Quality Report**

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year. 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 2017/18 Quality Report was reviewed and recommended for approval to the Board of Directors by the Quality Committee. The Quality Committee was responsible for agreeing priorities to be included in the Quality Report based on input from clinical colleagues and the Council of Governors. Governors selected indicators for audit as they are required to do. External stakeholders, including the Trust's lead commissioners, were also involved in the development of the Trust's quality priorities and provided commentary for inclusion in the Quality Report.

Information to support the quality metrics used in the Quality Report are held in a number of Trust information systems, including the EPIC system and the risk management system, and are supported by analysis of reporting, and national returns.

The assessment of quality indicators is integrated into the Trust's performance management system, and hence is subject to review by operational and managerial staff on a monthly basis in a structured framework of performance review. The reliability of the data is periodically audited by the Trust's internal auditors. The data used in the Quality Account is subject to external and internal audit processes.

The Trust's Quality Report is included as part of the Trust's Annual Report and Accounts.

### **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit, and the executive managers and clinical leads within the NHS foundation trust who 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 of Directors, the Audit Committee, the Quality Committee, the Performance Committee, the Workforce and Education Committee and the Internal Auditors and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review is also informed by the work through the year of the Board of Directors and of Board committees, as described in the risk and control framework section above. I have also been informed by the work of the internal auditors during the year, working to a risk-based plan agreed by the Audit Committee, and the action plans resulting to address areas for improvement.

The Head of Internal Audit opinion has concluded that significant assurance with minor improvements could be provided that the organisation has an adequate and effective framework for risk management, governance and internal control.

The result of the external auditors' work on the annual accounts and annual report are also a key assurance. Other external assurance is provided by CQC intelligent monitoring reports, the outcomes of the clinical audit programme and the results of reviews and inspections by external organisations.

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

### **Significant internal control issues**

The Board of Directors has identified the following significant internal control issues for the Trust:

- Insufficient capacity to sustain timely and effective patient flow through the Trust's hospitals has impacted during the year on the Trust's ability to deliver key operational performance targets in relation to A&E waiting times and referral to treatment times for elective care. The Trust has continued to take actions internally to improve patient flow, as well as working with partners to reduce delayed transfers of care and identify the scope to provide additional physical capacity both on-site and elsewhere within the local health economy.
- Insufficient capital funding and decant capacity has impacted during the year on progress in addressing estates backlog maintenance and statutory compliance priorities (including in relation to fire safety and infection control). The Trust has taken a risk-based approach to prioritising investment within the capital resources available and has continued to work closely with its regulators on these issues.

### Conclusion

My review has established that Cambridge University Hospitals NHS Foundation Trust has a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives. I am satisfied that the significant internal control issues that have been identified in this review have appropriate action plans to help mitigate the associated risks and are subject to appropriate review, monitoring and escalation both internally and externally.



**Roland Sinker**  
Chief Executive  
23 May 2018

## 3.28 Equality, diversity and inclusion report

### Overview

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

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity

- Foster good relations between persons who share a relevant characteristic and those who do not. The nine protected characteristics are:
  - Age
  - Disability
  - Ethnicity
  - Gender
  - gender reassignment
  - marriage & civil partnership
  - pregnancy & maternity
  - religion or belief
  - sexual orientation
- Publish information to demonstrate compliance with the general duty at least annually
- Prepare and publish equality objectives every 4 years.

The Trust takes due regard for equality by undertaking equality impact assessments/ equality analysis when reviewing policies or when planning changes to services as part of organisational change processes to ensure our functions and services are not discriminatory.

The Trust aspires to excellence as part of its values *Together, Safe, Kind and Excellent* and behavioural standards. The Trust aims to go beyond the minimum threshold of legislation by being an exemplar of best practice. The Trust recognises that a richly diverse workforce, which is representative of the population we serve will better identify the needs both of our staff and patients and that staff perform best at work when they can be themselves.

This reports sets out the Trust annual progress report and actions to promote workforce and service equality, diversity and inclusion across the Trust

## **NHS equality delivery system (EDS2)**

The EDS has been developed by the NHS England Equality and Diversity Council to improve equality and diversity practice in the NHS as a tool to embed equality and diversity practice to meet the public sector equality duty.

The EDS contains 18 outcomes grouped under four goals. The four goals are:

1. Better health outcomes for all
2. Improved patient access and experience
3. Workforce – the NHS as a fair employer
4. Inclusive leadership at all levels

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

The Trust uses the NHS Equality Delivery System (EDS2) as a tool to drive equality improvements to engage with patients, staff and the community to review our service and employment equality performance and to identify future priorities and actions for the Trust's equality objectives. The Trust's directors each have responsibilities for equality and diversity. The Trust's EDS improvement plan 2017/18 was agreed after our last EDS equality engagement and rating event on 26 September 2016 with a panel of community groups who rated our equality performance, identified the EDS outcomes to focus for our equality objectives and a revised EDS improvement plan to meet them.

The EDS improvement plan has included implementation and embedding of the Accessible Information Standard and the Workforce Race Equality Standard action plan. The Trust's EDS rating reporting template and annual equality objectives to address the gaps are published on the Trust website. An EDS rating event is being planned for the spring.

## Workforce Race Equality Standard

Since July 2015 all NHS Trusts are required to published their Workforce Race Equality Standard metrics as part of the new NHS contract, In April 2017 Yvonne Coghill OBE, Director WRES at NHS England facilitated a joint Black and Minority Ethnic staff focus group with Trust Directors. At the "Let's talk about inclusion" Directors listened to BME staff experiences and discussed proposed actions for a co-produced revised WRES action plan to improve race equality at CUH. Consultation on the proposed action plan also took place with divisional management teams where each divisional race equality metrics were shared. The Trust's BAME staff network was officially launched at the Trust's Cultural Diversity celebration held in July 2017.

The third WRES reporting template and three year action plan were approved by the Board in September and are published on the Trust public website.

There has been some improvement in WRES Indicators 1-4 relating to appointment rates. Key activity on the WRES action plan in the last year has included:

- Executive mentoring scheme of BME staff, the 3<sup>rd</sup> and 4<sup>th</sup> cohorts. 25 BME staff have been mentored by directors since the scheme launched in June 2016
- Launch of the BAME staff network
- Root cause analysis of the WRES data;
- WRES metrics drilled down to a divisional/corporate level dashboard to assist with Divisional board and staff engagement and to identify hot spots for targeted interventions
- Audits of disciplinary cases that have led to targeted action including a development programme for estates and facilities
- Roll out of new leadership programme "Demystifying Equality, Diversity and Inclusion half day workshops for divisional and corporate function management teams – 104 have attended these workshop facilitated by external facilitator Jagtar Singh, OBE
- Bullying and Harassment Call to action task and finish group set up of management and staff side in August to agree an action plan
- All posts for secondments and acting up positions advertised centrally

- Scoping of the cultural ambassador programme with the RCN recruit and train staff ambassadors to be independent observers at disciplinary investigations
- Roland Sinker is senior responsible officer for this work
- The Trust has been invited to take part in the first cohort of the NHS England WRES Experts Development programme

The WRES report and action plan are standing items for the Workforce and Education committee of the Equality, Diversity and Dignity Steering committee and updates given to the Board and Management Staff Forum.

## Leadership and management of equality and diversity

A number of working groups drive equality activity in the Trust. They are:

**Equality, Diversity and Dignity Steering Committee:** chaired by the Director of Operations, the steering committee is responsible for leading, monitoring and evaluating equality and diversity work within the Trust. The committee reports to the Patient Experience group and the Workforce and Education Committee. Membership includes patient, public and staff governors. The steering committee meets quarterly and standing items include review of all patient complaints which highlight equality, diversity and dignity issues experienced by patients; workforce equality monitoring data; review of implementation and progress on the Trust's NHS equality delivery system (EDS) improvement plan, including implementation of the Accessible Information Standard and the Trust Workforce Race Equality standard action plan and feedback from the equality and diversity staff group meetings.

### Staff networks:

**Equality and diversity staff group:** responsible for identifying and addressing staff and service issues in relation to equality, diversity and dignity. This is a staff equality network of diversity champions whose members are self-nominated with the support of their line manager. The group is chaired by the Equality lead, meets bimonthly and reports to the equality, diversity and dignity steering committee on issues and recommendations. The group promotes the national NHS personal, fair and diverse campaign

Recent equality and diversity staff group activity includes:

- Campaigning on disability access issues and facilities in CUH
- Engagement on the EDS and NHS Workforce Race Equality Standard and coproducing the Trust's WRES action plan
- Talks for NHS equality and human rights week for instance and key guest speakers from various equality and diversity campaigning organisations eg Mencap;

### LGBT and Straight Alliance

This staff group of LGBT and straight allies campaigning for LGB inclusion in the workplace was launched on International Day Against Homophobia and Transphobia (IDAHOT) 17 May 2013 and meets quarterly. This group has

organised events to mark LGBT history month in partnership with Unison; LGBT History Time Line exhibition displayed in February 2017 and supported Cambridgeshire LGBT history month; invited guest speaker from Encompass Network to explore how to be part of the Safe Spaces

**“It’s Not Just You group”** staff group for mental wellbeing and resilience **and CUH Time to change group of mental health first aiders** campaigns against mental health stigma and organises events and talks for the Trust’s Mental Health Week for World Mental Health day 10 October, the national mental health week in May 2017 and for Time To Change national Time To Talk Day in February 2018.

**CUH BAME staff network:** launched in July 2017 this group of black and minority ethnic staff meets regularly with the Equality and Diversity lead to promote race equality and support implementation of the WRES action plan. The CEO is the staff network’s board champion

**CUH Women’s staff network;** occasional meetings to discuss issues to support women at work in CUH.

#### **Service equality working groups:**

**Learning and disability working group:** chaired by deputy chief nurse. Membership includes the Trust's learning disability specialist nurse, patients with learning disabilities and their carers with other external agencies including Voiceability advocacy service. The group works to improve services for patients with learning disabilities.

**Vulnerable adults working group:** chaired by deputy chief nurse to ensure needs of vulnerable adults are safeguarded and cared for appropriately

**Dementia strategy group:** chaired by deputy chief nurse and multidisciplinary professional representation; carer representatives; external partners and representatives from groups such as Dementia UK and Alzheimer’s society.

**Accessible Information Standard Implementation Task and Finish group:** chaired by Assistant Director of Nursing Patient Experience set up in September 2015 to implement the new standard.

**Carers Strategy group:** chaired by the Assistant Director of Nursing Patient experience; membership of this group working to support carers includes external partners CPFT and Carers Trust.

## **Equality monitoring**

As required by the public sector equality duty, the Trust’s workforce equality monitoring information is published on the CUH public website (see also section 3 staff profile as at 31 March 2018).

This includes:

- the profile of our staff by age band, disability, race, religion, sex, sexual orientation and marital status

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

Our patient profile and membership diversity report from the Trust membership office is published on the Trust website equality and diversity pages.

## Key equality and diversity activities for service equality and workplace in 2017/9

### Training and awareness

The following activity has taken place in 2017/18:

- “Understanding Unconscious bias” e-learning package from Skillboosters in place since September 2016 and is mandatory for all line managers, supervisors and all staff within the workforce directorate. It is also a pre-course learning requirement for all staff undertaking recruitment and selection training.

This is addition to E-learning module on equality and diversity and inclusion as part of biannual e-learning refresher training.

- 2Be Disability Confident Workshops
- “Demystifying Equality, Diversity and Inclusion” Half day workshops for managers facilitated by Jagtar Singh, OBE
- Learning disability specialist nurse who provides training for clinical teams on the needs of learning disability.
- Dementia awareness training programme for staff has been in place since 2011 and during 2014 – 15 was expanded to include showing of ‘Barbara’s Story’ for staff in post and at corporate induction.
- Mental health first aid training for staff continues to be provided by the Trust’s specialist mental health nurse over 500 employees have attended this training and act as link points in their areas.
- The Trust’s LGBT and Straight alliance have organised talks for LGBT awareness and Trans member and Unison LGBT Equalities Officer has held half day and 1 hour trans awareness workshops for the Trust
- The Trust hosts the Diversiton Diversity calendar on the Intranet (Connect) and on the public website

## Service equality

Key activities in 2017/18 to improve service equality have included:

- Embedding the national Accessible Information Standard since implementation with the task and finish group. The Trust was a national

pilot site for the Accessible Information standard and contributed to the final standard guidance produced by NHS England. Focus groups were held with experts from disability groups

- The link to the Disabled Go website was launched in the autumn 2017. This link on our Trust website helps support people with disabilities accessing our Trust buildings, clinics and wards so they can plan their visit. We are grateful for funding of Disabled Go to survey our premises from the Royal Voluntary services who also funded 200 copies of the updated Hospital communication book to be purchased and distributed to all wards and clinic reception desks to support the different communication needs of patients with disabilities.

### Workforce equality

- The Trust is a "Disability Confident" Employer
- The Trust is a 'Mindful Employer' charter signatory for employers who are positive about mental health
- Key workforce equality activity in 2017/18 other than the work streams reported earlier includes
- The first Gender Pay gap report and action plan was published in March 2018. A full pay audit by Prof Carol Woodhams from University of Exeter Business school has been commissioned by the trust to report back by the spring
- CUH re-signed the Time to Change Pledge
- CUH women's network meetings to discuss topics: e.g. Managing the menopause; International Women's Day 8 March 2017 talk supporting women regarding domestic violence
- To support our action plan for NHS Employers learning disability in employment programme, Director of Mencap Employer services talked to staff and line managers in December 2017 to start partnership working with Mencap
- Applied for and given a place to complete the nine month NHS Employers Diversity and Inclusion Partner Programme; the Trust was one of 30 Trusts in April 2018 to be awarded Diversity and Inclusion Partner status for 2017/18

## 3.29 Sustainability and climate change report

### Introduction

This report relates the commitment, approach and performance of Cambridge University Hospitals NHS Foundation Trust (CUH) as it has responded to the sustainability agenda throughout 2017/18, specifically including the directly connected challenge of tackling climate change. The report is divided into two sections:

1. provides the frame for understanding the Trust's action on sustainability and climate change in 2017-18 – a process of continuous development and improvement in line with the Board adopted Sustainable Development Management Plan 2013-2020;
2. details performance and achievement during 2017/18 and provides a brief look forward to the coming year.

## Commitment

As an NHS organisation, and as a spender of public funds, the Trust has an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets we can improve health both in the immediate and long term, even in the context of the rising cost of natural resources. Demonstrating that we consider the social and environmental impacts of our activities ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met.

We acknowledge this responsibility to our patients, staff, visitors and local communities by working hard to minimise the 'footprint' of our local and global environmental impacts.

## Context – sustainability is essential to what we do

Sustainability asks us to question our way of doing things. To check that we can carry on without making things difficult for ourselves, or others, today or anytime in the future.

It does this by seeking to ensure that we balance what we consume for financial gain and social benefit against the quality and capacity of the natural environment that supports that level of consumption. This environmental aspect is not there to question the things we want but, rather, to try and make sure that what we consume in the process does not make life harder or less healthy for other people today, or for any of us sometime in the future.

Environmental sustainability therefore resonates strongly with CUH's values of delivering safe, kind and excellent healthcare and the purposes of the NHS as a whole.

CUH is also a very intense consumer of energy, water, goods and materials. Front-line patient care, and all the associated support functions and campus infrastructure, mean that CUH consumes at the rate of a small town. This in itself brings a significant element of responsibility to ensure that the Trust's consumption is as sustainable as possible.

Finally, and perhaps most importantly, a degraded environment also causes ill-health in local communities through the effects of pollution, extreme weather and a potential reduction in the availability of essential natural resources. This is a very important reason to ensure that CUH and the NHS leads by example so as not to further increase the pressure on our health and care services.

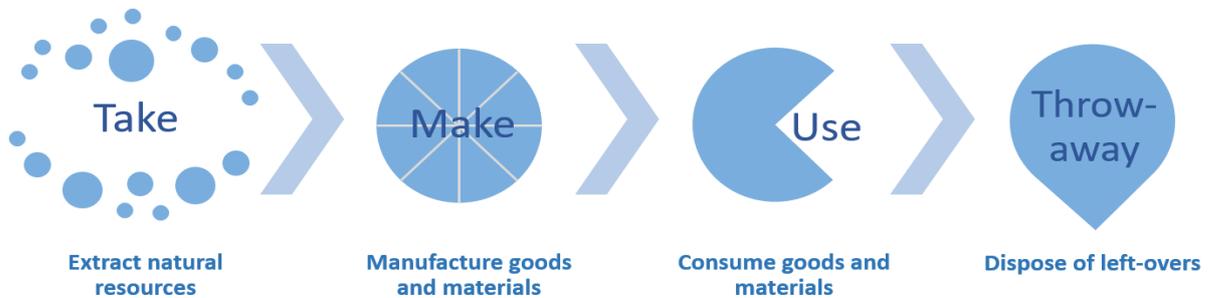
## Approach – building sustainability into what we do

What we consume at CUH hinges upon the 'flow' of utilities, goods, materials and (because of the hospitals' size and coverage) transport. These are all vital material flows that CUH's staff need in order to deliver safe, kind and excellent healthcare to all their patients: 24 hours of the day, 365 days of the year. The Trust consumes at a high level all the time, what matters is doing it in ways that are genuinely sustainable.

As with most organisations in modern industrialised economies, much of this flow of energy, water, produce, goods and materials can be thought of as part of a beginning-to-end (linear) supply chain. This covers everything we consume from

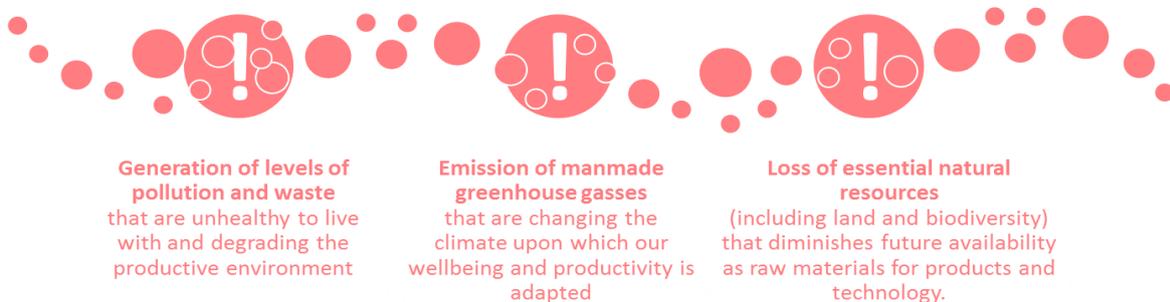
the extraction of the raw materials to the throwing away of what’s left of the ‘consumed’ product, with the vast majority of energy used in the process coming from fossil fuels. This is sometimes referred to as ‘cradle to grave’ – taking a product from the beginning of its life cycle to its end or disposal.

**The ‘flow’ of utilities, goods and materials to meet our needs**



The problem with this approach is that it discards pollutants and excess greenhouse gasses along the way whilst throwing away any used or left-over products or by-products at the end of their apparently consumable lives:

**All generating hundreds of unaccounted for environmental impacts along the way that are cumulatively putting our health, wellbeing and future at risk**



Supply chains can be very long, not just in the number of steps and different players and processes involved but also in terms of geographical location. As a heavy consumer of healthcare products and materials, staff at CUH will occupy a distinct area in the chain – purchasing a finished product, using it and then throwing it away when exhausted or no longer wanted. Unsurprisingly, these consuming actions are often only really noticed in the context of treating a patient. In terms of sustainability, however, they remain part of a complicated and interlinked chain. As a major consumer, the Trust must deal with this aspect of the supply chain as sustainably as possible. This responsibility includes:

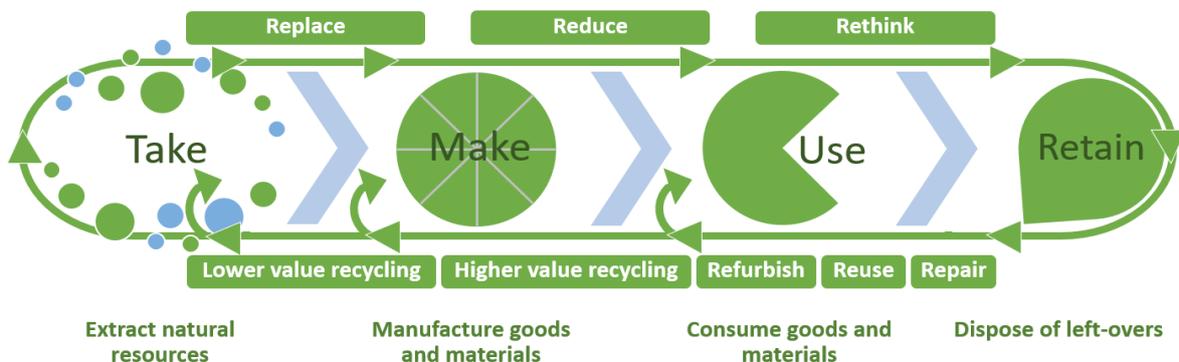
- procurement that fully accounts for lifecycle costing (identifying operational and maintenance issues and drawing elements of these budgets into capital costs where materially appropriate);
- the most efficient use possible of the goods and products supplied, and;
- the segregation of waste and transfer to disposal streams that minimise pollution and maximise retained value.

All this is within the Trust’s direct control. The less direct aspects of sourcing products before they are delivered to campus, and what actually happens to segregated waste once it has left the campus, may still be influenced through contractual controls and partnership working.

The overall objectives are to ensure that the value of goods, products, materials and utilities are retained for as long as possible. This can be achieved through repair, reuse, refurbishment and higher or lower value recycling depending on the condition and content of what is being disposed of. These activities allow value to feed back into the supply chain in the highest form possible so that resource depletion is minimised and the pollution and carbon emissions from manufacturing from scratch again are avoided. Moving forward through the supply chain, opportunities for innovation and enhancing value for money can be explored and developed. These could include replacing components with less environmentally damaging ones, reducing packaging, rethinking distribution and the consumption process and using energy from lower carbon sources.

This approach of retaining value, reducing pollution and cutting carbon emissions facilitates a more circular and less wasteful flow of utilities, goods and materials. The life cycle of goods and products, in what is sometimes called the ‘circular economy’ model are considered in terms of ‘cradle to cradle’ rather than ‘cradle to grave’ – as illustrated below.

**The more circular ‘flow’ of utilities, goods and materials to meet our needs**



**Begins to reverse the impact of hundreds of unaccounted for environmental costs along the way that have cumulatively put our health, wellbeing and future at risk**

Understanding and developing supply chain interconnections, dependencies and relationships lies at the heart of this more efficient, cost-effective and environmentally responsible circular flow of utilities, goods and materials. Sustainability requires us to get very specific in identifying and managing or influencing these flows. Firstly, we need to assess how they should work for optimum ‘circularity’, and then work out the best ways to intervene to achieve this, and then, take the requisite actions, with all the relevant partners, to make this happen.

**Policies**

One of the ways in which an organisation can embed sustainability is through the use of a Sustainable Development Management Plan (SDMP). The Trust’s Board

adopted the CUH SDMP in 2013. This was intended to run through until 2020 but, although still valid, approaches have changed. The release of the United Nations Sustainable Development Goals in 2015, the 2016 Paris Agreement on Climate change, the release of the NHS Sustainable Development Assessment Tool in 2017, and the endorsement of the EU's Circular Economy Package in early 2018, all refine and reshape the way forward. In order to ensure that the Trust is operating within the most relevant framework our current SDMP is in the process of being comprehensively redrafted. A new draft will be consulted on and subsequently put forward for approval during 2018/19.

An SDMP is supported and augmented by a range of more subject specific policies and procedures. These include an extensive Travel Plan that appropriately embraces the wider Cambridge Biomedical Campus. This has been fully reviewed, refreshed, updated and consulted-on and will be formally adopted by the Trust and Campus Partners in the summer of 2018.

Other key documents include the Trust's Environmentally Sustainable Design and Construction Protocol, the Waste Management Policy and Waste Disposal Procedures, and several policies relating to aspects of energy and water management. These are all refreshed and updated on a regular basis.

Sustainability is now referenced within the Trust's tender preparation guidance. Procurement procedures are being developed to ensure that lifecycle costings are appropriately covered in relation to energy, waste, water and transportation.

The Sustainable Development Unit for the health and care system in England ran a full consultation exercise to review and update its valuable Good Corporate Citizenship guide. The Trust usefully contributed to this process and the new Sustainable Development Assessment Tool (SDAT) stands to be an important route to re-assessing corporate coverage of the sustainability agenda at CUH. A full assessment, using the SDAT, will be carried out in 2018/19 and, as mentioned above, the output will provide vital evidence and direction in the re-drafting of the SDMP.

Climate change brings new challenges to our business both in direct effects to the healthcare estate, and also to patient health. Examples from recent years include the effects of heat waves, and the extreme surface water flooding event of 17 July 2015. Our SDMP identifies the need for the development of a Board approved adaptation plan for future climate change risks affecting our area. Key elements of this will be the Surface Water Management Plan, currently being drafted in collaboration with the Cambridge City Council, a site-wide Water Resource management Study (scheduled for the second quarter of 2018/19) and continuing work on environmental cooling.

### **Partnerships and collaboration**

Partnerships, networks of shared interest and less formal collaborative working arrangements are fundamental aspects of the route to sustainability for any organisation and the communities it serves. This point is very clearly made in the Trust's SDMP. Actions for a more sustainable world make little impact in isolation. Sustainability is for everyone.

Some responses are very technical whilst others are just about 'doing the right thing' as we go about our lives. Everything from upgrading the gas burners in our steam-generating boilers to simply putting what we see as rubbish into the correct

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bin so that it can be properly recycled. No one wants to waste resources, experience pollution, see our natural environment decline or face the dangerous impacts of climate change. The Trust recognises that the responsibility to prevent this happening is not something that one department, one team of 'green champions' or one hospital can shoulder on its own. Reaching out and searching for support that works in both directions across all our healthcare colleagues, patients and visitors, and our partners in the public, private, voluntary and community sectors is essential to an environmentally sustainable future.

In 2018/19 we have established or maintained productive or potentially productive relationships for the purposes of advancing environmental sustainability with the following external partners: Cambridge City Council, Cambridgeshire County Council, Greater Cambridge Partnership, Cambridgeshire and Peterborough Combined Authority, Connecting Cambridgeshire, NHS Sustainable Development Unit, East of England NHS Regional Sustainability Network, East of England Health Estates and Facilities Management Association, Cambridge Sustainable Food, Cambridge Carbon Footprint, Cambridge Cycling Campaign, University of Cambridge, Anglia Ruskin University, Medical Research Council, AstraZeneca, Royal Papworth Hospital, National Union of Students, Cambridge Cleantech and local community groups.

## **Performance**

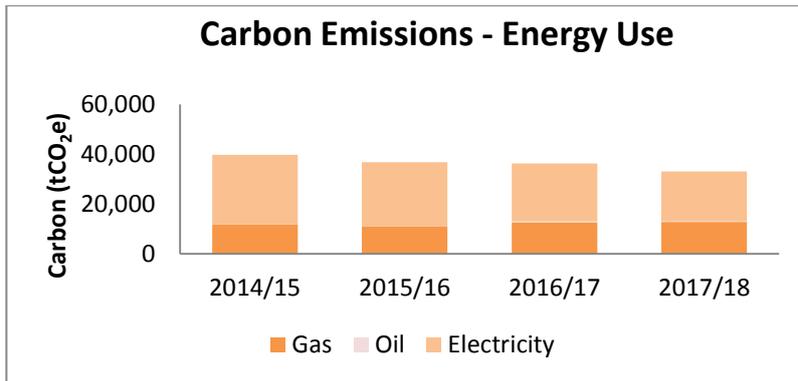
### **Sustainable Energy and Water Consumption**

#### **Energy**

Each day, the Trust consumes the gas and electricity equivalent of approximately 5700 average homes – the equivalent of a small town. However, considering that the Trust runs a 24/7 major acute hospital with up to 24,000 patients, staff and visitors coming to site every day, this is not such a surprising figure.

This energy provision is currently going through a period of transition. The existing infrastructure is being carefully assessed against the efficiency levels at which it can deliver and the demands of future development or expansion to meet the on-going and longer terms needs of kind, safe and excellent healthcare for its patients.

Carbon emissions from the on-site consumption of heat and power continue to fall. The overall target for the NHS is a 28% reduction by 2020 from a 2013/14 baseline. In terms of heat and power the Trust has currently achieved a 13% reduction since 2014/15 - when we were obliged to reset the Trust's baseline due to the decommissioning of the combined heat and power (CHP) gas turbine in the boiler house. The 13% reduction since then has been achieved by working hard to improve the efficiency of the current energy delivery infrastructure on site and through the increasing contribution of low carbon electricity generation to the national grid.



Meeting the 28% target will require a step-change in on-site generation through the delivery of plans for a new energy centre or major upgrade of the existing facility. At the heart of this is the deployment of new high efficiency CHP plant – significantly cutting the waste heat and transmission losses associated with national grid supplies. It is anticipated that these plans will take five years to be realised. In the meantime, however, there are useful steps that can be taken to raise the efficiency of the existing heating plant.

With new infrastructure plans in the pipeline, the payback on any investment for improved efficiency needs to be relatively short. For 2017/18 this has been achieved through the replacement of the burners in the Trust’s two main dual-fuel boilers, together with scheduling panels to automatically optimise their operation (payback details below). This year has also seen the final phase of works to improve the efficiency of the Trust’s incinerators, from which waste heat is used to warm the hospital, thereby also contributing to a relative reduction in gas consumption and related carbon emissions.



Generating heat and power from renewable non-fossil fuel sources on the CUH campus is a challenge. The principle technologies available to us are solar panels and heat pumps. The Trust has one 32kWp

photovoltaic (PV) array on the roof of The Rosie and is currently commissioning a full survey of the entire site to identify all other practical locations. Air source heat pumps are already deployed at various locations - these are essentially refrigerant-based air conditioning units that can work in either heating or cooling mode. Although they require electricity to draw or release heat from the outside air they are deemed renewable; the key to efficiency is balancing their use. This is something best achieved in new builds or major refurbishment. The preliminary phase of a project to assess the viability of combining a new PV array with power to a chilled water air conditioning unit, including an interconnected battery to maintain constant supply, is presently underway.

As introduced previously, the transition to a sustainable circular economy requires that utilities are managed across their full flow from fuel sources, to generation, distribution and finally consumption (including the identification of waste and losses). Therefore, technologies for more efficient generation are only half of the equation. Just as important, and arguably more so, is the need to ensure that demand is kept to minimum. This should also be carefully monitored against changing circumstances and the drive for continuous improvement. 2017/18 has seen the Trust embark on a comprehensive review of its approach in this area – specifically to prioritise all aspects of what is termed demand-side management (DSM). This has included:

- Training and development of the CUH Energy Team in the ISO 50001 (2011) continuous improvement approach to the development of a tailored and verifiable energy management system.
- The use and updating of all the relevant compliance measures in the Energy Performance of Buildings Regulations: Display Energy Certificates (DECs) for all our publicly accessible buildings; Energy Performance Certificates (EPCs) that achieve at least an 'E' rating for all new (or renewed) leased properties (as required under the Minimum Energy Efficiency Standard regulations from April 2018), and; regular inspection and reporting on the efficiency of air conditioning units.
- Delivering actions to improve the Trust's utility metering (in line with the CUH Metering Strategy) to ensure that: i.) compliance standards are met, ii.) automated meter readings to monitor performance are maximised and, iii.) as far as practically possible, the need to apportion consumption and costs (which is done where metering is not available) is avoided.
- Accurate automated metering is the foundation of DSM activity. It has been regularly used this year to identify projects, assess project savings and more fairly devolve rechargeable consumption. This allows sustainability interventions to properly connect with capital programme business cases and also provides a bridge into departmental utility budgets – encouraging local responsibility and the quantifying of benefits from DSM measures driven by local teams in their own work areas.

Upgrading or replacing equipment and plant to minimise energy consumption, cut carbon emissions, and reduce revenue-based running, operational and maintenance costs requires capital investment. Where funding cannot be levered in from other sources, the Trust uses a well-established and ring-fenced budget – known as its Salix Fund. This was set-up in 2008 as a match-funded arrangement with Salix Finance Ltd. The scheme provides interest-free Government funding to the public sector to improve energy efficiency, reduce carbon emissions and lower energy bills. It is a constantly 'revolving' source of finance in that the savings generated by CUH's approved projects are returned to the fund until the original cost is paid back. After this time the savings are permanently accrued to the Trust's budgets. The energy and carbon savings are attributable as soon as the physical project is complete.

2018 marks the Trust's 10-year anniversary as a very productive member of the scheme. This year we have focused on upgrading the burners in the Trust's two main central boilers. Because of the large volume of gas required to keep the campus buildings warm and its water hot all year round, the estimated 8% savings are very significant and offer a payback of less than 2 years – the Boiler House team have already recorded a reduction in running costs of £40,000 in the first 3-4

months of operation (with a projected carbon emissions reduction of over 650t CO<sub>2e</sub> per annum).

#### 2017-18 Salix funded energy saving projects

Project	Energy savings/yr. (kWh)	Cost savings/yr. (£)	Carbon savings/yr. (tCO <sub>2</sub> )
Oncology Day Unit lighting	10,292	1,235	4.62
Delivery Unit lighting	25,097	3,012	11.28
Burner Replacement Project Stage 1	3,540,305	88,508	651.42

Alongside this major project, two LED lighting schemes have been delivered. These upgrades to highly efficient LED units (often including sensor driven automation) not only cut costs and carbon but also have the very welcome benefit of improving the quality and levels of light for those staff, patients and visitors using the spaces.

The table below shows the very significant permanent annual savings that CUH's Salix projects have achieved over its first 10 years of operation.

