

# Annual Report & Accounts

## 2018 to 2019



**Chesterfield  
Royal Hospital**  
NHS Foundation Trust



**Chesterfield Royal Hospital NHS Foundation Trust**

# **Annual Report and Accounts 2018/19**

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





This document contains the following reports:

## **Annual Report and Accounts 2018/19**

Including the statement of the chief executive's responsibilities  
as accounting officer and the annual governance statement

## **Quality Accounts 2018/19**

## **Financial Accounts and Statements 2018/19**

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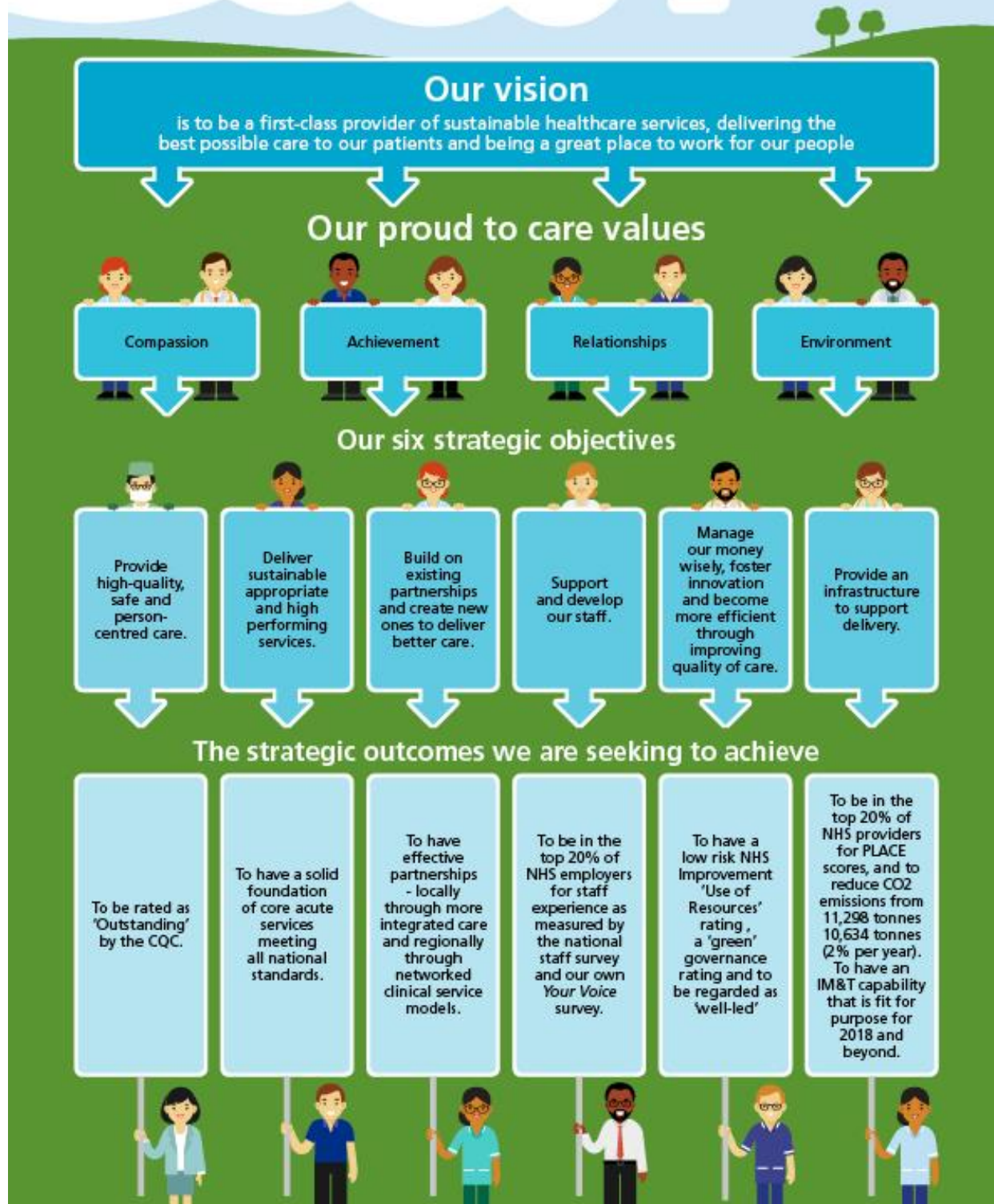
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# Strategic summary on a page





# Our hospital's values

Our Proud to CARE values support our vision of providing patients with the best possible care and a great place for staff to work.

We all play a part in achieving this vision by living up to the values we promise to our patients and each other.

## We will always:



### Show **COMPASSION** -

Treating our patients and colleagues with consideration, kindness and respect



### Aim for high **ACHIEVEMENT** -

Providing excellent care, safe services, high standards and a positive experience every time



### Foster **RELATIONSHIPS** -

Being socially responsible, working openly and honestly with our patients, staff, partners and communities to improve what we do



### Create the right **ENVIRONMENT** -

Providing the tools and equipment that support a modern, eco-friendly, clean and safe environment.

# Chair and Chief Executive's Statement

As always, when you reflect on the past year, it soon becomes apparent that an incredible amount of work has happened in a twelve-month period. There are always successes to shout about and achievements to be proud of. There are disappointments to address and challenges to resolve. All of these things make up a typical year for the Trust and the annual financial year of 2018/19 has been no different. This report provides an opportunity to see the journey for yourself - and to appreciate how much further we have come towards our ultimate ambition of being an outstanding organisation for all our patients, alongside creating a great place for all our staff to work.

We always offer a candid introduction to our annual reports and it's the same this year. Somewhat of a roller coaster at times, we have some real highs to share with you, coupled with one of the most difficult decisions our Board of Directors has ever had to make since the Trust was granted its Foundation status in 2004.

Before we go into more detail though, we wanted to start by recognising the 4000 staff that make-up #TeamCRH – including those working out at our community bases and in the five GP surgeries of Royal Primary Care. The dedication of our staff is second to none. Their commitment to our patients never ceases to amaze us, matched only by the support they show to each other. We truly value each and every one of them for the incredible work they do every day of the year. This year they have faced unprecedented levels of demand, which has proved to be a real test of resolve. All roles make a difference and we've tried really hard to make sure our staff know that they matter. A thank you through our Applause programme and simple gestures like coffee vouchers and afternoon tea may only be small, nevertheless we hope colleagues see them as well-meaning recognition for a job well-done. Without our staff we would certainly not be celebrating as much success as we have done throughout the past twelve-months. On behalf of the Board of Directors we would like to say THANK YOU to the entire team – along with colleagues from partner organisations, our governors and our volunteers - for their invaluable support, encouragement and their roles as 'critical friends'.

The annual report, quality account and the financial position we set out in these pages demonstrates the challenges we've been up against this year – within an NHS that itself is facing unprecedented demand. The need for urgent care in particular continues to rise, putting strain on our teams, pressure on services and testing our ability to meet national and locally set targets. In the performance section of the report and in our quality account, you'll see that we haven't always made the grade against that backdrop, although in many cases we've continued to perform relatively well – despite the circumstances. The commitment of clinical and support colleagues to drive through improvement and give our patients the best possible care has been visible throughout a year of daily challenges to keep services flowing.

Working hard to do much more, with only a little more investment, mean the relationships we have with health providers, primary care, social care, the voluntary sector, commissioners and others is increasingly important. We know that real integration and co-operation, working together for the benefit of all our patients, service users and communities is vital and we are pleased to see that the ten-year plan for the NHS builds on a duty of partnership. Our part in the Joined Up Care Derbyshire programme and the South Yorkshire and Bassetlaw Integrated Care System will become increasingly important over the coming year – as an integrated approach to care and service provision becomes the expected 'norm'. The plan also sets out a desire to give health prevention as much prominence as treatment. We are equally keen to be part of developments that give our patients and communities the opportunity to stay well, prevent hospital admission and to self-manage long-term conditions with appropriate support and assistance. This year has definitely revealed how important this is to enable a sustainable NHS that can continue to meet peoples' needs as close as possible to where they live.

There is so much we feel so proud about this year and we hope that after reading this report you will also feel the same way. Our Royal Primary Care (RPC) division is going from strength to strength, serving 30,000 patients from five GP surgeries.

At the time of writing RPC was awaiting reports from the CQC that would indicate services moving forward from 'requires improvement' to GOOD. That would mirror the hospital's own favourable CQC assessment, which was a delight to read in January this year. Not only was the Trust and its divisions rated GOOD overall, it achieved OUTSTANDING commendations in the domain of care for both Child & Adolescent Mental Health and End of Life Services. This is another huge step in our journey to achieve the top CQC accolade across all of its fundamental standards. In addition, we're just as proud of the investments we've made to improve facilities on our main site – with an extension to our Emergency Department and a second MRI scanning facility just two examples in a host of capital schemes amounting to millions of pounds. To achieve this in an economically challenged NHS is testament to our strong financial management.

Finally, it's back to recognising staff and their willingness to contribute to our Trust's future. As we alluded to earlier, our Board took a difficult decision this year – arguable the hardest it's ever had to make. In July 2018 we opted to create a wholly-owned subsidiary for our IT, finance, estates & facilities, clinical engineering and procurement services. We firmly believed (and still do) that it would safeguard these vital jobs and services from outsourcing, staffing reductions and potential redundancy. Our decision impacted over 700 staff and led to the biggest staff engagement exercise we've seen in our history. We recognise that transferring people out of the NHS - albeit with their terms and conditions protected for at least the lifetime of the 25 year initial contract - was incredibly difficult for our colleagues. We have complete respect for the way they contributed to the process and put forward their ideas and suggestions to develop the business case. They also put forward constructive challenge and questioned every aspect of our proposals. When the subsidiary went live at the end of March 2019 it was with the knowledge that they enabled Derbyshire Support & Facilities Services to get off to a great start – even if the principle of subsidiaries remains a much debated topic. They have already illustrated that their new company is responsive to new ways of working and have pledged to give staff a 'voice on the Board' with the introduction of three Employee Associate Director positions.

This wish to engage and be involved also translated into our most successful NHS staff survey result to date – with an impressive 71% of our staff contributing to the national fact-finding exercise. The final report demonstrated significant improvement in eight out of ten of the themes. We have the best picture we've ever had of how staff feel about working for the Trust and in the NHS. With our wide scale engagement programme Listening into Action continuing to encourage and promote staff-led change there's been a real shift in our culture. Giving our staff 'permission to act' and make a difference has been enlightening. And through the principles of our leadership framework, Leading the Chesterfield Way, our Proud to Care values and our People Strategy we are giving the right focus and attention to those who look after our patients. That in turn will support our vision and quality strategy – where providing high-quality, safe and person-centred care and services to the people of North Derbyshire and others is still our priority.

Is all this working? We're pleased to conclude our statement with the news that last year the Trust consistently received a rating of 98% for patients that would recommend our inpatient and daycase services to their friends and family – which puts us in the top quartile nationally.



**Dr Helen Phillips**  
Chair  
22 May 2019



**Simon Morritt**  
Chief Executive  
22 May 2019

# News Round-Up

## *Improving Patient Care and Services*



[Our Emergency Department extension](#) (above) was completed in June 2018. The redevelopment included a purpose-built primary care area, a bespoke area to receive ambulance patients and a new entrance to allow patients to be screened effectively for emergency or primary care. The changes have improved ambulance handover times and allowed non-urgent patients to be seen faster whilst urgent cases are dealt with more effectively.

[Patient and Public wi-fi was introduced](#) across the Trust, allowing inpatients and those waiting for outpatient appointments to access the Internet and apps for free. The move ensures that patients are able to stay in touch with their loved ones through social media and email as well as access news and other websites. It's all part of efforts to ensure patients don't feel isolated and are able to stay in touch more easily with loved ones.

[In January 2019, the Care Quality Commission](#) rated the hospital as GOOD overall, maintaining high standards in the regulators five domains of safe, effective, caring, responsive and well-led services. End of Life Care and Children's Mental Health services were recognised as OUTSTANDING for the care they provide. The report builds on the previous GOOD rating as the Trust continues its journey to achieve an OUTSTANDING rating for all hospital services.



The Trust received national acclaim for the introduction of its 'Patient Passport'. Former patient Simon Cramp (below) helped develop the booklet to help patients with communication difficulties get information across to clinical colleagues 'at a glance' before patient notes are accessed. It stays with, and can be personalised by the patient and will help recognise patients living with dementia or autism quickly.



A YouTube video was produced to explain what not to bring into hospital when admitted as an inpatient. Intended mainly for those coming for a planned procedure, the light hearted video had a serious message intended to reduce the risk of valuable items being lost, explaining what people should and shouldn't bring ahead of an inpatient stay and how visitors can support this.

Elmton ward became the first to adopt the PJ Paralysis campaign, encouraging patients to, when clinically able, get out of bed and into 'day clothes' to alter their mindset and aid recovery. The initiative has been shown to increase mobility, activity and a sense of independence that reduces length of stay. The ward received national recognition for reducing their average length of stay to just four days in the previous 12 months.

Our Patient Experience Team used Experience of Care Week in April to hold a major information gathering exercise to help improve services for our patients and visitors. They asked a range of questions about what care meant to them, where we met expectations and how we might improve. The feedback complemented our regular Friends and Family test and was used to improve services at ward and outpatient level.

A number of Autism resource boxes were made available on request for clinical teams, designed to help patients on the Autistic spectrum to communicate more effectively with our colleagues and become more involved in their own treatment. Put together by the Education Centre Library Team, they contain sensory aids such as dark glasses and ear defenders as well as information for patients, visitors and staff.

A second, brand new MRI scanner was unveiled in September to complete a major overhaul of the Imaging department's scanning suites. The development improved privacy and dignity by creating a dedicated area for inpatients, as well as the creation of a CT Scanning suite with two scanners. The move gave the teams greater capacity for emergency scans and to complement their seven day service.



The work of a medical and cosmetic tattooist who provides a service for women who have undergone breast surgery was highlighted through local and social media. Kathy, supported by the Chesterfield Royal Hospital Charitable Funds, replicates the appearance of a nipple and areola that our patients say has given them back a part of their femininity that they thought they'd lost.

In June 2018 the Trust introduced ReSPECT forms, creating a personalised recommendation for a patient's clinical care in the event of an emergency situation where that patient is unable to express his or her wishes. It's an aid to clinicians who can see at a glance some of the important decisions a patient has already made...it was rolled out throughout Derbyshire.

The Acute Care Therapy Team (ACTT) was launched, working very closely with adult care, the clinical navigation team and community therapy services. Based in our Emergency Department, they select, assess and treat elderly patients, facilitate discharge and avoid unnecessary admissions. By the beginning of March 2019 they had directly assessed close to 400 patients and reduced the average length of stay on the Frailty Unit by a full day.

Our Royal Primary Care clinics implemented a new IT system to make it easier for patients to book appointments and offer more choice when they need to see a GP or healthcare professional. It's all part of efforts to make access to GPs across our RPC clinics and neighbouring GP surgeries easier and more convenient for patients.



[HRH The Duke of Gloucester was our VIP](#) on 9<sup>th</sup> October to officially commemorate the opening of the NGS Macmillan Unit. He was given a guided tour, meeting members of the team, fundraisers, representatives from the National Garden Scheme, Macmillan Cancer Support and others involved in the design, planning, build and running of the unit.



[The Trust's new public website was launched in December](#) following a great deal of work between the communications and IT teams, alongside Frank Media. The finished site was created by consulting with colleagues, as well as patients and visitors, to make sure the right information was presented in an easy to use format.

[Activity packs have been introduced onto Eastwood ward for our stroke patients.](#) The packs feature an array of pictures, posters and memorabilia to help spark conversation as well as colouring pencils, crayons and games to keep the mind active. They'll also be used as the basis of sessions on Speedwell Therapy Suite.

[A new way of triaging fracture patients has been introduced.](#) X-rays will now be viewed on the next working day by an Orthopaedic consultant with a referral to a suitable clinic and their GP or discharge note issued that day. Some patients were waiting up to three days to secure an appointment due to clinic capacity, this new method will give patients more effective treatment in a faster time.

[Our plain film team in Radiography went fully digital,](#) refurbishing all three of its rooms and introducing a new mobile unit. It means clearer images in a faster timeframe and reduces the amount of moving and handling for our colleagues so less chance of repetitive strain injury. It's given our colleagues the chance to develop new skills whilst improving the experience for our patients.

The [Reminiscence Interactive Therapy and Activities system](#) (RITA for short) was introduced onto our wards. The interactive system, aimed at helping patients living with dementia to communicate more effectively, features music, TV clips, exercises, games and other activities to stimulate the mind. The system is supported by Chesterfield Royal Hospital Charitable Funds.



### ***Working in Partnership***

An [educational video, produced in partnership with Chesterfield College's media students](#), was launched in April 2018. The students worked with Senior Matron for Medicine Rachel Whyman to produce the video that relays a number of simple things all ward staff can do to reduce the risk of patient falls. Colleagues were given the chance to watch it and ask questions, it was also released on the Trust's YouTube channel.

The Trust signed the [Armed Forces Covenant](#), pledging support for current and future employees who have previously served their country. With a number of our colleagues having served with the armed forces, our commitment extends to ensure those who serve or have served are treated with fairness and respect.

We held our first ever '[Careers Event](#)', designed to showcase the different careers available across the NHS. Primarily aimed at school children about to take their GCSEs, we had a number of professions represented to talk about the different qualifications needed. Local universities, colleges and educational bodies were also present to explain more about enrolling on the relevant courses. More than 300 people came to the event with the intention of making it an annual occasion.

The Royal joined forces with [Royal Primary Care colleagues](#) to raise awareness of the importance of taking up the invitation for a cervical cancer screening test. Two of the RPC nurses held a stall in the main entrance as well as speaking to local radio and print to highlight the fact that early detection of cervical cancer is a major factor in its successful treatment and recovery.



A new Staff Governor class was created to represent Primary Care and Community colleagues for the first time at Board level. Ruth Bentley is a Royal Primary Care GP and took up her seat on the Council of Governors in January to hold the Board of Directors to account and represent the views and interests of more than a hundred colleagues who are employed by the Trust but work outside of the hospital.

Chesterfield College art students produced pieces of work on the theme of 'X-ray' to be displayed on the walls of the Imaging waiting areas. The work will be refreshed annually to ensure the waiting areas benefit from a variety of artwork whilst the students get credit for their courses. Meanwhile The Grange surgery invited youngsters aged between 11 and 16 from Parkside school in Grangewood to produce pieces for their surgery, also displayed in their waiting area.

The Trust worked with Derbyshire Fire and Rescue, EMAS, Chesterfield College and a number of other local partners to host a major chemical incident exercise on Sunday 23<sup>rd</sup> September. Designed to test the system-wide preparedness in the event of a genuine chemical incident, the real time test was a huge success with some important lessons learnt. Social media posts on the day were very well received with praise for the organisation of the different services and the realism of the occasion.

### ***Improving our Environment***



In July 2018 the 'Garden of Reflection' (above) a gold medal winner at the RHS Flower Show at Tatton Park in 2017, was unveiled. The garden was gifted by Macmillan Cancer Support and adapted and installed by our groundsmen with the help of Garden Designer Lara Behr opposite the NGS Macmillan Unit. It's designed to be a space for patients, loved ones and colleagues to visit and reflect, away from the clinical environment during a moment's peace.

Our volunteers team signed up to the [#iwill campaign](#) to create more meaningful volunteering opportunities for youngsters aged between 16 and 24. We already have an army of younger volunteers who gave more than 2,000 hours to support patients, visitors and staff, with many more joining towards the end of the year through our [#iwill pledge](#).



A brand new [‘Costa@theRoyal’ facility opened](#) at the back of the main entrance shop to replace the smaller, main entrance counter. The new Costa has a reclusive seated area, away from the hectic main entrance area, for a more relaxing experience for our patients, visitors and staff.

Following research from [Public Health England](#) that E-Cigarettes are 95% healthier than smoking, the decision was made to enable ‘vaping’ on site. It proved to be a controversial move with opinion split on social media and lots of local media coverage both positive and negative. The Trust was praised by some for acknowledging a known method of smoking cessation but criticised by others for potentially encouraging smoking.

A privacy screen, including artwork that features [recognisable local landmarks](#), was erected outside the Emergency Department entrance. It was put up to protect the privacy and dignity of our patients arriving by ambulance, as well as those waiting in our ED.

Two incredibly brave parents told the story of their baby, [Kaspar, who was born sleeping](#). They wanted to raise money for a ‘cuddle cot’ that allows bereaved parents in a similar situation to spend time with their baby and say ‘goodbye’. The story touched hearts through our social media pages, raising more than £2,000, four times more than their target. The bereavement suite now has a new cuddle cot and more to bring comfort to parents during such tragic and heartbreaking times.



## ***Helping Staff to Speak up Safely***

Six dates were announced in May 2018 to recognise the diversity of skills, experiences and perspectives that are represented across the Trust. Called 'Be Yourself', it uses the principles of our staff engagement movement Listening into Action to hold a full and frank conversation with staff to discover more about what an inclusive workplace should look like, what matters most and whether or not we're on the right track.

A record number of colleagues 'had their say' with 71% returning their NHS National Staff Survey. It followed a major internal publicity campaign allowing staff half an hour protected time with a hot drink voucher to complete it, a number of sessions to enable colleagues to complete the survey away from their own department and examples of how previous surveys have shaped change. The results were an improvement on previous surveys with the Trust scoring higher than the national average in six out of the ten measures with only one measure slightly below.

Fifteen Freedom to Speak Up (F2SU) Champions have been trained up to act as F2SU ambassadors and promote the need to speak up about any concerns colleagues might have – they were promoted through the #WeAreTeamCRH social media campaign. They will be regularly briefed and feed into the F2SU guardian whose action plan was given the support of the Board of Directors. Issues raised via F2SU are being addressed through the Leading the Chesterfield Way initiative.