#### 2008/09 – 2017/18: 10 years of Salix funded energy saving projects

Project Type	One-off project costs invest-to-save (£)	Energy savings/yr. (kWh)	Cost savings/yr. (£)	Carbon savings/yr. (tCO <sub>2</sub> )
Boiler upgrades	£148,114	3,648,096	£98,084	831
Heating upgrades	£226,457	2,469,012	£51,256	433
Insulation	£110,714	2,712,953	£80,673	502
Cooling upgrades	£6,768	79,927	£7,593	42
Lighting upgrades	£375,198	938,891	£98,086	475
Motor upgrades	£138,848	1,065,725	£84,529	431
10 year totals	£1,006,099	10,914,604	£420,221	2,713

It must be remembered that this is a 'revolving' fund – the Trust's total financial contribution to achieving these exceptional savings was a one-off investment of £220,000 at the beginning of the programme, which has self-propagated into over £1,000,000. This now generates year-on-year savings of £420,000 and has cut the Trust's heat and power carbon footprint by approximately 7%.

The final aspect of connectivity in delivering DSM efficiency gains comes from the people using the energy itself. This might be the heating, cooling, ventilation or lighting of a room, a computer, a scanner, a medical device, laboratory, office or cleaning equipment or perhaps some less visible plant or maintenance kit. Here the users often contribute directly in deciding whether an electrical item is on or off. Therefore, ensuring that we communicate the most energy efficient actions and/or help promote the necessary changes in behaviour is crucial. The Trust gathers and puts out this advice under the banner of **Think Green – take action for a sustainable future**. Within this the, the dedicated *Think Green Impact* programme runs every year to help small teams in their own work areas to save energy amongst a range of other actions.

## Water

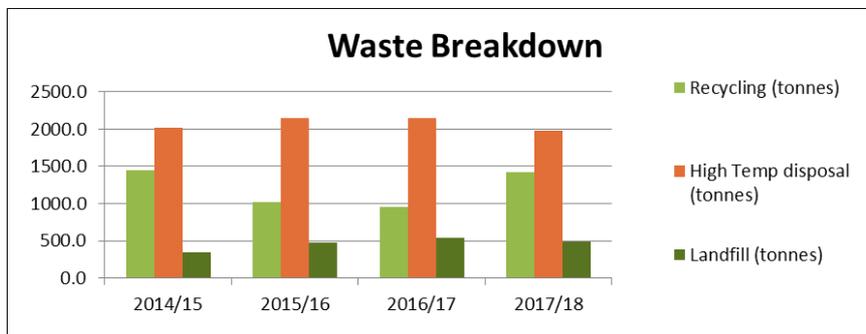
Alongside energy, the Trust is a very intensive user of water: consuming around 35,000m<sup>3</sup> (35 million litres) each month with approximately 90% of this being flushed and washed away as waste water into the foul drainage system. For operational and safety reasons, much of the water is treated, with tank storage and a carefully managed pipe flushing regime. The water has many purposes: from washing, flushing and cleaning to drinking and food preparation, to research and testing, to running boilers and providing hydro-therapy and swimming

facilities. Due to hospital regulatory issues, methods of reducing water consumption on campus can be constrained: especially in relation to the very necessary priority of infection control.

2017-18 has, however, brought us the opportunity to work in a much more flexible and performance orientated way with the Trust’s water services providers. The deregulation of the water market for business users has meant that even though our water supply and wastewater removal will continue to be provided by Cambridge Water and Anglian Water respectively the customer point of contact for these services has changed significantly. A third-party ‘retailer’ now manages this relationship on our behalf. The Trust completed an extensive competitive tendering exercise this year to set-up a three-year contract with one of the new water business retailers. Pennon Water Services (trading as Source for Business) won the contract and as part of this new relationship we have begun the process of carrying out a detailed water efficiency survey of the entire Hills Road campus.

**Sustainable Procurement and Waste Management**

For the Trust to achieve a more circular local flow of goods and materials, that saves it both money and resources (whilst also contributing to the wider sustainability of its supply chains), it is essential that procurement works hand-in-hand with waste management. Almost all of the products we buy, we also subsequently throw away. Linear supply chains mean that we are, in effect, buying our own waste. The adjacent graph shows performance across the Trust’s three main collated waste streams (recycling rates have improved – see below for detail).



The proposition at the heart of more circular supply chains is that the link between all the physical items that the Trust purchases, and what it does with them once they are finished with, should be a more positive one. Where alternatives exist, with comparable life cycle costs, then purchasers should choose the products that lend themselves to re-use, repair and higher value recycling. As far as possible, what the Trust buys should not become waste but rather a resource that can be used elsewhere (i.e. can be fed back into the supply chain) at points that retain as much value as possible. As an example, the transfer of end-of-life (but uncontaminated) single-use curtains from on-site incineration to recycling directly back through the supplier, generates useful CUH cost-savings whilst improving supply chain value retention.

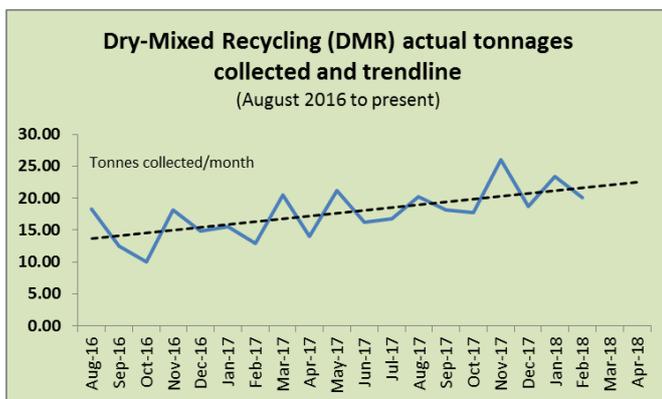
Good working links to identify such benefits have continued to develop this year between the Trust’s Procurement and Sustainability Teams. Formally through the Clinical Consumables Evaluation Group, assessment of tender specifications and

Pre-Acceptance Waste Audits; and, more opportunistically through ad hoc staff communications relating to waste segregation, collection and disposal queries). As an acute hospital campus, however, there are waste types for which value retention is not an option. CUH produces significant quantities of healthcare waste which is often hazardous or contaminated. This means it is bound by tight regulations as to how it can be disposed of: re-use and recycling are not available disposal routes for these types of waste. The Trust incinerates all clinical waste on site in what is, essentially, total destruction - with the exception of the recovery of heat from the burning process that is then used to warm the premises.

This year, the Trust has carried an exceptional 8 re-use and 18 recycling streams alongside repairs, where possible, to medical devices through Clinical Engineering and site infrastructure through the Estates and Facilities Maintenance teams.

As with energy and water, however, we depend upon staff, patients and visitors to use the sustainability infrastructure that the Trust puts in place as effectively and responsibly as possible. For waste management this essentially means users putting items in the correct bin when they have finished with them. The potential for bagged waste to hide mistakes and errors in this sorting (or segregation) at source are both perennial and significant in terms of safety and sustainability. A very effective 'Waste Matters' week in October refocused attention on this crucial issue through launching the Six Rules of Safe Sorting and emphasising their importance.

This initiative, as part of an ongoing communications campaign, also supported the continuing roll-out of dry-mixed recycling (DMR) bins. The demand for these lidded green bins, as replacements for multiple general domestic bins, has been strong all year. The Waste Matters week netted requests for an additional 129 green bins. 2017/18 has really seen the DMR programme achieve significant results in capturing recyclable waste from the general domestic waste stream, as illustrated in the adjacent graph.



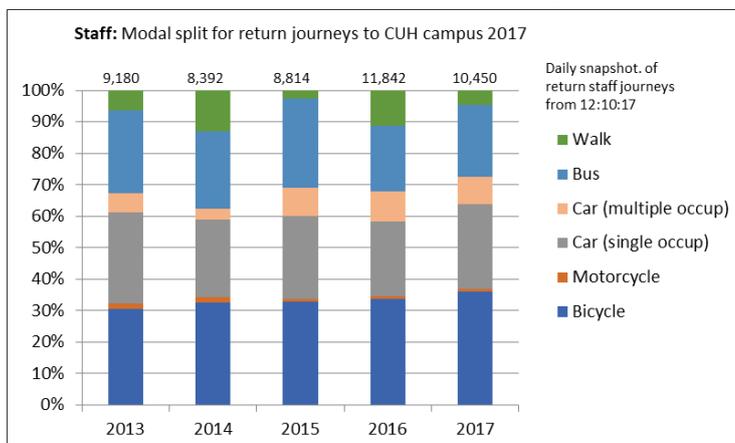
When it comes to recycling, The Trust’s compact and lidded green DMR bins have been chosen to minimise contamination – the lid, the green bin and bag colour and careful labelling all minimise the chance that staff will accidentally contaminate the contents with non-DMR waste. However this approach is not suitable for heavily used public spaces such as Addenbrooke’s Concourse and Food Court. Achieving strong and uncontaminated recycling rates in such areas is a significant challenge but the potential savings are significant. To meet this challenge the Trust is currently trialling redesigned labelling and messaging in the staff area of the Food Court. Working closely with Compass as the service retail provider in this area we have set the aspiration of achieving a 100% recycling rate through modifying the waste streams (removing polystyrene from the retail units) and thereby presenting customers with a straightforward segregation choice between just food waste and everything else (which in the Food Court is all covered by the DMR stream). So far we have achieved partial success with the DMR stream being well used and uncontaminated. Unfortunately the food-only stream suffers from excessive packaging waste contamination and has to be put in the general domestic stream. The learning from the performance of this pilot scheme will be used to shape a wider programme for the more public areas of the Food Court and Concourse.

The performance in the recycling of domestic waste is heavily dependent upon the variety and coverage of the waste streams available to the Trust through our external collection and disposal contractor. The current contract concludes in mid-2018 and a new specification is out to tender with a strong emphasis on continuous improvement in the more circular flow of goods and materials through CUH’s waste streams.

### Sustainable Travel

The Trust has a long track record of successfully enabling more sustainable modes of travel for work. In 1993, 74% of staff came to work by car, in 2017 this percentage had more than halved to 36%. This has been an outstanding and very necessary achievement as the total number of staff coming to work at CUH each day has grown from around 4,000 journeys to over 10,000 for the same period. Without the determination to deliver a major step-change in commuting modes, the number of cars coming to site would have created extreme congestion on the campus and its local feeder roads during peak times as well as creating issues of

air pollution and excessive carbon emissions.

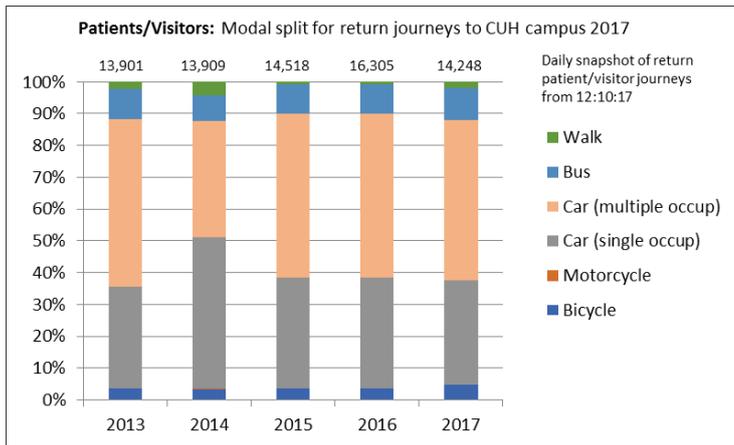


Despite some reductions in percentage terms, the overall actual levels of car traffic have also increased. The numbers of patients and visitors travelling to site have almost doubled since 1993, and over 80% of these journeys are made by car. This increase in traffic levels is reflected across Cambridge as a

whole. CUH is not alone in taking deliberate steps to facilitate the take-up of more sustainable travel options. The Greater Cambridge Partnership (GCP) has been established and funded to deliver a range of responses to the issue of congestion

in the local area: the Trust has been working closely with GCP throughout the year.

The take-up of more sustainable travel options therefore remains a high priority. With the hospitals running at full capacity, and the wider Cambridge Biomedical Campus (CBC) going through a period of exceptional growth, the pressure on the local transport network will reach new highs in 2018/19. To prevent unacceptable levels of congestion and pollution it is even more important than ever that the



campus is accessible without staff, visitors and patients having to park on-site whenever practically possible. Performance for 2017/18, in terms of the

ratio between single occupancy cars and other more sustainable modes, remains relatively consistent for both staff and patients/visitors coming to the campus (as illustrated in the adjacent graphs).

A significant proportion of the variation in these figures, over the past five years of the one day traffic survey (on the second Thursday in October), can be accounted for by the local weather conditions on the day the survey was done.

In order to mitigate the future anticipated congestion pressures in 2018/19, from both service demands and CBC expansion, the Trust has been working hard with the Greater Cambridge Partnership, local bus companies, local councils and CBC partners throughout the year on strategic infrastructure issues that provide practical alternatives to driving onto campus. These include expanding Park & Ride provision, proposing new dedicated bus and cycle ways, broadening bus schedules, and supporting plans for a campus train station. These major projects are progressing well and will mitigate the growth in on-site access demands for CBC's medium to long-term future.

In the short-term, local Park & Ride capacity will be co-ordinated to support CUH's needs. On campus, 2017/18 has seen the Trust secure some important improvements to local bus services and boost the campus's cycle access and support infrastructure. At the beginning of the year, refurbished and extended cycle parking was opened outside the Addenbrooke's Treatment Centre and Cambridge Clinical Research Centre buildings. Further additional capacity was located on Robinson Way. Both installations have allowed the Trust to trial a double-stacking standard for bicycle racks. It is significant that this has proved successful to date as space limitations mean that double-stacking is a favoured positive response to increasing the site's bicycle parking capacity.

Also at the beginning of the year, cycle access was given a major upgrade at the Red Cross Lane entrance and exit. The results have proved very popular.

2017 saw the arrival of Ofo's no-booking cycle hire/sharing scheme in Cambridge. The Trust has allocated dedicated pick-up and drop-off spaces for these bicycles – strong demand now has up to 50 of these innovative yellow bicycles available for use on-site at any one time.

Unfortunately at the start of 2017 the charity OWL was forced to close their on-site cycle repair service. This had been a valuable facility for CUH's (and other CBC organisations') cyclists since 2011. Thankfully we have now secured a new partner and the re-launched Campus Cycle Hub has been providing an excellent 8.00am to 5.00pm Monday-to-Friday service: now repairing an average of ten bicycles a week.



### Sustainable Behaviour Change

CUH's continuing upgrade to the physical infrastructure and delivery systems of energy and water efficiency, waste segregation, travel choices and life-cycle-assessed procurement throughout 2017/18 are all essential aspects of the transition to a secure and more sustainable future. This, however, is only one half of the picture. The corollary to infrastructure and process is how they are used by real people in real situations: our staff, patients and visitors across a large, complex and intense campus.

Few people want to see resources wasted or to cause avoidable damage to our natural environment. The pressures of a busy hospital often mean, however, that the impacts of our day-to-day actions on these issues can easily be overlooked. Requests to power-down, recycle more or catch the bus will struggle to make a real difference on the ground unless they are tailored to individual teams and workspaces. When working in a hospital with over 60 buildings, and over 7,500 occupied rooms, corporate messaging can often only raise awareness of an issue. As outlined in preceding sections, a conventional rolling communications campaign (via CUH Daily, 08:27 meetings and Connect 2) has been used to raise the profile of important sustainability matters.

Focused engagement for more lasting change, however, will be found at the local workspace or departmental level – working with section managers and their delivery teams. Here the daily run of work processes is completely understood. This means that the options for more sustainable energy, waste, water, transport and purchasing can be tailored to fit with real-world routines and thereby become a natural part of day-to-day life. At this level of direct delivery, the door to new and innovative approaches to sustainable working is also far more likely to open.

This is not conjecture. The Trust's Think Green Impact (TGI) programme has proved that small teams are keen to ensure that their work areas and colleagues are really staying on top of energy and water consumption whilst minimising waste and promoting more sustainable travel and purchasing. All that is required is

some support, and advice if necessary, with some recognition of achievement along the way. TGI provides exactly this through creating individual team action logs with at least three levels of ambition (Bronze, Silver or Gold tabs) together with detailed guidance, support sessions, newsletters, audits and awards over a six-to-eight month period each year. 2017/18 saw Occupational Health achieve our first Gold Award. This year's scheme opened in the Spring and closed in the Autumn. The TGI Action Logs allow teams to record what has worked for them and what has been more of a struggle. This has been used to inform a full review of each of the required actions under each of the different tabs. The 2018/19 logs have been refined and streamlined. A basic Green tab has also been included as both an introduction and for returning teams that want to prove they have maintained their TGI achiever status.

Think Green Impact  
Award Winners 2015-2017



The engagement of staff with the benefits of environmentally sustainable behaviour has also continued to be delivered in other guises throughout 2017/18:

- through specific contributions in Corporate Induction sessions, New Managers' Orientation Days, the Estates and Facilities Values Academy and, on invitation to departmental 'away days';
- from the work of our Grounds Team in looking after our valuable green spaces, to, bringing together projects to improve the quality of the outdoor environment – as typified in the J2 Garden Refurbishment Project;
- from Capital Projects and Minor Works directing contractors towards more sustainable solutions, to Hotel Services and Environmental Services engaging with suppliers and service providers to cut and redirect waste for more

sustainable outcomes, to, our Quality Assessment Officers engaging with contract cleaning teams on waste segregation;

- from Pharmacy and Clinical Engineering engaging with patients and staff on re-use, to, Addenbrooke's Abroad channelling redundant equipment into health centres in need in other parts of the world;
- from the Estates Maintenance Team making people aware that they can repair a whole range of 'consumable' equipment - from waste bins to water heaters, to, the Environmental Services Porters carefully collecting segregated waste, to, our overnight Porters, Facilities Managers and Security Teams checking that lights are not left on unnecessarily.

All of these direct and indirect engagement actions show that the Trust is well positioned to establish a wider leadership role in promoting behaviours founded on environmentally sustainable values and all the benefits that they bring.

### Being prepared for the impacts of climate change

The cumulative concentration of excessive greenhouse gasses in the atmosphere from human activity has already committed us to experience a significant degree of climate change. In Cambridge the most immediate of these is likely to be felt through building overheating from summer heat-waves. In 2013 a hot spell in England was estimated to have caused 650 premature deaths. The 2003 heat-wave led to over 2,000 premature deaths in England and Wales. Surface water flooding from more frequent and intense storm events is also an anticipated outcome of climate change. This became a reality on 17<sup>th</sup> July 2015 when a 1-in-190 year heavy rainfall and flooding event caused the Trust to declare a 'major incident'.

A comprehensive review of the site's existing cooling capacity has been included in the important and ongoing energy strategy and business case development work. In response to the potential impact of surface water flooding a detailed Surface Water Management Plan (SWMP) for CUH is now being finalised in partnership with Cambridge City Council. The SWMP will provide a full understanding of the surface water flood risk to the hospitals and adjacent land, now and in the future, together with an identification of potential mitigation measures and associated business cases.

### Looking forward

This 2017/18 report has illustrated the ongoing organisational benefits that come from a strong and active commitment to the sustainability and climate change agendas. Through the use of life cycle assessments, combined with a real sense of collaborative and local responsibility, resources are saved, pollution is controlled and carbon emissions are cut.

At a time of intense pressure on hospital resources these benefits are of even greater value: reducing spend in the short and long terms, improving wellbeing, adding social value and showing the way forward to a more secure future and safer environment.

The 2018/19 work plan will continue to build on this firm foundation of commitment and responsibility. In the face of extended pressures on both the NHS and the natural environment (that underpins the wellbeing of our patients, staff and local community) it will be another busy year.

High on the priority list will be a new round of both basic and innovative energy saving upgrades, a full review of water efficiency, continued roll-out and extension of the re-use and recycling programme, additional bicycle parking and promotion of more active travel choices, the development of life cycle assessment procedures within procurement tenders, full support of the newly stream-lined Think Green Impact scheme for small teams across the campus and a detailed assessment of our resilience to climate change impacts – especially surface water flooding and heat-waves.

All this will be wrapped up in a new Sustainable Development Management Plan and re-assessment of our organisational capacity using the SDU's Sustainable Development Assessment Tool.

### **3.30 Other issues**

The activities and policies of the CUH in the areas of social, environmental, community and human rights are outlined earlier in chapter 3 and specifically the equality and diversity report and sustainability and climate change report.



**Roland Sinker**  
Chief Executive  
23 May 2018

## 4. The quality report

### 4.1 Part 1 - Introduction

#### 4.1.1 Statement from the chief executive

2017/18 has been a year of embedding and strengthening the improvements in quality made at the Trust. The Trust was re-inspected in September 2016 which led to its 'Good' rating from the Care Quality Commission's (CQC) report published in January 2017. This was before the back-drop of a challenged NHS throughout the winter of 2017/18.

The Trust has worked hard to achieve our vision to improve people's quality of life through innovative and sustainable healthcare and to develop its strategy, with input from patients, staff and a range of stakeholders. The strategy is underpinned by our values – Together – Safe, Kind and Excellent - and aligned to four key areas of work: Improving Patient Journeys, Working with our Communities, Strengthening the Organisation, and Contributing Nationally and Internationally.

The Trust has made progress in all four areas:

##### 1) Improving Patient Journeys

Multidisciplinary teams of staff have built on on-going innovations to design pathways to deliver the best patient care effectively. This shows CUH at its best, with staff from across disciplines coming together to give our patients the best outcomes and experience whilst they are with us.

The Trust has achieved its quality priorities for patient experience/caring in meeting the response times for patient complaints and consistently good ratings for the food and drink we serve patients. We reduced the most severe pressure ulcers to zero as well as improved reporting of patient safety incidents and the embedding of processes relating to incident investigation and mortality reviews. However recruitment of registered and unregistered nursing staff remained challenging and we did not meet our vacancy rate targets for these staff groups. This is due to the lack of registered and unregistered nurses nationally and the challenges of recruiting from overseas. Through the hard work of CUH teams, the numbers of nurses are due to increase in May 2018. Two thirds of staff, already working for us, reported for in the 2017/18 national staff survey that they would recommend CUH as a place to work.

The quality priorities relating to patient flow (Delayed Transfers of Care, and Cancelled Operations) were also not met due to the pressures experienced throughout the NHS.

##### 2) Working with our Communities

CUH has also worked hard with system partners to ensure that patients receive care in the best place for them when hospital is no longer the most appropriate place to be. Over the past 12 months, the Trust has played a leading role in the Sustainability and Transformation Partnership, working more closely with local health partners, social care, GPs and others to improve the care and experience offered to our patients. As a system we have moved

towards joint accountability for services and are identifying and pursuing opportunities to provide best value to taxpayers.

By combining our resources and expertise we will work towards that patients see the right person and receive treatment at the right time and are able to leave hospital at a time that is most appropriate time for the patient.

### **3) Strengthening the Organisation**

This year the Trust has invested in a Senior Leaders' Programme, supported by the King's Fund and the Judge Business School, developing the skill set of a number of cohorts of sub-Board level senior leaders. In addition, bespoke programmes continue to be provided for Senior Nurses and Clinical Directors. As well as supporting our leaders, the Trust is also working with Anglia Ruskin University on a pioneering initiative to provide degree apprenticeships in nursing for healthcare assistants. The Wider Leadership Team (the 150 most senior staff in the Trust) has met throughout the year to work on strategy development, as well as a range of other issues.

Work has continued this year on maximising the benefits of the Trust's electronic patient record system, EPIC, and in testament to the work of the digital team a number of awards have been won this year. These including: Trust of the Year in the ehi Awards 2017; Chief Clinical Information Officer of the Year for Dr Afzal Chaudhry in the ehi Awards 2017; Best Place to Work in Digital – Large Organisation, the Digital Technology Leaders Awards 2017; Most Wired 2017 – USA's most prestigious healthcare digitalisation awards; Data Quality Award, CHKS Top Hospitals Awards 2017; and Digital Leader of the Year for Susan Greenhill, former eHospital Head of Clinical Information Systems in the Women in IT Excellence Awards 2017.

To underpin the improvements in governance made over the past two years, the Trust is developing, an Accountability Framework which reflects both the structure and culture of the Trust. CUH is also proud to continue its commitment to equality and diversity. A number of black and minority ethnic (BAME) staff launched the CUH BAME Network. The network creates a safe space for staff, promotes race equality and inclusion across the Trust and co-produces and supports the Trust's revised Workforce Race Equality Standard. We remain committed to promoting equality and improving diversity of CUH's workforce as a diverse workforce and inclusive leadership is associated with more patient-centred care, greater innovation, higher staff morale and access to a wider talent pool.

### **4) Contributing national and internationally**

The Cambridge Biomedical Campus (CBC) is growing quickly. This year will see the opening of the Royal Papworth Hospital and the global headquarters of AstraZeneca, shortly followed by Abcam and others. We have a unique opportunity to bring together the latest advances in science and medicine to develop new forms of disease prevention, detection and treatment, and make even more of the fantastic opportunities available to us at the heart of the CBC.

The Government has stressed its commitment to the development of science, linked to clinical care, and we are a major contributor to the UK's life sciences industrial strategy. Working with Cambridge University Health Partners (CUHP) and others on this will be a big part of the Trust's journey in the future, as Cambridge is uniquely placed due to the proximity of so many life science partners. We often talk about CUH being at the heart of the CBC and

access to patient data that we can provide through the EPIC system is a key component of the decision of many partners to come here and collaborate with us.

I would like to offer my thanks to all of our hardworking staff, who have delivered world-class care in a challenging local and national situation for the NHS throughout 2017/18. This Trust really is its staff – and I remain very grateful for their unstinting commitment.

To the best of my knowledge the information in this document is accurate.



Roland Sinker  
**Chief Executive**

### 4.1.2 2017/18 activity

During 2017/18 we have been treating more patients than ever before the following table sets out key activity numbers.

Patients treated: comparison of April - March 2016/17 and 2017/18

	2016/17 April - March	2017/18 April - March	Change (%)
A&E attendances	110,067	117,074	6.37%
Visits to outpatients	743,785	757,112	1.79%
Births	5,571	5,389	-3.27%
Day cases	122,623	122,021	-0.49%
<b>Total inpatients</b>	<b>66,825</b>	<b>69,069</b>	<b>3.36%</b>
– elective	16,341	15,288	-6.44%
– emergency > 85 years old	6,521	6,716	2.99%
– emergency < 85 years old	37,131	40,169	8.18%
– maternity	6,832	6,896	0.94%
<b>Total</b>	<b>1,048,871</b>	<b>1,070,665</b>	<b>2.08%</b>

ED not included in Minor Injuries Unit attendances

<b>Total Admissions</b> (In patients / Day cases / Births)	195,019	196,479	0.75%
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The Trust has seen further increases in demand throughout 2017/18 and this is predicted to continue, posing an enduring challenge to CUH and the wider health economy with regard to having sufficient staff and beds to deliver the services required. Added pressure arises from an increase in the over 85 year old population with an associated increase in the acuity of patients with urgent and complex conditions. Emergency patients occupy 75% of the Trust's non maternity beds, a group of patients which often requires a longer stay in hospital and thus impacts our ability to deliver inpatient planned elective care within the timeframes we aspire to. This number increased during the winter time and led nationally to a blanket cancellation of all elective operations in January 2018 which contributed to the dominance of emergency over elective work in 2017/18.

The Trust has seen another decrease in the number of babies born this year. This is mirrored in the wider East of England region and is being reviewed both locally at our organisation and across the health economy.

### 4.1.3 Data and terms used in this report

Unless stated otherwise, the data presented in this report is the latest available at 31 March 2018.

For an explanation of terms and abbreviations please see the glossary set out in *Appendix E*.

## 4.2 Part 2 - Priorities for improvement and statements of assurance from the board

### 4.2.1 CUH Vision, Strategy and Values

CUH's vision is to improve people's quality of life through innovative and sustainable healthcare.

Our strategy is:

- To become sustainable by 2021 across care quality, finance, teaching and research
- To build on our position at the centre of a biomedical hub
- To maximise the benefits for patients, staff and the UK economy.

Our strategy will be implemented through a single unified approach to be known as CUH Together.

We will achieve our strategy by:

<b>1. Improving patient journeys</b>	<p>The way innovation and improvement has been achieved successfully elsewhere in healthcare, is to follow the patient journey. In doing this at CUH, we will identify opportunities to re-design how care is delivered to improve patients' experiences, improve health outcomes and minimise waiting. Through this we will strengthen services by improving productivity.</p>
<b>2. Working with our communities</b>	<p>There is growing evidence that patients can be cared for in different ways, focusing resources in the community and closer to home. In moving towards these new models of care and working closely with other organisations locally to implement the Cambridgeshire and Peterborough Sustainability and Transformation Programme (STP), our aim is to prevent episodes of illness, reduce length of stay in hospital, and reduce duplication of interventions and tests. This key priority for CUH, will not only improve quality of care for patients, but also release hospital capacity that can be used to meet the needs of our growing population.</p>
<b>3. Strengthening the organisation</b>	<p>This programme will focus on improving the leadership, governance and functional capability of CUH, incorporating cultural change and organisational development work. Effective leadership of services, with ownership and accountability for decisions, will be critical for making progress against the first two programmes. We must ensure there is good and rapid decision-making across all levels of the organisation, with clarity on who has responsibility for each decision. We want to nurture a culture in which there is healthy and open communication around performance, supported by intelligence and information at our fingertips.</p>

<p><b>4. Contributing nationally and internationally</b></p>	<p>CUH is renowned as a premier teaching hospital, with particular expertise in a number of specialties. It is co-located on the bio-medical campus alongside Cambridge University and other leading research institutes including the Medical Research Council and Cancer Research UK. These advantages also allow the potential for redevelopment of the estate and diversification of revenue streams that will contribute to longer term stability of CUH beyond the next three to five years. Success will mean flourishing services and world-class research, where clinicians feel supported to develop innovative ways to improve clinical practice, with CUH making the most of opportunities in highly specialised services, teaching and bioscience research.</p>
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**What is our approach to quality and improvement?**

As part of our organisational values, we will put quality first. This means we will apply the best methodologies identified nationally and internationally, from within healthcare and beyond, to support improvements and the delivery of high-quality services. We will always be patient focussed and responsive, so that our values are lived by each and every staff member.

Our values are embodied in our 'CUH Together' approach:

*Together-Safe* | **Kind** | **Excellent**

We will ensure that staff are provided with training and support in improvement methodologies, so they are able to lead and contribute to the Trust's improvement initiatives. Underpinning these key values are expectations (ways of working) of everyone who works here, to ensure that our values are realised whilst working with one common goal - improving outcomes for our patients and ensuring that we all deliver safe, effective and responsive care.



## CUH Together

CUH Together is our overarching approach to improvement within the Trust. We have recognised that we need to give our staff the permission to choose to improve. We aim to create a movement within the Trust that, with time, will reach out to all 9,000 staff, where they are engaged to improve services and embed change, thereby building the Trust's capability for improvement.

CUH Together will frame our journey of continuous improvement and hence there will never be an end point. Common improvement methodologies will be utilised, which are easily understood by staff and used to support change.

Education and training on improvement skills will be provided widely throughout the Trust to build internal capability; we will adopt a coaching approach that supports and encourages staff to improve.

We will train a central improvement team to support the wider Trust, embedding improvement champions within all areas of the Trust, supporting and encouraging other staff. Clinical staff who have already led improvements will support others to improve, thereby building and growing our movement.

We will regularly measure staff awareness of CUH Together to ensure that we are embedding a process of continuous improvement and that it is far reaching and understood by all. An analysis, monitoring and evaluation approach will be established to ensure sustainable benefits are realised.

We will actively celebrate improvements within and external to the Trust, holding regular celebration events. We will be open and honest when things have not gone well and use these to further improve the experience and outcomes of our patients.

Engaging with patients to help them be involved in the design and production of improvements must become the norm across all areas of the Trust, rather than a traditional top-down approach to change and quality.

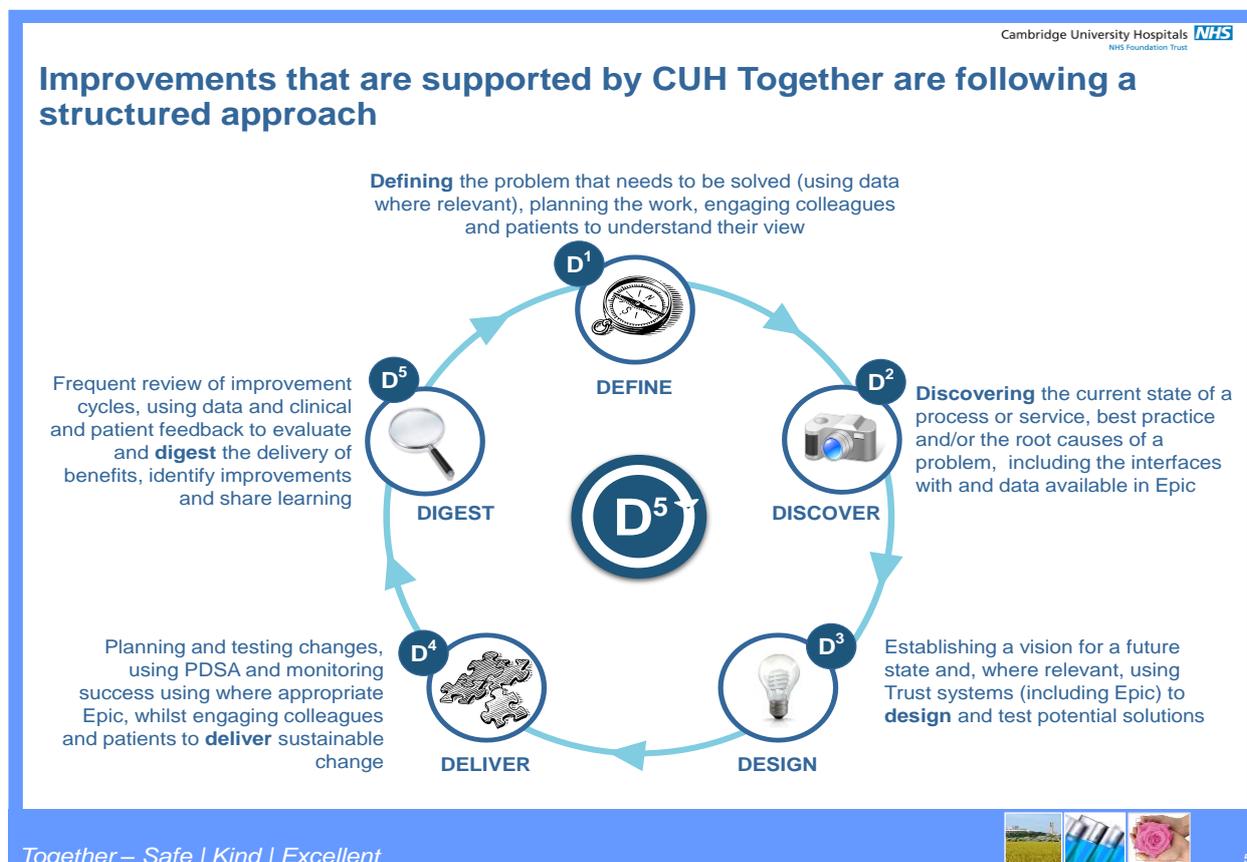
We will actively capture lessons learnt and ensure that widespread dissemination of learning is in place.

We will maximise the use of digital enablers, utilising real-time data in our wards and clinical areas, in order to respond effectively to potential patient safety issues.

We will factor improvements into our appraisal process with all staff, providing opportunities for staff to deliver on improvement projects as part of their personal development plans (PDPs). We will encourage all clinical and non-clinical staff to be involved in and lead improvements, so that we have a co-ordinated approach to improvement that supports the delivery of our strategy.

## Improvement methodology

The Trust has agreed to use the D5 improvement methodology:



The purpose of D5 is to provide staff with a simple management framework upon which they can:

- Define the scope and challenge of their improvement
- Discover the scale of the opportunity through an assessment of baseline quality metrics
- Design the approach to delivering improvement
- Deliver improvements through testing and analysis of changes utilising PDSA (plan, do, study, adjust) cycles of improvement
- Digest the learning and share expertise in order to identify next stage designs for improvement.

During 2017/18 improvement teams have used the structured approach/CUH Together ways of working, which has produced strong evidence of our ability to deliver improvements when projects are set-up for success.

In order to successfully support the sustainability of CUH, the following aspects will be developed further to support the longer-term aspiration of the Trust in working towards a culture of continuous improvement:

- Continue to communicate the ethos of CUH Together to engage and empower staff at all levels to deliver clinically-led, continuous improvement.
- Move to a “distributed leadership” approach, where we connect and engage with a wider cohort of frontline staff who understand the Trust’s priorities

and support delivery, at pace, of improvements in the areas which impact our agreed strategic priorities. Wider involvement will have a significantly greater impact on our pace and delivery.

- Support for colleagues in taking forward their improvement priorities, by further developing an improvement capability building process tailored to the needs of our staff across all levels of the organisation.
- Build on our governance currently in place to ensure that we have oversight and accountability for our improvement programme.

## 4.2.2 Improving patient care and outcomes across the Trust

### Seven day hospital services

The seven day services programme is designed to ensure that patients receive high quality consistent care whichever day they enter hospital.

The aim is that by 2020 providers are meeting the following clinical priority standards for all patients:

- Time to first consultant review within 14 hours of admission
- Access to diagnostics (24/7)
- Access to consultant-directed interventions (24/7)
- On-going consultant-directed review (once or twice daily consultant review).

Cambridge University Hospitals is currently on track to deliver all the above standards by 2020. On-going progress is being monitored by the Seven Day Services Steering Group which is led by the Trust's Director of Operations.

During 2017/18 the Trust also had a requirement to meet these standards for Paediatric Intensive Care Unit, emergency vascular services, hyper-acute stroke and major trauma by an earlier deadline of November 2017. The Trust met these standards for all services except hyper-acute stroke, which will be delivered during 2018/19.

## 4.2.3 Priorities for quality improvement in 2018/19

The priorities set for improvement for 2018/19 have been determined following a review by internal and external stakeholders, including staff, patients and the public. Priorities set for 2018/19 have been agreed by the Trust's Board of Directors and Council of Governors, and reflect areas for improvement that align to the delivery of high quality, effective, safe and patient centred care. The priorities are aligned to the five key questions posed by our regulator, the Care Quality Commission - namely Safe, Effective, Caring, Responsive and Well-Led.

Some priorities listed below are aligned to priorities set in 2017/18, with modifications made to ensure that the focus of improvement is within the Trust's remit to deliver. It is recognised that the Trust works within a wider healthcare system, but specific areas of care delivery can be positively influenced by the Trust within the context of patient pathways which continue outside of the hospital environment.

#### 4.2.4 Objectives and measures for 2018/19

### Safe

**Our aim is to reduce avoidable harm to our patients by improving our safety culture, safety systems and how we learn from past harm.**

#### National Safety Standards for Invasive Procedures (NatSSIPs)

The National Safety Standards for Invasive Procedures (NatSSIPs) programme brings together national and local learning from the analysis of Never Events, Serious Incidents and near misses through a set of recommendations that will help provide safer care for patients undergoing invasive procedures. This is designed to enhance the existing WHO Surgical Checklist focusing on human factors and patient safety culture.

**In 2018/19 we will be focussing on the following three key safety priorities:**

Measure	Definitions	Baseline	Target	Rationale
Trust-Wide Compliance with Sepsis 6 care bundle (ED and inpatient wards)	Percentage of patients with severe sepsis/septic shock or both, who received all six elements of the Sepsis Bundle within 60 minutes.	ED patients: 60% In-patient areas: 72% Combined average: 66% (Set from Nov.17 data)	≥90% by March 2019 in each area of ED and inpatient wards	Each hour delay in the application of the Sepsis 6 bundle to individual patients, significantly increases their risk of death, therefore all areas need to provide consistent high standards of bundle delivery; this has not yet been achieved.
Average reported patient safety incident rate per 1,000 bed days	Incidents submitted to NRLS in Q1 & 2 2018/19	43.09 incidents reported per 1,000 bed days (6,979 incidents) Q1 and Q2 2017/18 NRLS data	5% increase on baseline	Evidence of continuing improvements in patient safety incidents reporting reflecting a cultural shift to a proactive and learning safety culture.

Measure	Definitions	Baseline	Target	Rationale
National Safety Standards for Invasive Procedures (NatSSIPs)	Percentage of areas (defined as a NatSSIPs working group) to have a lead appointed	0	100%	Prioritise the roll out of NatSSIPs across the Trust in 18/19.
% of named leads appointed				The standards have been developed to set out the key steps necessary to deliver safe care for patients undergoing invasive procedures and allow NHS providers to standardise the processes that underpin patient safety.
% of clinical areas using new audit observational tool to measure effective compliance with WHO checklist, by trained auditors	Compliance with the safety principles of the WHO checklist are judged as effective using trained observers and specifically designed observational audit tool	0	>50% in main theatres using the compliance tool	

## Effective/Responsive

**Our aim is to consistently deliver high quality care that is effective, timely, patient centred and efficient.**

We recognise that Delayed Transfers of Care (DTOCs) remain a challenge for everyone working in the healthcare system. The DTOC metric we have previously utilised represents a number of actions taken by various providers across the system. In order for us to have a clear focus on ensuring that we will minimise delays to patients' journeys, we have identified the following priorities to help us best understand where we have effective and responsive systems in place, and also to identify where we need to continue to improve.

**In 2018/19 we will be focussing on the following three key priorities for Effective/Responsive:**

Measure	Definitions	Baseline	Target	Rationale
Number of Discharges before midday	% of patients discharge from inpatient setting before 12:00 (noon) from adult in-patient wards	15.3%	20%	NHS Improvement and NHS England introduced this metric in 2015 as part of the SAFER patient flow bundle.  Early discharges help to maintain patient flow in the Trust and support patient experience.
Patients that remain in an acute Trust bed for 7 days or more	Number of patients that remain in an acute Trust bed for 7 days or more	453 patients	10% reduction	NHS Improvement and NHS England introduced this metric in 2015 as part of the SAFER patient flow bundle. Nationally, this group of patients is termed 'stranded' and is treated as a measure of delays to patient flow. The rationale for including this measure in the Quality Accounts is that the Trust can use it to monitor levels of patient delays. The timeliness of patient treatment is a key indicator of quality and supports patient experience.
Accuracy of	% of CFDs which	35%	40%	The Trust uses CFDs to

Measure	Definitions	Baseline	Target	Rationale
Clinically Fit Dates (CFDs)	accurately predict the date of patients' discharges			<p>predict patients' likely date of discharge (when they are clinically fit to be discharged).</p> <p>The accuracy of CFDs is important because it enables the Trust to better manage patient flow and on-time discharges.</p>

## Patient Experience/Caring

**Our aim is to further improve our delivery of patient care against our values in relation to compassion and communication.**

### The measures we will use in 2018/19 will be:

Measure	Definitions	Baseline	Target	Rationale
Percentage of complaints out of the annual total received which receive a response within 30 working days or by the date agreed with the complainant.	<p>Negative feedback requiring investigation and response managed under the NHS complaints procedure with the agreement of the patient or their representative is defined as 'a complaint'.</p> <p>The time taken to investigate and respond to the complainant is counted in working days, with a target of 30 working days or other specific timeframe agreed with the complainant to respond.</p>	79.6% (Jan – Aug 17)	85%	<p>Ensuring that complaints are responded to within a timely manner is a key requirement of provider Trusts.</p> <p>Furthermore the Trust wishes to continue to improve the patient experience through enhanced complaints response practices. A programme of work is in place to support continuous improvement.</p>

Measure	Definitions	Baseline	Target	Rationale
Introduction of MyChart	<p>Number of adult specialities that MyChart is available (Global Digital Exemplar (GDE) metrics)</p> <p>Number of specialities using (local metrics)</p> <p>Number of patients activated (local metric)</p>	March 2018 source: eHospital data	My Chart available to all adult specialities by 2019	<p>Alignment to GDE contract: As part of the eHospital programme, patients are now being offered access to the patient portal where they can access key parts of the record. This empowers patients to take an active role in their health and care, treats them as partners in the process.</p> <p>Advanced functionality also offers the potential to complete screen surveys within MyChart and have a virtual consultation. This offers potential to improve patient experience, and demonstrate excellent use of resources.</p>
Compliance with 'ReSPECT' programme across adult inpatient specialities	All adult specialities will be using the 'ReSPECT' tool	N/A	Rolled out across all adult inpatient specialities by March 2019	In 2018 CUH will make the transition from UFTO to ReSPECT, the new National tool. This metric will reflect the implementation plan to ensure that decisions made relating to End of Life Care are fully and robustly explored.

## Staff Experience/Well-led

**Our aim is to further improve the health and wellbeing of our staff to ensure we have a fit for purpose frontline workforce, leadership team and organisational culture.**

The measures we will use in 2018/19 will be:

Measure	Definitions	Baseline	Target	Rationale
<b>KF 1:</b> Staff recommendation of the organisation as a place to work or receive treatment.	National staff survey key finding: Job Satisfaction (Engagement / Recommender score)	2017/18 3.92 (78%)	2% improvement against previous year	Reflects staff perception of the organisation, work on-going relating to improved relationships between managers and staff, inclusive decision making and support provided by managers.
<b>KF 29:</b> % of staff reporting errors, near misses or incidents witnessed in the last month.	National staff survey key finding: Errors and incidents	2017/18 91%	2% improvement against previous year	Reflects staff perception of the organisation, and the quality of care provided by the Trust and the decisions made by the organisation.
<b>KF 31:</b> Staff confidence and security in reporting unsafe clinical practice.	National staff survey key finding: Errors and incidents	2017/18 3.7 (74%)	2% improvement against previous year	Reflects the responsiveness of the organisation to concerns.

#### **4.2.5 Statements of assurance from the board**

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

#### **4.2.6 The board of directors**

The priorities and targets in our quality account were identified following a process which included the Board of Directors, clinical directors and senior managers of the Trust, and have been incorporated into the key performance indicators reported regularly to the Board of Directors as part of the performance monitoring of the Trust's corporate objectives, and which are produced within the Trust's data quality policy, framework and standards.

Scrutiny of the information contained within these indicators and its implication as regards patient safety, clinical outcomes and patient experience takes place at the Quality Committee.

The Board of Directors reviews the Trust's integrated quality, performance, finance and workforce reports each month. Reviews of data quality, and the accuracy, validity and completeness of Trust performance information, fall within the remit of the audit committee, which is informed by the reviews of internal and external audit and internal management assurances.

#### **Review of our services**

During 2017/18 Cambridge University Hospitals NHS Foundation Trust provided and/or sub-contracted 116 relevant health services.

The Cambridge University Hospitals NHS Foundation Trust has reviewed all the data available to them on the quality of care in all 116 of these relevant health services.

The income generated by the relevant health services reviewed in 2017/18 represents 99% of the total income generated from the provision of relevant health services by the Cambridge University Hospitals NHS Foundation Trust for 2017/18.

#### **Participation in clinical research**

The number of patients receiving relevant health services provided or sub-contracted by Cambridge University Hospitals NHS Foundation Trust in 2017-18 that were recruited during that period to participate in research approved by a research ethics committee was 15149.

#### **Participation in national confidential enquiries and national clinical audits**

During 2017/18, 62 national clinical audits and 7 national confidential enquiries covered relevant health services that Cambridge University Hospitals NHS Foundation Trust provides.

During that period CUH participated in 98% national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in. We were only able to submit 50% of the required data to the Inflammatory Bowel Disease programme

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due to an inability to extract data from the EPIC system efficiently. This is currently being addressed.

The national clinical audits and national confidential enquiries that Cambridge University Hospitals NHS Foundation Trust was eligible to participate in during 2017/18 are as follows in the list below.

The national clinical audits and national confidential enquiries that Cambridge University Hospitals NHS Foundation Trust participated in during 2017/18 are as follows:

### List of eligible and participated in national clinical audit programmes<sup>1</sup>

Audit Title	What is the audit about?	Case Participation %
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	This audit examines the quality of management of heart attacks (myocardial infarction) in hospitals in England and Wales.	100%
Adult Asthma	The audit covers key domains in relation to adults with asthma.	100%
Asthma (paediatric and adult) Royal College of Emergency Medicines (RCEM)	All patients in the period meeting the criteria.	100%
Bowel Cancer (NBOCAP)	Colorectal (large bowel) cancer is the second most common cause of death from cancer in England and Wales.	100%
Cardiac Rhythm Management (CRM)	The audit aims to monitor the use of implantable devices and interventional procedures for management of cardiac rhythm disorders in UK hospitals.	100%
Case Mix Programme – Adult Critical Care – (ICNARC)	The aim of this audit is to improve resuscitation care and patient outcomes for the UK and Ireland.	100%
Diabetes Paediatric (NPDA)	The audit covers registrations, complications, care process and treatment targets – rolling audit.	100%
Elective surgery (National PROMs Programme)	The audit looks at the change in patients' self-reported health status for groin hernia surgery, hip replacement, knee replacement and varicose vein surgery.	100%

<sup>1</sup> The table shows the 41 audit programmes which consist of 62 clinical audits

Audit Title	What is the audit about?	Case Participation %
Falls and Fragility Fractures Audit Programme (FFAP), Falls Audit & Hip Fracture Database	The FFAP is a national audit run by the Royal College of Physicians designed to audit the care that patients with fragility fractures and inpatients falls receive in hospital and to facilitate quality improvement initiatives.	100%
Head and Neck Cancer Audit	The Head and Neck Cancer Audit (HANA) focuses on patients who have cancer of the head and / or neck, of which there are approximately 10,000 cases per year. The aim of the audit is to improve the services and outcomes achieved for these patients.	100%
Inflammatory Bowel Disease (IBD) programme includes Biologics and Audit	The purpose of this audit is to measure the efficacy, safety and appropriate use of biological therapies in patients with inflammatory disease; and secondly seeks to improve the care for IBD patients in hospitals throughout the UK.	50% (Paediatric IBD still not submitted pending EPIC build and reporting. IBD and EPIC teams involved to finalise the submission of data).
Learning Disability Mortality Review Programme (LeDeR Programme )	The aim of this programme is to review deaths of people with learning disability and to use lessons learnt to make improvements to service provision.	100%
Major Trauma: The Trauma Audit & Research Network (TARN)	TARN is working towards improving emergency health care systems by collating and analysing trauma care.	100%
Maternal, Newborn and Infant Clinical Outcome Review programme – MBRRACE-UK	The programme investigates the deaths of women and their babies during or after childbirth, and also cases where women and their babies survive serious illness during pregnancy or after childbirth.	100%
National Audit of Dementia – Royal College of Psychiatrists	The audit examines assessments, discharge planning and aspects of care received by people with dementia.	100%
National Cardiac Arrest Audit (NCAA)	The purpose of this audit is to monitor the incidence of, and outcome from, in-hospital cardiac arrest in UK and Ireland.	100%

Audit Title	What is the audit about?	Case Participation %
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme	The audit programme brings together primary and secondary rehabilitation and patient experience making it a multidisciplinary approach. The aim is to improve the quality of services for people with COPD.	100%
National Comparative Audit of Blood Transfusion programme: Audit of Patient Blood Management in Scheduled Surgery	Audit of Patient Blood Management in adults undergoing elective, scheduled surgery.	100%
National Diabetes Audit Adults	The National Diabetes Audit is considered to be the largest annual clinical audit in the world, providing an infrastructure for the collation, analysis, benchmarking and feedback of local data across the NHS.	100%
National Emergency Laparotomy Audit (NELA)	NELA aims to look at structure process and outcomes measures for the quality of care received by patients undergoing emergency laparotomy.	100%
National Heart Failure Audit	The aim of this audit is to improve the quality of care for patients with heart failure through continual audit and to support the implementation of the national service framework for coronary heart disease.	100%
National Joint Registry (NJR)	The audit covers clinical audit during the previous calendar year and outcomes including survivorship, mortality and length of stay.	100%
National Lung cancer (NLCA)	This audit was set up in response to the NHS Cancer Plan to monitor the introduction and effectiveness of cancer services.	100%
National Neurosurgery Audit Programme	All patients in the period meeting the criteria.	100%
National Ophthalmology Audit	The project aims to collect and analyse a standardized set of nationally agreed cataract surgery data set, from all centres providing this service.	100%

Audit Title	What is the audit about?	Case Participation %
National Prostate Cancer Audit	The audit covers organisational elements of the service and whether key diagnostic, staging and therapeutic facilities are available on site for each provider of prostate cancer services.	100%
National Vascular Registry	The audit addresses the outcome of surgery for patients who underwent two types of vascular procedures. The first is an elective repair of an infra-renal abdominal aortic aneurysm (AAA). The second is a carotid endarterectomy (CEA).	100%
Neonatal Intensive and Special Care (NNAP)	To assess whether babies requiring specialist neonatal care receive consistent All patients in the period meeting the criteria.	100%
Nephrectomy Audit British Association of Urological Surgeons (BAUS)	BAUS audits operate a continuous data collection model.	100%
Oesophago-gastric cancer (NAOGC)	The oesophago-gastric (stomach) cancer audit aims to examine the quality of care given to patients and thereby help services to improve. The audit evaluates the process of care and the outcomes of treatment for all oesophago-gastric cancer patients, both curative and palliative.	100%
Paediatric Intensive Care (PICANet)	PICANet aims to support the improvement of paediatric intensive care provision throughout the UK by providing detailed information on paediatric intensive care activity and outcomes.	100%
Paediatric Pneumonia	The audit covers key domains of paediatric pneumonia.	100%
Percutaneous Nephrolithotomy (PCNL)	In 2015, PCNL data was published for the first time. BAUS audits operate a continuous data collection model.	100%

Audit Title	What is the audit about?	Case Participation %
Radical Prostatectomy Audit British Association of Urological Surgeons (BAUS)	In 2015, Radical Prostatectomy data was published for the first time. BAUS audits operate a continuous data collection model.	100%
Renal Replacement Therapy	The Registry contains analyses of data submitted relating to direct clinical care and laboratory permit analysis.	100%
Rheumatoid and Early Inflammatory Arthritis	The overall aim of the audit is to improve the care quality of care provided by specialist rheumatology services in the management of early inflammatory arthritis.	100%
Sentinel Stroke National Audit Programme (SSNAP)	The audit collects information about care provided to stroke patients in the first three days of hospital. Data collection is continuous.	100%
Royal College of Emergency Medicines (RCEM Severe Sepsis and Septic Shock)	All patients in the period meeting the criteria.	100%
Specialist rehabilitation for patients with complex needs following major surgery	This audit is conducted in partnership with the British Society of rehabilitation Medicines and TARN and has 3 elements for completion.	100%
Stress Urinary Incontinence Audit	In 2015, Stress Urinary Incontinence data was published for the first time.	100%
UK Cystic Fibrosis Registry	The audit aims to examine both life expectancy and quality of life for children and adults with Cystic Fibrosis.	100%

## Participation in national confidential Enquiries

National confidential enquiry title	Participation (percentage)
Provision of Mental Health Care in General Hospitals: 2015	100%
Non-invasive Ventilation 2016 to 2017	100%
Cancer in Children, Teens and Young People	100%
Acute Heart Failure	100%
Peri-operative Management of Surgical Patients with Diabetes	100%
Chronic Neurodisability Focussing on Cerebral Palsy	100%
Young People's Mental Health	100%

## Learning from audit

### National audits

The reports of 18 national clinical audits were reviewed by the provider in 2017/18 and Cambridge University Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided. Actions are detailed in *Appendix C* for all 18 audits that were published and have been reviewed in quarter 1 to quarter 3 of 2017/18 by the clinical teams. The remaining 23 audits were published but not reviewed in time for the publication of this document.

### Local audits

The reports of 202 local clinical audits were reviewed by the provider in 2017/18 and Cambridge University Hospitals NHS Foundation Trust intends to take the actions to improve the quality of healthcare provided; examples of local audits reported in 2017/18 are included in *Appendix D* of this document.

## Use of the CQUIN payment framework

The Commissioning for Quality and Innovation (CQUIN) programme is a national framework for locally agreed quality improvement schemes, and a proportion of a provider's income is conditional upon the CQUIN programme being achieved.

A proportion of Cambridge University Hospitals NHS Foundation Trust income in 2017-18 was conditional on achieving quality improvement and innovation goals agreed between Cambridge University Hospitals 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.

In 2016/17, Cambridge University Hospitals NHS Foundation Trust received a CQUIN payment of £12,611,000.

The potential CQUINs income available if the Trust had met all of the CQUIN targets was £13,985,000. Cambridge University Hospitals NHS Foundation Trust is expected to receive a 100% CQUIN payment of £13,985,000.

Further details of the agreed goals for 2017/18 and for the following 12 month period are available electronically within the Trust's internal systems. To request this information, please see the 'Feedback on the quality report and quality account' section (below) or email: [trust.secretariat@addenbrookes.nhs.uk](mailto:trust.secretariat@addenbrookes.nhs.uk)

## Care Quality Commission registration and compliance

Cambridge University Hospitals NHS Foundation Trust (CUH) is required to register with the Care Quality Commission and is currently registered with no conditions attached.

The Care Quality Commission has not taken enforcement action against CUH during 2017/18.

CUH has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period.

The Trust's CQC rating remains consistent with an overall rating of good. The full table of ratings from the September 2016 CQC inspection is available below:

	Safe	Effective	Caring	Responsive	Well led	Overall
Medical care (including older people's care)	Good	Requires improvement	Good	Good	Good	Good
Urgent and emergency services (A&E)	Requires improvement	Good	Good	Good	Good	Good
Surgery	Good	Good	Good	Requires improvement	Good	Good
Intensive/critical care	Good	Outstanding ☆	Outstanding ☆	Requires improvement	Good	Good
Maternity and gynaecology	Good	Good	Good	Requires improvement	Good	Good
Services for children & young people	Good	Good	Good	Requires improvement	Good	Good
End of life care	Good	Requires improvement	Outstanding ☆	Requires improvement	Good	Good
Outpatients	Good	Not rated	Good	Requires improvement	Good	Good

## Data quality

Data quality refers to assurance of the information about patients recorded by the Trust on computerised systems.

The Trust follows national guidelines about how these data are collected and stored, and we undertake regular audits to make sure that data held on the system is accurate and that we are compliant with what is expected.

CUH submits records to the secondary uses service (SUS) for inclusion in the hospital episode statistics (HES). We also share data with partners as appropriate, for example clinical commissioning groups (CCGs). These data are used to plan and review the healthcare needs of the area.

Cambridge University Hospitals submitted records during 2017/18 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:

- 99.2% for admitted patient care
- 98.9% for outpatient care
- 97.6% for accident and emergency care.

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

- 100% for admitted patient care
- 100% for outpatient care
- 98.4% for accident and emergency care.

### **Information governance toolkit attainment levels**

All NHS organisations are required to comply with the 'Information Governance Toolkit'. This covers standards on data protection, confidentiality, information security, clinical information and corporate information.

The Cambridge University Hospitals Information Governance Assessment Report overall score for 2017/18 was 83% and was graded as Green.

### **Clinical coding**

The Trust was not subject to specific Payment by Results coding audits as these are no longer undertaken.

Cambridge University Hospitals will be taking the following actions to improve data quality:

- Missing/invalid item reports for many of the national returns so that front line staff may see where improvements are possible.
- Divisional Quality Forum for service managers to report progress or discuss concerns.
- Dedicated resource for validating and improving the data quality of Referral to Treatment and Cancer pathways.
- Anonymous visits to clinic areas to ensure correct check in procedures are followed.

### **Learning from Deaths**

In March 2017, the National Quality Board introduced new guidance for NHS providers on how they should learn from the deaths of people in their care. The implementation of this guidance is overseen by NHS Improvement and key milestones. CUH has implemented all the key mandated requirements from the national guidance - a policy was in place by September 2017 and data has been provided to the Board from quarter 3 17/18.

The Quality Account objective for 2017/18 was to ensure that by quarter 4 (2017/18) >50% of deaths that required a case record review had been reviewed with the required standardised methodology. In quarter 3, 100% (54/54) of in-scope deaths underwent a case record review using the new Standardised Judgement Review tool; therefore the compliance goal for 2017-2018 was met.

## 1. Undertaking case note reviews

The procedure for undertaking mortality case note reviews was commenced within the Trust on the 1<sup>st</sup> October 2017; therefore only data from quarter 3, 2017/18 onwards have case note review figures.

During 2017-2018, 1722 of Cambridge University Hospital's patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

- 400 in the first quarter (review programme not commenced at this point)
- 395 in the second quarter (review programme not commenced at this point)
- 451 in the third quarter
- 476 in the fourth quarter.

## 2. Results from the case note reviews

By 28<sup>th</sup> March 2018, 94 case record reviews and six investigations have been carried out in relation to 927 (Q3 & Q4) of the deaths included above.

In six cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

- In the first quarter - review programme not commenced at this point
- In the second quarter - review programme not commenced at this point
- 54 in the third quarter (including 6 deaths that also had an investigation)
- 40 in the fourth quarter.

Six investigations representing 0.67% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient.

In relation to each quarter, this consisted of:

- Six representing 1.33% (6/451) for the third quarter
- Currently zero, representing 0%\* for the fourth quarter (with 11 case reviews for the period still in progress). \*Correct at time of publication.

These numbers have been estimated using the Yorkshire and Humberside Academic Health Science Network's tool known as the Structured Judgement review (as recommended by the Royal College of Physicians).

Six case record reviews identified that the deaths were more likely than not to have been due to problems in the care provided to the patient (death avoidability scores of 1-3).

The distribution of avoidability scores is shown in the table below:

Month	Avoidability of death scores						Judgement scale
	1	2	3	4	5	6	
October 2017					1	7	1 = Definitely avoidable
November 2017			2	2	2	12	2 = Strong evidence of avoidability
December 2017			4	1	2	21	3 = Probably avoidable (more than 50:50)
January 2018				2	4	14	4 = Possibly avoidable but not very likely (less than 50:50)

February 2018				2	1	12	5 = Slight evidence of avoidability 6 = Definitely not avoidable
March 2018				1		4	

### 3. Key themes from the three completed case note reviews

Of the six deaths that were potentially avoidable (avoidability score of 1-3) in addition to the case reviews serious incident investigations were commissioned. At the time of writing 3 investigations were completed where the investigation panel agreed with the initial case review judgement of the death being potentially avoidable.

The themes of identified from the three completed SIs were:

#### A. Suboptimal care of acutely unwell and deteriorating patients:

The problems identified in these cases being:

- Lack of knowledge within medical teams in relation to the recognition of potential acute liver failure.
- Lack of knowledge amongst medical staff about a possible liver adverse drug reaction of Co-amoxiclav.
- There is no system and process in place to help staff get help when intravenous access is difficult and required for urgent blood tests.
- There was delay in taking observations and escalating deterioration in a patient who had an unexplained lactic acidosis. Contributing factors being: the blood gas machine not clearly informing staff that the lactate was 'very high' as it displays a symbol rather than text; lack of effective supervision (on the post-take ward round) of the medical team by a Consultant due to organisation of the rota; and the need for increased frequency of required vital signs not recognised by nursing staff or communicated effectively by medical staff.

Actions and Learning from this case:

- Education of medical staff about acute liver failure and lactic acidosis.
- Introduction of an automatic computer alert for acute liver disease.
- Education of Trust staff about possible liver adverse drug reaction of Co-amoxiclav.
- Creation of policy for escalation of urgent blood tests.
- Education of medical staff about reading the consultant addendum of provisional radiology reports.
- The computer display for the blood lactate concentration should be changed.
- The consultant surgical rota should list the name of the emergency consultant who will see newly admitted patients if the admitting consultant is unavailable.
- Education of Trust staff about escalation of care for a deteriorating patient.
- In addition to the individual SI action plan the Executive Team have commissioned a programme of work to review and improve the management of the deteriorating patients using quality improvement methodology. This work will be supported by the Recognise and Respond Group, the Clinical Quality Improvement Team, and the Deputy Medical Director for Quality and Safety.

## B. Intrauterine death

The problems identified in this case are:

- There was no further assessment of the patient after reporting reduced foetal movements during a clinic attendance on 20<sup>th</sup> November 2017 at 36 weeks due to confirmation bias of receiving staff. This bias was influenced by a language barrier, as English was not the patient's first language.
- An inappropriate method of translation (Google translate) was used during an appointment with a patient who had limited understanding of spoken English.

Actions and Learning from this case:

- Language Line should be used for all antenatal contacts with women who do not understand English.
- Midwives providing antenatal clinics should be aware of all alternative methods to utilise Language Line within all clinic settings.
- There should be a standard operating procedure detailing how to use Language Line which is accessible to all staff within the Maternity Service.

## C. Death related to hospital acquired influenza

The problems identified in these cases being:

- Patient acquired influenza during their inpatient admission.
- The index case of influenza was placed in an open bay (in the ward) following admission via ED
- The index case had symptoms of influenza in ED and should have been tested and isolated on admission to the ward.

Actions and Learning from this case:

- Immediate protocol update to ED staff to help them identify potential influenza cases.
- The use of ward N2 as an isolation area was effective in managing the outbreak of influenza.

## 4. Impact of above action plans

The action plans associated with the findings described above have not yet been fully embedded. The impact of these improvement actions will be reported to the Trust Mortality Surveillance Committee, Patient Safety Group and the Quality Committee. In addition the Trust Board of Directors will receive update reports via the Office of the Medical Director. Further information will be reported in the Quality Account for 2018-2019.

### 4.2.7 Duty of Candour

In 2017-2018 a Duty of Candour Improvement Plan was devised and fully implemented to ensure the Trust is compliant with the regulation and is able to provide a robust audit trail of compliance. Our compliance with Duty of Candour was 100% in 2017/18.

The Trust's Being Open and Duty of Candour Policy and Procedure was updated in July 2017 to reflect the changes implemented by the improvement plan.

Assurance of Duty of Candour compliance is a core-reporting requirement at every Quality Committee meeting via the Patient Safety Report and is a key performance indicator at the monthly Divisional Quality Governance meetings.

The corporate Patient Safety Team supports Divisional Teams to ensure all elements of the Duty of Candour regulations are met and reports compliance for internal and external purposes.

## Staff Survey Results

What did we measure?	How did we do?	
	2016/17	2017/18
<b>KF27</b> % reporting most recent experience of harassment, bullying or abuse (Higher scores are better)	43%	42%
Relate to - Workforce Race Equality Standard:		
<b>KF21</b> (percentage believing that Trust provides equal opportunities for career progression or promotion) (Q16) (Higher scores are better)	84%	85%
<b>KF26</b> (percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months) (Q15b-c) (Lower scores are better)	24%	25%

**KF27:** The process of reporting these experiences has been more widely promoted and encouraged. Greater attention has been paid to staff narrative and has been shared with the Board. The tackling bullying and harassment group has been formed and has staff side representation and multidisciplinary attendance; together these representatives have developed a ten step action plan, to address all issues identified. (Best score for acute trusts was 59% National average for acute trusts was 45%).

**KF21:** It is recognised that cultural and behavioural changes that need to occur will take time to realise and therefore continued & focused effort is required. It has been noted, however, that staff appointment rates after shortlisting for black and minority ethnic groups have improved.

WRES indicator2: Increased BAME representation at Band 7 and above, 25 BAME staff have been mentored since Jul 2016. This is part of the Executive mentoring programme. The Chief Executive has mentored two Staff over a 12 month period. There are a number of work streams under the WRES 3 year action plan co-produced with BAME staff and Directors after a joint focus group in April 2017, supported by the BAME staff network, which was launched in July 2017.

The Trust's first Gender Pay gap report was published in March 2018 and includes a number of key actions required to reduce the gender pay gap (Data as of 31st March 2017). (Best 2017 score for acute trusts was 94%. National average for acute trusts was 85%).

**KF26:** Since 2016 there has been continued focus to target areas where decline is evident and to encourage Divisional discussions with local plans in place to address specific issues that need to be owned and addressed. (Best score for acute trusts was 19%. National average for acute trusts was 25%)

CUH has been also been invited to take part in the WRES Experts' Development programme, organised by NHS England's WRES Team to further support our race equality workstream.

## 4.2.8 Independent assurance report

### **Independent auditor's report to the Council of Governors of Cambridge University Hospitals NHS Foundation Trust on the Quality Report**

We have been engaged by the Council of Governors of Cambridge University Hospitals NHS Foundation Trust to perform an independent assurance engagement in respect of Cambridge University Hospitals NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the "Quality Report") and certain performance indicators contained therein.