## ***Recognising Staff Achievement***

Our Infection Control team introduced a monthly awards scheme to recognise some of the achievements of ward and support teams who had contributed to improving the diagnosis and treatment of Sepsis. These certificates were publicised on social media and designed to showcase the good work being done, share good practice and raise awareness of the importance of an early red flag diagnosis of Sepsis.

Two of our Endoscopy receptionists were highlighted on our social media pages for the work they did in reducing the waiting times for patient appointments. Lizzie and Laura work on the front desk and used their knowledge of the booking system to reduce non-attendance of appointment by booking follow up appointments before the patient leaves, reducing the likelihood of a cancellation. It saw 'Did Not Attend' rates drop to less than 2%, despite making upwards of a thousand appointments a month.

Following on from the success of the year-long #IAmTeamCRH campaign, a follow up campaign, #WeAreTeamCRH, was launched in April 2018. Focussing on teams rather than individuals, the initiative highlighted a team or department, showcasing their achievements, the work they do and how it contributes to patient care. The weekly posts attracted a number of positive comments from colleagues, the public and former patients across a number of clinical, non-clinical, support and community teams.

A new role was highlighted on social and local media that made it possible to prescribe in a range of clinical situations to free up time for consultant and nursing teams. Sarah Lock is a Pharmacist Practitioner based on our Emergency Department and her skills have been developed to reduce the length of time it takes to receive essential medication. This has seen a reduction in delays for patients moving from ED to the Emergency Management Unit that helps to improve patient flow.

In May 2018 we used our social media pages to pay tribute to our nurses and midwives to mark International Nurses Day and the International Day of the Midwife. We posted photographs, testimonials and tributes from senior managers, along with media interviews and features. This publicity attracted a large number of positive comments from the public about the work they do and the high regard in which they value the care they give on a daily basis.

Our Apprentice Team secured the 'Large Employer of the Year' award at the North Midlands and South Yorkshire Apprenticeship Awards on 25<sup>th</sup> May 2018. Demonstrating the Trust's commitment to offering apprentices the opportunity to progress, it also underlines the hospital's ambitions in growing our own and supporting the local community.

We launched a video, published a number of articles and featured a week-long social media campaign to showcase the work of our volunteers. Highlighting statistics that showed the impact of our volunteers' work, personal stories about what motivates our volunteers, tributes to those who give their time of their own free will and involving the media in the work they do, it was all part of National Volunteers Week to recognise and thank our complement of more than 100 volunteers.

NHS70 was celebrated in style with a tea party for all colleagues, a special service at the landmark St Mary and All Saints Church in Chesterfield, a competition involving schools across the county. We had galleries of old pictures of the hospital in Chesterfield, took a group photo of 200 colleagues from the top of the NGS Macmillan Unit and much more. It attracted huge interest from well-wishers on social media and local press who covered the events with interviews and features.



On 1<sup>st</sup> October 2018 we welcomed 50 new nurses and midwives at a very special 'Royal Way' induction. At a time when the difficulties recruiting nursing staff was making national news, the occasion was marked with a group photograph of our new starters with our Director of Nursing and Patient Care to give them all a special welcome to the Trust.



The Annual Members Meeting in September was used to showcase the innovative work done by our colleagues to introduce different ways of working for the benefit of patients. A number of stalls, including speech and language therapy, patient passports and the IT training portal, were introduced to our membership with representatives from each team answering questions to explain their projects.

We held another two 'Applause' events, recognising the difference our colleagues make to working life. Open to all staff, every nominee was invited to the event to enjoy a glass of non-alcoholic bubbly and a slice of cake whilst being photographed with their certificate. Social media coverage resulted in a number of positive comments to further recognise our colleagues.



November saw our loyal colleagues recognised during the annual Long Service awards. The Trust recognises those at the Royal who have given 20, 30 and 40 years' service to the NHS with a slice of cake, glass of alcohol free bubbly and a certificate. It's one of many staff recognition schemes throughout the year to be publicised on our social media channels including #WeAreTeamCRH, Applause, patient feedback quotes and highlighting innovative ideas.

Two 'Pass it On' events were held this year in November 2018 and March 2019 with more than a thousand people coming to both events combined. The events showcase the work being done through the Listening into Action (LiA) staff engagement programme that helps to turn innovative staff ideas to change services for the benefit of our patients into reality.

## Staff Health and Wellbeing

During one of the [hottest summers on record](#), the Trust introduced a number of benches and tables to enable more of our colleagues and visitors to eat, chat and relax in the outdoor sun. Supported by the Chesterfield Royal Hospital Charitable Funds, the seated areas can be found throughout the Trust estate and in some courtyards. It came after a number of requests from staff for more outdoor seats.



The Trust set up a [networking group in the wake of a letter](#) sent by Amber Rudd that details the possible effects of Brexit in relation to protecting EU citizens' rights. The purpose of the group, created following a number of anxious concerns raised from colleagues recruited from overseas, was to offer mutual support and provide signposting help for any questions people might have.

In August, the Royal became a ['Disability Confident Committed Employer'](#). It means the Trust is committed to, amongst other things, ensuring our recruitment process is inclusive and accessible, offering an interview to candidates with a disability, providing reasonable adjustments and supporting existing employees to stay in work should they acquire a disability or long term health condition.

[Colleagues in our Maternity and Midwifery team](#), including senior staff, supported each other during a 'Cyclathon' to peddle the 874 miles that would take them from Lands' End to John O' Groats. They raised more than £2,000 to go towards the Birth Centre facilities, not to mention the boost to morale and the promotion of adopting a healthy lifestyle.



Christmas 2018 was celebrated in style with an unprecedented number of events for staff and visitors. The Christmas Fayre was held in the main entrance for the first time, there were performances from school and hospital choirs, competitions, an online advent calendar through social media, a jackpot £4,000 draw for the staff lottery, visits from the Pomegranate pantomime cast and Chesterfield FC. It all ended with a number of 'team selfies' shared by teams across the Trust on Christmas Day that received an outpouring of thanks and commendation from people across the region.



The Trust struck a deal with a local shop to bring a fresh fruit and veg market stall to the Royal two days a week. The stall features a range of fresh local produce at good prices, brought in to encourage healthy eating. It received an overwhelmingly positive response on our social media channels.

We launched our annual flu fighter staff vaccination campaign once again in October 2018, beating the previous year's final target. The Trust reached the Department of Health target of 75% of front line by December, the final figure of 88.5% was our highest achievement and confirmed the Trust as one of the country's best performers.

# Performance Report

The report has been prepared in accordance with sections 414A, 414C and 414D5 of the Companies Act 2006, except for sections 414A(5) and (6), and 414D(2), which are not relevant.

## Overview

### About the Trust

Chesterfield Royal Hospital NHS Foundation Trust ('the Trust') is the district general hospital for Chesterfield and North Derbyshire, serving a population of more than 400,000. The Trust also provides child and adolescent mental health services, community based services, including midwifery and radiology, alongside GP and primary care services from two practices – with a total of five surgeries between them.

The Trust was established as an NHS Trust in April 1993 and authorised as an NHS Foundation Trust in January 2005. The principal purpose of the Trust is the provision of goods and services for the purposes of the health service in England.

Services are delivered within a strong support infrastructure of high quality staff who are appropriately trained and rewarded, and in a modern estate where the quality of the patient environment is continually improved to ensure it is fit for purpose and meets all legislative requirements, using the most appropriate and up to date technology.

The Trust's activities are governed by the regulatory framework for NHS Foundation Trusts and by legislation.

During the year the Trust has continued to develop the services that it offers. The Trust aims to provide high quality timely healthcare, delivered in a way that promotes positive experiences for patients, relatives and their carers.

The Trust's vision, its six strategic aims and the supporting strategic outcomes are set out on page AR9.

### Chief Executive's statement on performance

2018/19 has been a tough year for the Trust, both in terms of financial pressures and in terms of operational delivery – balancing the two whilst still continuing to strive for quality and an exceptional patient experience. Although financial performance deteriorated through the year, resulting in a £1.8 million shortfall against its Control Total, the Trust ended the year with a £2.1million Control Total basis surplus, thanks in part to the award of £5.1m of national Provider Sustainability Funding. Operationally, although there has been pressure on services and patient flow throughout the year, the Trust remains one of the best performing hospitals against the four-hour Emergency Department target and the 18 week referral to treatment time for routine survey.

From the Trust's scores in the national 'family and friends test', there is again evidently a high level of patient satisfaction – although some areas within the Trust have fallen below national averages at points in the year. We were delighted to be awarded a GOOD rating from the CQC in January 2019 – with just three domains now in 'requires improvement' and End of Life Care and Children's Mental Health Services recognised as OUTSTANDING for the care they provide.

## Key issues and risks

The NHS 10-year plan sets out an ambitious and rapid programme of change that's challenging for health and social care systems. As a Trust we continue to face key risks and issues including our ability to:

- Develop sustainable clinical services which deliver improved care in terms of clinical effectiveness, patient safety and patient experience.
- Ensure strong, capable leadership that embeds a culture of true staff engagement and involvement in decision making.
- Ensure appropriate staffing levels, and being able to recruit and retain key clinical staff to reduce the use of agency and locum staff
- Through the Sustainability & Transformation planning process support the design, development and integration of primary, acute, community based health services and the Trust's social services partners.
- Deliver the level of access/clinical activity that meets the expectations of patients and commissioners in an increasingly challenging financial position.
- Deliver the range of services within agreed financial boundaries, whilst supporting the development of the alternative models of care.
- Deliver major site infrastructure and IM&T transformational change and make progress towards our environmental sustainability ambitions.
- Embed 7-day services into the culture of the organisation and in the service models being developed as part of our clinical services strategy.

In terms of quality, performance and affordability these are some of the issues and risks we are mitigating against, although they remain key challenges:

- Potential loss of income because of commissioner affordability, reduced activity and service reconfiguration, and contract penalties.
- Continuing high levels of emergency and urgent care activity and potential detrimental impact on patient flow, bed availability and quality of patient experience.
- Detrimental impact on quality of efficiency savings not being delivered and cost pressures not being managed.
- Under performance on activity plans, leading to reduced funding which if not contained would have a negative impact on quality.
- Over performance on activity plans, with the inability to increase capacity sufficiently to match increased demand which if not contained would have a negative impact on quality.
- Excessive reliance on locums and agency staff, creating significant cost pressure and having a potentially detrimental impact on quality.
- Quality targets not being achieved leading to financial penalties which if not contained would have a negative impact on quality.

In addition we are mindful of the potential disruption to workforce, purchased consumables, goods and services as a result of the United Kingdom's decision to leave the European Union. This risk (see page 27) is being managed in conjunction with The Department of Health and Social Care (DHSC).

## **Leaving the European Union (BREXIT)**

The Department of Health and Social Care (DHSC) is leading the response to the European Union (EU) Exit across the health and care sector, linking with NHS England and NHS Improvement on how best to prepare NHS and social care partners.

Like Trusts across the country we have been following the DHSC's 'EU Exit Operational Guidance'. This outlines the actions that providers and commissioners of health and social care services should take to prepare for leaving the EU, including managing the risks of a 'no-deal' scenario. The guidance focuses on continuity of supply, workforce, reciprocal healthcare and overseas cost recovery, clinical trial studies and European Reference Networks (ERNs).

Through the last financial year we have examined the risks that BREXIT could bring to the Trust. Following the further extension of the Article 50 period to 31 October we continue to discuss our own operational preparedness, resilience and response, in line with national instructions.

In line with the guidance we have undertaken a self-assessment of workforce, purchased consumables, goods and services (non-clinical) to understand any risks to operations if there are disruptions in supply in the event of a no-deal EU exit. In submitting this assessment the Trust confirmed that it had not incurred (or expects to incur) a reduction in the number of EU nationals in our workforce before the UK leaves the EU. We have 90 EU national colleagues at present (2% of total workforce). We have been in contact with them throughout the year and there is no evidence to suggest this element of our workforce is likely to reduce - either before or after we leave the EU. We have assisted staff wishing to apply to the EU settlement scheme, supporting them through the process of application. As a result we have not identified any staff groups or services that may be vulnerable if there is a shortfall of EU nationals after we leave the EU.

We have experienced some patients asking our doctors, nurses, GPs and pharmacists to provide them with extra prescriptions and medicines – in case there is 'no deal'. The government instructed all of us in the NHS not to stockpile our own supplies and not to write longer than usual NHS prescriptions. We agree that is the right approach, as stockpiling could actually cause shortages in other areas – possibly putting patient care at risk. Throughout the year we have therefore used social media to let the public know that extra medication requests on the grounds of BREXIT will not be actioned.

Like other hospitals and GP practices across the UK, we're continuing to adopt a 'business as usual' approach in the run up to leaving the EU – focussing on providing the best possible care to our patients every day.

## **Going concern**

The directors are mindful of the challenges facing the Trust in the current economic climate, and particularly the more challenging financial environment.

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



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## Performance analysis

### Key performance measures and performance of the Group over the year

The key performance measures and performance as below relate to the group being Chesterfield Royal Hospital NHS Foundation Trust and its 100% wholly owned subsidiary, Derbyshire Support and Facilities Services Limited (DSFS).

DSFS was incorporated on 1st August 2018 to provide an Operated Healthcare Facility (OHF) to the Trust under a 25-year agreement. On 31 March 2019, the Trust sold a 25 year commercial leasehold interest in the majority of its estate (land and buildings), plus equipment and other assets to DSFS in order for the company to deliver the services specified under the OHF agreement. Although the assets were transferred on 31st March 2019, the company did not commence trading until 1 April 2019 and as such, the income and expenditure transactions included in the financial statements relate to those incurred solely by the Trust.

The summary headline financial information for 2018/19 and 2017/18 for the Group is shown below:

	2018/19 Planned £m	2018/19 Actual £m	2017/18 Actual £m
<b>Operating income</b>	245.613	<b>254.209</b>	242.524
<b>Of which clinical</b>	216.359	<b>220.505</b>	213.771
<b>Of which non-clinical</b>	29.254	<b>33.704</b>	28.753
<b>PSF* income (incl. in non-clinical income above)</b>	6.399	<b>5.058</b>	5.822
<b>Retained Surplus/(Deficit) - before impairments</b>	5.295	<b>2.146</b>	4.008
<b>Net impairments</b>	0.872	<b>25.644</b>	(0.010)
<b>Retained Surplus/(Deficit) - after impairments</b>	4.423	<b>(23.498)</b>	4.018
<b>Control Total basis Surplus/(Deficit) (incl. PSF)</b>	5.296	<b>2.115</b>	4.057
<b>Control Total basis Surplus/(Deficit) (excl. PSF)</b>	(1.103)	<b>(2.943)</b>	(1.765)
<b>EBITDA **</b>	13.919	<b>8.967</b>	12.141
<b>Total assets</b>	154.778	<b>213.845</b>	164.772
<b>Cash and cash equivalents</b>	27.022	<b>27.553</b>	30.548
<b>Capital Investment</b>	11.088	<b>11.061</b>	10.281
<b>Actual borrowing</b>			
i) long term	12.150	<b>12.364</b>	13.770
ii) short term	1.620	<b>1.774</b>	2.624
<b>Use of Resources risk rating***</b>	2	<b>2</b>	2
<b>Cost Improvement Programme (CIP)</b>	7.916	<b>4.482</b>	5.815
<b>Efficiencies achieved</b>	3.2%	<b>1.7%</b>	2.4%

\* PSF = Provider Sustainability Fund, see page 20 for more detail

\*\*Earnings before Interest, Taxation, Depreciation and Amortisation and Impairments.

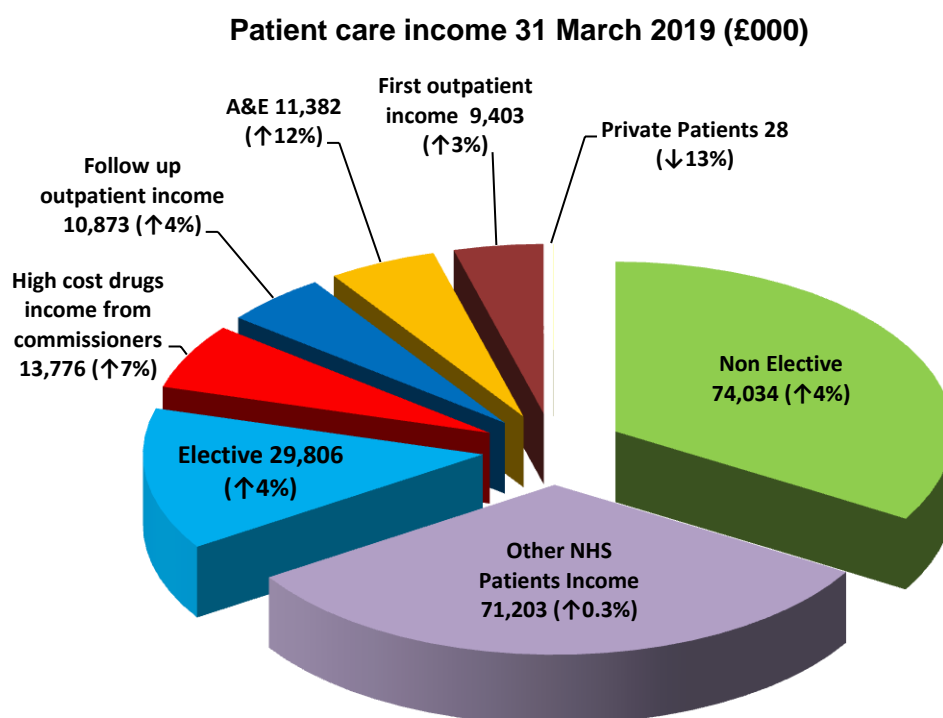
\*\*\* The Single Oversight Framework (SOF) sets out the NHS Improvement's approach to overseeing NHS providers. The SOF assesses the financial performance of providers via the "Use of Resources (UOR)" risk ratings. The scoring has been derived so that a 1 is the 'best' (lowest risk) score and 4 is the 'worst' (highest risk) score. For further details of both, see 'regulatory ratings' on page AR135 of the annual report.

## Operating Income

Operating income of £254.2m (2017/18: £242.5m) consists of patient care income and non-patient care income. These are analysed below:

### i) Income from patient care activities (clinical income)

Total income from patient care activities for the year 2018/19 increased by 3.2% to £220.5m (2017/18: £213.8m). This represents 86.7% (2017/18: 88.1%) of total income for the year. A breakdown of patient care income is shown graphically below:



Further details of patient care activities are shown in Note 4.1 to the financial statements in the last section of the annual report.

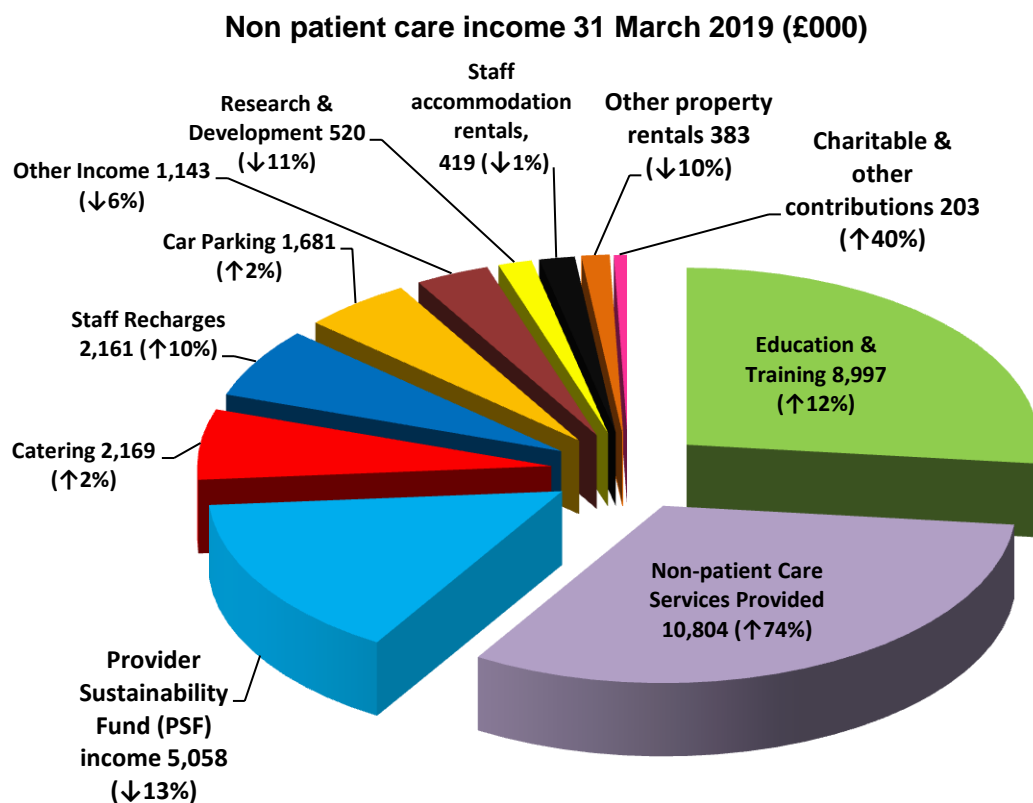
### ii) Income generated from non-patient care activities (non-clinical income)

The Health and Social Care Act 2012 states that any foundation trust that wishes to increase the share of its income from non-NHS sources (including private work) by more than 5% in any one year, must obtain prior approval from its governors. The Trust did not increase its income from non-NHS sources by more than 5% in 2018/19.

Included below are details of £33.7m (2017/18: £28.8m) of non-patient care income received, which has been generated from the provision of non-patient care services such as education and training.

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income generated 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.

Non patient care income represented 13.3% of the total income in the year (2017/18: 11.9%). A breakdown is shown graphically below:



Further details of non-patient care income are shown in Note 5.1 to the financial statements in the last section of the annual report.