#### **Scope and subject matter**

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- *percentage of incomplete pathways within 18 weeks for patients at the end of the reporting period; and*
- *percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.*

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 NHS Improvement's Detailed Guidance for External Assurance on Quality Reports 2017/18; 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 supporting guidance and the six dimensions of data quality set out in the Detailed Guidance for External Assurance on Quality Reports.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and supporting guidance, and consider the implications for our report if we became 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 for the period April 2017 to May 2018;
- Papers relating to quality reported to the Board over the period April 2017 to May 2018;
- Feedback from Commissioners, dated 9 May 2018;
- Feedback from governors, dated April 2018;
- Feedback from the local Healthwatch organisation, dated 16 April 2018;
- Feedback from Cambridgeshire County Council Health Committee, dated 27 April 2018
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 18 April 2018;
- The national patient surveys, dated 31 May 2017 (Inpatients), 17 October 2017 (Emergency Department), 28 November 2017 (Children and Young People) and 30 January 2018 (Maternity);
- The national NHS staff survey, dated 2017;
- Care Quality Commission inspection report, dated 18 January 2018;
- The Head of Internal Audit's annual opinion over the trust's control environment for the period April 2017 to March 2018, dated May 2018; and
- Any other information included in our review.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the "documents"). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts. We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

This report, including the conclusion, has been prepared solely for the Council of Governors of Cambridge University Hospitals NHS Foundation Trust as a body, in reporting Cambridge University Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Cambridge University Hospitals 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 indicators;
- making enquiries of management;
- limited testing, on a selective basis, of the data used to calculate the indicator against 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 that can result in materially different measurements and can impact 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 non-mandated indicators which have been determined locally by Cambridge University Hospitals NHS Foundation Trust.

### **Basis for Qualified Conclusion**

We identified 2 errors from a sample population of 30 items in our detailed testing of the *Percentage of incomplete pathways within 18 weeks for patients at the end of the reporting period* indicator. This indicator, included in the Quality Report for the year ended 31 March 2018 has not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and supporting guidance.

### **Qualified Conclusion**

Based on the results of our procedures, except for the effect of the matter described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
  - the Quality Report is not consistent in all material respects with the sources specified in NHS Improvements' Detailed Guidance for External Assurance on Quality Reports 2017/18; and
  - the *Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge* 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 supporting guidance.
- Signed:

Gareth Davies  
Partner, for and on behalf of Mazars LLP  
Date: 25 May 2018

Chartered Accountants and Statutory Auditor  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

#### 4.2.9 Reporting against core indicators

The Trust's performance against the core indicators is described at *Appendix A*.

### 4.3 Part 3 - Other information

#### 4.3.1 Reviewing performance against 2017/18 priorities for improvement

## Safe

**Our aim is to reduce avoidable harm to our patients by improving our safety culture, safety systems and how we learn from past harm.**

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
<b>Safety Thermometer - new harm only</b>	<2%*	1.90%	2.26%

\* The 'Target' was previously given as >98% which related to harm free care rather than new harms. To align with results data, the figure has been changed to show the opposite figure (<2%), so the measurement of harm free matches the target.

#### Why was this a priority?

The NHS Safety Thermometer is a local improvement tool for measuring, monitoring and analysing patient harms and 'harm free' care. The outcomes of the following four key safety issues are audited: pressure ulcers, urinary tract infections in patients with catheters, falls and venous thromboembolism (VTE). New harm is defined as harm that patients have experienced since admission to hospital.

**What was our target?**

For 2016/17 we set a target of achieving a minimum of 98% of patients receiving harm-free care. We continued our work throughout 2017/18, but changed our measure to new harms only. We therefore set ourselves the measure of ensuring that less than 2 per cent of our patient would sustain a new harm while in our hospital.

**How did we measure and monitor our performance?**

We measured our monthly performance of the four key safety issues in line with National Safety Thermometer guidance. The performance was monitored within the organisation both through the Integrated Performance Report and through the Divisional Executive Meetings.

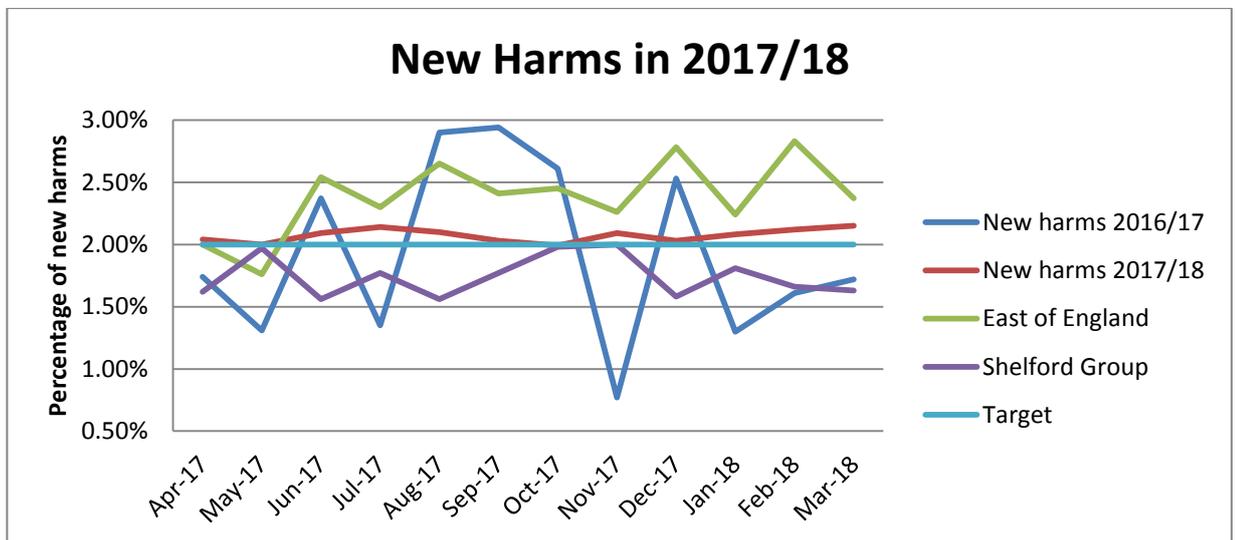
**How and where was progress reported?**

The Integrated Performance Report is reported to the Board Subcommittees and the Board and the Divisional Executive Meetings. In addition, the Harm Free Care Steering Committee, a multi-disciplinary group, monitors and manages the delivery of harm free care in relation to falls and pressure ulcers. The VTE Steering Group monitors and reviews any incidents in relation to VTE.

Both these Steering Groups provide a forum for sharing learning, best practice and implementing new initiatives.

**Did we achieve our intended target?**

The Trust did not meet the target of ensuring that less than 2 per cent of our patient would sustain a new harm while in our hospital. We have fallen slightly below the national performance target for this indicator which is 2%. The graph below shows how we measure against the target and peer/regional organisations.



**Our key achievements against this priority:**

This year we held two quality improvement workshops with frontline staff, to design individual quality improvement programmes to operationalise the Trust strategies for the reduction of hospital-acquired pressure ulcers and falls. These quality improvement programmes set out the high level improvement aims and the specific actions staff believe will bring about these aims.

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
<b>Number of avoidable hospital associated grade 4 pressure ulcers</b>	0	1	0

#### Why was this a priority?

We have consistently reduced the overall number of avoidable hospital acquired pressure ulcers over the last 6 years; however we had 1 avoidable grade 4 hospital acquired pressure ulcer in 2016/17. Our aim was to abolish the most severe type of pressure ulcers - grade 4.

#### What was our target?

Our target was to reduce the total number of grade 4 pressure ulcers to zero.

#### How did we measure and monitor our performance?

Pressure ulcer incidents are measured monthly through reports from our Quality and Safety Database 'QSiS'. We are also measuring the pressure ulcer prevalence monthly using Safety Thermometer data and results are monitored at the Harm Free Care Steering Group meetings and at the quality improvement workshops held this year.

#### How and where was progress reported?

Results are reported in the Integrated Performance Report and in the Patient Safety Report. Both reports are discussed at Board level and reviewed nationally via the Safety Thermometer reporting.

#### Did we achieve our intended target?

Yes, we are achieving our target of zero avoidable grade 4 hospital acquired pressure ulcers.

#### Our key achievements against this priority:

We achieved zero grade 4 avoidable hospital acquired pressure ulcers in 2017/18 and improved accuracy of documentation for all pressure ulcers seen on QSiS. We also significantly reduced the number of avoidable grade 2 and 3 hospital acquired pressure ulcers compared to last year.

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
<b>Vacancy rate for registered Nursing and Midwifery (RN)</b>	Achieve <11% vacancy rate and sustain this throughout the year	11.5%	12.83%
<b>Vacancy rate for Healthcare Support Workers (HCSW)</b>	Achieve <15% vacancy rate and sustain this throughout the year	17.6%	27.93%

**Why was this a priority?**

There is evidence base that supports that appropriate nurse staffing levels in an organisation are required to provide safe high quality, compassionate care and delivery of good patient outcomes.

**What was our target?**

The target for 2017/18 was to achieve a registered nurse (RN) vacancy rate of <11%, and a healthcare support worker (HCSW) rate of <15%, and for these rates to be sustained or further improved throughout the year.

Whilst the ultimate aim is to have no vacancies, the rate set was balanced against the significant shortfall of RNs nationally, and the challenging international job market. Likewise for HCSW, the local job market is challenging, and the target set reflected a realistic but stretching target for the organisation.

**How did we measure and monitor our performance?**

Recruitment, and importantly retention, of nursing staff was overseen by a taskforce on behalf of the Chief Nurse and Director of Workforce. Our recruitment and retention plans adapted and refreshed based on our performance, alongside changes in opportunities or constraints within the job markets. Governance on all strategic workforce issues is provided through the Workforce Committee, which received regular reports on recruitment and retention.

**How and where was progress reported?**

Our vacancy rates were measured monthly and reported in the Integrated Performance Report which is reviewed monthly at the Management Executive and provided to the Trust Board.

**Did we achieve our intended target?**

No, we did not achieve our target to reduce our vacancy rates to the agreed level.

The forecast and concern regarding availability of recruiting from the United Kingdom, alongside a challenging international picture meant that we did not achieve our intended target at the end of March 2018. Whilst we have continued to provide energy, drive and focus to our recruitment and retention campaigns, the time to recruit from overseas is six to nine months, which adds an additional complexity and a delay to achieving a reduced vacancy rate.

Alongside this, the increasing demand for nursing/HCSW workforce due to service changes, increasing activity and capacity meant that the overall number of staff that we needed to recruit for both staff groups increased by 3.1%. This has impacted on our ability to meet our target.

- Our end year position was 12.83% vacancy rate for RNs. Without the increase in demand for nurses, this would have been 10.4%.
- Our year end position was 27.93% vacancy rate for healthcare support workers. If the demand had stayed the same, this would have been 25.6%.

**Our key achievements against these priorities:**

- Overall we increased our headcount /whole time equivalent of RNs by 4.1%. We have a strong pipeline of RNs that have been offered posts and will be joining us over the coming months.
- We have a robust nurse bank that employs 3962 staff, which provides invaluable support and staffing resource to enable us support delivering safe staffing levels.
- The Trust has made conditional offers to 510 Nurses from countries outside of the European Economic Area (EEA) and 41 offers to those in the EEA. In the next 3 months it is predicted that 105 will start from these groups. In

addition, recruitment campaigns have been organised for the next 12 months to ensure constant supply of new nurses.

- The Trust is also working with Anglia Ruskin University on a pioneering initiative to provide degree apprenticeships in nursing for healthcare assistants. This is a longer-term strategy which will provide initially 22 new HCSWs in 2020/21 and become fully mature from 2022/23 onwards.

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
<b>Number of cardiac arrests per 1,000 admissions per month (excluding peri-arrests)</b>	Reduce by 2% from previous year total (1.55 or below)	107*	1.16

\* In 2016/17 we measured cardiac arrests as a number of arrests throughout the year, this year we have changed this to a ratio of how many arrests take place per 1,000 admissions.

#### Why was this a priority?

In 2016/17 we worked on improving the pathway for deteriorating patients and continued this work throughout 2017/18. Recognising when a patient deteriorates helps to prevent cardiac arrests.

#### What was our target?

We wanted to reduce the number of cardiac arrest per 1,000 admissions by 2% to 1.55 or below.

#### How did we measure and monitor our performance?

We chose to measure the number of cardiac arrests as a proportion of patients that are admitted to our hospital. This information provides a good comparison between hospital services and also nationally. Cardiac arrest data was reported monthly in the Integrated Performance Report and reviewed by the Board.

#### How and where was progress reported?

The Recognise and Respond Committee reports through to the Clinical Governance Monitoring Committee and also to the Trust's Quality Committee. Further information is provided within the Trust's Integrated Performance Report which is reported at the Board of Directors.

#### Did we achieve our intended target?

Yes, we did achieve our target by reducing the number of cardiac arrests in 2017/18 to 1.16 which is below our target of '1.55 or below'.

#### Our key achievements against this priority:

We provided 532 training sessions for clinical staff last year. During these sessions we aim to inform staff about identifying the deteriorating patient and escalation policies. We will continue this work in 2018/19.

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
<b>% of deaths reviewed (using new national methodology)</b>	>50% by Q4 2017/18	N/A*	89%

\* Not mandated prior to April 2017/18

### Why was this a priority?

In March 2017, the National Quality Board introduced new guidance for NHS providers on how they should learn from the deaths of people in their care. The implementation of this guidance is overseen by NHS Improvement and key milestones and timeframes were mandated for all NHS Providers from April 2017. CUH has implemented all the key mandated milestones required by Q3, 2017/18.

### What was our target?

The Quality account objective for 2017/18 was to ensure that by Q4 (2017/18) >50% of deaths that required a case record review did so, using the required standardised methodology.

### How did we measure and monitor our performance?

In Q3, 100% (54/54) of in-scope deaths underwent a case record review using the new Standardised Judgement Review (SJR) tool; therefore the compliance goal for 2017-2018 was met. In Q4, 75% (30/40) of SJRs have been completed as of 28<sup>th</sup> March 2018. Of the eleven outstanding SJRs six are overdue.

### How and where was progress reported?

Compliance with the target is reported monthly at the Trust Mortality Surveillance Committee.

### Did we achieve our intended target?

The target for Q4 was met. The overall compliance for Q3 and Q4 is 89% (84/94) of which four are still within compliance time frames. The outstanding case reviews will be monitored until compliance is 100%.

### Our key achievements against this priority:

The procedure for undertaking mortality case note reviews was commenced within the Trust on the 1<sup>st</sup> October 2017; therefore data presented is from Q3, 2017/18 onwards.

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
<b>Lead investigators for serious incidents to have attended NPSA accredited (or equivalent) training in root cause analysis within the previous two years</b>	100% by Q4 2017/18	N/A	100%

### Why was this a priority?

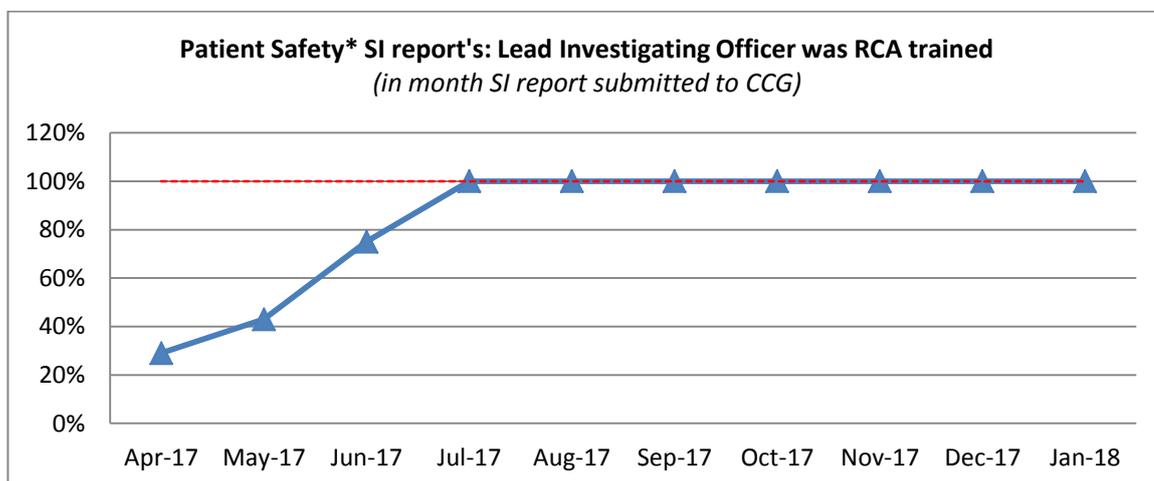
In 2017-2018 a Serious Incident (SI) improvement plan was implemented to ensure the Trust had the appropriate systems and processes in place to comply with its NHS contract in relation to the NHS England's Serious Incident Framework (2015). A key objective was to provide root cause analysis (RCA) training for staff thereby ensuring all Lead Investigating Officers of serious incident investigations were trained to national standards; as stated in the national SI framework.

### What was our target?

Our target was that 100% of our Lead Investigators for SI's will have received National Patient Safety Agency (NPSA) accredited training in root cause analysis by the end of March 2018.

**How did we measure and monitor our performance?**

The graph below illustrates that this priority was achieved by July 2017 and has been sustained since.



**How and where was progress reported?**

The oversight of compliance with the Lead Investigating Officers training will be provided by the Trust's Serious Incident Executive Review Panel and by the Quality Committee via the Patient Safety Group.

**Did we achieve our intended target?**

Yes, in July 2017 we had trained all of our Lead Investigating Officers.

**Our key achievements against this priority:**

All lead investigators for serious incident investigations were appropriately trained in root cause analysis. We will keep the number of staff trained under review to ensure that new lead investigators will also be trained as they take up this role.

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
Average reported patient safety incident rate per 1,000 bed days	Increase by 2% above 2016/17 average	31.75 Q1&2	43.09 Q1&2

**Why was this a priority?**

The level of reporting of patient safety incidents is an indicator of the level of maturity of an organisation's safety culture.

**What was our target?**

We set ourselves the target of increasing the number of reported incidents on QSiS by 2% above the 2016/17 which would equate to 38.50 incidents per 1,000 bed days.

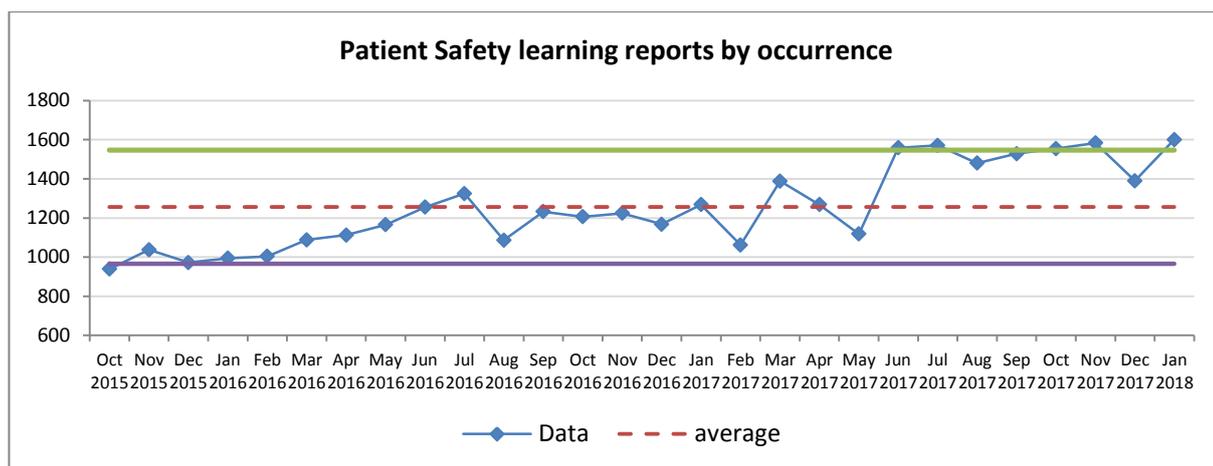
**How did we measure and monitor our performance?**

This measure is based on data provided by the National Reporting and Learning System (NRLS) which is provided twice yearly through six-monthly data reports. The data for quarter 1 and 2 2017/18 was released in March 2018.

**How and where was progress reported?**

Bi-monthly data on the number of reported patient safety incidents is submitted to the Quality Committee via the Patient Safety Report.

The graph below illustrates a considerable upward shift in reporting in patient safety incidents since 2015.



**Did we achieve our intended target?**

We met our target because CUH reported 6,979 incidents, which is equivalent to 43.09 incidents reported per 1,000 bed days in the six months from 01 April 2017 to 30 September 2017. The table below shows our progress since April 2016.

<b>NRLS 6-month reporting period</b>	<b>Incidents reported to NRLS</b>	<b>Reporting rate per 1,000 bed days</b>
01 April 2016 to 30 September 2016	5,084	31.75
01 April 2017 to 30 September 2017	6,979	43.09

**Our key achievements against this priority:**

A significant increase in reporting has been achieved over the last 12 months. The Trust aims to be in the group of highest reporters of patient safety incidents nationally and an improvement plan will support this ambition in 2018-2019.

## Effective/Responsive

**Our aim is to consistently deliver high quality care that is effective, timely, patient centred and efficient.**

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
Clinical Frailty Score	≥90%	94.8%	88.9%

### Why was this a priority?

We continued our work on completing a frailty score for all patients aged 75 years and over from 2016/17 as we recognised that frail and elderly patients have better outcomes if they undergo a screening, using the clinical frailty score tool within their first 72 hours in hospital, to identify their treatment requirements.

### What was our target?

We aimed to assess at least 90% of patients that are 75 years or older with the clinical frailty score.

### How did we measure and monitor our performance?

The clinical frailty score is collected daily at ward level and populates a central, electronic dashboard which can be accessed by all members of staff.



### How and where was progress reported?

Progress was overseen by the SAFE Team and Department of Medicine for the Elderly Specialty Board.

### Did we achieve our intended target?

We did not meet our intended target of 90% and achieved 88.9% in 2017/18. However, we did improve the staffing of the SAFE Team during quarter 3 of last year and continue to work hard towards meeting this target in the future.

### Our key achievements against this priority:

Using the clinical frailty score has helped us to focus services for older patients by using it to determine what patients require a full Safety Assessment of Function and Environment for Rehabilitation (SAFE). We also continue to use the clinical frailty score, although it is no longer part of a CQUIN, to communicate about frailty to the patients' GPs as we include the score on all discharge summaries of patients aged 75 and over.

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
Number of avoidable deaths from sepsis established through mortality review	Year 1 baseline to be established	The baseline could not be established	

### Why was this a priority?

National guidance recommends the use of the Sepsis Six Care Bundle, which should be delivered within the first hour of recognition of significant sepsis triggers (red flag sepsis). The Sepsis Six Care Bundle is a standardised set of elements distilled from evidenced-based guidelines that, when implemented as a group, have an effect on outcomes beyond implementing the individual elements alone. Its use in sepsis has been shown to significantly reduce mortality from sepsis.

### What was our target?

We set out to review the number of avoidable deaths from sepsis as identified through the mortality review. We wanted to establish a baseline to improve against. This baseline would enable us to measure and monitor how many avoidable deaths from sepsis occur a year in CUH. The avoidable deaths due to sepsis baseline data was not established in 2017/18 nor measured thereafter due to data sourcing challenges with EPIC.

### How did we measure and monitor our performance?

In 2018-2019 sepsis outcome data will be provided from a new-report build in EPIC which will be able to provide retrospective baseline data. This will be reported in the 2018/19 Quality Account report.

### How and where was progress reported?

Trust's Sepsis Action Group met monthly throughout the year and lead on improvements with regards to the roll-out of the Sepsis Six Care Bundle.

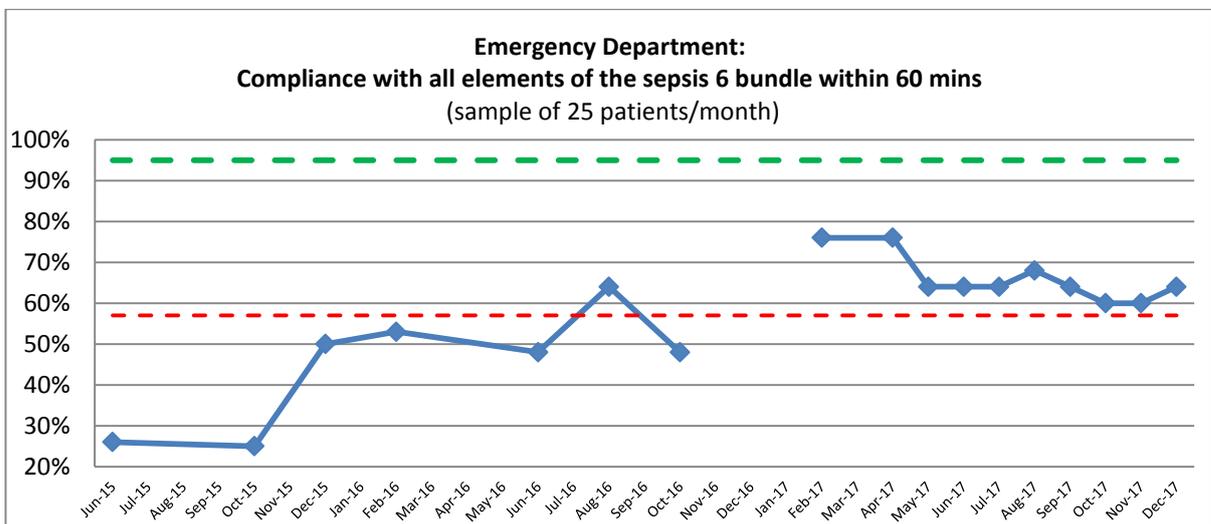
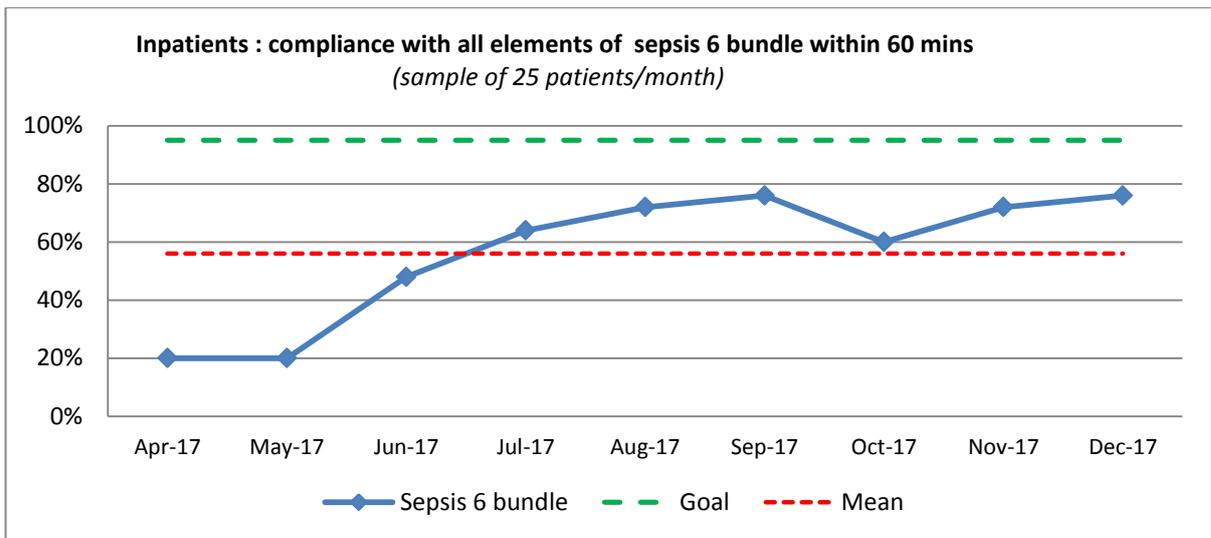
### Did we achieve our intended target?

No, due to difficulties extracting the data we were not able to establish a baseline for avoidable deaths from sepsis in 2017/18.

### Our key achievements against this priority:

While we were not able to proceed with measuring avoidable deaths from sepsis as planned, the Trust's Sepsis Action Group rolled-out the Sepsis Six Care Bundle from the Emergency Department to inpatient ward areas. Whilst significant improvements have been achieved in the application of the Sepsis Six Care Bundle in in-patient areas (see graphs below), we have set a sustainable improvement target of managing  $\geq 90\%$  of patients with severe sepsis/septic shock or both, who received all six elements of the Sepsis Six Care Bundle within 60 minutes by March 2019.

The standard of care to provide  $\geq 90\%$  of patients with severe sepsis/septic shock or both with all six elements of the Sepsis Six Care Bundle within 60 minutes was not met in the Emergency Department or inpatient wards in 2017/18. Further work using quality improvement methodology is required to identify why a gap remains in standards for some patients and how we can learn across to improve compliance for all in-patients regardless of they are within the Trust.



What did we measure?	Our target	How did we do?	
		2016/17	2017/18
Cancelled operations on or after the day of admission as a percentage of total elective admissions	≤1%	1.12%	1.33%

**Why was this a priority?**

Once a date is set for an operation, we will do our best to ensure that date is adhered to, while recognising there will be occasions when emergencies impact on routine operating.

**What was our target?**

Our aim was that the number of operations cancelled on or after the day of admission should be less than 1% of patients.

**How did we measure and monitor our performance?**

We measure the number of operations that are cancelled on or after the day of admission and we monitor our performance weekly at the Divisional Patient Tracker List meetings.

**How and where was progress reported?**

Progress was reported monthly in the Integrated Quality Report received by the Trusts Performance Committee.

**Did we achieve our intended target?**

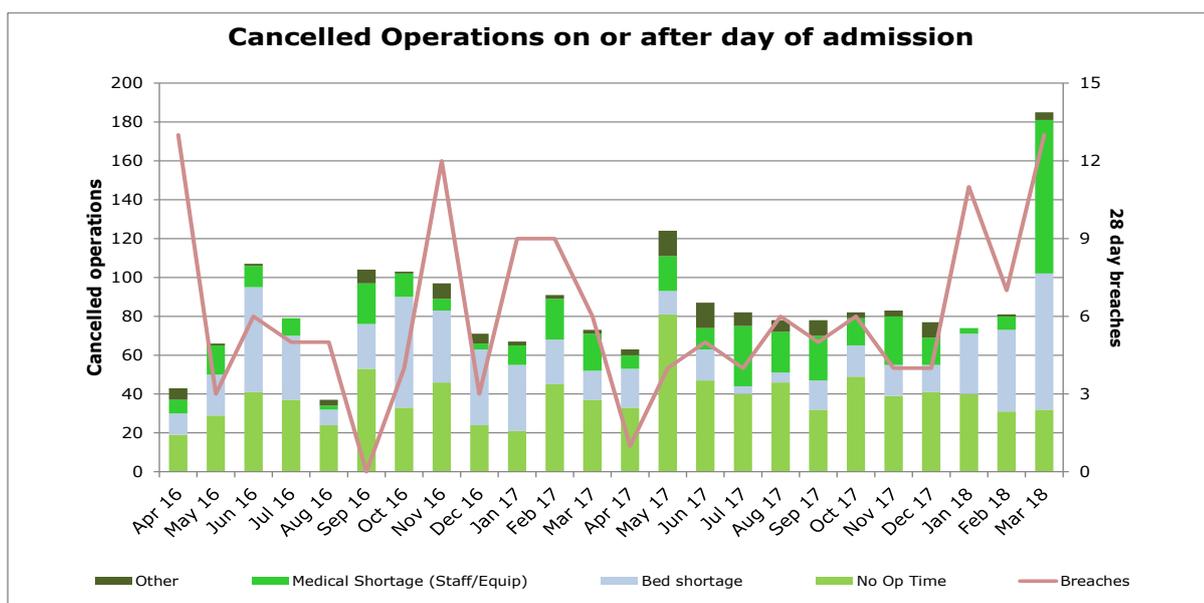
We did not achieve our aim in 2017/18 with our performance at 1.33% for the year. In 2016/17 performance was 1.1%. With 1091 we have seen 154 more patients cancelled on the day when compared to 2016/17.

- Lack of operating time was still the highest reason for cancellations on the day, resulting in 47% of the cancellations. Orthopaedics, Neurosurgery and Ophthalmology account for 45% of these which are services where higher priority emergency cases commonly displace elective activity.
- Cancellations due to equipment or staffing were 23% of the cancellations this year, which is 86% higher than 2016/17. There were 2 months where unexpected medical staff sickness resulted in high cancellations. A declared incident in July impacted on our ability to run sterile services resulting in surgical cancellations. There were also 3 declared incidents in November and twice in March associated with IT downtime that resulted in cancellations.
- Improvement was seen in the cancellations due to bed shortages which showed a 27% decrease in 2017/18, down to 22% from 36% of the on the day cancellations. This had been tracking at 45% lower than the previous year until March when on 27<sup>th</sup> March 2018 the Trust had to cancel all elective activity including day cases in order to redirect resources to emergency capacity.

**Our key achievements against this priority:**

The Trust recognises that many patients are cancelled in advance of the day of admission, particularly due to bed capacity pressures. The Trust monitors all bed related cancellations in addition to the cancelled operations standard. In 2017/18 we have seen an overall decrease of 50% in bed related cancellations.

Recruitment, retention and training of Operating Department Practitioners and locum Anaesthetists was put in place in 2017/18. Recruitment campaigns for permanent theatre staff to fill vacancies continue, with support provided through locum and temporary appointments to increase capacity.



What did we measure?	Our target	How did we do?	
		2016/17	2017/18
<b>Bed days lost to Delayed Transfer of Care (DTOC) as a percentage of total occupied beds</b>	<3.5% agreed locally*	8.4%	10.9%

\*The national target is 2.5% however the Trust agreed a more feasible system-wide local target of 3.5%.

**Why was this a priority?**

Delayed transfers of Care (DTOCs) are a key priority for the Trust because patients have the better outcomes of their care and treatment if they are discharged as soon as they are clinically fit to leave the hospital. Such delays occur when a clinically fit patient experiences delays in arranging support for their on-going care needs after their hospital stay. This quality priority continued from 2016/17 as the delays can only be reduced in collaboration with our colleagues in social care and other healthcare organisations.

**What was our target?**

We agreed within our system colleagues and NHS England and NHS Improvement to set ourselves a very challenging target of having less than 3.5% of patients experiencing a delay in discharge. This was more feasible target than the national target of 2.5% as our delays were at 8.4% in 2016/17.

**How did we measure and monitor our performance?**

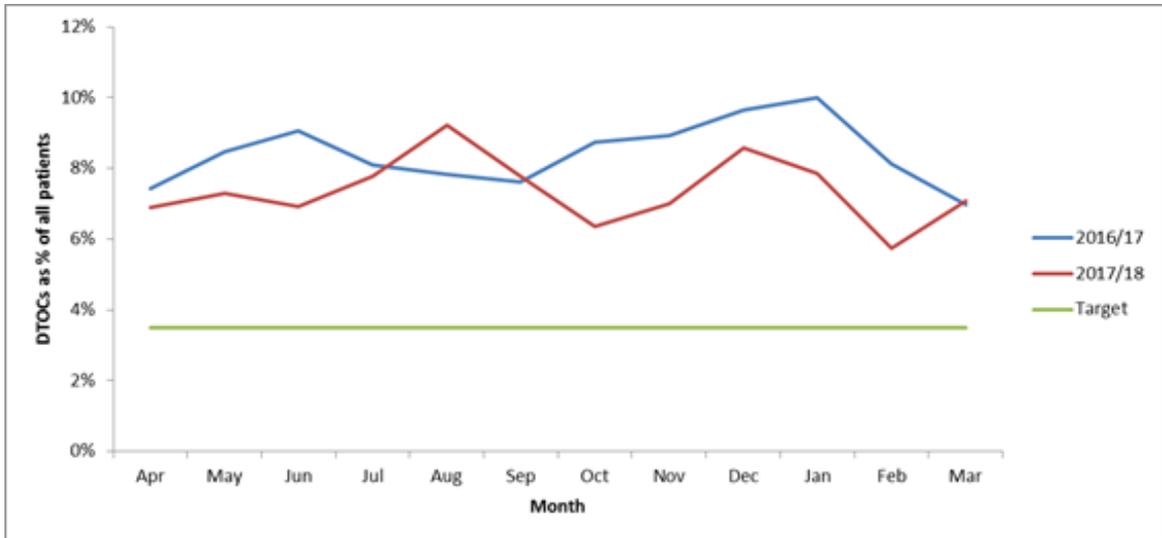
In the second half of the year the Trust developed automated processes data to identify validated DTOCs grouped by the reason for their delay. Combined with the new model of cross-system working in the clinical hub this has enabled the Trust and the wider system to identify and address the root causes of delays on a timely basis, and that has driven the year-on-year improvement.

**How and where was progress reported?**

DTOCs were monitored on a daily basis by the Discharge Planning Team, and at a monthly Capacity and Flow Board chaired by the Chief Operating Officer as well as at the A&E Delivery Board chaired by the Chief Executive Officer.

**Did we achieve our intended target?**

We did not achieve our target. DTOCs have remained high and the hospital has not met its target of 3.5%. We have however improved overall the number of patients that experienced a delay in transfer of care from 2016/17 as shown in the graph below.



**Our key achievements against this priority:**

Since February 2018 a healthcare system-wide leader, as well as local leaders, are in place to drive forward improvements during 2018/19. A detailed improvement plan to meet our target has been agreed with NHS England, and is being monitored on a weekly basis by the whole system and on an on-going basis by the A&E Delivery Board.

## Patient Experience/Caring

**Our aim is to further improve our delivery of patient care against our values in relation to compassion and communication.**

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
<b>Percentage of complaints responded to within 30 working days or within extension agreed with complainant</b>	≥90%	95%	97.5% (Year to Feb.18)*

\* Final end of year data to March 2018 not available at time of report, as needs to be calculated 30 working days after end of period.

### Why was this a priority?

Complainants should expect to receive a resolution to their complaint in a time period that is relevant to their particular complaint. Complaints should be addressed in a timely manner to help restore complainants' confidence in the services provided by the Trust, and so that learning from complaints can be identified and disseminated as swiftly as possible.

### What was our target?

The Trust aims to respond to complaints within 30 working days, but more complex cases may take longer to investigate. In those cases the complaints case managers communicate with complainants in order to negotiate an extended timeframe for response. We aimed to respond to 90% or more complaints within 30 working days or within an extended timeframe agreed with the complainant over the year.

### How did we measure and monitor our performance?

The response time is measured by counting the number of working days from receipt of a complaint to sending the response. The dates of receipt of complaint and sending the response are recorded on the 'QGIS' database on a day to day basis, together with information about negotiated extensions to the timeframe for responding. Performance can therefore be monitored in real time using the reporting functionality of the QGIS system.

### How and where was progress reported?

Performance against the 30 working day target and agreed extensions to the timeframe was reported monthly in the Integrated Performance Report and quarterly to the Patient Experience Committee, and from there to the Quality Committee of the Board.

### Did we achieve our intended target?

Yes. We achieved 97.5% which was a two per cent improvement on last year's response times of 95%.

### Our key achievements against this priority:

Over the course of 2017/18, the complaints team introduced 'fixed extensions' to the timeframe for responding. Prior to this being introduced, the team would

agree with the complainant an extension to the timeframe for responding, but this would not be precisely defined. The complaints case managers now agree a specific date for response when seeking an extension to the 30 working days for responding, and performance against this measure has been tracked and reported to the Patient Experience Committee.

We want to ensure that we continue to improve and therefore we will continue to make timely responses to patients' complaints a quality priority for the Quality Account for 2018/19.

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
<b>Pain assessment recorded with every set of observations</b>	10% increase from baseline by Q4	63%	69.3%

#### Why was this a priority?

Following the CQC inspection in 2015 concerns were raised in relation to current safety and quality management systems. The CQC recommended a review of the pain assessment process for patients and to consider use of pain assessment tools.

#### What was our target?

We agreed to undertake a snap shot audit of inpatient pain assessment across the Trust to establish a baseline in Q4 of 2016/17. This baseline was 63%.

We also set out to update and refresh the Trust Standards for Pain Management with pain assessment as the 5th Vital Sign and our communications regarding pain management with verbal and non-verbal patients. The assessment process can now be done electronically through EPIC which was completed July 2016.

We wanted to create a mandatory education programme for nurses and healthcare support workers. This is now part of our essential nursing training since January 2017.

#### How did we measure and monitor our performance?

- An initial snap shot and re-audit of pain assessment was undertaken across the Trust in December 2015 and re-audited in September 2016. This information formed our baseline.
- We are now measuring pain assessment as part of the monthly Nursing Metrics since February 2016.
- We also measured continuously how we met the target through our Integrated Performance Report.

#### How and where was progress reported?

A quality governance workbook was submitted and reported regularly to the Quality Steering Group until it was completed in December 2017.

#### Did we achieve our intended target?

We have not achieved our interim target of recording 10% more pain observations than in quarter 4 of 2016/17 as it only increased from 63% to 69.3%. We have not yet reached the national Standard for Pain Management of 100%. However, results from the Nursing Metrics demonstrate compliance currently stands at 74.7% (February 2018) and 75.3% (March 2018).

A recent revisit from the CQC also resulted in positive feedback about the Pain Service.

**Our key achievements against this priority:**

One of our achievements this year was an increased awareness of Pain Assessment in the Trust through:

- Updated and republished Trust standards for Pain Management
- Setting up a continuous audit of Pain Assessment as part of Nursing Metrics taken from EPIC
- Implementing an education programme on understanding pain and pain assessment that is now part of the training for all Registered Nurses and Health Care Support Workers.

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
<b>% of patients aged 16 and over admitted as inpatients for more than 24 hours who have had a nutrition screening documented within 24 hours of admission.</b>	10% increase from baseline by Q4 (69.6%)	63.0%	73.9%

**Why was this a priority?**

Ensuring that adult inpatients are being screened for their nutritional status is an important element of inpatient nursing care. It ensures that patients who are at risk of malnutrition are recognised and that their care is adjusted to provide them with the nutrition that they need.

**What was our target?**

We have set the target for the completion and documentation of nutritional screening at 10% from the Quarter 4 2016/17 baseline.

**How did we measure and monitor our performance?**

We measure how we are performing against our target through Nursing Quality Metrics and Ward Key Performance Indicators for band 7 ward sisters and charge nurses.

**How and where was progress reported?**

Throughout the year the Nutrition Steering Group reviewed the Nursing Quality Metrics and these metrics were also discussed in each Division's Board.

**Did we achieve our intended target?**

We achieved the target that we set ourselves to improve as we the average documentation rate for 2017/18 was 73.9%, a 10% increase.

**Our key achievements against this priority:**

We improved the completion and documentation of nutritional screening in 2017/18 and will continue to embed this process in 2018/19.

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
Positive responses to catering service satisfaction survey	≥95%	98.65%	98.50%

### Why was this a priority?

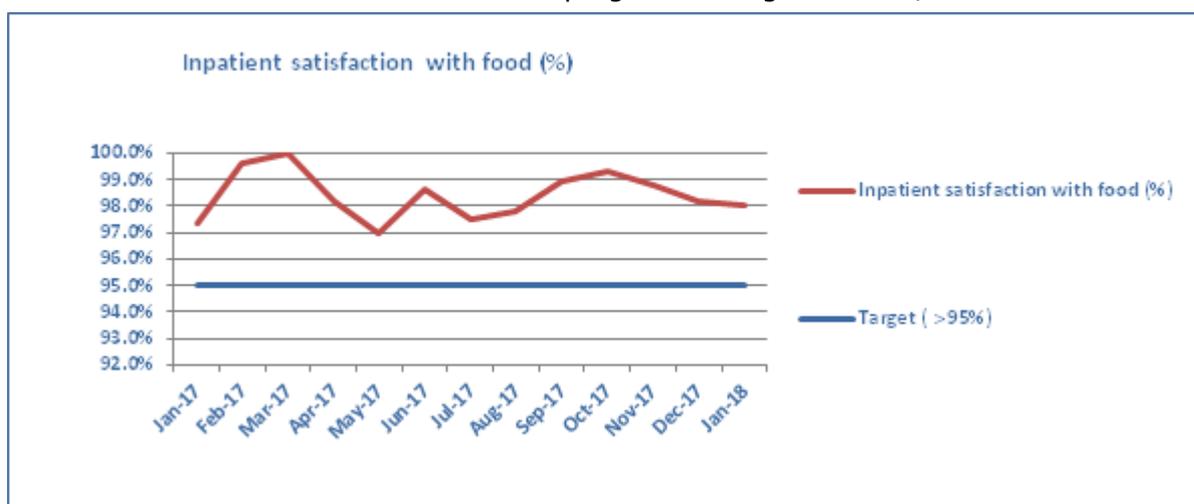
Food, nutrition and hydration is a very important element in the recovery of all patients as it aids their recovery. Poor nutrition and hydration may lead to patients having to stay longer in hospital.

### What was our target?

We set ourselves a target of 95% patient satisfaction with the overall quality of catering on their ward. In 2017/18 we have maintained our 98% satisfaction rate from 2016/17, therefore consistently over achieving the target that we set ourselves. This demonstrates that we have delivered a consistent high quality nutritious and hydration service to our patients.

### How did we measure and monitor our performance?

We measure patient satisfaction through surveys on a range of our Hotel Services. Approximately 250 patient surveys are received from the wards every month. The table below shows our progress throughout 2017/18.



### How and where was progress reported?

The progress/performance is discussed at monthly Contract Performance Meetings and is also reported to the Board via the Estates and Facilities Dashboard and quarterly Estates and Facilities Board reports.

### Did we achieve our intended target?

We consistently achieved patient satisfaction of 98% or above, which was much better than our 95% target which we have set ourselves.

### Our key achievements against this priority:

We have continued to deliver a consistently high quality nutrition and hydration service to our patients which has supported their recovery and contributed to a positive patient experience of their stay in hospital. We will continue to review and maintain our offering.

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
<b>Response rate in the Outpatient Friends and Family Test</b>	Response rate increase by 3% on previous year	1.4%	3.0%

### Why was this a priority?

NHS organisations are required to survey patients in 'real time' about their views on whether they would recommend the organisation's services if a friend or family member needed similar treatment. This is known as the 'Friends and Family Test' – FFT.

Outpatient response rates to the 'Friends and Family' (FFT) question are not calculated or published nationally, but information is available about the proportion of eligible patients responding to the survey. Informal comparison against other Trusts nationally demonstrates that CUH is not a high performer. In addition, given the number of outpatient attendances at CUH, a larger sample is required in order to be assured that the Trust's patient feedback and Friends and Family Test (FFT) score are representative.

### What was our target?

The target of a 3% increase on the previous year's response rate was estimated to be a reasonable increase given the low base and constraints on staff resources.

### How did we measure and monitor our performance?

The measurement is the number of completed surveys as a percentage of eligible patients attending outpatient appointments – the 'response rate'. The response rate is calculated and reported on a monthly basis to senior nursing and medical staff.

### How and where was progress reported?

The rolling year outpatient FFT response rate is tracked and reported monthly in the Integrated Performance Report which is reviewed by the Board, and monthly response rates are also reported quarterly to the Patient Experience Committee and the quarterly Outpatients Governance Board.

### Did we achieve our intended target?

Yes, the response rate has shown a small but steady increase over the year.

### Our key achievements against this priority:

We worked with clinic administrative and nursing teams to give them responsibility for collecting data and using this to support quality initiatives. Allocating staff time to increase the response rate is challenging in busy clinics, but throughout the year several initiatives were undertaken, including the availability of iPads to allow electronic data gathering, distribution of survey cards to patients in clinics and volunteers helping to encourage patients to complete the surveys. We are reviewing survey methodology and considering a business case to implement SMS text messaging in Outpatients in order to significantly increase the Friends and Family Test response rate. This has been successfully used in other Trusts.

The volume of survey responses achieved reached over 2,000 for the month of January 2018.

## Staff Experience/Well-led

**Our aim is to further improve the health and wellbeing of our staff to ensure we have a fit for purpose frontline workforce, leadership team, and organisational culture.**

What did we measure?	Our target	How did we do?	
		2016/17	2017/18
"I would recommend my organisation as a place to work" (Q21c)	2% improvement against previous year	65%	67%
"When errors, near misses or incidents are reported, my organisation takes action to ensure that they do not happen again" (Q12c)	2% improvement against previous year	77%	73%
"I would feel confident that the organisation would address concerns about unsafe clinical practice" (Q13c)	2% improvement against previous year	61%	61%

### Why were these a priority?

Our priorities for improvement in 2016/17 were to focus on advancing the skills and wellbeing of our staff, and ensuring that they are well led, as prerequisites for delivering safe and effective care to our patients. We also describe how we intend to measure our success in achieving this. We continue this work on staff engagement as it is an important measure to understand how staff perceive CUH as a place to work because engaged staff is more likely to provide quality care to patients and also are have less sickness, stay longer with us and recommend CUH as an employer of choice. This measure forms part of our Workforce Strategy "a great place to work, people driven by CUH values and behaviours" and supports the Trust strategy around 'Strengthening the Organisation'.

### What were our targets?

We aimed to improve on all three measures by 2% against previous years' performance.

### How did we measure and monitor our performance?

Through our national and local staff survey results we explore how staff perceives us as an employer, whether staff perceives that the organisation takes action when errors, near misses or incidents happening and that they feel confident that the organisation addresses unsafe clinical practice. We report this through the Integrated Performance Report which is reviewed monthly by the Board.

### **How and where was progress reported?**

In addition, the Workforce Integrated Report is being discussed at the Management Executive. The Workforce Experience Committee reviews the results quarterly and oversees any action plans resulting from these survey results.

### **Did we achieve our intended targets?**

We achieved a 2% increase for staff recommending the organisation as a place to work. Staff fed back that they continued to feel confident that the organisation would address concerns about unsafe clinical practice, but our results declined by 4% against the question "When errors, near misses or incidents are reported, my organisation takes action to ensure that they do not happen again". This may be related to the focus and drive of implementing incident reporting system across the organisation which may have influenced adversely the perception of some staff members of how errors, near misses and incidents are being dealt with while the system was embedding.

As part of our commitment to support staff in reporting incidents and learning from actions taken, a variety of communication methods have been commenced in year. These include a bi-monthly newsletter from the Safety and Quality Support Department (Quality Connections), where a section of the newsletter is dedicated to learning from incidents, complaints and audits. Furthermore, the strengthening of the Quality Governance Framework also ensures that there are opportunities for learning across Divisions, with an expectation that attendees cascade learning to teams and directorates.

Further work includes a weekly mail-out to all staff highlighting areas of best practice, in addition to highlighting any issues that are raised through 'raising concerns' and incident reporting, signposting staff to improve patient and staff safety.

### **Our key achievements against these priorities:**

We continued to implement our ambitious Organisational Development Plan incorporating Culture, Climate, Leadership and Engagement. During 2017/18 we deployed our Continuous Professional Development for our staff which will continue into 2018/19. Clear links to the refreshed CUH strategy and CUH Together have been made to strengthen the leadership and to improve staff experience.

## **4.3.2 Performance against indicators and performance thresholds**

The Trust's performance against the required indicators (limited to those that were included in both the Risk Assessment Framework and the Single Oversight Framework for 2017/18) is described at *Appendix B*.

## **4.3.3 Feedback on the quality report and quality account**

If you would like further information on anything contained within this report, please write to:

**Director for Corporate Affairs**

**PO Box 146, Cambridge University Hospitals NHS Foundation Trust,  
Cambridge Biomedical Campus, Hills Road, Cambridge, CB2 0QQ**

Or email: [trust.secretariat@addenbrookes.nhs.uk](mailto:trust.secretariat@addenbrookes.nhs.uk)

This document is also available on request in other languages, large print and audio format – please phone 01223 274648.

## Annex 1: Statement by stakeholders

### Governors' statement on the quality account 2017/18

During 2017/18 the Council of Governors has been involved in i) the ongoing review of quality performance and ii) the development of the Cambridge University Hospitals (CUH) quality priorities for 2018/19.

As in previous years, governors have continued to work with the Non-Executive Directors (NEDs) to

- i) scrutinise the Trust's performance - through regular reviews of the monthly integrated report on quality, finance, workforce and performance against national and local targets
- ii) discuss issues and concerns at quarterly meetings (Director/Governor Working Groups, Council of Governors meetings and NED/Governor meetings), where we seek assurance that such discussion topics are being raised with the Board and actioned as appropriate.
- iii) contribute to the development of the Trust's Strategic Plan, through Strategy workshops and scheduled items at our regular meetings.

This has been another challenging year across the NHS, and for much of the year CUH has been operating within a capacity-constrained environment. Key areas that directly impact capacity planning and patient flow through the hospitals, and to which governors pay keen attention, include Emergency Department (ED) performance, patient discharges (including Delayed Transfers of Care, DTOCs) and staffing levels. These are regular agenda topics at our meetings.

As part of its responsibilities under the Quality Account, the Council of Governors selected DTOC as the indicator for focus during 2017/18. CUH has a high number of DTOCs and, while some progress was made during the year, numbers i) generally remained well above the defined national target and ii) fluctuated upwards again during the winter months. New system-wide procedures are now being implemented to further improve the discharge process and stabilise DTOCs, so the Council of Governors will continue to scrutinise performance against this metric until a sustained period of improvement has been demonstrated. We also look forward to understanding the benefits that will accrue across the Trust as a result of maintaining low levels of DTOC.

The staff at CUH have consistently achieved 'Outstanding' CQC ratings in the 'Caring' domain and clearly go above and beyond to deliver care in challenging circumstances. Governors are concerned at the high level of vacancies across the Trust, which can lead to wards being closed and operations being cancelled, thereby potentially impacting the financial position of the Trust. We understand the complexities and challenges associated with external recruitment to CUH, therefore as well as being reassured that every opportunity to attract new staff is taken, governors also seek assurance that retention of existing, skilled staff is an equally high priority.

Recognising the challenging environment within which CUH has operated during 2017/18, governors are pleased to see year-on-year improvements across a number of its quality objectives for 2017/18. However, as targets against some key metrics were not consistently achieved - including ED performance, DTOCs, cancelled operations and staffing - governors will continue to focus attention on these areas during the coming year. We look forward to continuing the work with the Directors and NEDs of the Trust to deliver the 2018/19 Quality Account objectives.

Julia Loudon, Lead Governor CUH FT

April 2018

## **Cambridgeshire & Peterborough Clinical Commissioning Group (CCG) statement for inclusion in the 2017/18 quality account**

Cambridgeshire and Peterborough Clinical Commissioning Group (the CCG) has reviewed the Quality Accounts produced by Cambridge University Hospitals NHS Foundation Trust (CUHFT) for 2017/18.

The CCG and CUHFT work closely together to review performance against quality indicators and ensure any concerns are addressed. There is a structure of regular oversight meetings in place between the CCG, CUHFT and other appropriate stakeholders to ensure the quality of CUHFT services is reviewed continuously with the commissioner throughout the year.

From a quality perspective 2017/18 has clearly been a year of consolidation, with all staff working hard to ensure the Care Quality Commission (CQC) compliance rating of Good is maintained, the quality improvement plan delivered, a safety culture embedded and that care remains outstanding despite increasing pressures. Following recommendations made by the CQC there have been significant improvements made in complaints response with 97% of complaints responded to in 30 days; ensuring learning identified and disseminated and confidence in the service restored. Referral to treatment time for cancer services has improved above the maximum waiting times set by the NHS indicating high quality of care and patient experience, and the response rate from the Friends and Family Test has improved particularly in outpatients allowing a more representative sample and themes and issues identified and improvements for patients to be put in place.

We would like to take this opportunity to recognise the work undertaken regarding the Serious Incident (SI) improvement plan to ensure compliance with the NHS Contract and the NHS Serious Incident framework. A target of 100% of lead investigators undertaking Root Cause Analysis training was achieved before timeframe and has been sustained throughout the year. The level of reporting of patient safety incidents has increased, the reporting of SIs has remained relatively consistent of 107 for 2016/17 and 102 for 2017/18 and there have been 5 never events. The analysis of the reports and recommendations have helped provide safer care for patients and the high volumes reported demonstrate an open and mature safety culture.

In March 2017 the National Quality Board introduced new guidance for NHS providers on learning from deaths to help providers improve the quality of the care they provide to patients and their families, and identify where they could do more. This is recognised as integral to a provider's clinical governance and quality

improvement work. CUHFT have achieved above expected compliance and identified valuable learning which has recently been shared at a system wide learning event.

In spite of extensive actions and focus it is disappointing to see that the trust did not achieve their vacancy rate target. We acknowledge the trust have continually worked with local partners to recruit from overseas and liaise closely with local and national universities to attract newly qualified nurses. This has been impacted by the national shortage of trained staff, the competitive local market and delays in international recruitment. It is positive to see the drive and initiative continue for 2018/19 and the recognition that appropriate nurse staffing levels are required to provide safe high quality compassionate care for delivery of good outcomes. Official figures reveal that the NHS has had the worst winter on record with increased waiting times, bed shortages and higher acuity of patients, during January the Emergency Department saw a 8% increase in attendances and it is a testament to the dedication and good will of the CUHFT staff that high quality and compassionate care continued, in the 2017/18 national staff survey recommendation of the organisation as a place to work ranked above better than average when compared with all acute trusts.

Work has continued this year on maximising the benefits of the Trust's electronic patient record system, EPIC, and in recognition of this work the digital team have been received a number of awards his year, some at an international level.

The trust has taken an active role in supporting the Cambridgeshire and Peterborough Sustainability and Transformation Programme (STP) in leading change and responding to local commissioning intentions to improve care pathways and patient experience. Due to the added pressures arising from the increase in the over 85 year old population and those with complex needs the high number of patients undergoing frailty screening tool to identify treatment requirements has helped focus services for older people and reducing the number of patients delayed in hospital. This priority for the trust and the clinical leadership and developments of new models of care will not only provide better outcomes for patients but also release hospital capacity to be used to meet the needs of the growing population.

The trust has a strong patient safety culture throughout the organisation and this is represented with the engagement from the board and Council of Governors in setting the list of priorities for 2018/19. It is to the credit of CUHFT that the organisation has maintained focused of providing safe high quality care and the CCG supports the Trust in their priorities for 2017/18, focussing on delivering well led, effective safe services which provide a positive experience for patients and their friends/families.

## **Cambridgeshire County Council Health Committee statement for inclusion in the 2017/18 quality account**

The Health Committee within its scrutiny capacity has not called on representatives from Cambridgeshire University Hospital over the last year to attend scrutiny committee meetings. However, committee members have maintained an open dialogue with senior leadership at the Trust through the valuable quarterly liaison meetings which are seen as an essential part of the scrutiny function.

In response to the Quality Report 2017/18 members have found the "other Information section" very helpful in setting out targets, measurements and degree

of success in reaching targets. The Committee would welcome further conversations to understand the links between not meeting targets and the challenges the Trust faces in terms of staffing. The Committee has paid a particular interest in workforce development and recruitment and retention issues across the whole health care sector and specifically scrutinising this under the Sustainable Transformation Programme (minutes can be accessed via the link below).

[https://cmis.cambridgeshire.gov.uk/ccs\\_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/538/Committee/6/Default.aspx](https://cmis.cambridgeshire.gov.uk/ccs_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/538/Committee/6/Default.aspx)

There are four objectives, of which one is 'Strengthening the Organisation'. The goal is admirable and the Committee would welcome further clarity about how this is being achieved. It would be interesting to understand the impact of this on patient journeys and organisational strength. Engaging patients in improvement is important and more information of patient involvement would be welcomed.

The Committee would like to comment on how impressive that in the staff survey over two-thirds of staff would recommend CUH as a place to work. A deeper understanding would be helpful about why there was less confidence shown by staff in their responses to taking actions over errors, near misses and incidents.

Evidence of the pressure the Trust is under through rising demand for services and vacancy rates is evident in the missed target for cancelled operations and delayed transfers of care. The Health Committee recognised that this is a whole system issue involving health and social care and acknowledge the work that CUH are undertaking in working within a partnership framework to address this local pressure.

The Committee has provided some clarification comments separately, recognising the Quality Accounts are a technical document but would like to conclude that this is a helpful report in explaining the Trust's stance on issues and what is being done throughout the year to make improvements.

## **Healthwatch Cambridgeshire and Peterborough statement for inclusion in the 2017/18 quality account**

### **Summary and comment on responsiveness**

Healthwatch Cambridgeshire and Peterborough is pleased to continue to have meaningful relationships with staff across the Trust. The Trust's responsiveness to concerns raised is welcome and indicative of our constructive relationship.

There is evidence that patients are waiting longer for appointments and treatment. We are aware of course that many of the causes of the waits to be admitted to, or leave the hospital, are a product of the health and care system of which CUH is a part. The Trust's work on better patient flows will, however, help to reduce pressures on beds and improve people's experiences as they are discharged from hospital.

Healthwatch Cambridgeshire and Peterborough welcomes the priorities set out in 'CUH Together' and the commitment to improving patient journeys and working with communities. CUH staff do a wonderful job, very often under difficult circumstances, and are sincerely thanked for their commitment to patient care.

Healthwatch Cambridgeshire and Peterborough is aware of the Trust's workforce challenges. The work undertaken by the Trust to increase workforce capacity is

very welcome and we look forward to the projected increases in staffing being realised in the near future.

Healthwatch Cambridgeshire and Peterborough are very pleased that the Trust is undertaking work to improve their compliance with the NHS England Accessible Information Standard.

### **Actions from previous Quality Accounts**

In previous Quality Accounts Healthwatch Cambridgeshire and Peterborough has highlighted the benefits that could be gained from deeper analysis and year on year comparisons of both PALS and complaints data. We therefore welcome the target to improve response times for complaints but would observe that this falls short of more meaningful measures, such as keeping people informed and learning from the complaints. It is also noted that PALS data has still not been included in this year's Quality Account.

Healthwatch Cambridgeshire and Peterborough has been pleased to support the development of the now-established Maternity Voices Group. We look forward to this group becoming more involved in improving maternity services for local people.

### **Challenges**

The pressures on the local health system and the need to work constructively in partnership with other organisations is highly evident. The Trust's work with the East of England Ambulance Trust to improve patient turnaround time at A&E is very welcome.

Healthwatch Cambridgeshire and Peterborough is concerned about the impact of cancelled operations on patients, with continuing pressures there is a chance that people may experience multiple cancellations. We would ask the Trust to prioritise patients who have had operations cancelled so that this is not a repeat experience.

Healthwatch Cambridgeshire and Peterborough recognises the continuing financial pressures on the local health and care economy and the pressing need for all health and care organisations to work together to meet the coming challenges.

Healthwatch Cambridgeshire and Peterborough are pleased to note the closer working together in the past year of CUH and CCG and see the development of this relationship as a key factor in resolving many of the problems our communities face. CUH has the opportunity to play a significant role in realising the vision of the Sustainability and Transformation Partnership. Local people will look to this partnership for solutions that will address these pressures and ensure safe and accessible services for all.

## Annex 2: Statement of directors' responsibilities for 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 NHS 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 2017/18 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - board minutes and papers for the period April 2017 to March 2018
  - papers relating to quality reported to the board over the period April 2017 to March 2018
  - feedback from commissioners dated 09/05/2018
  - feedback from governors dated 19/04/2018
  - feedback from local Healthwatch organisations dated 16/04/2018
  - feedback from Overview and Scrutiny Committee dated 17/05/2018
  - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated April 2018 (will be published 14/05/2018)
  - the 2017/18 national patient survey 23/11/2017
  - the 2017/18 national staff survey 07/03/2018
  - the Head of Internal Audit's annual opinion of the Trust's control environment dated 25/05/2018
  - CQC inspection report dated 18/01/2017
- 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**



**Chairman**  
23 May 2018



**Chief Executive**  
23 May 2018

## Appendix A: National Quality Indicators – 2017/18 performance

Ref	Indicator	CUH performance 2016/17	CUH performance 2017/18	National average	Best performer among trusts	Worst performer among trusts	Trust statement
12	(a) The value and banding of the summary hospital-level mortality indicator ('SHMI') for the Trust for the reporting period; and	Value: 0.7915 Band: 3 (lower than expected)  (Oct.15 – Sep.16)	Value 0.8539 Band: 3 (lower than expected)  (Oct.16- Sep.17)		Comparison not provided nationally		CUH considers that this data is as described for the following reasons: <ul style="list-style-type: none"> <li>The Trust has a robust process for clinical coding and review of mortality data so is confident that the data is accurate.</li> </ul>
				CUH intends to take the following actions to improve this indicator, and so the quality of its services: <ul style="list-style-type: none"> <li>The Trust will continue working to improve the accuracy and depth of coding whilst also implementing the new national mortality programme so that we continue to learn and improve our services.</li> <li>This will be a quality priority for 2018/19.</li> </ul>			
	(b) The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the Trust for the reporting period.	34.3% (Jul.16 – Jun.17)	36%, 35% and 36% (Apr.17 – Dec.17)	31.1% (Jul.16 – Jun.17)	Comparison not provided nationally		CUH considers that this data is as described for the following reasons: <ul style="list-style-type: none"> <li>This should be a reflector of expected deaths and therefore nationally appears low.</li> </ul>
							CUH continues to implementing the Trust's End of Life Care Operational Group action plan and the Trust's three-year End of Life Care Strategy.
18	During the reporting period, the Trust's patient reported outcome measures scores	Note: PROMs data was collected on varicose vein and groin hernia procedures in England, however following on from the <a href="#">NHS England Consultation on PROMs</a> , collection of these procedures ceased on 1 October 2017. Finalised data for varicose vein and groin hernia procedures for 2016/17 has now been published and finalised data for 2017/18 is due to be published in May 2018.					