### Provider Sustainability Fund (PSF) income

Provider Sustainability Fund (PSF), previously called Sustainability and Transformation Fund (STF) income has been made available to NHS providers, linked to the achievement of financial controls and performance targets. £5,058k (2017/18: £5,822k) relates to the Trust's total indicative PSF receivable which includes £2,240k (2017/18: £3,943k) core PSF and £2,818k (2017/18: £1,879k) general distribution PSF income.

### Retained Deficit

The net surplus of £23.498m was £27.921m below plan mainly due to impairments arising on the year-end estate valuation. The surplus before net impairments was £2.146m, which was £3.149m below plan.

### Control Total Deficit

The Trust signed up to a financial Control Total with its regulator NHS Improvement for the period 2018/19. This gave access, dependant on achievement of specific financial and operational targets, to the Provider Sustainability Fund (PSF), of which the Trusts planned allocation was £6.399m.

Control totals and financial performance measures have been set and monitored on the following technical accounting basis:

	2018/19 Planned £m	2018/19 Actual £m
<b>Surplus/(Deficit) for the year</b>	<b>4.423</b>	<b>(23.498)</b>
Add back: Net Impairments charged to I&E	0.872	25.644
Less: Gains/losses on transfers by absorption	-	-
Less: I&E impact of capital donations	0.001	(0.032)
Add: Impact of prior period adjustments	-	-
<b>Adjusted financial performance (control total basis) incl. PSF</b>	<b>5.296</b>	<b>2.114</b>
Less: PSF income	(6.399)	(5.058)
<b>Adjusted financial performance excl. PSF</b>	<b>(1.103)</b>	<b>(2.944)</b>

The table above shows that the group achieved a control total of £2.114m against a control total set by NHSI of £5.296m. The underlying control total achieved excluding PSF income was a deficit of £2.944m against a deficit of £1.103m set by NHSI.

### EBITDA

EBITDA decreased by £3.174m from £12.141m in 2017/18 to £8.967m for 2018/19. This reflects an increase in expenses (excluding depreciation, amortisation and impairments) of £14.437m (6.27%) and an increase in income of £11.685m (4.82%).

### Total assets

Total assets decreased from 2017/18 to 2018/19 by £59.067m, mainly attributable to a decrease in the value of Property, plant and equipment due to the estate valuation at 31 March 2019.

### Cash and cash equivalents

Cash decreased marginally by £2.995m from £30.548m to £27.553m at the end of the financial year, maintaining a strong cash position. Cash outturn was £0.531m above plan.

### Capital investment

The Trust's investment (in terms of capital expenditure) for 2018/19 is shown below. A total of £10.567m (2017/18: £10.281m) was spent during the year.

£144k (2017/18: £83k) of charitable capital assets were donated to the Trust during the year from its charitable funds for outpatient area refurbishments and various medical equipment including ultrasound scanners. During the year, £nil (2017/18: £12k) was donated from other bodies.

In addition, the Trust also capitalised a finance lease asset of £0.351m relating to the Trust's photocopiers.

### Capital investment by major scheme during 2018/19 is shown below:

Capital investment for the 2018/19 financial year		Total £m
<b>Development Schemes</b>		
	Imaging reorganisation	2.026
	Emergency Department extension including GP streaming	1.238
	Urgent Care Village	1.076
	PACU	0.004
<b>Maintenance Schemes</b>		
	Pharmacy Aseptic refurbishment	0.524
	Ward refurbishments	0.007
	Estates schemes	0.366
<b>Other Expenditure</b>		
	Central IT Equipment & Applications	2.506
	Divisional Equipment, minor works & Applications	2.820
	<b>NHS funded capital expenditure</b>	<b>10.567</b>
	Donated assets	0.144
	Finance leased assets	0.351
	<b>Total capital expenditure</b>	<b>11.062</b>

## Borrowings

In 2018/19 the loan taken out during 2009/10 to fund capital expenditure on a new wards block was repaid in full.

At the end of 2014/15, the Trust signed a new 10 year capital investment loan agreement with the Department of Health to part fund the Theatres Modernisation project and a new cancer centre with a fixed interest rate of 1.71%. The Trust repaid £1.6m of the loan in 2018/19.

During 2018/19, the Trust also repaid £70k (2017/18: £67k) relating to the capital element of finance leases. At 31 March 2019, finance lease liabilities were £0.282m (2018: £nil - due to termination of the contract).

For further details please see Notes 28 and 29 to the annual accounts and financial statements in the last section of the annual report.

## Quality, productivity and efficiency

As part of our commitment to providing high quality, sustainable healthcare, the Trust is always looking at ways in which services can be run more efficiently whilst maintaining or improving quality. In 2018/19 the Trust delivered £4.5m efficiency savings against a target of £7.9m (57%).

The Trust is also actively engaging with the Model Hospital efficiency team which looks to share best practice in various disciplines across the NHS and provides benchmarking information between NHS provider Trusts; the Trust has also participated in a number of other benchmarking exercises throughout the year and this information has been used to develop future years transformation.

The delivery of efficiency plans is monitored regularly via the Transformation Group which monitors delivery against savings plans and provides strategic direction to the efficiency agenda. The group has a range of senior clinical representation. Internal systems are in place through the transformation support team to ensure that efficiency schemes are subject to a quality and environmental impact assessment.

The Reference Costs index of 92 for 2017/18 was released during 2018/19. The Trust was 8% more cost effective per unit of activity than the national average.

In addition, the Trust has achieved a Use of Resources rating of 'Good' as part of the Trust's recent CQC Well Led inspection during 2018/19.

## Activity and key standards

Activity achievement during 2018/19 compared to plan is detailed below:

Clinical activity cases	Plan 2018/19	Actual 2018/19
Elective	31,939	33,040
Non elective	46,117	44,646
Outpatients	228,178	232,745
A&E	85,095	90,089

Performance on key standards during 2018/19 is shown below\*:

- **93.1%** of patients seen within four hours in the emergency department (standard: 95%).
- **90.3%** of patients (standard: 92%) were treated within 18 weeks of referral.
- **94.1%** of patients (standard: 93%) were seen by a specialist in out-patients within two weeks of urgent GP referral for suspected cancer; and **93.7%** of patients (standard: 93%) referred by their GP with any breast symptom were also seen by a specialist within two weeks of referral.
- **97.7%** of patients (standard: 96%) were treated within one month of a decision to start first cancer treatment; **96.7%** of patients (standard: 94%) received subsequent surgical treatment within one month of a decision to treat; and **100%** of patients (standard: 98%) received subsequent anti-cancer drug treatment within one month of a decision to treat.
- **84.8%** of patients (standard: 85%) received their first definitive treatment for cancer within two months of GP or dentist urgent referral for suspected cancer, and **84.3%** of patients (standard: 90%) received their first definitive treatment for cancer within two months of urgent referral from the national screening programme.
- The Trust recorded **17** cases of Clostridium difficile against the national trajectory of 31.

\*Figures in **red** denote targets not met. Figures in **green** denote targets achieved.





## Environmental, social, community and human rights matters

### Sustainability report

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. 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 rising cost of natural resources. Demonstrating that we consider the social and environmental impacts ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met.

We acknowledge this responsibility to our patients, local communities and the environment by working hard to minimise our footprint.

As a part of the NHS, public health and social care system, it is our duty to contribute towards the level of ambition set in 2014 of reducing the carbon footprint of the NHS, public health and social care system by 34% (from a 1990 baseline) equivalent to a 28% reduction from a 2013 baseline by 2020. It is also our aim to meet or supersede the future challenging reduction targets of: 50% by 2025, 64% by 2030 and 80% by 2050.

In order to embed sustainability within our business it is important to explain where in our process and procedures sustainability features.

Area	Is sustainability considered?
Travel	Yes
Business Cases	No
Procurement (environmental & social aspects)	No
Suppliers' impact	No

The Trust's Environmental Sustainability Group is developing action plans to ensure environmental sustainability impact assessments are completed, where appropriate, during business cases and procurement activities.

One of the ways in which an organisation can embed sustainability is through the use of a Sustainable Development Management Plan (SDMP). The SDMP demonstrates our objectives on sustainable development and is accompanied by an SDMP Action plan board approved our SDMP in the last 12 months so our plans for a sustainable future are well known within the organisation and clearly laid out.

One of the ways in which we measure our impact as an organisation on corporate social responsibility is through the use of the Good Corporate Citizenship (GCC) tool. The last time we used the GCC self-assessment was in September 2016, scoring 36%. The Good Corporate Citizenship (GCC) tool has now been replaced with a new Sustainable Development Assessment Tool. We will be completing this assessment tool as soon as practicable in order to use as one of the measures of our success.

Climate change brings new challenges to our business both in direct effects to the healthcare estates, but also to patient health. Examples of recent years include the effects of heat waves, extreme temperatures and prolonged periods of cold, floods etc. Our board approved plans address the potential need to adapt the delivery of the organisation's activities and infrastructure to climate change and adverse weather events.

### Partnerships

The NHS policy framework already sets the scene for commissioners and providers to operate in an environmentally sustainable manner. Crucially for us as a provider, evidence of this commitment will need to be provided in part through contracting mechanisms.

We have not currently established any strategic partnership in relation to environmental sustainability.

### Organisation

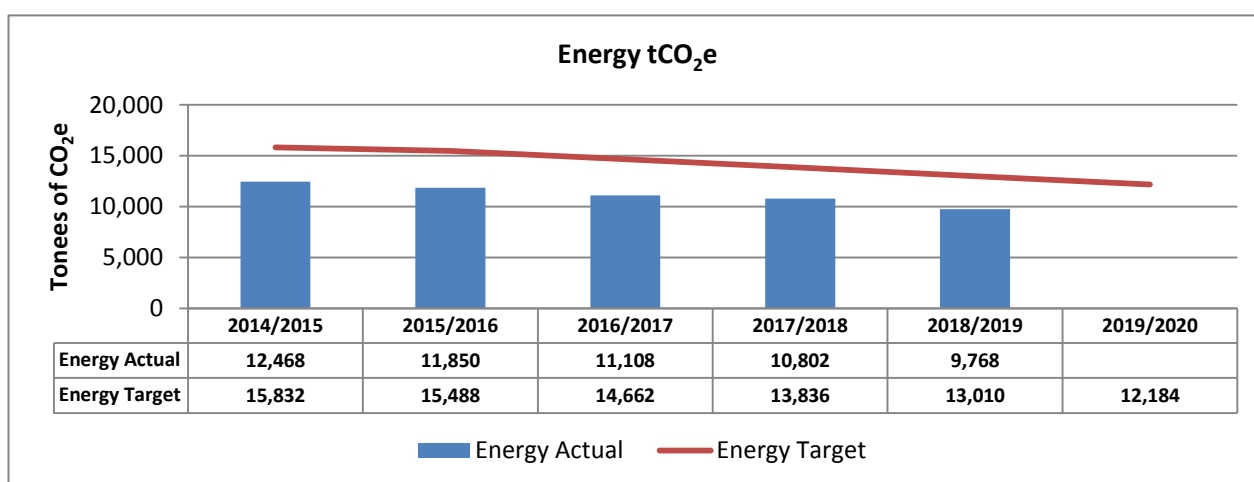
Since the 2007 baseline year, the NHS has undergone a significant restructuring process and one which is still on-going. Therefore, in order to provide some organisational context, the following table may help explain how both the organisation and its performance on sustainability has changed over time.

Context info	2014/15	2015/16	2016/17	2017/18	2018/19
Floor Space (m <sup>2</sup> )	91,694	98,970	98,409	99,806	100,161
Number of Staff	3,700	3,800	3,900	4120	4181

### Energy

Chesterfield Royal Hospital NHS Foundation Trust has spent £2,074,251 on energy in 2018/19, which is a 4.54% increase on energy spend.

Even with the site development growth the continued management of energy and energy saving schemes such as installing LED lighting has seen our electrical consumption remain similar and our gas consumption reduce from last year. Our energy associated carbon emissions (tCO<sub>2</sub>e) have also reduced.



## Emission per Resource

Resource		2014/15	2015/16	2016/17	2017/18	2018/19
Gas	Use (kWh)	25,162,886	25,271,724	25,108,807	27,766,574	25,990,384
	tCO <sub>2</sub> e	5,279	5,289	5,247	5,887	5,448
Oil	Use (kWh)	17,576	70,566	87,925	20,176	47,358
	tCO <sub>2</sub> e	6	23	28	7	15
Coal	Use (kWh)	0	0	0	0	0
	tCO <sub>2</sub> e	0	0	0	0	0
Electricity	Use (kWh)	11,598,205	11,372,507	11,286,474	11,012,946	11,030,821
	tCO <sub>2</sub> e	7,183	6,538	5,833	4,909	3,891
Green Electricity	Use (kWh)	0	0	0	0	0
	tCO <sub>2</sub> e	0	0	0	0	0
Total Energy CO <sub>2</sub> e		12,468	11,850	11,108	10,802	9,354
Total Energy Spend		2,014,807	1,974,113	1,741,966	2,157,293	2,074,251

In order to continue to reduce our energy and carbon emissions associated with energy usage we joined the Carbon and Energy Fund (July 2017). This gave us access to a procurement framework of companies specialising in carbon and energy reduction schemes. Following the tendering and evaluation of bidders proposals we are currently developing a business case to submit for Board approval to appoint a preferred bidder. Preferred bidders proposal includes technologies such as LED lighting, Photo Voltaic and combined heat and power generation in order to reduce our carbon emissions by around 1,500 tCO<sub>2</sub>e (15%).

We also submitted a bid to the NHSI LED Lighting fund and have been awarded £477,000. This money will fund the replacement of around 1,500 inefficient light fittings across site with LED light fittings. Reducing our energy by around 1,295,720 kWh and emissions by 455 tCO<sub>2</sub>e, with a cost saving of £149,735.

## Travel

The significance of the environmental impact of travel to CRH by staff and visitors is appreciated. In order to minimise this impact the Trust has a site travel plan that includes strategies and initiatives to promote sustainable travel and reduce single occupancy car journeys. This travel plan is updated on a regular basis and is hosted on Derbyshire County Council sustainability platform.

The Trust has several measures in place to encourage staff to use more sustainable methods of travel including car share, cycling, walking, using buses and motorcycling. The trust has a cycle to work salary sacrifice scheme through which over 104 staff have purchased new bicycles over the last 5 years. The Trust has cycle shelters and 350 staff currently hold keys. The Trusts discounted car share scheme has 188 passes issued to staff. The Trust has negotiated with local bus companies for staff discounts to travel to and from CRH of which an average of 48 tickets are sold per week.

In February 2019 two electric vehicle charging points were installed to encourage the use of electric vehicles.

## Waste management

The Waste (England and Wales) Regulations 2011 require that the waste hierarchy is implemented throughout the waste stream when disposing of any waste products:



The Trust takes reasonable measures to apply the waste hierarchy to waste disposal.

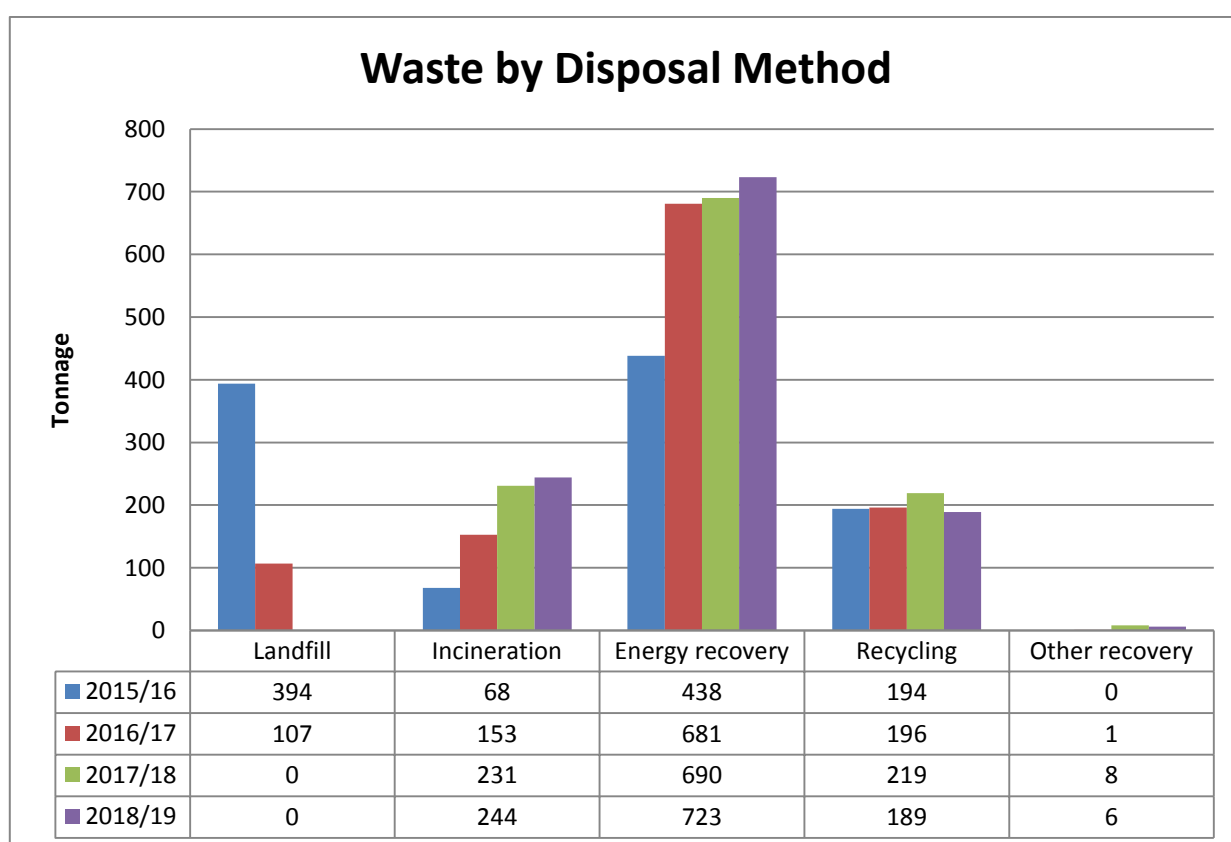
The waste contracts during 2018/19 are with the following waste contractors:

- Tradebe manages and removes clinical waste.
- Sharpsmart manages and removes reusable sharps containers.
- Veolia manages and removes domestic waste, cardboard, recycling, hazardous waste, furniture waste, non-IT electrical waste, food waste and cooking oil.
- Restore Datashred manages and removes confidential waste.
- Concept management manages and removes IT electrical waste.

Annual quantities for waste disposal are shown in the graph (see 'Waste by Disposal Method' graph). Chesterfield Royal Hospital achieved "Zero waste to landfill" during 2018/19. This is due to the domestic and offensive waste being disposed of via Energy Recovery at Veolia's award winning Energy Recovery Facility located in Sheffield. All infectious waste during 2018/19 was disposed of via High Temperature Incineration with Energy Recovery (classed as Incineration on the graph). In 2018/19 incineration increased by 13 tonnes, energy recovery increased by 33 tonnes and recycling reduced by 30 tonnes. The decrease in recycling is partly due to Veolia classifying furniture and bulky items waste as energy recovery and a reduction in IT electrical waste recycling.



Waste		2014/15	2015/16	2016/17	2017/18	2018/19
Recycling	(tonnes)	175.3	194	196	219	189
	tCO <sub>2</sub> e	3.7	4.07	4.12	4.38	3.97
Other recovery	(tonnes)	637.0	438	681	690	723
	tCO <sub>2</sub> e	13.4	9.2	14.3	13.8	15.18
High Temp disposal	(tonnes)	42.2	68	153	231	244
	tCO <sub>2</sub> e	9.3	14.96	33.66	50.59	53.68
Landfill	(tonnes)	471.0	394	107	0	0
	tCO <sub>2</sub> e	115.1	93.6	26.15	0	0
Total Waste (tonnes)		1325.5	1094	1137	1140	1156
% Recycled or Re-used			18%	17%	19%	16%
Total Waste tCO <sub>2</sub> e		141.5	124.63	78.23	68.77	72.83



A number of improvements have been made to waste disposal during 2018/19:

- The domestic waste and confidential waste contracts commenced 1st April 2018. The contract for all of the domestic waste except for confidential waste was awarded to Veolia. Cost savings have been achieved by keeping the current domestic wheeled bins which are now free of charge and keeping the static waste compactor which is charged at a reduced rental. The contract for the confidential waste was awarded to Restore Datashred. Restore Datashred offered more competitive prices than the incumbent waste contractor and further cost savings have been made by opting to have the confidential waste shredded off site. A Privacy Impact Assessment was completed for the change to ensure all Information Governance requirements are adhered to.
- Glass, plastic and cans recycling have been introduced in several departments. The recycling is managed by staff that have a keen interest in recycling.
- The Bring Your Own Bottle poster was produced to try and reduce plastic waste.

Future plans for waste:

- Explore methods of increasing recycling so that all departments have access to recycling.
- Explore the option of introducing food waste recycling to the Sodexo Kitchen.

#### Finite resource use – Water

Water consumption has increased year on year mainly due to the site area increases, the need for increased levels of hygiene and our legionellosis water management regimes.