Ref	Indicator	CUH performance 2016/17	CUH performance 2017/18	National average	Best performer among trusts	Worst performer among trusts	Trust statement
	for:						
	(i) groin hernia surgery	0.093 (to Mar.16)	0.093 (to Mar.17)	0.084 (to Mar.17)	0.135 (to Mar.17; Poole Hospital NHS Foundation Trust)	0.006 (to Mar.17; Blackpool Teaching Hospitals NHS Foundation Trust)	<p>CUH considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>The positive impact that groin hernia surgery has for patients is above the national average, but we recognise that only 4% of our patients have contributed to the questionnaire.</li> </ul> <p>CUH has taken the following actions to improve this indicator, and so the quality of its services:</p> <ul style="list-style-type: none"> <li>CUH aims to increase the participation rate of our patients. Questionnaires are now being given to patients at the time their surgery is booked in clinic to encourage participation.</li> </ul>
	(ii) varicose vein surgery	No data (to Mar.16)	No data (to Mar.17)	0.092 (to Mar.17)	0.155 (to Mar.17; Tameside and Glossop Integrated Care NHS Foundation Trust)	0.01 (to Mar.17; St Helens and Knowsley Hospital Services NHS Trust)	<p>CUH considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>Data collection of these procedures ceased on 1 October 2017 and as a result, the small number of submissions is not statistically reliable and we have decided not to use this information to ensure that it is not misleading.</li> <li>Finalised data for varicose vein and groin hernia procedures for 2016/17 has now been published and finalised data for 2017/18 is due to be published in May 2018.</li> </ul>

Ref	Indicator	CUH performance 2016/17	CUH performance 2017/18	National average	Best performer among trusts	Worst performer among trusts	Trust statement
	(iii) hip replacement surgery and	22.3 (to Mar.16)	22.5 (to Mar.17)	21.4 (to Mar.17)	25.0 (to Mar.17; Nuffield Health, Exeter Hospital)	15.9 (to Mar.17; North Middlesex University Hospital NHS Trust)	<p>CUH considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>The Oxford Hip and Knee scores have a minimum clinical significance between 3 and 4 points, and as such the Trust is performing at the expected level.</li> </ul> <p>CUH intends to take the following actions to improve this indicator, and so the quality of its services, by:</p> <ul style="list-style-type: none"> <li>Continuing to review this data at multidisciplinary team meetings as well as staff appraisal, and continue to strive to improve these outcomes.</li> </ul>
	(iv) knee replacement surgery	16.0 (to Mar.16)	15.4 (to Mar.17)	16.4 (to Mar.17)	19.7 (to Mar.17; Shepton Mallet NHS Treatment Centre)	12.2 (to Mar.17; Royal National Orthopaedic Hospital NHS Trust)	<p>CUH considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>The Oxford Hip and Knee scores have a minimum clinical significance between 3 and 4 points, and as such the Trust is performing at the expected level.</li> </ul> <p>CUH intends to take the following actions to improve this indicator, and so the quality of its services, by:</p> <ul style="list-style-type: none"> <li>Continuing to review this data at multidisciplinary team meetings as well as staff appraisal, and continue to strive to improve these outcomes.</li> </ul>
19	The percentage of patients aged:						NHS Digital has not published an update of this data since 2012;

Ref	Indicator	CUH performance 2016/17	CUH performance 2017/18	National average	Best performer among trusts	Worst performer among trusts	Trust statement
	(i) 0 to 15 and (ii) 16 or over	10.2% (Patients aged 0 – 14)	12.4% (Patients aged 0 – 14)	Comparison not provided nationally			therefore we have not included this data in our 2017/18 Quality Account.  In the absence of NHS Digital data we have used our own PAS system data which provides information in the following categories 0-14 and 15 and over who were re-admitted to the Trust within 30 days.
	re-admitted to a hospital which forms part of the Trust within 28 days of being discharged from a hospital which forms part of the Trust during the reporting period.	10.8% (Patients aged 15 and over)	13.0% (Patients aged 15 and over)				
20	The Trust's responsiveness to the personal needs of its patients during the reporting period.	69.1% (2015/16)	71.1% (2016/17)	68.1% (2016/17)	85.2% The Royal Marsden Hospital (2016/17)	60.0% Multiple hospitals (2016/17)	CUH considers that this data is as described for the following reasons: <ul style="list-style-type: none"> <li>CUH performance was within the intermediate 60% of scores nationally for the indicator 'responsiveness to the personal needs of its patients during the reporting period' in the 2016 National Inpatient Survey.</li> <li>It was considered that there was room for improvement with respect to giving enough privacy when discussing individual conditions or treatment and telling our patients about medication side effects to watch for when they went home.</li> </ul>

Ref	Indicator	CUH performance 2016/17	CUH performance 2017/18	National average	Best performer among trusts	Worst performer among trusts	Trust statement
							<p>CUH intends to take the following actions to improve this percentage, and so the quality of its services, by:</p> <ul style="list-style-type: none"> <li>○ Circulating the results of the National Inpatient Survey widely</li> <li>○ Discussing the results in nursing meetings</li> <li>○ Using the SAFER bundle across the Trust and working towards a position, where appropriate, the patients know their status in relation to the '4 key questions'</li> <li>○ Placemats with the 4 key questions were trialled but did not prove financially viable, but staff ensure that their patients know the answers to these questions wherever possible.</li> <li>○ In addition, the 'My Chart' patient portal, which gives patients access to their electronic patient record, has been piloted in 2017 and will be rolled out in 2018.</li> </ul>
21	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	93% (Q2)	93% (Q2)	80%	100% (2017/18 Multiple Trusts)	43% (2017/18 Dorset County Hospital NHS Foundation Trust)	<p>CUH considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>○ CUH maintained its performance.</li> <li>○ This is an improvement on the previous score and well above the national average. Reasons for this improvement is that staff are satisfied with the quality of work and care that they can deliver and that 90% of staff feel that their role</li> </ul>

Ref	Indicator	CUH performance 2016/17	CUH performance 2017/18	National average	Best performer among trusts	Worst performer among trusts	Trust statement
	family or friends.						<p>makes a difference to patients.</p> <p>CUH intends to continue with the following actions to improve this indicator, and so the quality of its services, by:</p> <ul style="list-style-type: none"> <li>Maintaining the focus on quality and safety, and the implementation of the Trust organisational development programme, CUH Together, which is intended to positively impact on staff engagement, culture and leadership.</li> </ul>
23	The percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period.	Q1: 96.32% Q2: 97.07% Q3: 97.24% Q4: 96.93%	Q1: 96.76% Q2: 95.7% Q3: 94.9% Q4: * *Not available at time of publication	Q1: 95.2% Q2: 95.25% Q3: 95.36% Q4: * *Not available at time of publication	Q1: 100% (multiple trusts) Q2: 100% (multiple trusts) Q3: 100% (multiple trusts) Q4: * *Not available at time of publication	Q1: 51.38% (Weston Area Health NHS Trust) Q2: 54.31% (Blakelands Private Hospital) Q3: BMI Chiltern Hospital Q4: * *Not available at	<p>CUH considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>The Trust has a robust process for clinical coding and review of VTE data so is confident that the data is accurate.</li> </ul> <p>CUH intends to take the following actions to improve this percentage, and so the quality of its services:</p> <ul style="list-style-type: none"> <li>The Trust will continue working to improve the accuracy and depth of coding whilst also implementing the new national mortality programme so that we continue to learn and improve our services.</li> </ul>

Ref	Indicator	CUH performance 2016/17	CUH performance 2017/18	National average	Best performer among trusts	Worst performer among trusts	Trust statement
						<i>time of publication</i>	
24	The rate per 100,000 bed days of cases of C.difficile infection reported within the Trust amongst patients aged 2 or over during the reporting period.	16.8 (2015/16)	14.5 (2016/17)	13.2 (2016/17)	0.0 (2016/17) Multiple trusts)	82.7 (2016/17) Royal Marsden	<p>CUH considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>○ We committed to reduce the number of all avoidable infections and the harm they cause, in particular to keep the number of patients who acquire C. difficile in hospital to a minimum.</li> <li>○ By reducing the numbers of affected patients to a minimum, we reduced the need for a prolonged length of stay, surgery or admission to an intensive care unit as a result of the infection.</li> <li>○ This year the shortage of Tazocin has increased the use of Cephalosporin's which is a known risk factor for developing C. difficile.</li> <li>○ The formal deep clean programme using a decant facility has not been available since the early part of 2016.</li> <li>○ In 2017 the area previously used as the decant facility became an inpatient ward again.</li> <li>○ All side rooms occupied by patients with C. difficile continue to undergo a 'deep clean' using the hydrogen peroxide vapour system once the patient's infection has been resolved or the patients has been</li> </ul>

Ref	Indicator	CUH performance 2016/17	CUH performance 2017/18	National average	Best performer among trusts	Worst performer among trusts	Trust statement
							<p>discharged.</p> <ul style="list-style-type: none"> <li>○ All of the Trust acquired cases are discussed with the CCG and a decision is made regarding whether the case is avoidable or not.</li> <li>○ For this year 44 out of 58 cases discussed are deemed unavoidable.</li> </ul>
25	The number and, where available, 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>Number of incidents reported: 5,598</p> <p>Rate of reporting: 34.2</p> <p>Rate resulted in severe harm or death: 0.15 (24 incidents)</p> <p>based on NRLS data Q3/4, 2016/17</p>	<p>Number incidents reported: 6,979</p> <p>Rate of reporting: 43.09</p> <p>Rate resulted in severe harm or death: 0.13 (21 incidents)</p> <p>based on NRLS data Q1/2, 2017/18</p>	<p>Estimated rate of reporting: 42.23 per 1,000 bed days</p> <p>Estimated rate resulted in severe harm or death: 0.15</p> <p>Estimated data based on NRLS data Q1 and 2, 2017/18, Acute (non-specialist) providers in England</p>	<p>Rate of reporting: 111.69 (Croydon Health Services NHS Trust)</p> <p>Rate resulted in harm: 0.00 (Royal Berkshire NHS Trust and the S. Tyneside NHS FT)</p> <p>based on NRLS data Q1 and 2, 2017/18</p>	<p>Rate of reporting: 23.47 (Northampt on GH NHST))</p> <p>Rate resulted in harm: 0.64 (Stockport NHS FT)</p> <p>based on NRLS data Q1 and 2, 2017/18</p>	<p>CUH considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>○ The Trust has continued to embed the incident reporting software as well as procedures relating to incident investigation.</li> <li>○ In relation to incidents resulting in harm or deaths, we have improved the quality of our data collection and analysis from previous years which we believe has contributed to the increase seen.</li> </ul> <p>CUH intends to take the following actions to improve this data, and so the quality of its services, by:</p> <ul style="list-style-type: none"> <li>○ Re-launching incident reporting training as an online interactive learning tool.</li> <li>○ Launching a new combined incident and serious incident reporting policy and investigation approach to promote a rapid feedback and learning cycle.</li> </ul>

## Appendix B: National targets – 2017/18 performance

Indicator for disclosure		Target 2017/18	CUH performance 2017/18
Referral To Treatment (RTT)	Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway	≥92%	90.3%
A&E target	Maximum waiting time of four hours from arrival to admission/ transfer/ discharge	≥95%	91.3%
All cancers - 62-day wait for first treatment from:	Urgent GP referral for suspected cancer <i>Note: Figure in brackets "()" is adjusted performance taking into account reallocation of breach to treating/referring provider.</i>	≥85%	80.3% (86.5%)
	NHS Cancer Screening Service referral <i>Note: Figure in brackets "()" is adjusted performance taking into account reallocation of breach to treating/referring provider.</i>	≥90%	65.4% (68.0%)
Infection Prevention and Control	Clostridium difficile – variance from plan	<49 cases	53 (Apr.17- Jan.18)
Summary Hospital-level Mortality Indicator (SHMI)		We are able to maintain our lower than expected mortality	Value 0.854 Band: 3 (lower than expected) (Oct.16- Sep.17)
Diagnostic waiting times	Maximum 6-week wait for diagnostic procedures	≤1%	2.4%
Patient Safety	Venous thromboembolism (VTE) risk assessment	>95%	Q1: 96.76% Q2: 95.7% Q3: 94.9% Q4: * <i>*Not available at time of publication</i>

## Appendix C: HQIP National Clinical Audits

Title	Outcome
<p>National Diabetes Audit – 2015-2016: Report 1, Care Processes and Treatment Targets</p>	<p>The Trust received the annual audit report in January 2017.</p> <p>The National Diabetes Audit provides a comprehensive view of diabetes care in England and Wales and measures the effectiveness of diabetes healthcare against NICE Clinical Guidelines and NICE Quality Standards 1 and 2.</p> <p>The audit data found that the percentage of patients with Type 1 diabetes achieving NICE recommended treatment targets for glucose control, blood pressure and cholesterol varied between CCGs from 11 per cent to 34 per cent.</p> <p><b>Key Findings and Learning:</b></p> <ul style="list-style-type: none"> <li>• Participation increased to 82.4% from 57.3 % in 2014-15</li> <li>• Annual Care Processes: Body Mass Index checks and Urine Albumin to Creatinine Ratio measurement remain static at previous levels.</li> <li>• Structured Education – CUH continues to increase the offer of structured education, but recording of attendance is still inconsistent.</li> <li>• People with diabetes who have a learning disability have similar care process and treatment target results to their peers without a learning disability.</li> </ul> <p><b>Planned Actions:</b></p> <p>The team presented data to all diabetes clinicians at diabetes clinic meeting. The hospital is looking at comparison of treatment target data with similar teaching hospitals.</p> <p>We have a very active and heavily subscribed type 1 education course for patients (DAFNE) but we are not able to record their</p>

Title	Outcome
	<p>attendance at these courses easily on EPIC.</p> <p>Further work will be carried out to ensure EPIC enables easy recording of important metrics and that clinicians complete these metrics routinely.</p> <p>We have created poster boards and patient information leaflets and to encourage younger patients to go for diabetes checks.</p>
<p>MBRRACE Maternal, Newborn and Infant Clinical Outcome Review Programme (MNI-CORP) - Perinatal Mortality Surveillance 2017</p>	<p>The Trust received the annual audit report in June 2017.</p> <p>The aims of this audit are to collect, analyse and report national surveillance data to stimulate and evaluate improvements in health care for mothers and babies.</p> <p><b>Key Findings and Learning:</b></p> <p>There has been little improvement in the percentage of still births in the UK since 2014. The report shows a still birth rate for CUH is up to 10% lower than the national average.</p> <p>However, neonatal and perinatal deaths (live born after 20 weeks gestation + up to 28 days after birth) appear to be higher than the national average. Due to the change to EPIC in 2015 CUH submitted an incomplete antenatal data set which makes national comparison of risk adjusted data less robust. CUH's unadjusted perinatal mortality data is normal for all aspects of this data-set. There were no common themes identified and most deaths were related to complicated medical problems.</p> <p><b>Planned Actions:</b></p> <p>Action planning will include working on measures recommended in Saving Babies Lives care bundle, multi-disciplinary team (MDT) review of stillbirths and reporting to MBBRACE. Perinatal services</p>

Title	Outcome
	<p>have formed a task and finish group to identify the learning out of this report, and review practices and procedures to optimise the data collection moving forwards.</p>
<p>National Diabetes Transition Audit 2003-2014 (NDDTA)</p>	<p>The Trust received the annual audit report in June 2017.</p> <p>The National Diabetes Transition Audit measures the care of young people with diabetes during the transition from paediatric diabetes services to adult diabetes services.</p> <p>This is the first published report and shows data for patients for the audit period 2003-04 to 2013-14. The report covers young people with Type 1 diabetes which have been followed-up over the years.</p> <p><b>Key Findings and Learning:</b></p> <p>Annual measurement of blood sugar levels (measured as HbA1c) decreases once a young person has transitioned to adult services.</p> <p>The least variation in care process completion rates was found where transition occurred between the age of 16 and 19 years.</p> <p>Risk factors - Cholesterol &amp; Blood Pressure - The percentage of children achieving the targets are higher pre transition compared to post-transition.</p> <p><b>Planned Actions:</b></p> <p>A collaborative approach by Commissioners and Specialist Services is currently developed to improve diabetes care during the transition from paediatric diabetes services to adult diabetes services.</p>

Title	Outcome
<p>Myocardial Ischaemia National Audit Project (MINAP) Annual Report: April 2015 – March 2016</p>	<p>The Trust received the annual audit report in June 2017.</p> <p>The MINAP 2016 report looks at heart attack and its treatment in Great Britain from 1 April 2015 – 31 March 2016.</p> <p>The recent report demonstrates we have been successful in addressing key aspects of our patients' pathways and care provided. In some areas CUH performs significantly better than the national average, for example angiography before discharge and secondary prevention medications.</p> <p>We have improved the MINAP EPIC data collection. On average, we submit data on just over 400 patients per year, completing over 127 data fields for each patient.</p> <p><b>Planned Actions:</b></p> <p>Improvement is embedded through education and awareness of relevant NICE guidelines. In addition, MINAP results are shared within our teams via a newsletter and Trust-wide at presentations in order to feedback the positive results and to address and action plan any areas we feel we could improve upon.</p>
<p>National Joint Registry (NJR) 14th Annual Report 2017</p>	<p>The Trust received the annual audit report in June 2017.</p> <p>The audit monitors the performance of implants, hospitals and surgical technique but also how the registry is driving quality improvement in the orthopaedic sector as a whole.</p> <p><b>Key Findings and Learning:</b></p> <p>CUH's revision rates are statistically better than expected together with only 50 other units nationally.</p> <p><b>Planned Actions:</b></p>

Title	Outcome
	The organisation continues to ensure that actions are in place to maintain the good performance and the internal review at multi-disciplinary/departmental level will continue.
2016 Audit of Red Cell & Platelet Transfusion in Adult Haematology Patients	<p>The Trust received the annual audit report in June 2017.</p> <p>This is the national report on platelet and red cell transfusions for adults with a known haematological malignancy or myeloid failure syndrome transfused in the month of January 2016.</p> <p><b>Key Findings and Learning:</b></p> <p>The audit results show that local hospital guidelines are not in line with national guidelines and contribute to inappropriate transfusion practice.</p> <p><b>Planned Actions:</b></p> <p>CUH is currently reviewing the NICE guidelines and the local clinical guidelines to ensure that there is a local guideline agreed amongst the clinical staff which presents local best practice. This guidance will be made available on the Trust's document management system and discuss with relevant staff.</p>
National Paediatric Diabetes Audit Part 2: Hospital Admissions and Complications	<p>The Trust received the annual audit report in July 2017.</p> <p>The report provides an analysis of the numbers and reasons for diabetes-related hospital admissions for children and associated socio-demographic factors. In addition it makes recommendations for reducing potentially avoidable hospital in-patient stays.</p> <p>This report (Part 2) summarises hospital admission data for children and young people with diabetes over three annual audit cycles between the 1 April 2012 and the 31 March 2015.</p>

Title	Outcome
	<p><b>Key Findings and Learning:</b></p> <p>CUH paediatric patients' average blood sugar level (measured as HbA1c) was reported as 64.8 mmol/mol compared to 65.0 for East of England and Wales. This has improved year on year from 75mmol/mol in 2007.</p> <p>Admission rates for children and young people with diabetes have remained stable despite overall improvements in care.</p> <p>&gt;90% of all admissions were of children and young people with Type 1 diabetes.</p> <p>There is an increase of admission rates in females, teenagers, and those living in deprived areas. The report highlights the importance of focussing improvements in these groups.</p> <p><b>Planned Actions:</b></p> <p>Improving EPIC to record the care processes more accurately has enabled the organisation to see better the care that clinical staff provide daily. The clinical lead completed additional training on the hospital IT system EPIC in the United States, and is now a 'physician builder'. An action plan is underway to improve data capture and submission to the audit.</p>
National Diabetes Insulin Pump Audit, 2015-2016	<p>The Trust received the annual audit report in July 2017.</p> <p>This report examines data, collected during the period 2015 to 2016. Improved participation and data quality resulted in a more comprehensive and clinically useful CUH audit report.</p> <p><b>Key Findings and Learning:</b></p> <ul style="list-style-type: none"> <li>Improved participation and data quality means that the</li> </ul>

Title	Outcome
	<p>report this year is more comprehensive and clinically useful.</p> <ul style="list-style-type: none"> <li>• The rate at which people with Type 1 diabetes are starting pump treatment has stabilised.</li> <li>• The proportion of people with Type 1 diabetes treated with pumps varies between centres from &gt;50% to &lt;5%.</li> <li>• More people are recorded as starting pump treatment to lower glucose levels than to reduce hypoglycaemia.</li> <li>• Between two thirds and three quarters of pump users are recorded as achieving their pump treatment goals.</li> <li>• Type 1 diabetes pump users are more likely to achieve all their treatment targets and on average have a lower HbA1c than their non-pump using peers, despite being a younger cohort.</li> <li>• CUH is the largest participating centre</li> <li>• At CUH 36% on pumps compared to the England average of 15%</li> <li>• Looking at large centres (&gt;200 pumps) CUH top ranking site for HbA1c of 58mmol/mol or less.</li> </ul> <p><b>Planned actions:</b></p> <ul style="list-style-type: none"> <li>• To continue to monitor and review our practice and the care we provide to our patients.</li> <li>• Presentation of audit findings at the diabetes clinic meeting' as an action - completed 23/10/2017.</li> </ul>
National Diabetes Audit, 2015-16 Complications and Mortality (complications of	<p>The Trust received the annual audit report in July 2017.</p> <p>This report covers complications of diabetes. Most other cardiovascular and diabetes specific complications are included.</p>

Title	Outcome
diabetes)	<p><b>Key Findings and Learning:</b></p> <ul style="list-style-type: none"> <li>• Diabetes remains responsible for a large number of additional deaths, with the greatest relative risk in younger people.</li> <li>• Deaths in people with diabetes under the age of 80 years are more often due to cardiovascular disease than in the general population.</li> <li>• The relative risk of cardiovascular disease in people with diabetes as compared to people without diabetes is increasing.</li> <li>• About one in twenty people have diabetes, yet people with diabetes account for one quarter to one third of hospital admissions for cardiovascular disease.</li> <li>• This seven year longitudinal analysis of NDA data has found an association between consistent healthcare attendance and better outcomes</li> </ul> <p><b>Planned Actions:</b></p> <ul style="list-style-type: none"> <li>• Continued monitoring of annual review care processes by participation in the national diabetes audit.</li> <li>• Presentation of audit findings at the diabetes clinic meeting' as an action - completed 23/10/2017.</li> </ul>
National Audit of Breast Cancer in Older Patients: 1 <sup>st</sup> Annual Report	<p>The Trust received the audit report in July 2017.</p> <p>This First National Audit of Breast Cancer in women aged 70 and older. It is designed to set the benchmark nationally for outcomes following breast cancer in older people.</p> <p><b>Key Findings and Learning:</b></p> <p>The findings from this first year's work showed some variations in</p>

Title	Outcome
	<p>the care received by older and younger women. This resulted in the key recommendation that breast cancer care should to be consistent with clinical guidelines and that the development and implementation of formal assessment process for older patients should be supported.</p> <p>We are providing care for over 70 year old patients broadly in line with the recommendations from this audit.</p> <p><b>Planned Actions:</b></p> <p>We will continue to contribute to the audit to ensure that future Annual Audit Reports provide robust comparative patient-level data between NHS Breast Cancer Units.</p> <p>CUH will ensure that our practices continue to be consistent with clinical guidelines and support the development and implementation of formal assessment process for older patients.</p>
National Heart Failure Audit Report 2015-16	<p>The Trust received the annual audit report in July 2017.</p> <p>The purpose of the Heart Failure (HF) audit is to understand contemporary practice with the aim of helping clinicians improve the quality of HF services and to achieve better outcomes for patients.</p> <p><b>Key Findings and Learning:</b></p> <p>This year's audit report documents a national in-hospital mortality of 8.9% (down from the previous year's 9.6%) for patients admitted with a primary diagnosis of heart failure. The audit does not include a breakdown by Trust (although this may come in the</p>

Title	Outcome
	<p>future) and this considerable mortality requires attention.</p> <p>The number of patients seen by Heart Failure specialists remains high at 80% this year. In particular HF nurses saw more HF patients admitted onto general medical wards (33%) than last year (24%). This is important as specialist care improves mortality, with improved mortality rates for patients admitted to cardiology wards. Post mortality rates at one year to 6 year are independently associated with admission to a cardiology ward, cardiology follow up and the use of key disease-modifying medicines for HF with reduced ejection fraction HF-REF.</p> <p><b>Planned Actions:</b></p> <p>The Trust continue to monitor and improve these figures to come in line with the national averages.</p>
<p>Sentinel Stroke National Audit Programme (SSNAP): Thrombectomy Report for April 2016 - March 2017</p>	<p>The Trust received the annual audit report in August 2017.</p> <p>The evidence base for using thrombectomy in treating ischaemic stroke has expanded over the past 2 years but the implications for implementation in routine clinical practice are still emerging.</p> <p><b>Key Findings and Learning:</b></p> <p>The use of thrombectomy is recommended for selected patients in the RCP National Clinical Guideline for Stroke (2016). For any service providing thrombectomy, ensuring that treatment is provided safely and effectively is of the highest clinical importance.</p> <p>CUH delivers effective endovascular intervention in stroke but the service will need to grow substantially to meet demand and maintain delivery of good outcomes.</p>

Title	Outcome
	<p><b>Planned Actions:</b></p> <p>An action plan has been developed which requires both capital and investment in additional workforce to achieve the above.</p>
<p>National Hip Fracture Database (NHFD) Annual Report 2017</p>	<p>The Trust received the annual audit report in September 2017</p> <p>This audit examines trends in performance and outcome over the past 10 years. It reviews specific topics that require a whole year's data – such as annual mortality outlier analysis.</p> <p><b>Key Findings and Learning:</b></p> <p>Overall the audit showed areas of improved performance. However we are aware that patients who experience multiple bed moves and transfers of care experiencing increased length of stay and mortality.</p> <p>The service areas are required to develop actions to address the learning from these important benchmark audits and the audit team will support the leads to ensure these actions are completed.</p> <p><b>Planned Actions:</b></p> <p>The Trust is reviewing the following areas of care to improve performance:</p> <ul style="list-style-type: none"> <li>• Discharge destination</li> <li>• 120 day follow up</li> <li>• Time to theatre</li> <li>• THR in eligible patients</li> <li>• Falls in hospital</li> <li>• Development of pressure areas.</li> </ul>

Title	Outcome
National Emergency Laparotomy audit: bowel surgery NELA Report, Year 3, 2017	<p>The Trust received the annual audit report in October 2017.</p> <p>The National Emergency Laparotomy Audit (NELA) is an on-going national clinical audit of patients having emergency bowel surgery, which is a surgical procedure with high associated mortality. The quality of care and outcomes for patients can be improved through planning and delivering care based upon a comprehensive assessment of each patient's risk of death.</p> <p><b>Key Findings and Learning:</b></p> <p>The Patient Audit collected information on 24,897 patients (82%) who had surgery between 1 December 2015 and 30 November 2016. All 187 hospitals in England and Wales that perform emergency laparotomies provided data for NELA which enables comparison of national performance.</p> <p>Improvements in care have reduced patients' average hospital stay from 19.2 days in 2013 to 16.6 days in 2016.</p> <p>Since 2013, national 30-day mortality rate has fallen from 11.8% to 10.6%.</p> <p>Consultant care is crucial. They provide care in theatre for 79% of high risk patients.</p> <p>Overall, very good performance at CUH in outcomes measures, in particular 30-day mortality and shorter length of stay in hospital.</p> <p>We performed less well in:</p> <ul style="list-style-type: none"> <li>• documenting risk pre-operatively and</li> <li>• providing enhanced care for patients with certain risk factors, such as transfer directly to a critical care unit and surgery led by consultant surgeon and consultant</li> </ul>

Title	Outcome
	<p>anaesthetists,</p> <ul style="list-style-type: none"> <li>• review of patients over 70 by an elderly medicine specialist</li> <li>• unplanned critical care admission from ward after 7 days.</li> </ul> <p><b>Planned Actions:</b></p> <p>We are planning changes to the electronic patient record to incorporate a risk assessment and collection of care data while completing the patient record.</p> <p>Work is currently undertaken to improve the treatment planning for older adults such as:</p> <ul style="list-style-type: none"> <li>• assessment of risk</li> <li>• timeliness of access to theatres</li> <li>• consultant presence in theatres</li> <li>• admission to critical care</li> <li>• input by specialists in the care of older people.</li> </ul>
National Diabetes Foot Care Hospital Admissions Report 2014-16	<p>The national audit report was received in October 2017.</p> <p>There is a clear association between ulcer severity at first expert assessment and likelihood of admission for in-patient foot disease management.</p> <p>Key information from our local results:</p> <ul style="list-style-type: none"> <li>• Nationally only 45% of ulcers presenting were "severe", in our clinic 65% of ulcers presenting were "severe".</li> <li>• Whereas nationally 43 % of patients had met treatment target for blood glucose levels (as measured in HbHbA1c), only 27 % of our patients had met the target.</li> </ul> <p>Thus, the majority of the ulcers we see are "severe" ulcers, suggesting many present at a later stage in the disease process,</p>

Title	Outcome
	<p>making inpatient stay and adverse outcome more likely. Further, many of the patients are those who are not meeting glucose control targets, which make them more likely to develop a range of other diabetes-related complications.</p> <p><b>Planned Actions:</b></p> <p>Further work is required to assess where the patient referrals originated to ensure there are no barriers to prompt referral, and to consider more detailed patient characteristics to find if other active pathologies, such as renal and heart conditions, could be contributing to the foot disease.</p>
National Pregnancy in Diabetes Audit Report 2016	<p>The national audit report was received in October 2017.</p> <p>The National Pregnancy in Diabetes Audit measures the quality of antenatal care and pregnancy outcomes for women with pre-gestational diabetes. The 2016 audit addresses three high level questions whilst measuring results against updated NICE guideline:</p> <ul style="list-style-type: none"> <li>• Were women with diabetes adequately prepared for pregnancy?</li> <li>• Were appropriate steps taken during pregnancy to minimise adverse outcomes to the mother?</li> <li>• Were adverse neonatal outcomes minimised?</li> </ul> <p><b>Key Findings and Learning:</b></p> <p>The Rosie Hospital diabetes in pregnancy team in general has better results than the national average. In terms of preparation for pregnancy 30.3 % of our ladies had an HbA1c&lt;48mmol/l (national average 25.9%). 64.4% taking 5 mg Folic acid</p>

Title	Outcome
	<p>compared to national average of 33.7%.</p> <p>In terms of reduction in adverse maternal outcome, 89.1% had contact with team at &lt;10 weeks gestation (national average 66.2%) and 57.9% had third trimester HbA1c &lt;48mmol/l (56.8% national average).</p> <p>Compared with a national average 19.4% the Rosie Hospital was an outlier as 41% of neonatal babies of women with gestational diabetes were admitted the neonatal unit. We will be looking into this data more closely.</p> <p><b>Planned Actions:</b></p> <ul style="list-style-type: none"> <li>• Review neonatal admissions and data submitted to this audit.</li> <li>• Review CUH's policy and procedure with the neonatal team.</li> <li>• Manage the risk to patients as the demand outstrips the current resources.</li> <li>• Continued liaison with and education of community teams.</li> </ul>
Raising to the Challenge, 4 <sup>th</sup> SSNAP Annual Report 2017	<p>The Trust received the annual audit report in November 2017.</p> <p>The Sentinel Stroke National Audit Programme (SSNAP) measures the quality and organisation of stroke care in the NHS.</p> <p>The audit results showed CUH's continued improvement in stroke care despite increasing difficulty with access to stroke unit beds due to lack of effective bed management policy. On a scale from A – E, with A being the best performers, CUH now scores a rating of B from D previously. This is largely due to better staffing since 2016.</p> <p>We are also able to support improved data collection for the audit</p>

Title	Outcome
	<p>and have a realistic ambition to get to an 'A' rating in 2018. We are still limited in our ability to deliver many acute elements of care due to a limited number of beds.</p> <p><b>Planned Action:</b></p> <p>Bed management plan to be up-dated and to be reviewed with Chief Operating Officer.</p>
<p>Paediatric Intensive Care Audit Network (PICAnet) Annual Report 2017</p>	<p>The Trust received the annual audit report in November 2017.</p> <p>The PICAnet audit aims to continually support the improvement of paediatric intensive care provision throughout the UK by providing detailed information on paediatric intensive care activity and outcomes.</p> <p>It collects personal, organisational and clinical data on all children with a clinically determined need for paediatric intensive care. It audits the quality of care delivered against the Paediatric Intensive Care Society (PICS) standards, which cover the whole patient pathway from the initial referral to paediatric intensive care, specialist transport and then inpatient care.</p> <p><b>Key Findings and Learning:</b></p> <p>Nationally, paediatric intensive care units were operating under increased pressure as numbers of patients increased and specialist nursing staff was not always available for all shifts.</p> <p>The Paediatric Intensive Care Unit (PICU) in Addenbrooke's had 1897 admissions during the audit period which represent 3.16% of the total audit.</p> <p>We monitor the mortality of our patients and it is within acceptable national standards including when adjusted for case</p>

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Title	Outcome
	<p data-bbox="779 304 837 328">mix.</p> <p data-bbox="779 352 1659 475">Admissions per consultant are high and would be expected to deteriorate in the 2017 data because of an additional consultant vacancy. There is a national shortage of paediatric intensive care consultants which makes this role difficult to recruit to.</p> <p data-bbox="779 499 1659 622">Nursing staffing on PICU is also lower than the national standard and this is addressed in innovative ways. Nurse advanced resuscitation training is below the national standard. Funding for nurse training was removed in the period leading up to this audit.</p> <p data-bbox="779 646 1675 735">However, overall CUH's PICU continues to maintain a high national reputation and the audit outcomes match the best in the UK and Ireland.</p> <p data-bbox="779 759 1032 783"><b>Planned Actions:</b></p> <p data-bbox="779 807 1675 865">We will continue the recruitment to the consultant and the nursing vacancies.</p> <p data-bbox="779 888 1599 978">Steps are being taken to reinstate access to training for our nursing team as part of the training and career development opportunities for nursing staff.</p>

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## Appendix D: Local audits

Audit Title	Action/response
Audit 5039 - Completion of pain assessments (rolling audit)	Demonstrates continued improvement overall.
Audit 5080 - 18 week pathway for children referred to CUH for ketogenic therapy	Overall average time to starting the therapy continues to improve with actions in place to address key learning.
Audit 5081 - End of life care prescribing PRN medications	Improved to 80% - actions in place to continue to embed and re-audit.
Audit 5254 - New-born hearing	Agreed target achieved at 93% - excellent result given the increased number of referrals. We continue to re-audit.
Audit 5030 - Resuscitation audit	Quarterly audit - the findings are broken down to ward level so that actions to address any learning can be agreed at local level - evidence of continued improvement.
Audit 2483 - Audit compliance with the appendectomy pathway	Overall good compliance.
Audit 4783 - Ward storage and security of medicines	Quarterly audit – the findings are broken down by ward level so that actions to address any learning can be agreed at local level. Evidence of continued improvement overall.
Audit 4779 - Use of chaperones in colorectal clinic	Overall good compliance with actions in place to continue to embed in practice and re-audit.

Audit Title	Action/response
Audit 5007 - Audit compliance against NICE clinical guideline (CG8)	On anaemic management in people with chronic kidney disease, audit demonstrates variable compliance. Actions in place to continue to embed into practice and re-audit planned.
Audit 4047 - Audit of major trauma centre admissions with rib fractures	Number of admissions increasing with this diagnosis and key actions in place to develop a rib fracture pathway.
Audit 4448 - Audit emergency gynaecology pathway	Demonstrates variable compliance – with key actions in place primarily to review registrar rota.
Audit 4739 - Use of the antibiotic Teicoplanin in ambulatory care	Overall compliance good – actions in place to continue to educate over usage and re audit.
Audit 4902 - Audit timing of the lumbar puncture in bacterial meningitis	Only 5% compliance within the standard of 1 hour – key actions in place to address the learning.
Audit 5104 - Consent audit (rolling quarterly audit)	Across all specialities; demonstrates overall good compliance with Trust policy. Actions in place to address key learning, with focus required on ensuring the documentation of provision of patient information.
Audit 4978 - WHO surgical checklist audit (rolling quarterly audit)	Across all theatres including day surgery unit - demonstrates overall good compliance with Trust policy, with key actions in place to address learning.
Audit 4621 - Infection control audit (rolling quarterly audit)	Across all specialities; demonstrates overall good compliance with Trust policy. Actions in place to address key learning.