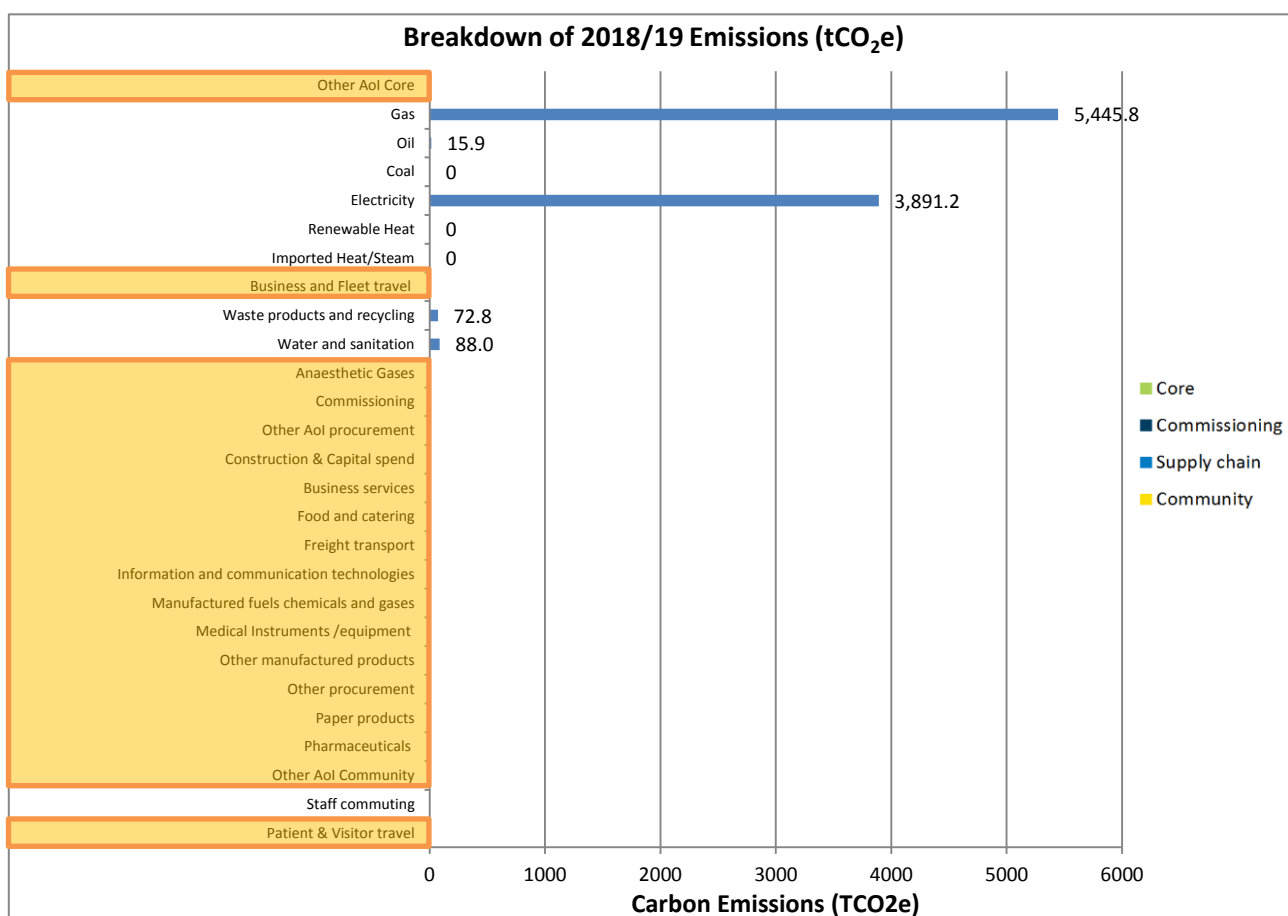
Water		2014/15	2015/16	2016/17	2017/18	2018/19
Mains Water	m <sup>3</sup>	90,573	96,625	107,667	101,328	96,652
	tCO <sub>2</sub> e	83	88	98	92	88
Water & Sewage Spend		186,444	210,720	229,265	214,918	175,982

We continue to look at ways of reducing our water usage by installing water saving devices on all new refurbishments and developments where appropriate.

## Modelled Carbon Footprint

The information provided in the previous sections of this sustainability report uses the ERIC returns as its data source. However, we are aware that this does not reflect our entire carbon footprint. Therefore, the following information uses a scaled model based on work performed by the Sustainable Development Unit (SDU) in 2009/10. More information available here: <http://www.sduhealth.org.uk/policy-strategy/reporting/nhs-carbon-footprint.aspx>

The estimated carbon emissions from energy, water use and waste only was 9,514 tCO<sub>2</sub>e in year 2018/2019. The total carbon footprint of the Trust would also need to include carbon emissions due to travel (staff and patient), catering, and the embedded carbon in procured goods, and will be much greater than this figure. We will explore ways in which this can be estimated, and then reduced, in future.



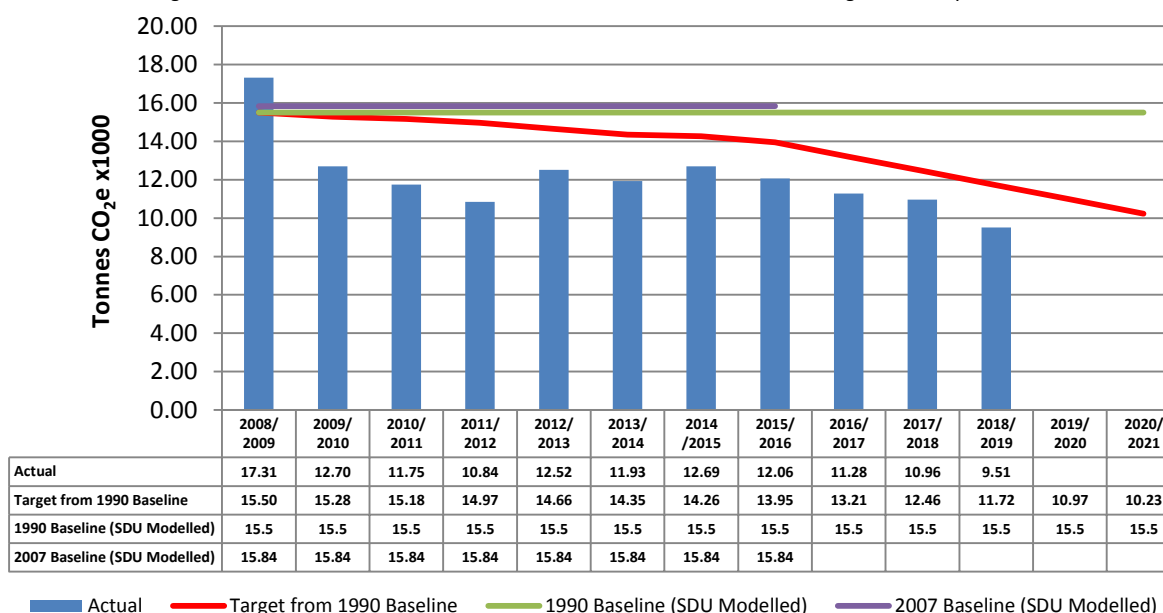
**Note:** The Trust does not currently collect data for the categories highlighted in the chart above.

## Progress Against Targets

The Trust is identifying and adding data in order to measure its carbon footprint to fully understand our impact and identify ways of reducing this. The modelled trajectory with the climate change act target of 34% reduction from a 1990 baseline by 2020 is shown below:

### TCO<sub>2</sub>e Target and Actual (ERIC Data) 2008 to 2020

**Note:** CO<sub>2</sub>e Targets are calculated from our modelled 1990 baseline with a final reduction target of 80% by 2050



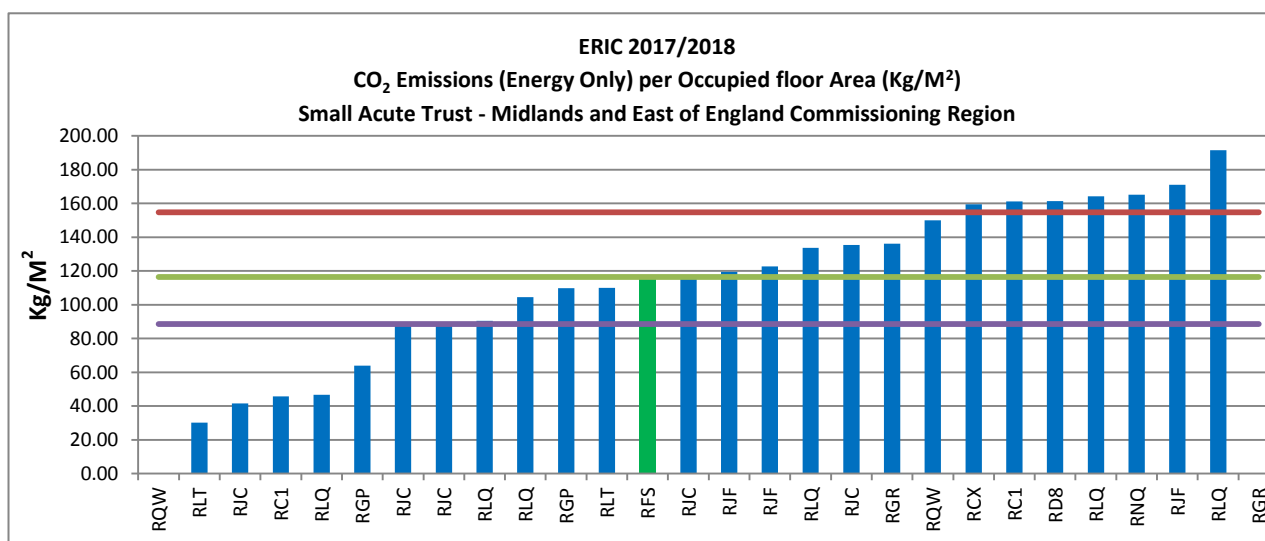
**NHS (Climate Change) Targets:** Reduction from 2007 Baseline of 10% by 2015

Reduction from 1990 Baseline of 34% by 2020, 50% by 2025, 64% by 2030 and 80% by 2050

### Benchmarking

The Trust uses local and national professional bodies such as HEFMA and ERIC to compare progress and results with other NHS organisations. Chesterfield Royal Hospital compares favourably with these and is on plan to meet its target reductions.

### Energy Carbon Emissions 2017/2018 (2018/19 data is not available until October 2019)





### **Good Corporate Citizen Tool**

The Good Corporate Citizenship (GCC) tool has now been replaced with a new Sustainable Development Assessment Tool. We will be completing this assessment tool as soon as practicable in order to use as one of the measures of our success.

### **Adaptation**

Events such as heat waves, cold snaps and flooding are expected to increase as a result of climate change. To ensure that our services continue to meet the needs of our local population during such events we have developed and implemented a number of policies and protocols in partnership with other local agencies.

### **Corporate Citizenship Committee**

The aim of the Corporate Citizenship Committee is to improve integration of the Trust with the local community with particular reference to sustainability and the 'Good Corporate Citizenship' agenda as monitored by the NHS 'Good Citizenship' tool.

The Membership of the committee is:-

- One non-executive director
- Four governors
- Health and Safety Advisor
- Associate Director of Facilities
- Voluntary Services Manager
- Educational Clinical Facilitator
- Energy and Compliance Manager

The Committee is responsible therefore for recommending targets under the NHS 'Good Corporate Citizenship Assessment Model' and for monitoring progress and evaluating performance against these objectives. The Committee is also responsible for monitoring the Trust's carbon reduction target, this involves energy saving schemes, transport and travel including on site car parking, waste management and procurement. The Committee also supports the Trust's highly successful volunteer programme, and receives updates at each meeting. The relationship between the Trust and the Prince's trust continues to flourish with regular cohorts of apprentices passing successfully through the hospital, many going on to careers in the caring professions.

## Security

The Trust's security management strategy is under six key areas:

- Pro-security culture
- Deterrence
- Prevention
- Detecting
- Investigation
- Applying Sanctions

**2017/18 640 incidents**

**2018/19 569 incidents**

The number of reported security incidents has seen a reduction of 71 incidents when compared with 2017/18. However the number of reported assaults against staff has seen an increase of 47 incidents when compared with 2017/18.

The Trust continues to raise security awareness with staff education/public awareness information. The Trust actively seeks sanctions where there is a realistic prospect of success. The number of assaults on staff during the year is shown in the table below and it is significant to note that the number of sanctions achieved for assaults not related to medical conditions is now at 41%. This is as a direct result of close co-operation between the Trust's security team and Derbyshire Police. There is a regular presence at the hospital from a Police Community Support Officer.

Total number of assaults on staff 2014 to 2017 (3 year trend)	2016/17	2017/18	2018/19
Total number of assaults on staff	84	113	160
Total number of assaults due to medical condition	73	110	143
Total number of assaults not due to medical condition	11	3	17
Total number of sanctions	8	2	7

## Occupational health

The Trust has an on-site occupational health service provided under contract by an external NHS provider. This is nursing-led, but with access to a consultant occupational health physician. The service includes health screening for new and current members of staff, review meetings and access to confidential counselling and psychological support.

## **Equality, diversity and human rights**

Measures are in place to ensure that the Trust meets its obligations under legislation governing equality, diversity and human rights.

In addition to its statutory obligations, the Trust continues to embed and improve the equality, diversity and inclusion agenda in relation to awareness raising and the development of our culture. An annual equality report was provided to the Trust's Board in September 2018 outlining all the activities that have taken place and our objectives for 2019 which are also published on the Trust's internet page.

## **Fire Safety**

Fire safety and the continuing protection of both people and our buildings throughout the Trust has continued to be a focus during 2018/19 period with an emphasis on training and development of our staff and teams, a change in the Fire Safety Management during December 2018 has further re-enforced our strategy of continuous improvement and development of our fire safety systems and procedures at the Trust.

Our fire safety strategy continues to be monitored through internal inspections, audits and independently by the Fire Authority as part of the Regulatory Reform (Fire safety) Order 2005 and in accordance Health Technical Memorandum 05-01 Managing Healthcare Fire Safety 2013. Derbyshire Fire & Rescue Service have acknowledged the improvements implemented in previous years, both in terms of our overall staff and team attitude and a willingness to continually improve. Previous Health and Safety Annual Reports have detailed the efforts in Trust Fire Safety and that these efforts resulted in Derbyshire Fire & Rescue Service (DFRS) announcing that the Royal will no longer be subjected to formal Fire Safety Inspections, their (Fire Safety Regulator) confidence in our attitude and efforts is such, that all future visits by DFRS will be as part of a 'Short Audit', this continues to be the current position to date. This culture of continuous improvement has continued throughout 2018 and in to 2019 through adherence to the fire safety improvement programme detailed in the objectives section below.

2019 has seen further efforts focused on staff training and development, a substantial reduction in unwanted fire alarm activations that are within our control and management have been realised resulting in less interruption to business & patient flow.

## **Objectives for 2019/20**

Continue progress in fire safety management throughout the Trust by:

1. Continued upgrading of current fire safety systems to maintain compliance as part of specific refurbishment programmes and safe by design on new build projects resulting in improved fire safety for all Trust users
2. Development of Safety management team members in the Fire Safety disciplines in order to offer an increasingly proactive and resilient approach to Fire Safety and Fire Safety Training to key members of the Trust staff
3. Continued fire safety compliance improvements with the planned provision of simulated evacuation training/drills for all relevant personnel supported with increased interaction with the local Fire Brigade.

### **Post financial year-end important events affecting the Trust**

On 1 April 2019, approx. 700 staff were transferred to the Trust's 100% wholly owned subsidiary Derbyshire Support and Facilities Services Limited (DSFS) to support the delivery of an Operated Healthcare Facility (OHF) contract. The OHF contract is for 25 years and is delivered from DSFS to the Trust on an arm's length commercial basis.

### **Overseas operations**

The Trust has no overseas operations.

### **Performance report signed by**

A handwritten signature in black ink, appearing to read 'S Morritt', with a long horizontal line extending from the end of the signature.

**Simon Morritt**  
**Chief Executive and Accounting Officer**  
**22 May 2019**



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# Accountability Report

## Directors' report

The directors' report has been prepared in accordance with sections 415 to 418 of the Companies Act 2006 and regulation 10 and schedule 7 of the Large and Medium-sized Companies and Groups Regulations 2008.

### Directors of the Trust

These directors were appointed to membership of the board of directors, and were in post during the year 1 April 2018 to 31 March 2019:

Designation	Dates	Name
Chair	1 April 2018 – 31 March 2019	Dr Helen Phillips
Chief Executive	1 April 2018 – 31 March 2019	Simon Morritt
Non-Executive Director; Deputy Chair and Senior Independent Director	1 April 2018 – 31 March 2019	Linda Challis
Non-Executive Director	1 April 2018 – 31 March 2019	Alison McKinna
Non-Executive Director	1 April 2018 – 31 March 2019	Beverley Webster OBE
Non-Executive Director	1 April 2018 – 30 September 2018	Dr David Pickworth
Non-Executive Director	1 April 2018 – 31 May 2018	Philip Severs
Non-Executive Director	1 April 2018 – 24 October 2018	David Urpeth
Non-Executive Director	1 April 2018 – 31 March 2019	Dr Jeremy Wight
Non-Executive Director	18 June 2018 – 31 March 2019	Michael Killick
Non-Executive Director	24 September 2018 – 31 March 2019	Jayne Stringfellow
Non-Executive Director	1 January 2019 – 31 March 2019	Sue Glew
Director of Finance and Contracting	1 April 2018 – 31 March 2019	Lee Outhwaite
Director of Nursing and Patient Care	1 April 2018 – 31 March 2019	Lynn Andrews
Medical Director	1 April 2018 – 3 February 2019	Dr Gail Collins
Medical Director	4 February 2019 – 31 March 2019	Dr Hal Spencer
Director of People and Organisational Development	1 April 2018 – 31 March 2019	Zoe Lintin
Chief Operating Officer	1 April 2018 – 31 March 2019	Tony Campbell

The Trust considers each of the listed non-executive directors to be independent.

Further details about the board of directors and the directors of the Trust can be found on pages AR57 to AR75 of the annual report.

### **Directors' responsibility for the annual report and accounts**

The directors are responsible for preparing the annual report and accounts. The directors consider that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

### **Cost allocation and charging requirements**

The Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

### **Political donations**

The Trust has made no political donations during the financial year.

### **Better payment practice code**

The national 'better payment practice code' requires the Trust to aim to pay all valid invoices within 30 days of receipt (or the due date - whichever is the later). The Trust expects to settle over 95% of the invoices within this criterion.



Details of performance are set below:

	2018/19		2017/18	
	Number	£000	Number	£000
<b>Total</b>				
Total bills paid in the period	69,021	91,934	70,822	87,108
Total bills paid within target	66,384	81,602	68,042	81,754
Percentage of bills paid within target	96.2%	88.8%	96.1%	93.9%
<b>Non NHS</b>				
Total bills paid in the period	66,673	77,041	68,378	75,869
Total bills paid within target	64,456	71,704	65,942	72,968
Percentage of bills paid within target	96.7%	93.1%	96.4%	96.2%
<b>NHS</b>				
Total bills paid in the period	2,348	14,893	2,444	11,239
Total bills paid within target	1,928	9,898	2,100	8,786
Percentage of bills paid within target	82.1%	66.5%	85.9%	78.2%

Disclosure of any interest paid under the Late Payment of Commercial Debts (Interest) Act 1998 is set out in Note 12 to the annual accounts and financial statements in the last section of the annual report.

## Financial disclosures

### Accounting policies

NHS Improvement has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) agreed with HM Treasury. Consequently the Trust's financial statements have been prepared in accordance with the 2018/19 DH GAM. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.



### **Insurance cover**

The LTPS scheme through NHS Resolution covers Employers Liability, Public Liability, Products Liability and Professional Indemnity; all these have an unlimited indemnity attached for each occurrence.

The Directors and Officers Liability Insurance is through Chubb and has an annual limit of indemnity (aggregate) of £5,000,000.

### **Income disclosures required by section 43(2A) of the NHS Act 2006**

The income disclosures required by section 43(2A) of the NHS Act 2006 are shown on page AR29.

### **Charitable funds**

All charitable fund expenditure is classed as granted to the hospital from its charities. Property, plant and equipment plus intangible (e.g. software) items over £5,000 are capitalised and included in the Trust's closing non-current assets on its Statement of Financial Position. The Charitable Funds Annual Report and Accounts for 2018/19 is published separately and is available from the Trust on request.

## Future Developments

Following the NHS turning 70 in 2018, this year sees the publication of guidance to develop a new long term plan. This refresh of the long term plan will need to further address the challenge of a growing and ageing population, people living with multiple and complex health issues and a challenging financial environment mean pressures on the service are greater than they have ever been. Our annual report this year again reflects this position – with performance in some areas, particularly ED waiting times under strain.

We - like the rest of the NHS - need to adapt and evolve to meet these challenges. The long term plan guidance, published by NHS England in January 2019 – accompanied by proposals for possible changes to legislation (published in February 2019) - sets out a series of practical steps to deliver a better, more joined-up, more responsive and more sustainable NHS.

This reaffirms that our long term clinical, operational and financial ambitions can no longer be delivered alone. They need to be addressed by our health and care systems working together, with joint accountability for the populations we serve – and focused on the issues that matter most to the public. To support this transformational approach the Trust is collaborating with health and social care organisations in Derbyshire and South Yorkshire. As partners and contributors to both of these regional Sustainability and Transformation Plans (STP) we have an opportunity to enable service re-design across the board, that's aligned to our own clinical services strategy.

The Trust continues to work collaboratively within the Joined Up Care Derbyshire STP to deliver five main priorities to help give people in Derbyshire a great start in life and support them to be healthy, live well and stay well:

1. To do more to prevent ill health and help people take good care of themselves.
2. To tailor services so they look after and focus on people in their communities, so people get better, more targeted care and support.
3. To make it easy for people to access the right care, whenever it is needed, so everyone gets better quality, quicker support across the system. This would help keep Accident & Emergency, Minor Injury Units and Urgent Care Centres free for patients who really need them.
4. To get health and social care working seamlessly together so people get consistently high quality, efficient, coordinated services, without gaps or duplication.  
To make organisations as efficient as possible so money is pumped into services and care, with running costs kept low.

With a focus on creating an improved solution to urgent care provision, work is currently underway to expand the existing ED by approximately fifty per cent. Following the recent approval of proposals to develop an Urgent Care Village, phase two of this development will commence in 2019-20. This will blur the lines between primary and secondary care to ensure people coming in through our front-door are seen by the right clinicians, in the right place for an improved experience. Working collectively with our partners, to enable a more flexible service and workforce - that together delivers both productivity and efficiency - will support the Trust to deliver better health outcomes and high-quality care.

The Trust continues to participate within the Hospital Services Review, commissioned to review how services could be provided so that everyone in South Yorkshire and Bassetlaw has equal access to high quality, safe hospital services now and into the future. Work is focused on urgent & emergency care; maternity services; hospital services for children; gastroenterology and acute stroke (early supported discharge and rehabilitation). Outcomes from the review were published in May 2018 and this is informing the 2019-20 programme of work.

### **Significant activities in the field of research and development**

In 2018/19, recruitment to clinical research activity showed an increase on the previous year across a range of clinical specialties. A re-structure of the management team was undertaken to provide improved visibility of research and support increased activity across the Trust. Further information about the Trust's research activities can be found on page QA27 of the Quality Account, which is the section after the annual report.

### **Financial risk management**

Financial risk management is disclosed in Note 37 to the annual accounts and financial statements in the last section of the annual report and accounts.

### **Quality governance**

#### **Care Quality Commission (CQC)**

From April 2010, all health and adult social care providers who provide regulated activities were required by law to be registered with the Care Quality Commission (CQC). The Trust was registered without conditions by the CQC on 1 April 2010.

#### **Ongoing compliance**

As part of their routine programme, during September to November 2018, the CQC undertook an inspection of Trust services which included five core services (medicine, surgery, children and young people, end of life care and community child and adolescent mental health services) and an inspection of the well-led key questions at trust level. Our findings are in the section headed "Is this organisation well led?"

The inspection demonstrated clear improvements being made with an increase in the number of areas rated as good and two services receiving outstanding for caring. Overall the Trust is now good in all domains.

See Compliance with Care Quality Commission targets section on page AR151.

Further information on patient care, targets for improvement and service quality can be found in the Quality Account.

The board is satisfied that there are no material inconsistencies between the annual governance statement, the board statements required by NHS Improvement's Single Oversight Framework, and the outcome of Care Quality Commission inspections and the action plans arising from these.

### **Other disclosures in the public interest**

#### **Accounting policies for pensions and other retirement benefits**

The accounting policies for pensions and other retirement benefits are set out in Note 1.4 to the annual accounts and financial statements in the last section of the annual report. The arrangements for senior employees' remuneration can be found in the remuneration report on pages AR97 to AR109 of the annual report.

### **Related party transactions**

Under International Accounting Standard (IAS) 24 'Related Party Disclosures' the Trust is required to disclose, in the annual accounts, any material transactions between the NHS Foundation Trust and other NHS and Government bodies, members of the Board and key management personnel and parties related to them. Any such disclosures are set out in Note 36 to the annual accounts and financial statements in the last section of the annual report.

### **External auditors**

The Trust's auditors for 2018/19 were:

KPMG  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

### **External auditors**

The external auditors were re-appointed for a three-year term from 1 April 2017 following a competitive tendering process. Details of the auditors' remuneration are set out in Note 11 to the annual accounts and financial statements in the last section of the annual report.

The Trust did not purchase any non-audit services from the external auditors that are outside Code of Audit Practice issued by the National Audit Office (NAO) during 2018/19.

### **Disclosure of information to auditors**

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

### **Information risks and data losses in 2018/19**

The Trust recognises the extreme sensitivity of much of the data that it holds, in particular the clinical records of individual patients. Patient records contain personal details of the most intimate nature and it is the responsibility of the Trust to ensure that the security and confidentiality of this information is protected.

Information governance (IG) is the umbrella term covering all aspects of the management of personal records and data. This ranges from technical measures such as those to prevent computer hacking, through the training and development of staff, to the format and content of individual records. In total, there are 45 different subject areas covering both electronic and paper-based systems.

There are strict rules governing the management of data, which includes the requirement to report any significant breach of confidentiality. During 2018/19, the Trust reported one Serious Untoward Incident to the Information Commissioner's Office (ICO) who were satisfied with the corrective and preventive action taken by the Trust and advised no further action was necessary.

### **Management of information security**

In order to ensure that high standards are maintained, the board of directors receives periodic updates of current IG issues, as well as a regular annual report of performance against national monitoring processes.

The Medical Director acts as the Caldicott Guardian, a role which provides guidance on all aspects of the security and confidentiality of clinical record keeping, as well as approving the purposes for which clinical data can be used.

The Director of Finance and Contracting acts as Senior Information Risk Owner (SIRO), a role which has overall operational responsibility for all information risk issues.

The ICT Quality & Governance Manager is appointed as the Trusts Data Protection Officer (DPO) who advises on data protection law and monitors Trust compliance as well as liaising with the Information Commissioners Office.

### **Annual monitoring**

The annual information governance self-assessment exercise has been replaced with the Data Security & Protection Toolkit (DSPT) provided by NHS Digital. The Trust has successfully completed its inaugural DSPT submission with a status of 'standards met' for the 100 mandatory evidence items during 2018/19.

Additionally, the Trust audit partner, 360 Assurance, has completed its independent assessment of the Trust DSPT submission and the one action raised has been completed on time and is now closed.

The Trust continues to strengthen its IG capabilities and is well placed to secure longer term compliance with the standards.

### **Key partnerships**

Throughout the pages of our annual report we highlight ways we are working collaboratively with health and social care partners to deliver NHS and care services that are more joined-up, more responsive and sustainable.

As partners and contributors to health and social care transformation in both Derbyshire and South Yorkshire, we are looking to create services that will improve the quality of care we provide to patients and that will also ensure our Trust is clinically, operationally and financially sound and sustainable.

Re-designing services and forming new models of care must be done with input from our patients and the public to ensure they have a voice and can tell us about what matters to them. You can read more about the on-going partnerships with Joined Up Care Derbyshire and South Yorkshire & Bassetlaw Integrated Care System on AR53.

### **Any other public and patient involvement activities**

Details of patient and public involvement activities are given on page AR78 of the annual report.



## Governance of the Trust

### Board of Directors

#### Introduction

The board of directors manages the business of the Trust and is the legally responsible body for the delivery of high quality, effective services and for making decisions relating to the strategic direction, financial control and performance of the Trust.

The board of directors has a business focus, providing active leadership of the Trust within the framework of prudent and effective controls to ensure regulatory compliance.

All members of the board of directors have joint responsibility for every decision of the board of directors regardless of their individual skills or status.

#### Role of the board of directors

The role of the board of directors includes:

- Setting targets, monitoring performance and ensuring the resources are used in the most appropriate way;
- Providing active leadership of the Trust within a framework of prudent and effective controls, which enables risk to be assessed and managed;
- Making sure the Trust performs in the best interests of the public, within legal and statutory requirements;
- Responsibility for ensuring the quality and safety of healthcare services, education, training and research delivered by the Trust and applying the principles and standards of quality governance set out by the Department of Health and Social Care, the Care Quality Commission and other relevant NHS bodies;
- Being accountable for the services provided and how public funds are used, and exercising those functions effectively, efficiently and economically;
- Making sure the Trust complies with the terms of its provider licence issued by NHS Improvement;
- Having specific duties relating to audit, remuneration, clinical governance, charitable funds and risk assurance;
- Deciding the Trust's strategic direction in consultation with the council of governors;
- Setting the Trust's values and standards of conduct and ensure that its obligations to its members, patients and other stakeholders are understood and met; and
- Working in partnership with the council of governors.

#### Board focus

The board of directors has reviewed its values and standards to ensure that they meet the obligations that the Trust has to its patients, members of staff and other stakeholders. Periodically the board of directors reviews the strategic aims after consultation with the council of governors and takes responsibility for the quality and safety of the healthcare services, education, training and research.

The board develops its understanding of the views of governors and members through the regular attendance of board members at meetings of the council of governors, meetings between the governors and the non-executive directors, and directors' participation in meetings involving members, such as the Annual Members' Meeting.

### **Composition of the board of directors**

The board is a unitary board consisting of a non-executive chair, between five and eight non-executive directors and between five and eight executive directors. The composition of the board of directors is in accordance with the Trust's constitution and is appropriate to fulfill its statutory and constitutional function and comply with the terms of NHS Improvement's provider license.

### **Chair**

The chair is responsible for ensuring that the board of directors' focuses on the strategic development of the Trust and for ensuring robust governance and accountability arrangements are in place, as well as evaluating the performance of the board of directors, its committees and individual non-executive directors.

### **Executive directors**

The executive directors are responsible for the day-to-day operational management of the Trust, including the management and deployment of staff, and day-to-day decisions on the use of the Trust's resources. The decisions delegated to the executive management of the board of directors are set out in the board's reservation and delegation of powers scheme. The executive directors share corporate responsibility with the non-executive directors for the stewardship of the Trust.

### **Non-executive directors**

The non-executive directors share the corporate responsibility for ensuring that the Trust is run efficiently, economically and effectively. Non-executive directors use their independence, expertise, interest and experience to scrutinise the performance of management, monitor the reporting of performance, and satisfy themselves as to the integrity of financial, clinical and other information. The non-executive directors also fulfill their responsibility for determining appropriate levels of remuneration for executive directors.

The board's small number of standing committees has allowed all the non-executive directors scope to develop their skills and experience as members of committees and, in most cases, as committee chairs. Internal induction and development for the non-executive directors has been supplemented by their involvement in external networks and paid training identified through appraisal.

Directors' summary biographies can be seen on pages AR63 to AR71 of the annual report. These describe the skills, experience and expertise of each current director. The board considers that the balance and completeness of these are appropriate to the requirements of the Trust's stewardship.

### **Meetings of the board of directors and its committees**

Directors' membership of board committees and attendance at meetings of the board and its committees in 2018/19 are set out on pages AR73 and AR74 of the annual report.

### **Board development**

The individual performance of the chair and non-executive directors is evaluated annually by the council of governors. The individual performance of the executive directors is evaluated annually by the chair and non-executive directors.

Committees of the board undertake self-assessments on a regular basis and report the outcome to the board. The board regularly reviews its performance and its effectiveness as a unitary board. In June 2018 Jay Bevington of Deloitte's undertook a Board Survey to support its development. No connection to the Trust was declared.

## Board committees

The board of directors has the following committees during the year:

- Audit and risk committee;
- Remuneration committee;
- Finance and performance committee;
- Quality assurance committee;
- People committee;
- Charitable funds committee.

The board of directors has delegated responsibilities to these committees to undertake specified activities and provide assurance to the board. The committees provide the board with written minutes of their proceedings.

A summary of each committee's role and activities during 2018/19 is set out below:

### Audit and risk committee

The audit and risk committee is chaired by Mike Killick, non-executive director. Its purpose is to coordinate the provision of objective assurance to the board of directors that the processes are in place across the Trust to ensure high quality governance and internal control systems are maintained.

The audit and risk committee exercises lead responsibility for the board assurance framework, which governs the agendas of all the board's assurance committees. It also has overall responsibility for establishing a strategic and pro-active approach to risk management.

Its main duties are defined in its terms of reference and it receives reports from internal and external auditors as well as executive directors undertaking detailed examination of financial, governance and value for money reports received by the board of directors.

The audit and risk committee has overseen the following areas of action:

- Considered internal audit reports and reviewed the recommendations, management response and implementation associated with the internal audit report;
- Considered the annual report and accounts and associated documents, which included reviewing the work and findings, and considering the advice of the external auditor, to provide assurance to the board of directors;
- Provided continuing monitoring of the financial controls of the Trust;
- Reviewed and provided challenge to the board assurance framework and the Trust risk report at each meeting;
- Reviewed and considered Cyber Security risk and potential contract risks;
- Managing conflicts of interest;
- Governance of the wholly owned subsidiary;
- Considered counter fraud reports and risk assessments; and,

In 2018/19 the Trust's internal audit function has been provided by 360 Assurance. The internal audit programme is based on assuring and improving the effectiveness of risk management and the system of internal control, and is linked to the principal risks to the achievement of the Trust's strategic objectives, through the board assurance framework.

The Trust's external auditor is KPMG. The Trust expects its external audit provider to act independently. Under the terms of engagement they are required to have control processes in place to ensure that this status is preserved and to notify the audit and risk committee of any matter that could compromise the independence or objectivity of the audit team. The audit and risk committee has monitored this position and the auditor is required under ISA 260 to give an opinion on the annual governance statement.

Through the audit and risk committee programme, the board has conducted a review of the effectiveness of its system of internal controls.

The audit and risk committee has assessed the effectiveness of the internal and external audit processes in terms of a range of factors, including:

- Actual cost compared with plan;
- Actual areas covered compared with the plan;
- Conformity with audit code requirements;
- Effectiveness of recommendations;
- Continuity of staffing;
- Timeliness of preparation;
- Factual accuracy;
- Use of staff with specialist skills.

#### **Remuneration committee**

The membership of the remuneration committee consists of all the non-executive directors, as set out on pages AR63-68 and AR73 of the annual report.

#### **Finance and performance committee**

The finance and performance committee is chaired by Alison McKinna, non-executive director. The committee's purpose is to coordinate the provision of objective assurance to the board of directors that the systems for financial and performance management are robust and effective; that financial and performance metrics and priorities are built from reliable sources of information; the risks to delivery of targets and standards are being managed and that action taken will result in the intended outcomes.

The finance and performance committee's work programme is governed by the board assurance framework and its main duties are defined in its terms of reference.

The committee receives reports from executive directors undertaking detailed examination of financial and performance risk and has overseen the following areas of action:

- Financial performance report
- Operational plan
- Integrated performance report
- Cost improvement plans
- Capital planning
- IM&T strategy
- Divisional performance assurance
- Derbyshire STP financial planning
- Improvement and transformation programme
- High level risk report
- Board assurance framework

### **Charitable funds committee**

The charitable funds committee is chaired by Beverley Webster, non-executive director, and is responsible for making sure money donated to the hospital is spent wisely. Its main duties are defined in its terms of reference.

During 2018/19, the committee agreed the use of the Trust's charitable funds to support a number of projects, including:

- New Wheelchairs (£98,658);
- Purchase and installation of benches across the site (£18,748);
- Ultrasound for Pain Clinic (£29,012).

### **Quality assurance committee**

The committee was chaired by David Urpeth, non-executive director until October 2018. Linda Challis, non-executive director, then took over the role of chair with meetings being held bi-monthly (six times per year). It provides assurance to the board of directors that the Trust is delivering sustainable high quality care to patients. The committee's work programme is governed by the board assurance framework and it has responsibility for providing assurance to the board on the risks, relating to the provision of high quality, safe and person-centred care.

The committee ensures that the Trust is focused on the delivery of sustainable, appropriate and high-performing services through the monitoring and delivery of its Quality Strategy. Its main duties are defined in its terms of reference. The range of issues considered by the committee includes:

- Clinical effectiveness (clinical audit, NICE, confidential enquiries and mortality)
- Patient Experience (Family and Friends test, national surveys, complaints and concerns)
- Patient safety – (learning from incidents, inquests and claims, duty of candour)
- Safe staffing
- Medicines management
- Infection prevention and control
- Safeguarding of adults and children
- Quality Ambitions defined within the Quality Strategy 2016/18
- Commissioning for Quality and Innovation Schemes (CQUINS)
- Quality Impact Assessments
- The Quality Account.
- Board Assurance Framework
- High level risk report



## People committee

The committee is chaired by Jeremy Wight, non-executive director and meetings are held bi-monthly (six times per year). It provides assurance to the board of directors that the Trust is delivering all aspects of the Trust's people and organisational development agenda. The committee's work programme is governed by the board assurance framework and it has responsibility for providing assurance to the board on the risks, relating to supporting and developing its staff.

The committee ensures that the Trust is focused on the delivery of the Trust's people and organisational development agenda through the monitoring and delivery of its People Strategy. Its main duties are defined in its terms of reference. The range of information and issues considered by the committee includes:

- Board Assurance Framework
- Trust Risk Report
- Refresh of the People Strategy and monitoring of progress against the priorities
- Staff Appraisals
- Staff Health and Wellbeing
- Staff Engagement
- Leading the Chesterfield Way leadership development
- Staff induction
- Essential Training
- Reward and Recognition
- Equality, Diversity and Inclusion
- Staff Forum
- Workforce Strategic Plan
- Workforce delivery
- National Staff Survey and Your Voice Surveys
- Flexible Working

## Board of Directors



**Chair: Dr Helen Phillips**

**Appointed 12 April 2015 to 1 March 2018**

**Re-appointed 2 March 2018 to 1 March 2021**

Following a 20 year career as an Environmental regulator and subsequently as an Executive Board Director of Yorkshire Water, Dr Helen Phillips now holds a number of national and regional non- executive roles.

Now in her second term as Chair of Chesterfield Royal Hospital NHS Foundation Trust, she has since 2017 also chaired the Legal Services Board, the oversight regulator of the legal sector. In 2018 Helen was appointed to the Board of Social Work England, the new professional standards body for social work which assumes its powers in 2019. Helen is also Chair of a Jesuit Trust comprising two independent schools, Mount St Marys College and Barlborough Hall School. Additionally Helen is a member of the Sheffield Business School Advisory Board.

Helen's executive career included senior roles with the Environment Agency, in Wales and England, following which she was appointed as the first Chief Executive of Natural England in 2006. Educated at Mount Anville in Dublin, Helen graduated from University College Dublin as a zoologist, and where she also took her PhD in freshwater biology. Helen is a Fellow of the Royal Society of Biology.



**Non-Executive Director:  
Linda Challis**

**Appointed 1 September 2012 to 31 August 2015**

**Re-appointed 1 September 2015 to 31 August 2018**

**Re-appointed 1 September 2018 to 31 March 2019**

**Deputy Chair and Senior Independent Director (from 5 July 2014)**

Linda has a successful background in senior human resources leadership roles in the retail, telecommunications and utilities sectors, accumulating a breadth of experience in the strategic development of people and organisations. She was group HR director for United Utilities PLC, a FTSE100 company where Linda led substantial organisation and cultural change.

Linda has brought her expertise and influencing skills in a non-executive capacity to public and not-for-profit environments. She delivered organisation development consultancy assignments with non-acute NHS organisations. She also served for six years as a non-executive director for the University for Industry (UFI) and Learndirect. She is a lay member of the Derbyshire Magistrates Advisory Committee.



**Non-Executive Director:  
Alison McKinna, BSc MCIPS  
MBA**

**Appointed 1 September 2012  
to 31 August 2015**

**Re-appointed 1 September 2015  
to 31 August 2018**

**Re-appointed 1 September 2018  
to 31 August 2021**

Alison has a successful background in reconfiguration of blue chip organisations as a client focused business leader and deliverer of strategic change. Alison has a proven record of developing strategic vision, facilitating Board decision making, and then delivering results through high performing teams. Alison delivers innovation and change through strong team communication and people development skills, including internal and external stakeholder networks.

Alison is currently Executive Director of Corporate Services for Social Work England and was formerly a Partner at Irwin Mitchell. Alison has national and international experience across multiple complex industry sectors (utilities, financial services, insurance, technology, legal services and regulation) as well as a Non Executive Director within the NHS.



**Non-Executive Director:  
Beverley Webster OBE**

**Appointed 1 September 2012  
to 31 August 2015**

**Re-appointed 1 September 2015  
to 31 August 2018**

**Re-appointed 1 September 2018  
to 31 August 2021**

Beverley is director and shareholder of Malaczynski Burn Investment Consultancy. She has run her own businesses throughout her career initially in the manufacture of mining and construction equipment. She has been involved in mining and construction at industry level and was President of the Association of British Mining Equipment Companies for six years (1994-2000). Through this work she was awarded an OBE for services to the coal industry.

Beverley has held a number of board roles nationally and locally connecting business and education and with charitable organisations including Neurocare who provide technology and research funding to Sheffield Teaching Hospitals.

She is Chair of the Career Ready Advisory Board and of Charlie's Trust Charity, and is a Trustee Director of Sheffield Hospital Charity. Beverley is also Vice President of Sheffield United Football Club.



**Non-Executive Director:  
Dr David Pickworth**

**Appointed 1 October 2012 to  
30 September 2015**

**Re-appointed 1 October 2015 to  
30 September 2018**

David left his practice as a GP in 2012 after 35 years. Alongside his clinical practice he has significant board experience which includes being a member of the Local Medical Committee (1978-2001), member and later non-executive director of North Derbyshire Health Authority (1988-2001) and board member of The High Peak and Dales Primary Care Trust (2002-08) where he was also clinical governance lead for two years. David is also a mental health assessor for Deprivation of Liberty, Safeguarding, and approved under section 12 of The Mental Health Act.

David left the Trust in September 2018 when his second term of office came to an end.



**Non-Executive Director:  
David Urpeth**

**Appointed 1 August 2015 to 31  
July 2018**

**Re-appointed 1 August 2018**

**Resigned from role 24 October  
2018**

David was an Equity Partner and National Head of Workplace Injuries with Irwin Mitchell Solicitors for more than 25 years which brought with it a significant amount of experience creating and implementing strategies within strict budgets. The role also placed a heavy emphasis on Human Resources.

David is a barrister. Since January 2008 David has performed a part time judicial role as HM Assistant Coroner for South Yorkshire West as well as acting as an Advisory Board Member for Nottingham University and accepting the position of Honorary Professor at Nottingham University in 2012. David is one of the trainers for the Judicial College and an assessor for the Law Society's Personal Injury Panel.

Throughout his career, David has gained extensive senior level experience of managing risk, independent judgment, commercial awareness and the ability to accurately and quickly analyse and assess complex information and is a valuable addition to the board.

David stepped down from his role of non-executive director in October 2018



**Non-Executive Director:  
Jeremy Wight**

**Appointed 1 August 2015 to 31  
July 2018**

**Re-appointed 1 August 2018 to  
31 July 2020**

Jeremy's background is in public health, having held Director or Deputy Director of Public Health roles within Wakefield Health Authority, Sheffield Primary Care Trust and Sheffield City Council since the turn of the century.

He gained extensive Board level experience in the NHS in eleven years on the boards of North Sheffield and Sheffield Primary Care Trusts, and as Director of Public Health for South Yorkshire and Bassetlaw PCTs during 2012-13 PCT 'clusterings'. Jeremy has also worked as a Consultant Advisor for NICE, and serves as a trustee on two charities.