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<b>Audit Title</b>	<b>Action/response</b>
Re-audit 5116 - NICE Clinical Guideline 69	Demonstrates overall good compliance.
Re-audit 5119 - Improving bone marrow transplant summaries	Audit demonstrates overall improvement with over 90% compliance across the standards.
Re-audit 5219 - Moving and handling re-assessment	Audit demonstrates overall good compliance across the Trust with over 95% of the standards met.

## Appendix E: Glossary of terms and abbreviations used in this report

### **BAME**

Black, Asian and minority ethnic (used to refer to members of non-white communities in the UK). May also be referred to as: 'BME' - black and minority ethnic.

### **CBC (Cambridge Biomedical Campus)**

A long-term collaboration between Cambridge University Hospitals NHS Foundation Trust (CUH) and partners, the University of Cambridge, the Medical Research Council (MRC), Countryside Properties and Liberty Property Trust.

### **CCG (Clinical Commissioning Group)**

CCGs are responsible for planning and buying local NHS services, such as the care people receive at hospital and in the community, as well as ensuring that providers deliver the best possible care and treatment for patients. Services at CUH are commissioned by Cambridgeshire and Peterborough CCG.

### **C. difficile**

A clostridium difficile infection (CDI) is a type of bacterial infection that can affect the digestive system. It most commonly affects people who are staying in hospital.

### **CQC (Care Quality Commission)**

The independent regulator of all health and social care services in England. The Care Quality Commission monitors, inspects and regulates hospitals, care homes, GP surgeries, dental practices and other care services to make sure they meet fundamental standards of quality and safety.

### **CQUIN (Commissioning for Quality and Innovation) indicators**

The CQUIN payment framework enables commissioners to reward excellence, by linking a proportion of English healthcare providers' income to the achievement of local quality improvement goals.

### **CUH**

Cambridge University Hospitals NHS Foundation Trust

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

An academic health science centre that brings together the University of Cambridge, Cambridge University Hospitals NHS Foundation Trust, Papworth Hospital NHS Foundation Trust and Cambridge and Peterborough NHS Foundation Trust.

### **DTOC (Delayed transfer of care)**

Medically fit patients who cannot be discharged from hospital until there are arrangements in place for their continuing care and support.

### **ehi Awards**

Healthcare awards - the ehi Awards acknowledge the exceptional accomplishments and contributions of individuals and organisations from across the Healthcare IT industry.

### **EPR – Epic**

Electronic patient record - The Epic software based system used for eHospital.

### **GDE (Global Digital Exemplar)**

A Global Digital Exemplar is an internationally recognised NHS provider delivering exceptional care, efficiently, through the use of world-class digital technology and information. Exemplars will share their learning and experiences to enable other trusts to follow in their footsteps as quickly and effectively as possible.

### **HQIP**

The Healthcare Quality Improvement Partnership (HQIP) was established in April 2008 to promote quality in healthcare, and in particular to increase the impact that clinical audit has on healthcare quality in England and Wales.

### **Human Factors**

Human factors is the science which seeks to gain and apply knowledge of how people interact with each other and their environment, and how this affects behaviour, performance and wellbeing, particularly in the work setting.

### **Joint Commission International**

Joint Commission International (JCI) works to improve patient safety and quality of health care in the international community by offering education, publications, advisory services, and international accreditation and certification.

### **MBRRACE**

MBRRACE-UK is the collaboration appointed by the Healthcare Quality Improvement Partnership (HQIP) to continue the national programme of work investigating maternal deaths, stillbirths and infant deaths, including the Confidential Enquiry into Maternal Deaths (CEMD). The programme of work is now called the Maternal, Newborn and Infant Clinical Outcome Review Programme (MNI-CORP).

The aim of the MBRRACE-UK programme is to provide robust information to support the delivery of safe, equitable, high quality, patient-centred maternal, newborn and infant health service.

### **MDT (Multidisciplinary Team)**

A Multidisciplinary Team is a group of professionals from one or more clinical disciplines who together make decisions regarding recommended treatment of individual patients. Multidisciplinary Teams may specialise in certain conditions, such as Cancer.

### **MRSA (Meticillin-Resistant Staphylococcus Aureus)**

MRSA is a type of bacterial infection that is resistant to a number of widely used antibiotics. This means it can be more difficult to treat than other bacterial infections.

### **National Quality Indicators**

NHS England has mandated that all organisations providing NHS commissioned care are required to review their performance against a common set of measures across the new NHS Outcomes Framework.

### **NatSSIPs (National Safety Standards for Invasive Procedures)**

A set of national safety standards to support NHS hospitals provide safer surgical care. They aim to reduce the number of patient safety incidents related to invasive procedures in which surgical Never Events could occur.

## **NCEPOD (National Confidential Enquiry into Patient Outcome and Death)**

The National Confidential Enquiry into Patient Outcome and Death reviews clinical practice and identifies potentially remediable factors in practice. NCEPOD's purpose is to assist in maintaining and improving standards of care for adults and children for the benefit of the public by reviewing the management of patients, by undertaking confidential surveys and research, by maintaining and improving the quality of patient care and by publishing and generally making available the results of such activities.

### **'Never event'**

A 'never event' is defined as serious, largely preventable incident that should never happen if the right measures are in place. A defined list of Never Events is published annually by the Department of Health.

## **NHSBT (NHS Blood and Transplant)**

NHS Blood and Transplant is a Special Health Authority who manages blood and organ transplantation.

## **NHSE (NHS England)**

NHS England responsible for overseeing the budget, planning, delivery and day-to-day operation of the commissioning side of the NHS in England as set out in the Health and Social Care Act 2012.

## **NHSI (NHS Improvement)**

NHS Improvement responsible for overseeing Foundation Trusts and NHS Trusts, as well as independent providers that provide NHS-funded care.

## **NICE (National Institute for Health and Care Excellence)**

The National Institute for Health and Care Excellence (NICE) is an executive non-departmental public body of the Department of Health in the United Kingdom, which publishes guidelines in four areas:

- the use of health technologies within the NHS (such as the use of new and existing medicines, treatments and procedures)
- clinical practice (guidance on the appropriate treatment and care of people with specific diseases and conditions)
- guidance for public sector workers on health promotion and ill-health avoidance
- guidance for social care services and users.

## **Palliative care/End of Life Care**

Palliative care focuses on the relief of pain and other symptoms and problems experienced in serious illness. The goal of palliative care is to improve quality of life, by increasing comfort, promoting dignity and providing a support system to the person who is ill and those close to them.

## **PROMs (Patient reported outcome measures)**

These are nationally mandated and provide a patient perspective of the effectiveness of the care they received - in simple terms, the improvement gain or loss following the procedure.

## **QSiS (Quality and Safety Information System)**

QSiS is a bespoke electronic risk management system, based on the Datix software & used by the majority of NHS Trusts in the UK. The system is made up of a number of modules, including safety incident reporting, risk register, complaints, claims, CQC compliance, and has excellent reporting features.

### **RCA (Root cause analysis)**

A systematic process for identifying “root causes” of problems or events and an approach for responding to them.

### **ReSPECT**

The Recommended Summary Plan for Emergency Care and Treatment (ReSPECT) is a process that creates personalised recommendations for a person’s clinical care in a future emergency in which they are unable to make or express choices. It provides health and care professionals responding to that emergency with a summary of recommendations to help them to make immediate decisions about that person’s care and treatment.

### **STP (Sustainability and Transformation Partnership)**

STPs bring together NHS providers, CCGs, local authorities and other health and care services and are organised as 44 STP 'footprints'. A 'footprint' is the geographical area in which people and organisations are working together to develop plans to transform and sustain the delivery of health and care services. CUH is in the Cambridge and Peterborough STP.

### **UFTO (Universal Form of Treatment Options)**

UFTO is an electronic form that records the treatment options that doctors discussed and agreed with a patient. This may include choices on End of Life care and resuscitation.

### **WRES (NHS Workforce Race Equality Standard)**

The Workforce Race Equality Standard (WRES) is a requirement for NHS commissioners and NHS healthcare providers including independent organisations, through the NHS standard contract. NHS providers are expected to show progress against a number of indicators of workforce equality, including a specific indicator to address the low numbers of BME board members across the organisation.





**Cambridge University Hospitals NHS Foundation Trust**  
**Accounts**

**Year Ended 31 March 2018**

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

## Statement of the Chief Executive's responsibilities as the Accounting Officer of Cambridge University Hospitals NHS Foundation Trust

The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officers' 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 the Cambridge University Hospitals 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 Cambridge University Hospitals 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 and Social Care 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 and Social Care 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



**Roland Sinker**  
Chief Executive

23 May 2018

## **Independent auditor's report to the Council of Governors of Cambridge University Hospitals NHS Foundation Trust**

### **Opinion**

We have audited the financial statements of Cambridge University Hospitals NHS Foundation Trust ('the Trust') for the year ended 31 March 2018. The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Government Financial Reporting Manual 2017/18 as contained in the Department of Health and Social Care Group Accounting Manual 2017/18, and the Accounts Direction issued under section 25(2) of Schedule 7 of the National Health Service Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2017/18; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Use of the audit report**

This report is made solely to the Council of Governors of Cambridge University Hospitals NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust 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 Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 1.2 in the financial statements, which indicates that the Trust incurred a deficit during the year ended 31 March 2018 of £32.3m resulting in an accumulated deficit on the Statement of Financial Position of £149.2m. The Trust anticipates making a deficit of £94.3m for the 2018/19 financial year and expects to continue to receive cash funding loan finance from the Department of Health and Social Care without interruption.

There is also no robust plan in place to return the Trust to an annual break-even position or to eliminate the accumulated deficit. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Trust's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Our response and key observations
<p><b>Valuation of Property</b></p> <p>At 31 March 2018 the Property, Plant and Equipment balance totalled £325m. Of this £287m is based on a valuation provided by the District Valuer.</p> <p>Changes in the value of property may impact on the Statement of Comprehensive Income depending on the circumstances and the specific accounting requirements of the Annual Reporting Manual and the Department of Health and Social Care Group Accounting Manual.</p> <p>This is an accounting estimate with a high estimation uncertainty.</p>	<p>Our approach involved:</p> <ul style="list-style-type: none"> <li>• assessing the independence and objectivity of management’s expert, the District Valuer, using our expert;</li> <li>• reviewing market trends; and</li> <li>• ensuring the information that formed the basis of the valuation is complete and accurate.</li> </ul> <p>Our work provided the assurance we sought in respect of this key audit matter.</p>
<p><b>Revenue and Expenditure recognition</b></p> <p><b>Revenue</b></p> <p>Auditing standards include a rebuttable presumption that there is a significant risk in relation to the timing of income recognition, and in relation to judgements made by management as to when income has been earned.</p>	<p>For revenue our approach involved a range of substantive procedures including:</p> <ul style="list-style-type: none"> <li>• testing of income posted around the year-end to obtain assurance that transactions are recognised in the correct year;</li> <li>• testing significant year-end receivables and accruals;</li> <li>• agreeing intra-NHS revenue data provided by the Department of Health and Social Care/NHS Improvement; and</li> <li>• reviewing judgements about whether the criteria for recognising provisions are satisfied.</li> </ul> <p>Our work provided the assurance we sought in respect of this key audit matter.</p>

<p><b>Expenditure</b></p> <p>For public sector organisations the same risk also applies to the recognition of non-payroll expenditure and contractual obligations. The pressure to manage income and expenditure to deliver forecast performance in a challenging economic environment increases the risk of fraudulent financial reporting leading to material misstatement and means that we are unable to rebut the presumption</p>	<p>For expenditure our approach involved a range of substantive procedures including:</p> <ul style="list-style-type: none"> <li>• testing expenditure (non-payroll) posted around the year-end to obtain assurance that transactions are recognised in the correct year;</li> <li>• testing significant year-end payables and accruals; and</li> <li>• agreeing intra-NHS expenditure data provided by the Department of Health and Social Care/NHS Improvement.</li> </ul> <p>Our work provided the assurance we sought in respect of this key audit matter.</p>
<p><b>Management override of control</b></p> <p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.</p> <p>The risk is more acute in the NHS sector because of the central pressure within the NHS to report a financial outturn in line with expectations.</p>	<p>Our approach involved:</p> <ul style="list-style-type: none"> <li>• testing accounting estimates impacting upon amounts included in the financial statements;</li> <li>• identifying and testing significant transactions outside the normal course of business; and</li> <li>• testing journals recorded in the general ledger and other adjustments made in preparation of the financial statements.</li> </ul> <p>Our work provided the assurance we sought in respect of this key audit matter.</p>
<p><b>Intangible Assets</b></p> <p>Intangible assets totalled £31 million as at 31 March 2017 mainly relating to the e-hospitals system and require re-valuation by management on a yearly basis. As there is potentially high estimation uncertainty in the valuation this is considered to be a key audit matter.</p>	<p>No revaluation took place in 2017/18 because there was no evidence of system obsolescence and the Trust continues to use and develop the system for the foreseeable future.</p> <p>We reviewed the basis for management's judgement on the revaluation of intangible assets in the 2017/18 annual accounts by:</p> <ul style="list-style-type: none"> <li>• challenging the basis of the valuation;</li> <li>• evaluating management's judgement on impairment and assessed any potential factors suggesting an impairment; and</li> </ul>

	<ul style="list-style-type: none"> <li>assessing the useful lives used for amortisation of the asset.</li> </ul> <p>Our work provided the assurance we sought in respect of this key audit matter.</p>
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### Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on the financial statements and our audit. Materiality is used so we can plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. The level of materiality we set is based on our assessment of the magnitude of misstatements that individually or in aggregate, could reasonably be expected to have influence on the economic decisions the users of the financial statements may take based on the information included in the financial statements.

Based on our professional judgement, we determined materiality for Cambridge University Hospitals NHS Foundation Trust for the financial statements as a whole as follows:

<b>Overall materiality</b>	£8.787m
<b>Basis for determining materiality</b>	1% of operating expenses of continuing operations
<b>Rationale for benchmark applied</b>	Operating expenses of continuing operations was chosen as the appropriate benchmark for overall materiality as this is a key measure of financial performance for users of the financial statements.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.264m, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

### An overview of the scope of our audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Accounting Officer and the overall presentation of the financial statements. The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed in the "Key audit matters" section of this report. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Code of Audit Practice**

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2017/18; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

<b>Annual Governance Statement</b>	
<p>We are required to report to you if, in our opinion:</p> <ul style="list-style-type: none"> <li>• the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2017/18 ; or</li> <li>• the Annual Governance Statement 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.</li> </ul>	<p>We have nothing to report in respect of these matters.</p>
<b>Reports to the regulator and in the public interest</b>	
<p>We are required to report to you if:</p> <ul style="list-style-type: none"> <li>• we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006 because we have a reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; or</li> <li>• we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.</li> </ul>	<p>We have nothing to report in respect of these matters.</p>

<b>Other information</b>	
<p>We are required to read the other information and report to you if the other information is:</p> <ul style="list-style-type: none"> <li>materially inconsistent with the audited financial statements or our knowledge obtained in the course of performing our audit; or</li> <li>otherwise appears to be materially misstated.</li> </ul> <p>We are also required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.</p>	<p>We have not identified any such material inconsistencies or misstatements.</p>

### **Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources**

We are required to report to you if the Trust has not put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

#### **Qualified conclusion**

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2017, with the exception of the matters disclosed in the Basis for qualified conclusion paragraph below, we are satisfied that, in all significant respects, Cambridge University Hospitals NHS Foundation Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

#### **Basis for qualified conclusion**

In considering the Trust's arrangements for sustainable resource deployment we identified that as well as reporting a deficit of £32.3 million in 2017/18 the Trust expects to deliver a further deficit of £94.3 million in 2018/19 and does not yet have a robust plan to achieve a sustainable annual balance of income and expenditure. Furthermore, there is no plan for the Trust to generate sufficient income and expenditure surpluses in future years in order to eliminate the accumulated deficit which stands at £149.2 million at 31 March 2018 and is expected to grow significantly. The Trust will require significant further cash support from the Department of Health and Social Care to continue to maintain statutory functions.

The actual and planned deficits and the absence of a robust plan for restoring a sustainable financial position are evidence of weaknesses in the Trust's arrangements for planning finances for sustainable resource deployment and the maintenance of statutory functions.

#### **Responsibilities of the Accounting Officer**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the Trust is

informed of the intention for dissolution without transfer of services or function to another entity. The Accounting Officer is responsible for assessing each year whether or not it is appropriate for the Trust to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

The Chief Executive as Accounting Officer is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

We are also required under Schedule 10(1) of the National Health Service Act 2006 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 prepared by the Comptroller and Auditor General (C&AG), having regard to the guidance on the specified criterion issued by the C&AG in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The C&AG determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

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.

## **Certificate**

We certify that we have completed the audit of the financial statements of Cambridge University Hospitals NHS Foundation Trust in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

**Gareth Davies CPFA**

**For and on behalf of Mazars LLP**

Tower Bridge House  
St Katherine's Way  
London  
E1W 1DD

25th May 2018

## FOREWORD TO THE ACCOUNTS

### Cambridge University Hospitals NHS Foundation Trust

Cambridge University Hospitals NHS Foundation Trust ("the Trust") acts as an acute hospital and the main teaching hospital for the University of Cambridge. The Trust serves the local Cambridge area and also provides specialist services to the wider population throughout the East of England and beyond. The Trust hosts a number of clinical networks and the Cambridge Biomedical Research Centre.

These accounts for the year ended 31 March 2018 have been prepared by Cambridge University Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed



**Roland Sinker**  
**Chief Executive**

23 May 2018

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Operating income from patient care activities	2	661,061	633,794
Other operating income	2	195,774	145,742
<b>Total operating income from continuing operations</b>		856,835	779,536
Operating expenses of continuing operations	3	(878,742)	(815,849)
<b>Operating (deficit)</b>		<u>(21,907)</u>	<u>(36,313)</u>
<b>Finance costs</b>			
Finance income	6	72	58
Finance expense	6	(10,073)	(10,595)
PDC dividend charge		-	(825)
<b>Net finance costs</b>		<u>(10,001)</u>	<u>(11,362)</u>
Other gains/(losses)	6	120	(95)
Share of (loss) of joint operations		(474)	(5,285)
<b>(Deficit) from continuing operations</b>		<u>(32,262)</u>	<u>(53,055)</u>
<b>(Deficit) for the year</b>		<u><u>(32,262)</u></u>	<u><u>(53,055)</u></u>
<b>Other comprehensive income/(expenditure)</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Revaluations		1,586	6,643
<b>Total comprehensive (expense) for the year</b>		<u><u>(30,676)</u></u>	<u><u>(46,412)</u></u>
<b>Allocation of (losses) for the year:</b>			
<b>(Deficit) for the year attributable to:</b>			
Government		<u><u>(32,262)</u></u>	<u><u>(53,055)</u></u>
<b>Total comprehensive (expense) for the year attributable to:</b>			
Government		<u><u>(30,676)</u></u>	<u><u>(46,412)</u></u>

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018**

	Note	31 March 2018 £000	31 March 2017 £000
<b>Non-current assets</b>			
Intangible assets	7	30,438	31,407
Property, plant and equipment	8	325,435	319,823
<b>Total non-current assets</b>		<u>355,873</u>	<u>351,230</u>
<b>Current assets</b>			
Inventories	10	11,849	12,062
Trade and other receivables	11	83,312	73,054
Cash and cash equivalents	12	18,389	15,134
<b>Total current assets</b>		<u>113,550</u>	<u>100,250</u>
<b>Current liabilities</b>			
Trade and other payables	13	(108,692)	(111,440)
Borrowings	14	(12,536)	(11,123)
Provisions	15	(2,497)	(2,422)
Other liabilities	13	(22,096)	(26,235)
<b>Total current liabilities</b>		<u>(145,821)</u>	<u>(151,220)</u>
<b>Total assets less current liabilities</b>		<u>323,602</u>	<u>300,260</u>
<b>Non-current liabilities</b>			
Borrowings	14	(299,860)	(252,615)
Provisions	15	(2,374)	(3,042)
<b>Total non-current liabilities</b>		<u>(302,234)</u>	<u>(255,657)</u>
<b>Total assets employed</b>		<u>21,368</u>	<u>44,603</u>
<b>Taxpayers' equity</b>			
Public dividend capital		132,881	125,440
Revaluation reserve		37,701	36,115
Income and expenditure reserve		(149,214)	(116,952)
<b>Total taxpayers' and others' equity</b>		<u>21,368</u>	<u>44,603</u>

These financial statements were approved by the Board on 23 May 2018 and signed on its behalf by:



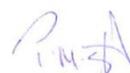
Dr Mike More

**Chairman**



Mr Roland Sinker

**Chief Executive**



Mr Paul Scott

**Chief Finance Officer**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018**

	<b>Total £000</b>	<b>Public dividend capital £000</b>	<b>Revaluation reserve £000</b>	<b>Income and expenditure reserve £000</b>
Taxpayers' and others' equity at 01 April 2017	44,603	125,440	36,115	(116,952)
(Deficit) for the year	(32,262)	-	-	(32,262)
Revaluations	1,586	-	1,586	-
Public dividend capital received	7,441	7,441	-	-
Taxpayers' and others' equity at 31 March 2018	<u>21,368</u>	<u>132,881</u>	<u>37,701</u>	<u>(149,214)</u>

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

	<b>Total £000</b>	<b>Public dividend capital £000</b>	<b>Revaluation reserve £000</b>	<b>Income and expenditure reserve £000</b>
Taxpayers' and others' equity at 01 April 2016	90,665	125,090	29,472	(63,897)
(Deficit) for the year	(53,055)	-	-	(53,055)
Revaluations	6,643	-	6,643	-
Public dividend capital received	350	350	-	-
Taxpayers' and others' equity at 31 Mar 2017	<u>44,603</u>	<u>125,440</u>	<u>36,115</u>	<u>(116,952)</u>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
<b>Cash flows from operating activities</b>		
Operating (deficit) from continuing operations	(21,907)	(36,313)
<b>Non-cash income and expense</b>		
Depreciation and amortisation	19,150	19,107
Impairments	3,510	-
Income recognised in respect of capital donations (cash and non-cash)	(41)	-
(Increase) in trade and other receivables	(10,258)	(12,284)
Decrease in inventories	213	985
(Decrease)/increase in trade and other payables	(2,967)	1,445
(Decrease)/increase in other liabilities	(4,139)	5,914
(Decrease) in provisions	(660)	(832)
Other movements in operating cash flows	(474)	(5,351)
Net cash (used in) operations	<u>(17,573)</u>	<u>(27,329)</u>
<b>Cash flows from investing activities</b>		
Interest received	72	58
Purchase of intangible assets	(2,586)	(2,635)
Purchase of property, plant and equipment and investment property	(22,590)	(23,200)
Sales of property, plant and equipment and investment property	120	-
Receipt of cash donations to purchase capital assets	41	-
Net cash (used in) investing activities	<u>(24,943)</u>	<u>(25,777)</u>
<b>Cash flows from financing activities</b>		
Public dividend capital received	7,441	350
Movement in loans from the Department of Health	50,656	65,103
Capital element of PFI, LIFT and other service concession payments	(1,998)	(1,963)
Interest paid	(5,454)	(5,748)
Interest element of PFI, LIFT and other service concession obligations	(4,481)	(4,405)
PDC dividend paid	(393)	1,029
Net cash generated from financing activities	<u>45,771</u>	<u>54,366</u>
Increase/(decrease) in cash and cash equivalents	3,255	1,260
Cash and cash equivalents at 1 April	15,134	13,874
Cash and cash equivalents at 31 March	<u>18,389</u>	<u>15,134</u>

The Foundation Trust held £2k cash at bank and in hand at 31 March 2018 (year ended 31 March 2017, £2k) which relates to monies held by the Trust on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts.

## NOTES TO THE ACCOUNTS

### IFRS Accounting Policies

#### 1 Accounting policies and other information

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 and Social Care Group Accounting Manual (DH GAM) which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DH GAM 2017/18 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow IFRS to the extent that they are meaningful and appropriate to the NHS as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the DH Group Accounting Manual permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS Foundation Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

##### 1.1 Accounting convention

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

##### 1.2 Going concern

These accounts have been prepared on a going concern basis.

The Trust is expecting to incur a deficit during the next 12 months of £94.3m and as a result will continue to require additional cash funding from the Department of Health and Social Care. NHS Improvement now assesses each Trust's cash funding requirements one month ahead of need and then arranges loan finance for that month only from the Department of Health and Social Care. To date, the Trust's cash funding requirements have been met in this way and the Board of Directors expects this to continue without interruption.

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.

Financial position:

- The Trust recorded a financial deficit of £32.3 million for the 2017/18 financial year, which was better than the control total agreed with NHS Improvement of £42.1 million.
- The balance sheet at 31 March 2018 shows a cumulative deficit (i.e. negative income & expenditure reserve) of £149.2 million.
- There is currently no short/medium term plan in place to return the trust to recurrent financial balance or to repay the cumulative deficit.
- The Trust is no longer in "special measures".
- The Trust drew down £63.5 million of additional working capital funding from the Department of Health and Social Care during 2017/18. This funding ensured that the Trust could continue to meet its liabilities during 2017/18 as they fell due.
- The Trust has not yet agreed a control total with NHS improvement for 2018/19.
- The Trust will require £114.6 million of additional working capital support from the Department of Health and Social Care in 2018/19 and the Directors expect this to be forthcoming. Indeed, loans for April and May 2018 have already been received.
- Contracts with the Trust's main Commissioners have been signed which give a significant level of assurance around continued service delivery and income cash flows for the Trust during 2018/19.

After making enquiries, and considering the matters described in the preceding paragraphs which may represent a material uncertainty, the Directors have a reasonable expectation that the Trust will have access to adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

### **1.3 Joint operation**

Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to the net assets, and obligations for the liabilities, relating to the arrangement. The Trust includes within its financial statements its share of the assets, liabilities, income and expenses.

Where the joint arrangement is loss making the investment in the partnership is impaired to zero by the losses made, and remaining losses are recognised as a provision due to the constructive obligation.

### **1.4 Income**

Income in respect of services provided is recognised when (or as) performance obligations are satisfied, by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. It is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services.

Revenue relating to patient care spells that are part-completed at the year-end are apportioned across the financial years on the basis of the number of occupied bed days and an average cost per bed day.

Where income is received for a specific activity that 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.

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pensions' Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

### **1.5 Expenditure on employee benefits**

#### **Short-term employee benefits**

Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees, including non-consolidated performance pay earned but not yet paid. 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.

#### **Pension costs - NHS Pension Scheme**

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

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

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:

### **Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2018 is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the 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.

### **Full actuarial (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic changes), 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.

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.

### **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. It 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 Research and development**

Expenditure on research is not capitalised, it is recognised as an operating expense and is charged to the Statement of Comprehensive Income as it is incurred. The Trust currently has no development expenditure.

To the extent that income and expenditure is netted off as part of research grant accounting, amounts are grossed up within the Statement of Comprehensive Income to reflect the gross value of expenditure on research activity.

### **1.8 Property, plant and equipment**

#### **Recognition**

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the Trust;
- it is expected to be used for more than one financial year; and

- the cost of the item can be measured reliably, and either
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g., plant and equipment, then these components are treated as separate assets and depreciated over their individual useful economic lives.

## **Measurement**

### **Valuation**

All property, plant and equipment is measured initially at cost; representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequently, land and non-specialised buildings are measured at valuation and all other Property, plant and equipment assets are valued at depreciated replacement cost.

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

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

### **Current values determination**

Land and non-specialised buildings are valued on the modern equivalent asset (alternative site) basis.

Valuations are carried out by professionally qualified District Valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The land and buildings valuation was undertaken as at the prospective valuation date of 31 March 2018, applying the modern equivalent assets valuation (alternative site) basis which is consistent with IAS (International Accounting Standard) 16.

### **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 the replacement is capitalised if it meets the criteria for recognition above. The existing carrying amount of the part replaced is de-recognised and charged to operating expenses. 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.

### **Revaluation gains and losses**

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

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

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 as other comprehensive income or net expenditure in the Statement of Comprehensive Income.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset, and thereafter to expenditure.

## Impairments

In accordance with the DH GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of

- (i) the impairment charged to operating expenses; and
- (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Gains which reverse previous impairment losses are netted against any impairments charged to operating expenses not recognised within operating income.

## Depreciation

Items of property, plant and equipment are depreciated, less any residual value, on a straight-line basis over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Freehold land is considered to have an infinite life and is not depreciated. Properties under construction that are not yet being used are not depreciated.

Buildings, installations and fittings are depreciated on their current value for existing use over the estimated remaining life of the asset as assessed by professional valuers.

### Economic life of property, plant and equipment

	Min Life Years	Max Life Years
--	-------------------	-------------------

Land	Infinite	Infinite
Buildings	1	60
Plant & Machinery	5	15
Transport Equipment	7	7
Information Technology	5	8
Furniture & Fittings	7	10

### Donated, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met. They are valued, depreciated and impaired as

described above for purchased assets. Gains and losses on revaluations, impairments and sales are treated in the same way as for purchased assets.

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 IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the finance lease liability, including a finance cost, and payment of lifecycle cost and the charges for services.

The finance cost is allocated using the implicit interest rate for the scheme. The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

## **1.9 Intangible assets**

### **Recognition**

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

Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

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

the ability to measure reliably the expenditure attributable to the intangible asset during its development.

### **Software**

Software which is integral to the operating of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

### **Measurement**

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use by reference to an active market. Where no active market exists, intangible assets are valued at the lower of depreciated cost and the value in use where the asset is income generating.

Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment.

## Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Intangible assets are amortised over the following estimated life:

<b>Asset category</b>	<b>Estimated life in years</b>
Purchased computer software	2 – 12

### 1.10 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. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

### 1.11 Inventories

Inventories comprise mainly consumable medical products.

Inventories are valued at the lower of cost and net realisable value. The weighted average cost formula is used for drugs and the first in first out cost formula for all other inventories. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

### 1.12 Financial assets & financial liabilities

#### Recognition

Financial assets are recognised when the Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are de-recognised when the contractual rights have expired or when the asset has been transferred and the Trust has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price.

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

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

#### Classification and measurement

Financial assets are categorised as loans and receivables.

Financial liabilities are classified as other financial liabilities.

#### 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 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. Loans from the Department of Health and Social Care are not held for trading and are measured at historic cost with any unpaid interest accrued separately.

### **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 rate 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.

### **Determination of fair value**

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from discounted cash flow analysis.

### **Impairment of financial assets**

At the Statement of Financial Position date, the 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 an allowance account/bad debt provision.

The Trust recognises impairment losses on other trade receivables when there is a breach of contract. This is deemed to have occurred if the outstanding receivable has not been settled within 1 year or more of the invoice date or if a medical insurance company has underpaid. Amounts charged to the allowance account require approval from the "Losses and Compensation panel".

### **1.13 Cash and cash equivalents**

Cash comprises 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.

### **1.14 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. Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability

for the lease obligation to the lessor.

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.

Lease payments are apportioned between finance charges and reduction of the lease obligation to achieve a constant rate of interest on the remaining balance of the liability.

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 recognised as operating leases and the rentals are charged to the operating expenses on a straight-line basis over the term of the lease.

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

### **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 assessed separately, whether they are operating or finance leases.

### **1.15 Provisions**

The NHS Foundation Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation, at the end of the reporting period, taking into account the risks and uncertainties.

Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates. Early retirement provisions are discounted using HM Treasury's pension discount rate of (positive) 0.10% (2016-17: positive 0.24%) in real terms.

### **Clinical negligence costs**

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. The contribution is charged to expenditure.

Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is £283.6m (year ended 31 March 2017, £258.7m). (No contingencies or provisions are in the accounts at 31 March 2018 in relation to these cases, even though the legal liability for them remains with the Trust.)

### **Non-Clinical risk pooling**

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

### **1.16 Contingent assets and liabilities**

The Trust had no contingent assets or liabilities as at 31 March 2018.

### **1.17 Public Dividend Capital**

Public dividend capital is a type of public sector equity finance, which represents the Department of Health and Social Care's investment in the Trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the meaning of IAS 32. At any

time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

An annual charge, reflecting the cost of capital utilised by the Trust, is payable as Public Dividend Capital dividend to the Department of Health and Social Care. The charge is calculated at the real rate set by the Secretary of State with the consent of 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
- (ii) average daily cash balances held with the Government Banking Services (GBS), 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.

Average relevant net assets is calculated as a simple average of opening and closing relevant net assets.

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

Public Dividend Capital is also available to finance capital expenditure on schemes supported by the Department of Health and Social Care's central budget.

### **1.18 Value Added Tax**

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

### **1.19 Corporation Tax**

The Trust does not have a corporation tax liability for the year ended 31 March 2018.

### **1.20 Foreign exchange**

The Trust has minimal foreign currency income or expenditure.

The functional and presentational currency of the Trust is Sterling, and figures are presented in thousands of pounds unless expressly stated otherwise.

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. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March 2018.

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" and ring fenced Research and Development funds) are translated at the spot exchange rate on 31 March 2018.
- 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.

### **1.21 Third party assets**

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

### **1.22 Losses and special payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the Health Service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the NHS Foundation Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

However, the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

### **1.23 Gifts**

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

### **1.24 Judgments in applying accounting policies**

The following are the judgements, apart from those involving estimates (see below) that management has made in the process of applying the NHS Foundation Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

The most significant estimate within the accounts is the value of land and buildings. The land and buildings have been valued by the District Valuer on a modern equivalent asset (alternative site) basis as at 31 March 2018. The District Valuer is independent of the Trust and is certified by the Royal Institute of Chartered surveyors. The valuer has extensive knowledge of the physical estate and market factors. The value does not take into account potential future changes in market value which cannot be predicted with any certainty.

The Trust's PFI scheme has been assessed and recognised on the Statement of Financial Position under IFRIC 12. The PFI scheme has been valued by the District Valuer on a modern equivalent asset (alternative site) basis as at 31 March 2018. The £9.4m unitary charge is based on actual charges made by the PFI provider. The Department of Health and Social Care model has been used to determine the apportionment between the repayment of the liability, financing costs, the charges for services and lifecycle maintenance.