As well as his medical training and clinical experience, Jeremy has expertise in clinical governance and a wealth of experience managing budgets, including shared responsibility for a £1Bn budget for Sheffield PCT, giving him a broad understanding of the needs and perspectives of patients.



**Non-Executive Director:  
Philip Severs**

**Appointed 20 November 2013  
to 19 November 2016**

**Re-appointed 20 November  
2016 to 19 November 2019**

**Resigned from role 31 May  
2018**

Philip Severs was the Director of Finance at Sheffield Hallam University from February 2001 until his retirement in December 2016. He was responsible for the development and implementation of financial strategy and led the Finance directorate in providing a full set of financial business support functions. As a member of the University's Leadership Team, Philip took collective responsibility for the University's overall strategic direction.

Prior to joining the University, Philip gained substantial public and private sector experience building a major part of his career in transport organisations responding to the privatisation and deregulation agenda. He has played a central role in driving major corporate change and, as well as being responsible for finance, has also held commercial and operational management responsibilities. Within his previous role, he was Project Director for the £145m Midland Metro light rail project.

Philip has held a number of non-executive roles in the past; these organisations included the Sheffield Industrial Museum Trust, Futures Homescape Limited, Derbyshire Community Health Service NHS Trust and the Northern Consortium UK Limited (NCUK). In December 2013, Philip was appointed to the Board of Chesterfield Royal Hospital Foundation Trust as a non-executive director.

Philip holds a BSc in Mathematics and Economics from the University of Nottingham, is a fellow of the Chartered Association of Certified Accountants and a member of the Chartered Management Institute. He is married with two daughters and three grandchildren and lives in Chesterfield.

Phillip stepped down from his non-executive role in May 2018 following his relocation to Harrogate.





**Non-Executive Director:  
Michael Killick**

**Appointed 18 June 2018 to 17  
June 2021**

Mike is both a qualified chartered management account and chartered company secretary. He has over 30 years' experience in the private sector in a wide range of business-to-consumer organisations.

He has a wide range of financial expertise including Mergers & Acquisitions, business sales and disposals, material finance raising, cost reduction programmes, combined with extensive strategic planning and strategy execution.

Mike is also an experienced non-executive director.



**Non-Executive Director:  
Jayne Stringfellow**

**Appointed 24 September to 23  
September 2020**

Jayne has worked in the NHS as a nurse for 40 years and gained professional qualifications in nursing, midwifery, health visiting and NHS management. Throughout this time Jayne has always worked in roles requiring on-going clinical knowledge and skills. Most recently Jayne held the post of Chief Nurse working with several clinical commissioning groups across a period of six years. This involved being a Board member and also the Executive Director lead for quality with a portfolio responsibility including quality assurance and improvement, patient experience, safeguarding, infection prevention and control, medicines management and primary care.

Jayne has extensive experience in clinical governance, analysing performance and quality data as well as interpreting financial information. She has previously worked with the Trust as a commissioner and Partner Governor. Jayne also has a wealth of experience in primary care having worked with general practice in Derbyshire for over 15 years including working as Assistant Clinical Director with Derbyshire County PCT. Jayne has been a member of a number of health and social care partnership boards and was also the senior responsible officer for maternity transformation within the Derbyshire STP.



**Non-Executive Director:  
Sue Glew**

**Appointed 1 January 2019 to 31  
December 2021**

Sue has more than 20 years' experience of working in an independent capacity in leadership roles in HR and Business Transformation, predominantly in the private sector. Her career is grounded in financial services, broadened over the years in retail, utilities (gas, electricity and water), construction, energy services, leisure, pharmaceuticals, media & communications.

Sue has worked on a diverse range of business change programmes for a number of blue-chip companies. Following her role as Interim Director of HR Services for the BBC, she went on to create an organisation-wide change management strategy & plan for a programme that brought significant changes to people, policies, systems, processes and culture.

Sue is currently Director of HR Programmes and Change at BT and is an APMG qualified Change Management Practitioner.



**Chief Executive:  
Simon Morritt**

Simon joined the Trust from Sheffield Children's Hospital, where he was Chief Executive from June 2011. He has more than 25 years' experience in the NHS, which he joined in September 1989 as a general management trainee in Greater Manchester.

After roles in Manchester, Wakefield and Doncaster he went on to be successful in number of senior positions. His first Chief Executive post was for the Doncaster Central Primary Care Trust in October 2000 and he was appointed Chief Executive of the former Bradford and Airedale Teaching Primary Care Trust (now NHS Bradford and Airedale) in October 2006.



**Medical Director (until 3 February 2019) :**  
**Dr Gail Collins BMBS, FRCPC**

Dr Collins graduated from Nottingham in 1988 after initially training in general medicine and then paediatrics - gaining dual accreditation in General and community paediatrics.

Before joining the Royal in the year 2000 she held a consultant post in Doncaster. Her first management post was as an Associate Clinical Director when acute and community children's services merged. She became a Clinical Director for the Women and Children's Directorate from 2003 - overseeing the development of an integrated children's service.

In 2008 she became Associate Medical Director at the Trust introducing appraisal and revalidation for medical staff. When the hospital introduced a divisional structure in October 2013, Dr Collins spent a few months as Divisional Director for Surgical Services before becoming Medical Director in April 2014. She continues to maintain her interest in neurodevelopmental paediatrics.



**Medical Director (from 4 February 2019) :**  
**Dr Hal Spencer MA, MB.BS,**  
**MRCP (uk)**

Dr Spencer was appointed to the position of Executive Medical Director at Chesterfield Royal Hospital NHS Foundation Trust at the end of 2018 - after spending two years as the Divisional Director for the hospital's Medicine & Emergency Care Division.

After undertaking his training in Cambridge and London, he went on to work as a junior doctor in Nottingham, Middlesbrough and Australia. He then completed his General Medicine and specialist Gastroenterology training in and around Sheffield, including a year as a Registrar in Chesterfield, where he joined the consultant team in 2004.



**Director of Workforce and  
Organisational Development:  
Zoe Lintin**

After completing her degree in Business and postgraduate qualification in HR management, Zoe began her career in HR as a Personnel Assistant at the law firm now known as DLA Piper. Zoe then worked at Northern Foods where she held a number of positions, latterly as the HR Manager for a division of the business covering four food manufacturing sites across the country.

After joining the NHS in February 2006 as Head of Human Resources at Sheffield Children's NHS Foundation Trust, Zoe was promoted to Deputy Director of Human Resources and Organisational Development in 2012.

She brought this experience with her when joining Chesterfield Royal Hospital NHSFT in April 2014 as Deputy Director of Workforce and Organisational Development. This became an extended deputy role from April 2015, when the Director post became a joint appointment across Chesterfield Royal and the community trust in Derbyshire on a secondment basis.

Zoe was appointed Acting Director of Workforce and Organisational Development in August 2016, until March 2017 when she was substantively appointed as Director of Workforce and Organisational Development at the Trust.



**Director of Nursing and Patient  
Care:  
Lynn Andrews**

Lynn joined the Trust in February 2014 as Director of Nursing and Patient Care from Circle where she was Lead Nurse from July 2011. Lynn trained in Scotland where her nursing experience was mainly within surgical nursing and moved to England in 1987 onto roles in critical care. She then had a brief period outside the NHS as a critical care adviser for Boehringer Ingelheim, before returning to nursing in the NHS.

Lynn became nurse manager at Nottingham City Hospital NHS Trust, and was also seconded to George Eliot Hospital NHS Trust as divisional general manager, gaining experience in Emergency and Urgent care. She then moved to North Staffordshire NHS Trust (2002 – 2005) as professional head of nursing, progressing to a corporate role as assistant director of nursing. She held the deputy director of nursing post at Northampton General Hospital (2005– 2007), following which she broadened her career as assistant director of nursing and patient care for the East Midland Strategic Health Authority (2007–2012).

Lynn possesses a BSc in Health Studies from Nottingham Trent University, MSc in Health Policy from Stafford University and has undertaken the NHS Leadership Academy Nye Bevan programme since joining the Trust.



**Director of Finance and Contracting:  
Lee Outhwaite**

Lee joined Chesterfield in August 2017. His role covers Finance, Procurement, Estates and Facilities, ICT and the Chesterfield Royal Hospital Charity. He also is the Director of Finance for Joined Up Care Derbyshire (the Derbyshire STP). Lee has worked in the NHS, since 1993, in a number of finance roles, in Devon, Hampshire, Surrey, London and Derbyshire. He is a member of the Chartered Institute of Public Finance and Accountancy.

Prior to this role he worked at NHS Improvement, where he was the Business Director for London. In addition to oversight of London Trusts, he was involved in a number of national policy areas. Prior to moving to the NHS Improvement, Lee was Director of Finance and Performance at Derby Teaching Hospitals NHS Foundation Trust, for seven years.

Lee is a Trustee of the Healthcare Financial Management Association (HFMA), sits on the awarding body of HFMA's qualification and sits on HFMA's Policy and Research committee. Lee also is a Trustee and Honorary Treasurer of Women's Work, a Derbyshire based charity. In addition, he is also currently pursuing a Professional Doctorate at Keele University, in their Public Policy and Management faculty.



**Chief Operating Officer:  
Tony Campbell**

Tony trained as a chemist and joined Rolls Royce (1983-2004), where he developed his leadership and improvement experience in a range of management and improvement roles.

In these roles he led major change programmes for Rolls Royce, increasing in scale and impact and covering the complexity of services delivered on multiple sites.

Tony wanted a different challenge in a different sector and joined the NHS. He spent ten years at Derby Hospitals, starting as a general manager, then divisional director roles and Improvement director.

Tony joined the Trust in February 2014 as Director of Strategy and Performance. He was appointed as Acting Chief Executive in March 2016 and in September 2016 appointed as Chief Operating Officer of the Trust and continues to lead and influence change within and beyond the boundaries of the Trust.



### **Register of directors' interests**

The Trust holds a single register of interests which includes any interests declared by members of the board of directors. They must disclose details of company directorships or other positions held, particularly if they involve companies or organisations likely to do business, or possibly seeking to do business with the Trust.

The public can access the register at: <https://www.chesterfieldroyal.nhs.uk/about-us/conflicts-interest>

### **Contact with the directors**

All directors can also be contacted at [CRHFT.Communications@nhs.net](mailto:CRHFT.Communications@nhs.net)

### **Board of directors and council of governors**

The chair also chairs the council of governors meetings. This is a unique position which ensures that there is effective communication between the board and the council. Governors are invited to discuss strategic issues in detail at the council of governors meetings and advise the chair of their views. The chair ensures their views are considered at the board of directors meeting as part of the decision making process.

Informal joint meetings between the directors and the governors are held twice a year. The non-executive directors also meet the governors four times a year to help promote shared understanding of the non-executive role.

Where a dispute between the council of governors and the board of directors occurs, in the first instance the chair of the Trust would endeavor to resolve the dispute. Should the chair not be willing or able to resolve the dispute the senior independent director and the deputy chair of the council of governors would jointly attempt to resolve the dispute.

Should the senior independent director and the deputy chair of the council of governors not be able to resolve the dispute, the board of directors, pursuant to section 15(2) of schedule 7 of the 2006 Act, would decide the disputed matter.

## Board of Directors Membership and Attendance - 1 April 2018 and 31 March 2019

Name	Position	Board of Directors	Council of Governors	Finance & Performance Committee	Audit & Risk Committee	People Committee	Quality Assurance Committee	Charitable Funds Committee	Remuneration Committee
<b>Simon Morritt</b>	Chief Executive	<b>10/10</b>	6/7	<b>4/6</b>	--	--	--	--	--
<b>Lee Outhwaite</b>	Director of Finance & Contracting	<b>9/10</b>	7/7	<b>6/6</b>	6/6	--	--	<b>4/4</b>	--
<b>Gail Collins</b>	Medical Director (until 3 February 2019)	<b>8/8</b>	3/5	--	--	<b>4/5</b>	4/5	--	--
<b>Hal Spencer</b>	Medical Director (from 4 February 2019)	<b>1/2</b>	1/2	--	--	<b>1/1</b>	1/1	--	--
<b>Lynn Andrews</b>	Director of Nursing & Patient Care	<b>10/10</b>	5/7	--	3/6	<b>5/6</b>	5/6	--	--
<b>Tony Campbell</b>	Chief Operating Officer	<b>10/10</b>	4/7	<b>5/6</b>	--	<b>3/6</b>	--	--	--
<b>Zoe Lintin</b>	Director of Workforce & Organisational Development	<b>10/10</b>	4/7	--	--	<b>6/6</b>	--	--	--
<b>Helen Phillips</b>	Chair	<b>10/10</b>	7/7	--	--	1/3	--	--	<b>6/6</b>
<b>Linda Challis</b>	Non-Executive Director	<b>10/10</b>	7/7	--	<b>5/5</b>	<b>3/6</b>	<b>5/6</b>	--	<b>5/6</b>
<b>Alison McKinna</b>	Non-Executive Director	<b>7/10</b>	4/7	<b>5/6</b>	<b>5/6</b>	--	--	--	<b>5/6</b>
<b>David Pickworth</b>	Non-Executive Director (until 30 September 2018)	<b>3/4</b>	1/3	--	--	--	<b>2/3</b>	<b>0/3</b>	--

<b>Beverley Webster</b>	Non-Executive Director	<b>10/10</b>	5/7	<b>3/3</b>	<b>3/5</b>	--	--	<b>4/4</b>	<b>6/6</b>
<b>Philip Severs</b>	Non-Executive Director (until 31 May 2018)	<b>1/2</b>	0/1	<b>1/1</b>	--	--	--	<b>0/1</b>	--
<b>David Urpeth</b>	Non-Executive Director (until 24 October 2018)	<b>5/5</b>	2/4	<b>1/3</b>	--	--	<b>3/3</b>	--	--
<b>Jeremy Wight</b>	Non-Executive Director	<b>9/10</b>	5/7	--	--	<b>4/6</b>	<b>5/5</b>	--	<b>5/6</b>
<b>Michael Killick</b>	Non-Executive Director	<b>7/8</b>	1/5	<b>2/4</b>	4/4	--	--	1/2	<b>3/4</b>
<b>Jayne Stringfellow</b>	Non-Executive Director	<b>6/6</b>	4/4	--	--	<b>3/3</b>	<b>3/3</b>	--	<b>3/3</b>
<b>Sue Glew</b>	Non-Executive Director	<b>3/3</b>	2/2	<b>0/1</b>	--	<b>1/2</b>	--	--	<b>2/2</b>

**Notes:**

X/Y = number of meetings attended out of the total number possible

**Bold** indicates that the director was a member of the committee; figures not shown in bold indicate that the director was not a member but in attendance.

## Council of Governors

### Composition, roles and responsibilities

Every foundation trust is accountable to its local population and staff who have registered for membership. All foundation trusts are required to have a council of governors.

Chesterfield Royal Hospital NHS Foundation Trust has a council to which governors are elected or appointed as follows:

<b>19 public governors</b>	Elected	From seven public constituencies.
<b>5 staff governors</b>	Elected	one from medical and dental;  one from nursing and midwifery;  one from allied health professionals, pharmacists and scientists;  one from all other staff groups; and  one from community and primary care
<b>8 partner governors</b>	Appointed	one from clinical commissioning groups;  three from local authorities;  two from the education sector; and  two from the voluntary sector

The council of governors is chaired by the Trust's chair, Dr Helen Phillips. The deputy chair of the council of governors and lead governor for the Trust is Denise Weremczuk, public governor.

The council of governors' prime role is to represent the interests and views of Trust members, the local community, other stakeholders and the public in general in the stewardship of the Trust. It has a right to be consulted on the Trust's strategies and plans and any matter of significance affecting the Trust or the services it provides.

The council of governors' roles and responsibilities are outlined in law and are detailed in the Trust's constitution. The governors have a number of important responsibilities to perform and are expected to act in the best interests of the Trust. The council of governors would be expected to inform NHS Improvement if it believed that the Trust was at risk of breaching its provider licence.

The council of governors is specifically responsible for the:

- Appointment and removal of the chair and other non-executive directors;
- Approval of the appointment of the chief executive;
- Appointment and removal of the Trust's external auditor;
- Receipt of the annual report and accounts;
- Approval of changes to the Trust's constitution (a joint responsibility with the board of directors);
- Approval of any proposal by the Trust to enter into a significant transaction;
- Approval of any application by the Trust to enter into a merger, acquisition, separation or dissolution; and
- Approval of any proposed increase of more than 5% of total income in the amount of the Trust's income attributable to activities other than the provision of goods and services for the purposes of the health service in England.

### **Link with board of directors**

The council of governors holds the non-executive directors to account for the performance of the board of directors. This increases the level of local accountability in public services.

The council of governors has the right to be consulted by the board of directors regarding future plans and strategies (e.g. the five-year strategy refresh, the one-year operational plan) and the monitoring of performance against the Trust's strategic direction.

By the governors working in partnership with the board of directors, through representation on specific groups and committees and through 'task and finish' groups established jointly with directors to look at specific issues, the views of governors are taken into consideration in board of directors' discussions and decision-making.

To facilitate the board of directors' understanding of the views of governors and members, an oral update is provided by the chair and the minutes of the council of governor meetings are provided to the board of directors. Additionally, directors are invited to attend council of governors meetings, directors join governors for the governors' twice yearly strategy and development sessions, and four meetings of the governors and non-executive directors take place per year.

### **Meetings of the council of governors and its committees**

Governors' membership of the council and its committees, and attendance at meetings of the council and its committees in 2018/19, are set out on pages AR83 to AR85 of the annual report.

### **Elections**

Elections are held each year to fill seats on the council of governors held by public and staff governors whose current term of office is due to expire. A report on the elections held in 2018/19 can be found on page AR86 of the annual report.

### **Register of governors' interests**

The Trust holds a single register of interests which includes any interests declared by Trust members of staff and including members of the council of governors. Governors must disclose details of company directorships or other positions held, particularly if they involve companies or organisations likely to do business, or possibly seeking to do business with the Trust.

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## Contact with the governors

All governors can also be contacted at [CRHFT.Governors@nhs.net](mailto:CRHFT.Governors@nhs.net)

## Governors' expenses

Governors are not remunerated, but are entitled to claim expenses for costs incurred while undertaking duties for the Trust as a governor (e.g. travel expenses to attend council of governors meetings). A total of **£4,507.01** was paid as expenses to governors in 2018/19 (*£2,931.68 in 2017/18*). The number of governors who held office during 2018/19 was 35 (*38 during 2017/18*).

## Committees of the council of governors

The council of governors is supported in its work by the following committees:

- Nominations committee;
- Patient and public involvement committee; and
- Member and public engagement committee.

There is also a joint committee of the board of directors and the council of governors, the corporate citizenship committee.

The activities of the three committees of the council are shown on pages AR77 to AR81 of the annual report.

## Nominations committee

The role of the nominations committee is to:

- Oversee the recruitment of non-executive directors undertaken via an appointments committee convened for the purpose;
- Oversee the evaluation of the appraisal of the chairman. Receive appraisals of non-executive directors and council of governors;
- Periodically review and make recommendations to the council of governors on the remuneration of the chairman and non-executive directors;
- Consider and review the position of the governors in respect of any concerns relating to attendance, conduct or eligibility; and,
- Carry out any other functions as may be determined by the council of governors from time to time.

The nominations committee does not have decision-making powers, but will make recommendations for approval to the council of governors. The committee is chaired by Helen Phillips, the chairman of the Trust. Members of the committee are appointed, through elections held by the council, for between one and three years.



During 2018/19 the committee has undertaken the following work:

- Reviewed and agreed the evaluation processes for the council of governors;
- Reviewed the results of the council of governors evaluation and agreed the action points and report for presentation to the council of governors for review and approval;
- Reviewed the outcome of the non-executive directors' (including the Trust chair) appraisals and agreed the action points and reports for presentation to the council of governors for approval;
- Monitored the attendance and conduct of governors;
- Reviewed the outcome of the exit interviews with the non-executive directors leaving the Trust;
- Reviewed the governor measures of success aligned to the Board strategy and business plan;
- Reviewed the Trust's compliance against NHS Improvement's code of governance;
- Reviewed and approved the governor code of conduct;
- Reviewed and approved the committee's terms of reference;
- Considered the re-appointment of existing non-executive directors and made a recommendation on the re-appointments for the council of governors' approval;
- Considered the appointment of five new non-executive directors and made a recommendation on the appointments for the council of governors' approval;
- Considered the appointment of the senior independent director and made a recommendation on the appointment to the council of governors;
- Participated in the governor skills audit.

#### **Patient and public involvement committee (PPI committee)**

The PPI committee was established to strengthen the governance arrangements and recognise the special role and responsibility of the Council of Governors in representing the local community's interests.

The role of the PPI committee is to:

- Be actively involved in the patient and public involvement agenda
- Read briefing papers prior to meetings and updates distributed between meetings
- Review and influence Trust strategy and development plans and be consulted on changes and developments
- Ensure that the Council of Governors are updated on the PPI agenda including feedback from patients and the public, sharing good practice and action plans developed to improve local services
- Review and scrutinise reports to ensure identified actions are appropriate to support a patient centred approach
- Where required, represent the Council on related projects and initiatives e.g. environment checks, patient meals, standards for better health and staff education
- Develop links with the Assistance and Complaints Service (ACS)
- Prepare a commentary for the Quality Accounts on behalf of the full Council of Governors

The focus of the Committee is on all aspects of Patient Experience and Standards of Care including:

- Patient feedback and associated improvements
- Food/Nutrition
- Cleanliness
- Environment/privacy and dignity
- Site facilities, e.g. car parking, signposting
- All other aspects of customer service to patients and the public.

In addition to reporting to the Council of Governors on the work of the Committee, a non-executive member of the Committee reports to the Board of Directors and feeds information from Board back to the Committee.

Governor members of the committee are appointed through elections held by the council, for between one and three years.

**During 2018/19 the committee has:**

- Played an active part in Trust projects and groups, including:
  - Patient Feeding and Nutrition
  - Urgent Care Village Project
  - Medicine Safety Group
  - Patient Experience Working Group
  - Lady Mayoress joint initiative with the Trust's Charitable Funds Committee to create outdoor space (Retreat at the Royal)
- Carried out a regular programme of ward visits to talk to patients about their experiences of being in hospital and to staff about their understanding of patient experience, resulting in positive relationships with Matrons and leads, who say they welcome the visits; in 2018/19, visits extended to Royal Primary Care
- Reviewed and discussed reports on patient experience with Directors and Trust staff, including results of national surveys and the Friends and Family Test (FFT), complaints, concerns and good practice examples
- Taken part in patient engagement events, patient partnership and co-production work
- Received updates from Healthwatch and discussed associated topics
- Monitored progress and development of actions being taken across the Trust to improve patient and carer experience, including:
  - End of Life Care
  - Outpatient improvement project
  - Royal Primary Care
  - Listening into Action (LiA)
  - The Pain Clinic
  - The Team Around the Patient Model
  - Cancer Services
  - Ward heating and ventilation control
- Received presentations and commended Trust work of interest to the PPI Committee role, including:
  - Birth Talk Service
  - Special diets

- Reviewed and discussed Capital Programme updates for those areas impacting on patient experience at each Committee meeting, including:
  - Emergency Department (ED) upgrade
  - Pharmacy Upgrade
  - Imaging & MRI Upgrade
  - Site Access and Car Parking
  - Holywell Project Board
  - Retail – Costa and refreshment facilities
  - Ward upgrade programme, including Emergency Management Unit (EMU) and Clinical Decisions Unit (CDU); Intensive Therapy Unit (ITU)/High Dependency Unit (HDU)
  - Retreat at the Royal Project
  - Relax at the Royal Upgrade
  - Post-Aesthesia Care Unit (PACU) upgrade
  - Multi-faith room plans and spiritual care service
  - Buxton site
  - Ward Temperature Control

### **Membership engagement committee**

The member engagement committee met for the first time on 13 September 2018 and aims to develop and engage staff and public membership and to review and develop member activities.

Its key functions include:

- To develop and continuously review a Membership, Recruitment and Engagement Strategy and associated plans
- To review and analyse the Trust's membership demographic
- To engage with local groups and governors in other organisations to encourage partnership working and promote the work of Governors and the Council
- To develop and encourage two-way dialogue and involvement between the Council and its constituency members by ensuring effective production and monitoring of membership communications
- To review and contribute to the effectiveness of member recruitment and engagements activities.

The key initial focus of the committee has involved work to integrate with other areas of the Trust and work towards the creation of a membership engagement strategy for the consideration of the Trust board to focus activity and resource.

## **Corporate Citizenship Committee**

The role of the corporate citizenship committee is to promote the Trust as a good 'corporate citizen.' This involves overseeing the Trust's approach to the following:

- Carbon management;
- Sustainable local food;
- Equality and diversity in the workforce;
- Involvement of and with local business;
- The green travel plan including site access and car parking on site;
- Waste management;
- Smoking on site;
- Voluntary services with particular reference to hospital volunteers;
- Sustainable and local procurement;
- Promotion of improved staff facilities
- Promoting employment opportunities for the local community

During 2018/2019 the committee has undertaken the following work;

- Monitoring the Trust's action plan on carbon reduction, and national energy initiatives proposed by the NHS Sustainable Development Unit
- Monitoring the Trust's performance against the NHS 'Good Citizenship' tool;
- Monitoring and supporting the partnership with the Prince's Trust for work experience;
- Monitoring and supporting the Trust's apprenticeship programme;
- Monitoring and supporting the Trust's volunteer programme;
- Monitoring and supporting energy reduction schemes, including LED lighting and the possibility of combined heat and power
- Monitoring the development of waste recycling systems

## **Additional governor involvement and other activities**

### **Medicines management committee**

Governor support regarding the safe and effective use of medicines involves contribution to the medicines management safety sub-group where medication incidents are reported and discussed and initiatives to improve medicines safety are enacted. The governor role is to highlight issues of particular concern to members of the public and to report to the PPI committee when any initiatives may need the attention of senior managers or the board of directors e.g. better access to summary care records for Trust doctors, enabling them to access the GP medication records of patients on admission.

### **Catering**

During the year governors have played an active part in the Strategic Nutrition & Hydration Committee and also the Operational Nutrition & Hydration Committee of the Trust, by supporting the development and planning of Dementia Friendly Meal Menu, food photographs and also provided membership of the Patient Feeding Tender evaluation group for the provision of the patient meals at the hospital.

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

Governors, along with lay representatives and staff, conduct annual PLACE audits to assess the quality of the hospital environment. Putting patient views at the centre of the assessment process indicates how well a hospital is performing for privacy and dignity, cleanliness, food and general building maintenance.

### **Governor Induction Programme**

Supporting the annual governor induction programme aimed at the newly elected and appointed governors but also open to all governors as part of their ongoing training and development programme.

### **Infection control**

Governor champion on the Trust's Strategic and Trust Infection Prevention and Control committee.

### **Review of Governors' effectiveness**

Alongside governor evaluation, undertaking a training needs analysis; developing an action point plan to help improve the value of the council.

### **External contracts**

Implemented annual reviews of external contracts.

### **Capital development project board**

- Creating an 'Urgent Care Village' at the front of the site, bringing critical services together under one roof.
- Theatre refurbishment three-year programme.
- Completion of the Cancer Unit development to bring cancer and haematology services together in a purpose-built facility.
- Retreat @ the Royal – creating a relaxing garden area for patients as part of a joint initiative between the Mayor's appeal and the Trust's charitable funds committee.
- Decontamination unit.

### **Representing the views of members and the public on the Trust's plans, priorities and strategies**

Through the work undertaken on membership engagement, patient and public involvement, outreach activities, ward and department visits and contact with members, governors have listened to members and the public and represented their views to the board through the council of governors on a wide range of matters relating to the Trust's forward plans, priorities and strategies.

## Governor attendance at Trust Committees between 1 April 2018 and 31 March 2019

Name	Representing	Vote held	Appointment from	Term (years)	Term of office ends	Council of Governors	Nominations Committee	Patient and Public Involvement Committee	Corporate Citizenship Committee
Public Governors									
Susan Bean (did not re-stand)	Chesterfield	2015	1 January 2016	3	31 December 2018	1/5		3/5	
Frank Benison	Chesterfield	2018	1 January 2019	3	31 December 2021	1/2			
Alan Crow (did not re-stand)	Chesterfield	2015	1 January 2016	3	31 December 2018	5/5	3/5		2/2
Ruth Grice	Chesterfield	2015	1 January 2016	3	31 December 2018	4/5			
Ruth Ludford	Chesterfield	2018	1 January 2019	3	31 December 2021	6/7		5/6	
David Lyon	Chesterfield	2016	1 January 2017	3	31 December 2019	1/7	3/6		1/3
Ann Margett	Chesterfield	2018	1 January 2019	3	31 December 2021	2/2			
Brian Parsons	Chesterfield	2016	1 January 2017	3	31 December 2019	5/7		6/6	2/3
Margaret Rotchell	Chesterfield	2016	1 January 2017	3	31 December 2019	7/7		6/6	
Norman Shaw	Chesterfield	2018	1 January 2019	3	31 December 2021	1/2			
Helen Ward (resigned 9 April 2018)	Bolsover	2017	1 January 2018	3	31 December 2020	1/1			
Denise Weremczuk (Lead Governor)	Bolsover	2017	1 January 2018	3	31 December 2020	6/7	5/6	4/6	
John Rigarlsford	Derbyshire Dales & North Amber Valley	2017	1 January 2017	3	31 December 2019	4/7			1/1



Michael Grundman	Derbyshire Dales & North Amber Valley	2016	1 January 2017	3	31 December 2019	6/7		3/6	
Liam Clarke	High Peak	2016	1 January 2017	3	31 December 2019	7/7	6/6	6/6	
Pat Boyle	North East Derbyshire	2017	1 January 2018	3	31 December 2020	5/7			
Mike Gibbons	North East Derbyshire	2016	1 January 2017	3	31 December 2019	5/7		6/6	
Derek Millington	North East Derbyshire	2018	1 January 2019	3	31 December 2021	7/7	4/6		1/3
Judith Reece	North East Derbyshire	2018	1 January 2019	3	31 December 2021	6/7	4/6		
Robert Jackson	South Sheffield and Rotherham	2017	1 January 2018	3	31 December 2020	6/7	1/1		
John Burton (did not re-stand)	Southern Derbyshire and West Nottinghamshire	2015	1 January 2016	3	31 December 2018	0/5			
<b>Staff Governors</b>									
Emma Bradley	All other staff	2016	1 January 2017	3	31 December 2019	5/7			
Ruth Bentley	Community and Primary Care	2018	1 January 2019	3	31 December 2021	2/2			
Janice Smith	Nursing & Midwifery	2017	1 January 2015	3	31 December 2020	5/7	4/6		3/3
Mark Luscombe	Medical and Dental	2016	1 January 2017	3	31 December 2019	3/7	1/6		
Paul Whitehouse	Allied health professionals, pharmacists & scientists	2016	1 January 2017	3	31 December 2019	4/7		0/6	

Partner Governors									
Lynn Tory	Voluntary sector	-	1 January 2017	3	31 December 2019	5/7		6/6	
Angela Parnell	Voluntary Sector	-	1 January 2017	3	31 December 2019	7/7	6/6		
Michelle Brown	University of Derby	-	1 January 2017	3	31 December 2019	6/7			
Tracey Moore	University of Sheffield	-	1 January 2017	3	31 December 2019	4/7		3/6	
Cllr John Boulton	Local Authority	-	1 January 2019	3	31 December 2021	6/7			
Cllr Kate Caulfield	Local Authority	-	1 October 2017	3	30 September 2020	1/7	2/6		
Cllr John Ritchie	Local Authority	-	1 January 2017	3	31 December 2019	0/7			
Jayne Stringfellow (stood down 31 August 2018)	North Derbyshire CCG	-	1 March 2016	3	28 February 2019	0/3			
Laura Moore (serving remainder of Jayne Stringfellow's term of office)	North Derbyshire CCG	-	1 March 2016	3	28 February 2019	0/3			

## Election of governors 2018/19

### Public constituency – November 2018

This year, because of staggered appointments put in place when the Trust was authorised as a foundation trust (1 January 2005), the following public governor seats fell vacant:

- two seats for the Bolsover constituency;
- four seats for the Chesterfield constituency;
- two seats for the North East Derbyshire constituency; and
- one seat for the Southern Derbyshire and West Nottinghamshire constituency.

### Staff constituency – November 2018

Following the amendment to the constitution and the additional staff constituency for the Community and Primary Care, elections were held for a staff governor to represent the following constituency:

- one seat for the Community and Primary Care constituency.

### Election turnout rates

The Trust has always had good interest in and a fair turnout for elections - and for 2018/19 rates were:

#### Public governor elections:

Constituency	No of seats	No of candidates	% Turnout at poll
Bolsover	2	0	Remains Vacant
Chesterfield	4	10	18.3%
North East Derbyshire	2	3	18.0%
Southern Derbyshire and West Nottinghamshire	1	0	Remains Vacant

The new governors took up their seats on the council on 1 January 2019 and all appointments were made for a three-year term ending on 31 December 2021. Three of the nine seats went to existing public governors who had opted to stand for re-election whilst one governor had reached the end of their third and final term of office and therefore were not eligible to stand again.

Public governor results:

Constituency	No of seats	Successful candidates
Bolsover	2	No nominations were received
Chesterfield	4	Frank Benison Ruth Ludford Ann Margett Norman Shaw
North East Derbyshire	2	Derek Millington Judith Reece
Southern Derbyshire and West Nottinghamshire	1	No nominations were received

**Staff governor elections:**

Constituency	No of seats	No of candidates	% Turnout at poll
Community and Primary Care	1	2	13.6%

The new governor took up their seat on the council on 1 January 2019 and all appointments were made for a three-year term ending on 31 December 2021.

Staff governor results:

Constituency	No of seats	Successful candidates
Community and Primary Care	1	Ruth Bentley

**Board assurance**

The board of directors confirms that elections were held in accordance with the rules stated within the Trust's constitution. This is verified in the election report of 4 December 2018, as follows:

### **Election to the Council of Governors 2018: Contested reports**

*As Returning Officer at the election of members to the Council of Governors for the Public – Chesterfield Constituency held between Thursday 8 November 2018 and Monday 3 December 2018, I hereby give notice that the number of votes recorded for each candidate was as follows:*

<b>Name of Candidates</b>	<b>Number of votes</b>	
Frank Benison	373	Elected
Wayne Beresford	109	
Ruth Ludford	612	Elected
Ann Margett	666	Elected
David Miller	137	
David Pipes	337	
Norman Shaw	524	Elected
Ken Smith	265	
Christine Sturgess	189	
Richard Waywell	170	

*I declare that Ann Margett, Ruth Ludford, Norman Shaw and Frank Benison are duly elected to the Council of Governors.*

*As Returning Officer at the election of members to the Council of Governors for the Public – North East Derbyshire Constituency held between Thursday 8 November 2018 and Monday 3 December 2018, I hereby give notice that the number of votes recorded for each candidate was as follows:*

<b>Name of Candidates</b>	<b>Number of votes</b>	
Luke Layton	89	
Derek Millington	575	Elected
Judith Reece	525	Elected

*I declare that Derek Millington and Judith Reece are duly elected to the Council of Governors.*

*As Returning Officer at the election of members to the Council of Governors for the Staff – Community and Primary Care Constituency held between Thursday 8 November 2018 and Monday 3 December 2018, I hereby give notice that the number of votes recorded for each candidate was as follows:*

Name of Candidates	Number of votes	
Dr Ruth Bentley	14	Elected
Pauline Twigg	13	

*I declare that Dr Ruth Bentley is duly elected to the Council of Governors.*

Yours sincerely



**Craig Poyser**

**Returning Officer, UK Engage**

**On behalf of Chesterfield Royal Hospital NHS Foundation Trust**



## Promoting elections

The Trust continued to work to promote its annual elections and to encourage greater interest and turnout. During the year it:

- Created a dedicated online platform to allow members to nominate themselves as well as vote online;
- Held an informal drop in session for any interested members to chat to existing governors about the role;
- Worked with local media and other organisations to feature elections and the public governor role in newspaper, magazine and radio media; and
- Ensured all members were fully informed about elections and had the opportunity to stand for a governor seat.

## Membership

### Community membership overview 2018/19

The Trust has only two membership constituencies – one each for the community and its staff. It does not host a patient constituency.

### Our community membership – overall size and movements in 2018/19

	Last year	Estimated for next year
At year start (1 April 2018)	14,317	14,022
<b>At year-end (31 March 2019)</b>	<b>14,022</b>	<b>14,000</b>

At 1 April 2019, the Trust had a community membership base of 14,022. In 2019/20 the Trust will aim to achieve a net increase in membership of around 200 to stabilise numbers at around 14,000.

## Constituencies

The Trust's public constituency is defined in terms of specific wards of local authorities in Derbyshire, Sheffield, Rotherham and Nottinghamshire with some 869,500 people eligible for Foundation Trust membership (i.e. those over the age of 16 who live within the defined area of the Trust). Residents of the following local government administrative areas currently qualify for membership of the NHS Foundation Trust:

<b>Chesterfield Borough</b>	All council wards
<b>Bolsover District</b>	All council wards
<b>North-East Derbyshire District</b>	All council wards
<b>Derbyshire Dales District and Amber Valley District</b>	The council wards of Alfreton, Alport, Belper Central, Belper East, Belper North, Belper South, Bakewell, Bradwell, Calver, Carsington Water, Chatsworth, Codnor and Waingroves, Crich, Darley Dale, Dovedale and Parwich, Hartington and Taddington, Hathersage and Eyam, Heage and Ambergate, Ironville and Riddings, Lathkill and Bradford, Litton and Longstone, Masson, Matlock All Saints, Matlock St Giles, Ripley, Ripley and Marehay, Somercotes, Stanton, Swanwick, Tideswell, Wirksworth, Wingfield, Winster and South Darley
<b>High Peak Borough</b>	The council wards of Barms, Blackbrook, Burbage, Buxton Central, Chapel East, Chapel West, Corbar, Cote Heath, Hayfield, Hope Valley, Limestone Peak, New Mills East, New Mills West, Sett, Stone Bench, Temple and Whaley Bridge
<b>South Sheffield and Rotherham</b>	The council wards of Anston and Woodsetts, Beauchief and Greenhill, Beighton, Birley, Dinnington, Dore and Totley, Ecclesall, Fulwood, Gleadless Valley, Graves Park, Mosborough, Nether Edge, and Wales
<b>Southern Derbyshire and West Nottinghamshire</b>	The council wards of Bull Farm and Pleasley Hill, Carlton, Duffield, Heanor and Loscoe, Heanor East, Heanor West, Kilburn Denby and Holbrook, Kirkby in Ashfield Central, Kirkby in Ashfield East, Kirby in Ashfield West, Langley Mill and Aldercar, Manor, Market Warsop, Meden, Netherfield, Park Hall, Selston, Shipley Park Horsley and Horsley Woodhouse, Sutton in Ashfield Central, Sutton in Ashfield East, Sutton in Ashfield North, Sutton in Ashfield West, Warsop Carrs, Welbeck, Woodhouse, Worksop East, Worksop North, Worksop North East, Worksop North West, Worksop South and Worksop South East

## Membership analysis

The following analysis breaks down the Trust's membership in terms of age, ethnicity, gender and socio-economic groupings, which helps us to determine if our membership is representative of the population we serve.

The Trust membership is around 1.8% of its eligible population.

	31 March 2019 actual members	31 March 2019 eligible membership**
<b>Age report</b>		
0-16*	1	166,812
17-21	4	49,828
22+	12,704	686,954
Age not provided by member	1,313	0
<b>Total</b>	<b>14,022</b>	<b>903,594</b>
<b>Ethnicity report</b>		
White	10,979	849,306
Mixed	21	9,395
Asian or Asian British	86	14,554
Black or Black British	48	5,630
Other	0	2,210
Ethnicity not provided by member	2,888	22,499
<b>Total</b>	<b>14,022</b>	<b>903,594</b>
<b>Gender report</b>		
Male	5,693	442,642
Female	7,643	459,304
Gender not provided by member	686	1,648
<b>Total</b>	<b>14,022</b>	<b>903,594</b>

<b>Socio-Economic report**</b>		
AB	3,604	55,329
C1	3,950	75,828
C2	3,163	64,205
DE	3,271	75,939
Unknown	34	632,293
<b>Total</b>	<b>14,022</b>	<b>903,594</b>

\*\* Breakdown of 903,594,000 – from updated Census data

\* members of the foundation trust must be aged 16+

\*\* The Trust does not approach its membership for this data. We use ACORN - a geo-demographic tool used to identify and understand the UK population and the demand for products and services. It is often used to make informed decisions on where direct marketing campaigns will be most effective. ACORN classifies all 1.9 million UK postcodes, which have been described using over 125 demographic statistics and 287 lifestyle variables within England, Scotland, Wales and Northern Ireland. From this classification we can see that our membership has limited social grade groupings.

#### **Staff membership overview 2018/19**

<b>Staff membership at 31 March 2019</b>
4,277

The staff constituency comprises:

- Permanent members of staff; and
- Temporary members of staff who have been employed in any capacity by the organisation for a minimum continuous period of one year.

For directly employed staff membership runs on an opt-out basis – i.e. all qualifying staff are automatically members unless they seek to opt out. All permanent contract holders are eligible for membership from the date they take up their employment.

The staff constituency is broken down into four classes:

- Medical and Dental staff
- Nursing and Midwifery staff
- Allied Health Professionals, Pharmacists and Scientists
- All Other Staff

By sub-dividing the staff constituency in this way, representation from each major staff grouping is possible.

**Breakdown of staff membership within constituencies:**

Constituency	Number of members (at 31 March 2018)
Medical and Dental	365
Nursing and Midwifery	1,837
Allied Health Professionals, Pharmacists and Scientists	562
All Other Staff	1,513
<b>Total</b>	<b>4,277</b>

Class	Membership %
Medical and Dental	8.5%
Nursing and Midwifery	43%
Allied Health Professionals, Pharmacists and Scientists	13.1%
All Other Staff	35.4%
<b>Total</b>	<b>100.0</b>

**Developing a representative membership**

The prime source for recruiting members is, and remains, those people who have an existing relationship with the Royal Hospital. This could be as past and present patients or carers, or those who are potential users of the service as residents of the Trust's defined catchment area.

### **Membership recruitment objectives**

The Trust continues to believe that membership should be ‘voluntary’ - to show definite willing and interested participation. Our membership recruitment objectives are:

- To ensure all current and future staff working for the Trust (including contracted-out staff) are aware of staff membership, what it means for them and to encourage them not to decline membership;
- To strive for the composition of community membership to reflect diversity - geographically spread across our proposed catchment area and reflecting age, gender, ethnicity and socio-economic groups;
- To keep accurate and informative databases of members to meet regulatory requirements and to provide a tool for membership development;
- To define the rights and responsibilities of membership to strengthen the partnership between the Trust, its governors and its members;
- To recognise and use members as a valuable resource;
- To provide targeted communications that offer timely, consistent and regular messages about the Trust and membership;
- To use various methods to deliver the message about membership;
- To set up a two-way feedback system, so staff and community members have suitable channels to feedback their ideas and concerns, raise issues, ask questions and find out more information.

### **Engaging our membership**

The Trust now has 14,022 local people registered as members (including affiliates) and a further 4,277 staff members. This is an audience of over 19,000 people to seek views and opinions from. It is vital that both the Trust and governors are able to reach and interact with this large audience.