In order to report within the government guidelines, the value of patient care activity for the year ended 31 March 2018 has been estimated based on data available as at 1 April 2018.

Income for an inpatient stay can be recognised from the day of admission, but cannot be precisely calculated until after the patient is discharged. For patients occupying beds as at 31 March 2018, the estimated income from partially completed patient spells was £6.2m (year ended 31 March 2017, £4.0m).

The Trust has a financial liability for any annual leave earned by staff but not taken by 31 March 2018, to the extent that staff, are permitted to carry leave forward in to the next financial year. The estimated cost of untaken annual leave as at 31 March 2018 is £1.6m (year ended 31 March 2017, £1.5m).

Assumptions around the timing of cash flows relating to provisions are based on information from the NHS Pensions Agency, expert legal opinion within the Trust and external advisors, regarding when the legal issue may be settled.

### **Key sources of estimation uncertainty**

Estimations as to the recoverability of receivables and the valuation of inventories have been made in determining the carrying amounts of these assets. No significant variations are expected.

### **1.25 Accounting standards that have been issued but have not yet been adopted**

The DH GAM does not require the following Standards and Interpretations to be applied in 2017/18. These standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

The impact of these changes is not yet estimable, due to the unavailability of detailed guidance.

## 2. Operating income

IFRS 8 requires the disclosure of results of significant operating segments; the Trust considers that it only has one operating segment, healthcare.

### 2.1 Operating Income (by nature)

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
<b>Income from activities</b>		
<b>Acute services</b>		
Elective income	113,761	112,205
Non elective income	150,803	135,058
First outpatient income	63,094	64,407
Follow up outpatient income	41,496	41,444
A & E income	17,155	15,180
High cost drugs income from commissioners (excluding pass-through costs)	89,779	83,802
Other NHS clinical income	173,971	170,624
Private patient income	6,416	7,019
Other clinical income	4,586	4,055
<b>Total income from patient care activities</b>	<u>661,061</u>	<u>633,794</u>

The prior year headings have been amended to align with current reporting requirements.

### 2.2 Income from patient care (by source)

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
<b>Income from activities</b>		
NHS England	319,553	304,192
Clinical commissioning groups	323,411	299,570
NHS Foundation Trusts	294	3,885
NHS Trusts	153	4,086
Local authorities	-	6
NHS other (including Public Health England)	-	5,732
Non NHS: private patients	6,416	7,019
Non NHS: overseas patients (non-reciprocal, chargeable to patient)	899	481
Injury cost recovery scheme	3,687	3,574
Non NHS: other	6,648	5,249
<b>Total income from activities related to continuing operations</b>	<u>661,061</u>	<u>633,794</u>

The prior year numbers have been restated to improve consistency with current reporting.

## 2.3 Other operating income

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
<b>Other operating income</b>		
Research and development	48,374	45,216
Education and training	38,964	34,948
Received from NHS charities: Cash donations / grants for the purchase of capital assets	41	39
Non patient care services to other bodies	59,807	20,310
Sustainability and Transformation Fund income	24,300	18,152
Other *	24,288	27,077
<b>Total other operating income related to continuing operations</b>	<b>195,774</b>	<b>145,742</b>
<b>Total operating income</b>	<b>856,835</b>	<b>779,536</b>

### \* Analysis of other operating income: Other

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Car parking	1,289	1,252
Estates recharges	8,527	8,545
IT recharges	1,478	101
Pharmacy sales	71	326
Staff accommodation rentals	996	1,044
Staff contributions to employee benefit schemes	4	-
Clinical tests	633	259
Clinical excellence awards	5,461	5,536
Grossing up consortium arrangements	5,475	7,013
Other	354	3,001
<b>Total</b>	<b>24,288</b>	<b>27,077</b>

## 2.4 Overseas visitors (relating to patients charged directly by the Foundation Trust)

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Income recognised this year	899	481
Cash payments received in-year (relating to invoices raised in current and previous years)	787	194
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	566	283
Amounts written off in-year (relating to invoices raised in current and previous years)	165	55

### 3. Operating expenses (by type)

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Purchase of healthcare from non-NHS and non-DH bodies	4,953	4,398
Staff and executive directors costs	456,802	414,221
Non-executive directors	162	142
Supplies and services – clinical (excluding drugs costs)	149,121	148,070
Supplies and services - general	21,574	21,895
Drugs costs (drugs inventory consumed and purchase of non-inventory drugs)	116,985	112,448
Consultancy	105	6,041
Establishment	9,675	6,478
Premises - business rates payable to local authorities	3,961	2,751
Premises - other	44,478	35,293
Transport (business travel only)	1,133	1,012
Transport - other (including patient travel)	1,808	2,495
Depreciation	15,567	15,734
Amortisation	3,583	3,373
Impairments net of (reversals)	3,510	-
Increase/(decrease) in impairment of receivables	881	601
Provisions arising / released in year	1,091	96
Change in provisions discount rate	35	271
Audit services - statutory audit	55	55
Other auditor remuneration (payable to external auditor only)	19	9
Internal audit	104	100
Clinical negligence - amounts payable to NHS Resolution (premium)	17,960	15,721
Legal fees	438	364
Insurance	381	575
Research and development	1	118
Education and training	2,646	972
Operating lease expenditure	10,512	8,886
Early retirements	697	222
Redundancy costs	534	351
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	1,507	2,075
Car parking and security	1,999	1,699
Hospitality	104	62
Other losses and special payments - staff costs	59	172
Other losses and special payments	17	349
Grossing up consortium arrangements	5,475	7,013
Other operating expenses	810	1,787
	<b>878,742</b>	<b>815,849</b>

The prior year headings have been amended to align with current reporting requirements.

Grossing up of research and consortium arrangements; these arrangements exist where the Trust receives ring fenced funding for research and development, or external funding for hosted consortia arrangements. In these situations income is often received in advance of expenditure being incurred. At year end unspent costs are accrued so that expenditure matches income for the year.

## 4. Staff

### 4.1 Employee expenses

	Year ended 31 March 2018	Year ended 31 March 2018	Year ended 31 March 2018
	Total	Permanent	Other
	£000	£000	£000
Salaries and wages	371,139	367,584	3,555
Social security costs	36,462	36,462	-
Apprenticeship levy	1,734	1,734	-
Pension cost - employer contributions to NHS pension scheme	41,521	41,521	-
Temporary staff - agency/contract staff	7,236	-	7,236
<b>Total gross staff costs</b>	<b>458,092</b>	<b>447,301</b>	<b>10,791</b>
<b>Included within:</b>			
Staff and executive directors costs	456,802	446,011	10,791
Redundancy	534	534	-
Early retirements	697	697	-
Special payments	59	59	-
Total employee benefits	458,092	447,301	10,791

	Year ended 31 March 2017	Year ended 31 March 2017	Year ended 31 March 2017
	Total	Permanent	Other
	£000	£000	£000
Salaries and wages	336,175	333,203	2,972
Social security costs	32,872	32,872	-
Pension cost - employer contributions to NHS pension scheme	38,299	38,299	-
Temporary staff - agency/contract staff	7,620	-	7,620
<b>Total gross staff costs</b>	<b>414,966</b>	<b>404,374</b>	<b>10,592</b>
<b>Included within:</b>			
Staff and executive directors costs	414,221	403,629	10,592
Redundancy	351	351	-
Early retirements	222	222	-
Special payments	172	172	-
Total employee benefits	414,966	404,374	10,592

The prior year headings have been amended to align with current reporting requirements.

### 4.2 Average number of employees (WTE basis)

	Year ended 31 March 2018	Year ended 31 March 2018	Year ended 31 March 2018
	Total	Permanent	Other
	Number	Number	Number
Medical and dental	1,308	526	782
Administration and estates	2,232	1,965	267
Healthcare assistants and other support staff	1,711	1,375	336
Nursing, midwifery and health visiting staff	3,130	2,710	420
Scientific, therapeutic and technical staff	730	648	82
Healthcare science staff	459	440	19
Total average numbers	9,570	7,664	1,906

	Year ended 31 March 2017	Year ended 31 March 2017	Year ended 31 March 2017
	Total Number	Permanent Number	Other Number
Medical and dental	1,210	491	719
Administration and estates	2,032	1,760	272
Healthcare assistants and other support staff	1,545	1,274	271
Nursing, midwifery and health visiting staff	3,000	2,653	347
Scientific, therapeutic and technical staff	687	620	67
Healthcare science staff	312	297	15
Total average numbers	<u>8,786</u>	<u>7,095</u>	<u>1,691</u>

The prior year numbers have been restated to improve consistency with current reporting.

#### 4.3 Early retirements due to ill health

	Year ended 31 March 2018	Year ended 31 March 2017
	Number	Number
Number of early retirements on the grounds of ill-health	<u>8</u>	<u>5</u>
	£000	£000
Value of early retirements on the grounds of ill-health	<u>697</u>	<u>222</u>

#### 4.4 Reporting of other compensation schemes - exit packages 2017/18

	Year ended 31 March 2018	Year ended 31 March 2018
	Number	£000
<b>Compulsory redundancies</b>		
Exit package cost band (including any special payment element)		
<£10,000	5	8
£10,001 - £25,000	5	102
£25,001 - 50,000	1	32
£50,001 - £100,000	2	140
£100,001 - £150,000	2	252
	<u>15</u>	<u>534</u>

	Year ended 31 March 2017	Year ended 31 March 2017
	Number	£000
<b>Compulsory redundancies</b>		
Exit package cost band (including any special payment element)		
<£10,000	1	9
£10,001 - £25,000	7	119
£25,001 - 50,000	3	129
£50,001 - £100,000	1	94
	<u>12</u>	<u>351</u>

	Year ended 31 March 2018	Year ended 31 March 2018
	Number	£000
<b>Other (non-compulsory) departure payment</b>		
Contractual payments in lieu of notice	5	46
Non-contractual payments requiring HMT approval (special severance payments)	1	13
	<u>6</u>	<u>59</u>

	Year ended 31 March 2017	Year ended 31 March 2017
	Number	£000
<b>Other (non-compulsory) departure payment</b>		
Contractual payments in lieu of notice	4	167
Non-contractual payments requiring HMT approval (special severance payments)	1	5
	<u>5</u>	<u>172</u>

	Year ended 31 March 2018	Year ended 31 March 2018
	Number other (non-compulsory) departure payment Number	Cost of other (non-compulsory) departure payment £000
<b>Other (non-compulsory) departure payment</b>		
Exit package cost band (including any special payment element)		
<£10,000	3	16
£10,001 - £25,000	3	43
	<u>6</u>	<u>59</u>

	Year ended 31 March 2017	Year ended 31 March 2017
	Number	£000
<b>Other (non-compulsory) departure payment</b>		
Exit package cost band (including any special payment element)		
<£10,000	2	12
£10,001 - £25,000	1	24
£25,001 - 50,000	1	47
£50,001 - £100,000	1	89
	<u>5</u>	<u>172</u>

## 5. Operating expenditure miscellaneous

### 5.1 Analysis of operating lease expenditure

	Year ended 31 March 2018	Year ended 31 March 2018	Year ended 31 March 2018
	Total £000	Buildings £000	Plant & machinery £000
Minimum lease payments	<u>10,512</u>	<u>2,113</u>	<u>8,399</u>

	Year ended 31 March 2017	Year ended 31 March 2017	Year ended 31 March 2017
	Total £000	Buildings £000	Plant & machinery £000
Minimum lease payments	<u>8,886</u>	<u>2,251</u>	<u>6,635</u>

## 5.2 Analysis of operating lease expenditure, future minimum payments

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
<b>On buildings leases:</b>		
- not later than one year;	958	841
- later than one year and not later than five years;	3,593	3,214
- later than five years.	5,081	5,093
Total	<u>9,632</u>	<u>9,148</u>
<b>On plant and machinery leases:</b>		
- not later than one year;	5,551	4,949
- later than one year and not later than five years;	11,058	10,608
- later than five years.	549	745
Total	<u>17,158</u>	<u>16,302</u>
Total	<u>26,790</u>	<u>25,450</u>

## 5.3 Limitation on auditor's liability

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Limitation on auditor's liability	<u>nil</u>	<u>nil</u>

## 5.4 Other audit remuneration

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
<b>Other auditor remuneration paid to the external auditor is analysed as follows:</b>		
Audit-related assurance services - Quality report	9	9
All other non-audit services	10	-
	<u>19</u>	<u>9</u>

## 6. Finance income and expense

### 6.1 Finance revenue

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Interest on bank accounts	<u>72</u>	<u>58</u>

## 6.2 Finance expenditure

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
<b>Interest on loans from the Department of Health:</b>		
Capital loans	3,068	3,256
Revenue support / working capital loans	2,457	2,850
<b>Finance costs on PFI and other service concession arrangements (excluding LIFT)</b>		
Main finance costs	2,690	2,793
Contingent finance costs	1,791	1,612
<b>Total interest expense</b>	<b>10,006</b>	<b>10,511</b>
Unwinding of discount on provisions	67	84
<b>Total finance expenditure</b>	<b>10,073</b>	<b>10,595</b>

## 6.3 Gains/(losses) on disposal of assets

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Gains on disposal of other property, plant and equipment	120	149
Losses on disposal of other property, plant and equipment	-	(244)
	<b>120</b>	<b>(95)</b>

## 6.4 Impairments of assets

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Abandonment of assets in the course of construction	3,510	-

The Directors consider there is now sufficient uncertainty around the future of the Forum project that the costs incurred to date should be impaired.

## 7. Intangible assets

### 7.1 Intangible assets for the year ended 31 March 2018

	<b>Software £000</b>
Gross cost at 1 April 2017	40,647
Additions - purchased	2,614
Disposals	(916)
Gross cost at 31 March 2018	<u>42,345</u>
Amortisation at 1 April 2017	9,240
Provided during the year	3,583
Disposals	(916)
Amortisation at 31 March 2018	<u>11,907</u>
NBV total at 31 March 2018	<u><u>30,438</u></u>

### 7.2 Intangible assets for the year ended 31 March 2017

	<b>Software £000</b>
Gross cost at 1 April 2016	39,062
Additions - purchased	2,495
Reclassifications	(11)
Disposals	(899)
Gross cost at 31 March 2017	<u>40,647</u>
Amortisation at 1 April 2016	6,766
Provided during the year	3,373
Disposals	(899)
Amortisation at 31 March 2017	<u>9,240</u>
NBV total at 31 March 2017	<u><u>31,407</u></u>

Intangible assets represent a vision to create a comprehensive electronic patient record which we have called e-Hospital.

## 8. Property, plant and equipment

### 8.1 Property, plant and equipment for the year ended 31 March 2018

	Total £000	Land £000	Buildings £000	PFI asset £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000
<b>Gross cost or valuation</b>									
At 1 April 2017	405,273	36,550	200,561	55,135	5,775	78,594	46	20,513	8,099
Additions - purchased	23,062	-	8,075	1,761	1,040	11,191	-	889	106
Additions - assets purchased from cash donations/grants	41	-	-	-	-	41	-	-	-
Impairments charged to operating expenses	(3,510)	-	-	-	(3,510)	-	-	-	-
Revaluations	(6,802)	1,825	(9,877)	1,250	-	-	-	-	-
Disposals	(12,888)	-	(2,881)	-	-	(6,848)	(12)	(3,113)	(34)
At 31 March 2018	405,176	38,375	195,878	58,146	3,305	82,978	34	18,289	8,171
<b>Depreciation</b>									
At 1 April 2017	85,450	-	7,930	-	-	54,915	40	16,062	6,503
Provided during the year	15,567	-	8,106	865	-	4,936	2	1,166	492
Revaluations	(8,388)	-	(7,523)	(865)	-	-	-	-	-
Disposals	(12,888)	-	(2,881)	-	-	(6,848)	(12)	(3,113)	(34)
At 31 March 2018	79,741	-	5,632	-	-	53,003	30	14,115	6,961
<b>Net book value</b>									
Owned	253,616	38,375	177,012	-	3,305	29,611	4	4,169	1,140
On-SoFP PFI contracts	58,146	-	-	58,146	-	-	-	-	-
Government granted	52	-	-	-	-	51	-	-	1
Donated	13,621	-	13,234	-	-	313	-	5	69
At 31 March 2018	325,435	38,375	190,246	58,146	3,305	29,975	4	4,174	1,210

No assets were held under finance leases or hire purchase contracts, with the exception of the PFI asset, which is financed by a PFI contract recognised on the Statement of Financial Position.

## 8.2 Property, plant and equipment for the year ended 31 March 2017

	Total £000	Land £000	Buildings £000	PFI asset £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000
<b>Gross cost or valuation</b>									
At 1 April 2016	390,508	35,200	189,441	53,939	5,344	77,866	46	20,535	8,137
Additions - purchased	23,016	-	13,577	685	1,096	5,861	-	1,711	86
Reclassifications	11	-	665	-	(665)	-	-	11	-
Revaluations	(1,214)	1,350	(3,075)	511	-	-	-	-	-
Disposals	(7,048)	-	(47)	-	-	(5,133)	-	(1,744)	(124)
At 31 March 2017	405,273	36,550	200,561	55,135	5,775	78,594	46	20,513	8,099
<b>Depreciation</b>									
At 1 April 2016	84,526	-	7,027	-	-	54,939	38	16,536	5,986
Provided during the year	15,734	-	8,015	792	-	5,014	2	1,270	641
Revaluations	(7,857)	-	(7,065)	(792)	-	-	-	-	-
Disposals	(6,953)	-	(47)	-	-	(5,038)	-	(1,744)	(124)
At 31 March 2017	85,450	-	7,930	-	-	54,915	40	16,062	6,503
<b>Net book value</b>									
Owned	250,306	36,550	178,797	-	5,775	23,232	6	4,443	1,503
On-SoFP PFI contracts	55,135	-	-	55,135	-	-	-	-	-
Government granted	52	-	-	-	-	51	-	-	1
Donated	14,330	-	13,834	-	-	396	-	8	92
At 31 March 2017	319,823	36,550	192,631	55,135	5,775	23,679	6	4,451	1,596

## 9. Investments

Investment relates to The Pathology Partnership and The Uniting Care Partnership LLP (now dormant).

Both ventures were loss making and so, in accordance with International Accounting Standards 28 & 39, the investments in the partnerships have been impaired to zero, with the remaining losses being recognised as provisions due to the constructive obligation.

The Pathology Partnership was a joint venture between the Trust and five other NHS organisations in the East of England aimed at transforming and modernising pathology services for hospitals and GP practices, initially across Cambridgeshire, Suffolk, Essex and Hertfordshire. Following the decision to terminate the partnership arrangements, control of the Trust's pathology services have been brought back under direct Trust management.

## 10. Inventory

### 10.1 Inventory movements for the year ended 31 March 2018

	Total £000	Drugs £000	Consumables £000	Energy £000
Carrying value				
At 1 April 2017	12,062	2,629	9,227	206
Additions	182,256	117,234	64,922	100
Inventories consumed (recognised in expenses)	(182,469)	(116,985)	(65,392)	(92)
At 31 March 2018	11,849	2,878	8,757	214

### 10.2 Inventory movements or the year ended 31 March 2017

	Total £000	Drugs £000	Consumables £000	Energy £000
Carrying value				
At 1 April 2016	13,047	3,162	9,729	156
Additions	176,432	111,915	64,326	191
Inventories consumed (recognised in expenses)	(177,417)	(112,448)	(64,828)	(141)
At 31 March 2017	12,062	2,629	9,227	206

## 11. Trade receivables

### 11.1 Trade receivables and other receivables

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Trade receivables	30,518	33,409
Provision for impaired receivables	(4,174)	(3,841)
Prepayments (non-PFI)	9,359	8,688
Accrued income	37,149	25,204
VAT receivable	1,424	1,896
Other receivables	9,036	7,698
Total current trade and other receivables	83,312	73,054

The prior year headings have been amended to align with current reporting requirements

## 11.2 Provision for impairment of receivables

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
At 1 April	3,841	3,342
Increase in provision	2,248	1,784
Amounts utilised	(548)	(102)
Unused amounts reversed	(1,367)	(1,183)
At 31 March	<u>4,174</u>	<u>3,841</u>

## 11.3 Analysis of impaired receivables

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
<b>Ageing of impaired trade receivables</b>		
over 180 days	<u>4,174</u>	<u>3,841</u>

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
<b>Ageing of non-impaired trade receivables past their due date</b>		
0 - 30 days	15,890	18,040
30-60 Days	5,000	1,302
60-90 days	3,877	2,557
90- 180 days	7,364	3,442
over 180 days	4,984	3,208
Total	<u>37,115</u>	<u>28,549</u>

There are no non-impaired receivables over 1 year.

NHS receivables are considered recoverable because the majority of trade is with Clinical Commissioning Groups (CCGs), as commissioners for NHS patient care services. As CCGs are funded by the government to buy NHS patient care services, no credit scoring of them is considered necessary. Similarly other receivables with related parties are with other government bodies, so no credit scoring of them is considered necessary.

Prepayments and accrued income are neither past their due date nor impaired.

Other trade receivables become due immediately as we offer no credit terms.

The Trust recognises impairment losses on other trade receivables when there is a breach of contract. This is deemed to have occurred if the outstanding receivable has not been settled within 1 year or more of the invoice date or if a medical insurance company has underpaid.

## 12. Cash and cash equivalents

### 12.1 Cash and cash equivalents movements

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
At 1 April	15,134	13,874
Net change in year	3,255	1,260
At 31 March	<u>18,389</u>	<u>15,134</u>

### 12.2 Breakdown of cash and cash equivalents

Total cash and cash equivalents balance at period end is broken down into:

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
Cash at commercial banks and in hand	1,084	1,637
Cash with the Government Banking Service	17,305	13,497
Total cash and cash equivalents as in SoFP	<u>18,389</u>	<u>15,134</u>

## 13. Trade Payables

### 13.1 Trade and other payables

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
<b>Current</b>		
Trade payables	15,409	13,521
Capital payables (including capital accruals)	5,207	4,666
Accruals (revenue costs only)	69,490	76,535
Social security costs	10,281	8,882
PDC dividend payable	-	393
Accrued interest on DH loans	1,629	1,558
Other payables	6,676	5,885
Total current trade and other payables	<u>108,692</u>	<u>111,440</u>

The prior year numbers have been restated to improve consistency with current reporting, in particular the pension scheme costs have been reclassified from deferred income to other payables.

### 13.2 Other Liabilities

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
Deferred income	22,096	26,235
	<u>22,096</u>	<u>26,235</u>

The prior year numbers have been restated to improve consistency with current reporting

## 14. Borrowings

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
<b>Current</b>		
Capital loans from the Department of Health	10,605	9,126
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	1,931	1,997
Total current borrowings	<u>12,536</u>	<u>11,123</u>
<b>Non-current</b>		
Capital loans from the Department of Health	92,677	90,210
Revenue support / working capital loans from the Department of Health	159,934	113,224
Obligations under PFI, LIFT or other service concession contracts	47,249	49,181
Total non current borrowings	<u>299,860</u>	<u>252,615</u>
Total borrowings	<u>312,396</u>	<u>263,738</u>

## 15. Provisions

### 15.1 Provisions for liabilities and charges

	Year ended 31 March 2018	Year ended 31 March 2017
	£000	£000
<b>Current</b>		
Pensions relating to other staff	171	148
Legal claims	99	79
Other	2,227	2,195
	<u>2,497</u>	<u>2,422</u>
<b>Non-current</b>		
Pensions relating to other staff	2,374	2,483
Legal claims	-	59
Other	-	500
	<u>2,374</u>	<u>3,042</u>
Total provisions	<u>4,871</u>	<u>5,464</u>

The provision for pension costs relates to additional pension liabilities arising from early retirements. Unless due to ill health these are not funded by the NHS Pension Scheme. The full amount of such liabilities is charged to the Statement of Comprehensive Income at the time the Trust commits itself to the retirement.

Other provisions include joint arrangements in The Pathology Partnership and the Uniting Care Partnership LLP (now Dormant). The joint arrangements are loss making so the investments in the partnerships are impaired to zero by the losses made, and remaining losses are recognised as a provision due to the constructive obligation.

## 15.2 Provisions for liabilities and charges analysis

	Total £000	Pensions: early departure costs £000	Legal claims £000	Other £000
At 1 April 2017	5,464	2,631	138	2,695
Change in the discount rate	35	35	-	-
Arising during the year	1,757	-	92	1,665
Utilised during the year - cash	(1,786)	(148)	(105)	(1,533)
Reversed unused	(666)	(40)	(26)	(600)
Unwinding of discount	67	67	-	-
At 31 March 2018	<u>4,871</u>	<u>2,545</u>	<u>99</u>	<u>2,227</u>

### Expected timing of cash flows:

In one year or less	2,497	171	99	2,227
In more than one year but not In more than two years but not In more than five years	145	145	-	-
	435	435	-	-
	1,794	1,794	-	-
	<u>4,871</u>	<u>2,545</u>	<u>99</u>	<u>2,227</u>

## 15.3 Clinical negligence liabilities

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Amount included in provisions of the NHSLA in respect of clinical negligence liabilities of Cambridge University Hospitals NHS Foundation Trust	<u>283,637</u>	<u>258,700</u>

## 16. Related party transactions

The Trust is a body corporate established by order of the Secretary of State for Health. Government Departments and their agencies are considered by HM Treasury as being related parties. During the year the Trust has had a significant number of material transactions with other NHS bodies. The most significant transactions were with the following NHS bodies:

NHS England  
 Department of Health and Social Care  
 Health Education England  
 Cambridgeshire & Peterborough CCG  
 West Suffolk CCG  
 West Essex CCG  
 Bedfordshire CCG  
 East & North Hertfordshire CCG  
 Public Health England  
 NHS resolution  
 NHS pension agency

In addition, the Trust has had a significant number of material transactions in the ordinary course of its business with other Government Departments and other central and local Government bodies. Most of these transactions have been with Her Majesty's Revenue and Customs in respect of deduction and payment of PAYE, and Cambridge City Council in respect of payment of rates.

During the year, none of the Board members, members of the key management staff or parties related to them have undertaken any material transactions with the Trust, with the exception of the University of Cambridge, which is a related party by virtue of the fact that Professor Patrick Maxwell is both a Non-Executive Director of the Trust and Regius Professor of Physic with the University. All transactions between the Trust and University are undertaken on an arms-length basis.

## 16.1 Related party transactions

	Year ended 31 March 2018 Revenue £000	Year ended 31 March 2018 Expenditure £000
Department of Health and Social Care	36,948	-
Other NHS bodies	761,241	40,162
Charitable funds		
Subsidiaries / associates / joint ventures	324	1,703
Other Government bodies	5,448	84,564
	<u>803,961</u>	<u>126,429</u>

	Year ended 31 March 2017 Revenue £000	Year ended 31 March 2017 Expenditure £000
Department of Health and Social Care	36,144	69
Other NHS bodies	695,356	28,276
Subsidiaries / associates / joint ventures	3,887	19,156
Other Government bodies	8,018	76,596
	<u>743,405</u>	<u>124,097</u>

## 16.2 Related party balances

	Year ended 31 March 2018 Receivables £000	Year ended 31 March 2018 Payables £000
Department of Health and Social Care	409	296
Other NHS bodies	54,555	12,914
Subsidiaries / associates / joint ventures	-	128
Other Government bodies	11,561	17,130
	<u>66,525</u>	<u>30,468</u>

	Year ended 31 March 2017 Receivables £000	Year ended 31 March 2017 Payables £000
Department of Health and Social Care	297	911
Other NHS bodies	42,950	14,906
Subsidiaries / associates / joint ventures	1,117	4,252
Other Government bodies	10,433	15,377
	<u>54,797</u>	<u>35,446</u>

## 17. Contractual capital commitments

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Property, plant and equipment	4,143	3,071
Intangible	3,354	-
	<u>7,497</u>	<u>3,071</u>

## 18. Private Finance Initiative (PFI) scheme

The PFI scheme is to design, build, maintain and operate (through facilities management and related services) a 128 bed Elective Care, Genetics and Diabetes Centre at the Trust. The centre became operational in April 2007. The contract start date of the PFI scheme was 13 February 2007 and the end date is 12 February 2037.

The facilities within the centre include Diabetes Research Facilities which are utilised by the University of Cambridge. These facilities are funded by the University of Cambridge and the Medical Research Council and have no effect on the Trust's cost structures.

The contract requires the Trust to make a unitary payment that totals £9.4m annually. It is charged monthly and adjusted for any penalties relating to adverse performance against output measures describing all relevant aspects of the contract. The Trust has a voluntary break option subject to 12 months' written notice.

### 18.1 On-SoFP PFI obligations (finance lease element)

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
<b>Gross PFI liabilities of which liabilities are due</b>		
In one year or less	6,467	6,478
In more than one year but not more than two years	6,312	6,398
In more than two years but not more than five years	18,700	18,391
In more than five years	112,057	117,204
Finance charges allocated to future periods	(94,356)	(97,293)
	<u>49,180</u>	<u>51,178</u>
<b>Net PFI obligation of which liabilities are due</b>		
In one year or less	1,931	1,997
In more than one year but not more than two years	1,817	1,931
In more than two years but not more than five years	5,224	5,189
In more than five years	40,208	42,061
	<u>49,180</u>	<u>51,178</u>

The prior year Gross PFI liability has an additional heading to identify finance charges relating to future periods, in line with Regulator requirements.

### 18.2 Total On-SoFP PFI commitments

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
<b>Total future payments committed in respect of PFI arrangements</b>		
In one year or less	9,764	9,423
In more than one year but not more than two years	10,008	9,659
In more than two years but not more than five years	31,550	30,450
In more than five years	180,564	189,284
	<u>231,886</u>	<u>238,816</u>

Under IFRS the £9.4m unitary charge is apportioned between the repayment of the liability, financing costs and the charges for services. The service charge is recognised in operating expenses under "Premises" and the finance costs are charged to finance costs in the Statement of Comprehensive Income.

### 18.3 Analysis of amounts payable

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
<b>Unitary payment payable to PFI operator consisting of:</b>		
- Interest charge	2,690	2,793
- Repayment of finance lease liability	1,997	1,964
- Service element	1,507	2,075
- Capital lifecycle maintenance	803	684
- Contingent rent	1,791	1,612
Total amount paid to service concession operator	<u>8,788</u>	<u>9,128</u>

The Trust has not entered into any 'off-Statement of Financial Position' arrangements.

### 19. Financial instruments

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Due to the continuing service provider relationship that the Trust has with Clinical Commissioning Groups (CCGs) and NHS England and the way those NHS organisations are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply.

The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the Board of Directors. Treasury activity is subject to review by the Trust's internal auditors.

#### Currency risk

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

#### Credit risk

The Trust can borrow within affordable limits and NHS Improvement will assess the affordability of material borrowing. The Trust can invest surplus funds in accordance with NHS Improvement's guidance on Managing Operating Cash. This includes strict criteria on permitted institutions, including credit ratings from recognised agencies. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to manage the risks facing the Trust in undertaking its activities.

#### Liquidity risk

The Trust's net operating income is received under legally binding contracts with local Clinical Commissioning Groups (CCGs) and NHS England, which are financed from resources voted annually by Parliament. The Trust has financed capital expenditure from internally generated resources, and net borrowing of £65.1m which is within its affordable limits. The Trust is not, therefore, exposed to significant liquidity risks.

#### Market risk

The main potential market risk to the Trust is interest rate risk. The Trust's financial liabilities carry nil or fixed rates of interest. Cash balances are held in interest bearing accounts for which the interest rate is linked to bank base rates and changes are notified to the Trust in advance. The Trust is not, therefore, exposed to significant interest-rate risk.

## 19. Financial Instruments

### 19.1 Financial assets by category

	Year ended 31 March 2018 Loans and receivables £000	Year ended 31 March 2017 Loans and receivables £000
<b>Assets as per SoFP</b>		
Trade and other receivables (excluding non financial assets) - with NHS and DH bodies	54,957	42,908
Trade and other receivables (excluding non financial assets) - with other bodies	17,572	19,562
Cash and cash equivalents	18,389	15,134
Total	<u>90,918</u>	<u>77,604</u>

The prior year headings have been amended to align with current reporting requirements, by splitting out the NHS element of financial assets and excluding VAT.

### 19.2 Financial liabilities by category

	Year ended 31 March 2018 Other financial liabilities £000	Year ended 31 March 2017 Other financial liabilities £000
<b>Liabilities as per SoFP</b>		
Borrowings excluding finance lease and PFI liabilities	263,216	212,560
Obligations under PFI, LIFT and other service concession contracts	49,180	51,178
Trade and other payables (excluding non financial liabilities) - with NHS and DH bodies	10,647	9,028
Trade and other payables (excluding non financial liabilities) - with other bodies	81,778	87,763
Provisions under contract	4,871	5,464
Total	<u>409,692</u>	<u>365,993</u>

The prior year headings have been amended to align with current reporting requirements, by splitting out the NHS element of financial assets and excluding Public Dividend Capital Dividends payable.

### 19.3 Maturity of financial liabilities

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
In one year or less	107,458	110,336
In more than one year but not more than two years	122,008	11,264
In more than two years but not more than five years	84,466	143,732
In more than five years	95,760	100,661
Total	<u>409,692</u>	<u>365,993</u>

## 20. Losses and Special Payments

### Losses and special payments (approved cases only)

	Year ended 31 March 2018 Total number of cases Number	Year ended 31 March 2018 Total value of cases £000's	Year ended 31 March 2017 Total number of cases Number	Year ended 31 March 2017 Total value of cases £000's
<b>Losses of cash due to</b>				
Overpayment of salaries etc.	-	-	1	14
Other causes	2	-		
<b>Bad debts and claims abandoned in relation to</b>				
Private patients	-	-	2	33
Overseas visitors	3	165	3	55
<b>Total losses</b>	<b>5</b>	<b>165</b>	<b>6</b>	<b>102</b>
<b>Special Payments, Ex gratia payments in respect of</b>				
Loss of personal effects	38	60	157	47
Personal injury with advice	-	-	8	74
Special severance payments	1	13	1	5
<b>Total special payments</b>	<b>39</b>	<b>73</b>	<b>166</b>	<b>126</b>
<b>Total losses and special payments</b>	<b>44</b>	<b>238</b>	<b>172</b>	<b>228</b>



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