Last year, members had an opportunity to get involved with, or participate in a range of events. This year, plans to keep members informed and involved include:

- Running at least three membership evenings each year – where members can meet governors and hear about a topic or service;
- Attending prominent local events, where appropriate, across North Derbyshire;
- Promoting the annual members’ meeting
- Producing information leaflets that promote the role of governors and how they represent local people and members;
- Promoting the annual council of governor elections to ensure a good candidate spread and an increased turn-out for voting;
- Tapping into other local ‘markets’ to promote membership within communities.

### **Direct contacts**

Members have a direct route they can use if they wish to communicate with governors or directors of the Trust.

Governors can be reached through the Trust’s Chief Executive’s Office, either by phone, letter or via email to: [CRHFT.governors@nhs.net](mailto:CRHFT.governors@nhs.net)



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## Remuneration report

The remuneration report has been prepared in accordance with sections 420 to 422 of the Companies Act 2006; regulation 11, parts 3 and 5 of schedule 8 of the Large and Medium-sized Companies and Groups Regulations 2008; parts 2 and 4 of schedule 8 of the Regulations as adopted by NHS Improvement in the NHS Foundation Trust Annual Reporting Manual 2017/18; and the relevant elements of NHS Improvement's Foundation Trust Code of Governance.

### **Introduction**

This report contains details of how the remuneration of senior managers is determined. A 'senior manager' is defined as 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. The Trust deems this to be the executive and non-executive members of the board of directors.

### **Annual statement on remuneration**

#### ***Major decisions on senior managers' remuneration***

There were no major decisions on senior managers' remuneration during 2018/19.

#### ***Any substantial changes to senior managers' remuneration during the year and the context for these***

There were no substantial changes to senior managers' remuneration during 2018/19.

## Senior managers' remuneration policy

### Future policy table

#### Executive directors

<i>Component</i>	<i>How this operates</i>	<i>How this supports the short and long term strategic objectives of the Trust</i>	<i>Maximum that can be paid</i>	<i>Framework used to assess performance and performance measures that apply</i>	<i>Provisions for recovery or withholding of payments</i>
Annual flat- rate salary (applies to all executive directors with no specific differences for individual directors).	This is set out below under the section headed 'Remuneration policy'.	It enables executive directors to take a balanced view between short and long term objectives, and to gain support for these from clinicians since their attainment is not seen as being driven by performance payments to executive directors.	Not applicable – flat-rate salary.	This is set out below under the section headed 'Remuneration policy'. Since remuneration is based on flat-rate salary, it is not performance related and measures do not therefore apply.	Provision made for termination of contract without notice in certain circumstances.

#### Notes on future policy table

No new components of the remuneration package have been introduced in 2017/18, nor have any changes been made to existing components. The differences between the policy on senior managers' remuneration and the general policy on employees' remuneration are set out below under the section headed 'Remuneration policy'

#### Non-executive directors

<i>Component</i>	<i>Additional fees</i>	<i>Other remuneration</i>
Annual flat-rate non-pensionable fee, with a higher rate payable for the chair of the Trust, the senior independent director/deputy chair and audit committee chair.	Not applicable.	Not applicable.

## Salary and Pension entitlements of senior managers - Audited

### Remuneration 2018/19

Name and Title	2018-19						
	Salary and Fees for Director duties (a)	Salary and Fees for Clinical duties (a)	Taxable Benefits* (b)	Annual Performance-Related Bonus (c)	Long-Term Performance-Related Bonus (d)	Pension Benefits (e)	Total Remuneration
	(bands of £5,000) £000	(bands of £5,000) £000	£s to the nearest £100	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
<b>Executive Directors</b>							
<b>Mr Simon Morritt</b> Chief Executive	175 - 180	0	0	0	0	40.0 - 42.5	220 - 225
<b>Mr Tony Campbell</b> Chief Operating Officer	130 - 135	0	0	0	0	2.5 - 5.0	135 - 140
<b>Mr Lee Outhwaite</b> Director of Finance and Contracting	140 - 145	0	0	0	0	0	140 - 145
<b>Ms Lynn Andrews</b> Director of Nursing and Patient Care	125 - 130	0	0	0	0	5.0 - 7.5	135 - 140
<b>Dr Gail Collins</b> Medical Director (1st April 2018 to 3rd February 2019)	45 - 50	130 - 135	100	0	0	0	175 - 180
<b>Dr Hal Spencer</b> Medical Director (from 4th February 2019)	5 - 10	20 - 25	0	0	0	10.0 - 12.5	40 - 45
<b>Mrs Zoe Lintin</b> Director of Workforce and Organisational Development	120 - 125	0	0	0	0	27.5 - 30.0	150 - 155
<b>Non - Executive Directors</b>							
<b>Dr Helen Philips</b> Chair	45 - 50	0	0	0	0	n/a	45 - 50
<b>Mrs Linda Challis</b> Deputy Chair and Senior Independent Director (1st April 2018 to 31st March 2019)	15 - 20	0	0	0	0	n/a	15 - 20
<b>Mrs Alison McKinna</b> Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
<b>Ms Beverley Webster OBE</b> Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
<b>Dr David Pickworth</b> Non-Executive Director (1st April 2018 to 30th September 2018)	5 - 10	0 - 5	0	0	0	n/a	5 - 10
<b>Mr Philip Severs</b> Non-Executive Director (1st April 2018 to 31st May 2018)	0 - 5	0	0	0	0	n/a	0 - 5
<b>Mr David Urpeth</b> Non-Executive Director (1st April to 24th October 2018)	5 - 10	0	0	0	0	n/a	5 - 10
<b>Dr Jeremy Wight</b> Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
<b>Mr Michael Killick</b> Non-Executive Director (from 18th June 2018)	10 - 15	0	0	0	0	n/a	10 - 15
<b>Mrs Jayne Stringfellow</b> Non-Executive Director (from 24th September 2018)	5 - 10	0	0	0	0	n/a	5 - 10
<b>Ms Sue Glew</b> Non-Executive Director (from 1st January 2019)	0 - 5	0	0	0	0	n/a	0 - 5

## Remuneration 2017/18

Name and Title	2017-18						
	Salary and Fees for Director duties (a)	Salary and Fees for Clinical duties (a)	Taxable Benefits* (b)	Annual Performance-Related Bonus (c)	Long-Term Performance-Related Bonus (d)	Pension Benefits (e)	Total Remuneration
	(bands of £5,000) £000	(bands of £5,000) £000	£s to the nearest £100	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
<b>Executive Directors</b>							
<b>Mr Simon Morritt</b> Chief Executive	175 - 180	0	0	0	0	72.5 - 75	245 - 250
<b>Mr Tony Campbell</b> Chief Operating Officer	130 - 135	0	0	0	0	50 - 52.5	180 - 185
<b>Mr Lee Outhwaite</b> Director of Finance and Contracting (from 14 August 2017)	85 - 90	0	0	0	0	0	85 - 90
<b>Mr John Williams</b> Acting Director of Finance and Contracting (from 1 May to 13 August 2017)	25 - 30	0	0	0	0	7.5 - 10	35 - 40
<b>Mr Steven Hackett</b> Director of Finance and Contracting (until 30 April 2017)	15 - 20	0	0	0	0	0	15 - 20
<b>Ms Lynn Andrews</b> Director of Nursing and Patient Care	120 - 125	0	0	0	0	65 - 67.5	190 - 195
<b>Dr Gail Collins</b> Medical Director	40 - 45	135 - 140	100	0	0	40 - 42.5	220 - 225
<b>Mrs Zoe Lintin</b> Director of Workforce and Organisational Development	115 - 120	0	0	0	0	140 - 142.5 *	260 - 265
<b>Non - Executive Directors</b>							
<b>Dr Helen Philips</b> Chair	50 - 55	0	0	0	0	n/a	50 - 55
<b>Mrs Linda Challis</b> Senior Independent Director	15 - 20	0	0	0	0	n/a	15 - 20
<b>Mrs Alison McKinna</b> Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
<b>Ms Beverley Webster</b> Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
<b>Dr David Pickworth</b> Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
<b>Mr Philip Severs</b> Non-Executive Director	15 - 20	0	0	0	0	n/a	15 - 20
<b>Mr David Urpeth</b> Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
<b>Dr Jeremy Wight</b> Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15

\* The Pension Benefits figure (column 'e') for Mrs Zoe Lintin reflects the fact that whilst she was Acting Director of Workforce & OD (between 1st August 2016 and 5th March 2017), her 'acting up' allowance was non-pensionable. However, when she was made substantive from 6th March 2017, her full salary became pensionable which has resulted in a higher pension benefit for this financial year only.

For definitions of what is included under each column heading, please refer to page 101.

Pension benefits are not part of remuneration received in cash during the year.

## **Remuneration - Definitions of Table Column Headings**

The following definitions were used to populate the Remuneration Tables on pages 99 and 100:

### **Column (a) Salary and Fees**

Salary is the gross salary paid / payable to the Director.

Salary includes:

All amounts paid or payable by the Trust to the Director, including recharges from any other health body;

- Overtime;
- the gross cost of any arrangement whereby a Senior Manager receives a net amount and the Trust pays Income Tax on their behalf;
- Any financial loss allowances paid in place of remuneration;
- Any severance payment, including compensation for loss of office or early retirement;
- Recruitment and retention allowances;
- Geographical allowances such as London weighting; and
- Any ex-gratia payments.

Salary excludes:

- Taxable benefits;
- Performance pay and bonuses (these are recorded separately);
- Employer's National Insurance and superannuation contributions;
- Recharges to another health body;
- Reimbursement of out-of-pocket expenses directly incurred in the performance of the Director's duties;
- Reimbursement of travelling and other allowances (paid under determination order) including home to work travel costs;
- Any amount paid which the Director must subsequently repay.

### **Column (b) Taxable Benefits**

Taxable benefits are the gross value of such benefits before tax.

Taxable benefits include:

- Expenses allowances that are subject to UK Income Tax and paid or payable to the Director in respect of qualifying services; and
- Benefits received by the Director (other than salary) that are emoluments of the Director and are received by them in respect of qualifying services.



### Column (c) Annual Performance-Related Bonuses

Annual performance-related bonuses compromise money or other assets received or receivable for the financial year as a result of achieving performance measures and targets relating to a period ending in the relevant financial year other than:

- those which result from awards made in a previous financial year and the final vesting is determined as a result of achieving performance measures or targets relating to a period ending in the relevant financial year; and
- those which are receivable subject to the achievement of performance measures or targets in a future financial year.

### Column (d) Long-Term Performance-Related Bonuses

Long-term performance-related bonuses compromise money or other assets received or receivable for periods of more than one year where final vesting:

- is determined as a result of achieving performance measures or targets relating to a period ending in the relevant financial year; and
- is not subject to the achievement of performance measures or targets in a future financial year.

### Column (e) Pension Benefits

Pension benefits apply to Executive Directors only as Non-Executive Directors do not receive any pensionable remuneration.

Pension benefits include:

- The cash value of payments (whether in cash or otherwise) in lieu of retirement benefits; and
- All benefits in year from participating in pension schemes. This is the annual increase in the pension entitlement less employee contributions and any transferred in amounts.

For the NHS Pension Scheme, the amount included is the annual increase in pension entitlement determined in accordance with the 'HMRC' method, less any amounts paid by employees as follows:

Increase = ((20 x PE) + LSE) - ((20 x PB) + LSB) - Employee pension contributions during the year

Where:

PE = annual rate of pension that would be payable to the Director if they became entitled to it at the end of the financial year

PB = annual rate of pension, adjusted for inflation, that would be payable to the Director if they became entitled to it at the beginning of the financial year

LSE = amount of lump sum that would be payable to the Director if they became entitled to it at the end of the financial year

LSB = amount of lump sum, adjusted for inflation, that would be payable to the Director if they became entitled to it at the beginning of the financial year

## Changes to Board Members during 2018/19

The following changes were made to the Board of Directors during 2018/19:

### Executive Directors

*Medical Director:* Dr Gail Collins, Medical Director stepped down from her Medical Director duties on 3 February 2019. Dr Hal Spencer was appointed Medical Director from 4 February 2019.

### Non-Executive Directors

*Non-Executive Directors:* Mr Philip Severs stepped down from his Non-Executive Director and Audit and Risk Committee chair role on 31 May 2018. Mr Michael Killick came into post on 18 June 2018 and was appointed the Audit and Risk Committee chair role.

Dr David Pickworth stepped down on the 30 September 2018, and Mr Urpeth on the 24 October 2018. Non-Executive Director roles commenced on the 24 September 2018 for Mrs Jayne Stringfellow and on 1 January 2019 for Ms Sue Glew.

Mrs Linda Challis ended her Non-Executive term on the 31 March 2019.

## Fair Pay Multiple - Median Remuneration of the Trust's Staff

HM Treasury requires all public sector bodies to disclose the median remuneration of the reporting entity's staff and the ratio between this and the mid-point of the banded remuneration of the highest paid Director. The calculation is based on full-time equivalent staff as at the reporting period end date e.g. 31 March 2019, on an annualised basis.

	2018/19	2017/18
Mid-point of the Band of Highest Paid Director's Total Remuneration	<b>£177,500</b>	£177,500
Median Total Remuneration	<b>£25,742</b>	£24,269
Ratio	<b>6.9</b>	7.3

The mid-point of the banded remuneration of the highest paid director in the financial year 2018/19 was **£177,500** (2017/18: £177,500). This is **6.9** times (2017/18: 7.3 times) the median remuneration of the Trust's staff, which was **£25,742** (2017/18: £24,269). The median remuneration of the Trust's staff has increased due to the national pay award in 2018/19.

In 2018/19, 2 employees (2017/18: 3) received remuneration in excess of the highest-paid director. Remuneration ranged from £237,427 to £244,222 (2017/18: £187,200 to £244,225). The highest remuneration at this level is due to annualising and pro-rating medical consultant sessions to full-time equivalent. For example, a locum medical consultant worked 133.9 sessions at a cost of £576 per hour, which equates to £244,222 when this is annualised.

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

Agency staff covering vacancies and bank staff with NHS Professionals as at the year-end date have been excluded from the above calculations.

In respect of those individuals shown on pages AR105 to AR106 who have been paid more than £150,000 (the Prime Minister's salary), the Trust has satisfied itself that the level of remuneration is warranted in terms of the requirements of the role, the need to attract and retain individuals of the right caliber, and the need to equip the board of directors with the skills and experience necessary to ensure the effective stewardship of the organisation.

## Pension Benefits 2018/19

Name and title	Real Increase (Decrease) in Pension Sum at Pension Age	Real Increase (Decrease) in Lump Sum at Pension Age	Total Accrued Pension at Pension Age at 31 March 2019	Lump Sum at Pension Age Related to Accrued Pension at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2018	Real Increase (Decrease) in Cash Equivalent Transfer Value	Employer's Contribution to Stakeholder Pension	Total Pension Entitlement at 31 March 2018
	(Bands of £2500) £000	(Bands of £2500) £000	(Bands of £5000) £000	(Bands of £5000) £000	£000	£000	£000	£000	(Bands of £5000) £000
Mr Simon Morritt	2.5 - 5	(2.5) - 0	65 - 70	155 - 160	1,299	1,093	148	n/a	220 - 225
Chief Executive									
Mr Lee Outhwaite	0 - 2.5	(7.5) - (5)	45 - 50	110 - 115	837	716	79	n/a	160 - 165
Director of Finance and Contracting									
Ms Lynn Andrews	0 - 2.5	2.5 - 5	50 - 55	160 - 165	1,170	1,004	118	n/a	210 - 215
Director of Nursing and Patient Care									
Dr Gail Collins *	0	0	65 - 70	180 - 185	1,265	1,228	0	n/a	245 - 250
Medical Director (until 3 February 2019)									
Dr Hal Spencer	0 - 2.5	0 - 2.5	40 - 45	105 - 110	819	642	21	n/a	145 - 150
Medical Director (from 4 February 2019)									

<b>Mr Tony Campbell</b>	<b>0 – 2.5</b>	<b>2.5 – 5</b>	<b>20 - 25</b>	<b>70 - 75</b>	<b>582</b>	<b>497</b>	<b>51</b>	<b>n/a</b>	<b>95 - 100</b>
<b>Chief Operating Officer</b>									
<b>Mrs Zoe Lintin</b>	<b>0 – 2.5</b>	<b>0 – 2.5</b>	<b>20 - 25</b>	<b>35 - 40</b>	<b>292</b>	<b>222</b>	<b>46</b>	<b>n/a</b>	<b>55 - 60</b>
<b>Director of Workforce and Organisational Development</b>									

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS Pension Scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

\*Dr Gail Collins left the NHS Pension Scheme on 31 March 2018. The above figures therefore only reflect the increase due to inflation at 3% for the accrued lump sum and CETV at 31 March 2019.

### **Service contract obligations**

The information required per paragraph 2.38 of the Foundation Trust Annual Reporting Manual for 2018/19 is set out below under the section headed 'Service contracts for senior managers'.

### **Policy on payment for loss of office**

The information required per paragraph 2.39 of the Foundation Trust Annual Reporting Manual for 2018/19 is set out below under the section headed 'Service contracts for senior managers'.

### **Consideration of employment conditions elsewhere in the Trust**

The information required per paragraph 2.40 of the Foundation Trust Annual Reporting Manual for 2018/19 is set out below under the section headed 'Remuneration policy'. The Trust has not consulted with employees when determining the remuneration policy for senior managers. Benchmarking of remuneration with other foundation trusts takes place periodically.

### **Annual report on remuneration**

#### **Service contracts for senior managers**

The service contract for the chief executive and executive directors is the contract of employment. This is substantive and without term. The notice period for termination by the Trust is twelve months and for termination by the director, six months.

The contract does not provide for any other payments for loss of office, but does provide for compensation for early retirement and redundancy in accordance with the provisions in section 16 of the Agenda for Change: NHS Terms and Conditions of Service Handbook.

The service contract for non-executive directors is not an employment contract. Non-executive directors are appointed for an initial term of up to three years and are eligible to be considered for further terms of appointment up to the shorter of a maximum of three terms or nine years. The notice period for termination is one month on either side and the contract does not provide for any other payments for loss of office.

Details of the start date of the service contract for each executive director holding such a contract:

<b>Post title</b>	<b>From</b>
<b>Chief Executive</b>	<b>26.09.16</b>
<b>Director of Finance and Contracting</b>	<b>14.08.17</b>
<b>Director of Nursing and Patient Care</b>	<b>03.02.14</b>
<b>Medical Director</b>	<b>01.04.14</b>
<b>Chief Operating Officer</b>	<b>01.12.16</b>
<b>Director of Workforce and Organisational Development</b>	<b>03.05.17</b>



### **Remuneration committee**

The remuneration committee was chaired by Linda Challis, senior independent director, until she retired from her post on 31 March 2019. The committee is now chaired by Sue Glew, non-executive director. The remuneration committee has delegated responsibility for the remuneration and terms of service for the chief executive and executive directors of the Trust. Its responsibility includes all aspects of salary, provision for other benefits including pensions, arrangements for termination of employment and other contractual terms. The nomination and selection of candidates for appointment as chief executive or executive director is undertaken separately by an appointment committee.

The membership of the remuneration committee consists of all the non-executive directors, as set out on pages AR63-68 and AR73 of the annual report. The committee met on five occasions during the year. The key items of business in the year were talent management, future succession planning for executive director posts and for posts which became vacant including recruitment to the chief executive officers role, executive directors objectives and development plans, and executive remuneration in line with the national recommendations. In addition, executive remuneration policy and terms of reference for the committee were considered.

The chief executive and the director of workforce and organisational development were in attendance at meetings of the committee to provide advice, but did not participate in any part of a meeting where matters related to their own remuneration were discussed. The remuneration committee did not receive any external advice.

### **Remuneration policy**

With the exception of the chief executive and the executive directors, all non-medical employees of the Trust, including senior managers, are remunerated in accordance with the national NHS pay structure, *Agenda for Change*. Medical staff are remunerated in accordance with national terms and conditions of service for doctors and dentists.

The remuneration of the chief executive and the other executive directors is determined by the remuneration committee (see above) taking into account market levels, bench marking, key skills, performance responsibilities and national guidance. The chief executive and the other whole-time executive directors are paid a flat rate salary within the range determined by the remuneration committee. The part-time executive director (medical director) is paid a flat rate within the range determined by the remuneration committee, which is separate from the postholder's salary as a medical practitioner.

In reviewing remuneration, the committee has regard to the Trust's overall performance, delivery of agreed objectives, the pattern of executive remuneration among foundation trusts and the wider NHS, and the individual director's level of experience and development in the role. The annual review comprises, where applicable, a cost of living uplift (which is the same as that for staff on Agenda for Change) and, at the committee's discretion, progression within the range set for the post by the committee.

The Trust does not operate performance related-pay or bonuses. The performance of the executive directors is assessed on a continuing basis via formal appraisal and unsatisfactory performance may provide grounds for termination of contract. Individual performance is reviewed through the Trust's appraisal process to evaluate the extent to which senior managers have met their objectives and contributed to the delivery of the Trust's strategic objectives.

### **Remuneration of the chair and non-executive directors**

The nominations committee of the council of governors has responsibility for the appointment, remuneration and appraisal of the chair and non-executive directors. Full details of membership and of the work undertaken by the committee during 2018/19 may be found on pages AR77 and AR78 of the annual report.

This work included a review of the appraisal systems for the council of governors, chair and non-executive directors; an overview of these processes within year; and consideration of and recommendations to the council of governors on the annual review of the remuneration of the chair and non-executive directors for the current and future years.

### **Directors' expenses**

A total of **£12,877** was paid as expenses to executive and non-executive directors in 2018/19 (£8,309 in 2017/18). The number of directors who held office during 2018/19 was 18 (*16 during 2016/17*). Information on governors' expenses is set out on page AR77 of the annual report.

### **Payments for loss of office**

No senior manager received payment during the year for loss of office.

### **Payments to past senior managers**

No payments or awards were made to past senior managers.

### **Remuneration report signed by**

A handwritten signature in black ink, appearing to read 'S Morritt', with a long horizontal line extending from the end.

**Simon Morritt**  
**Chief Executive and Accounting Officer**

**22 May 2019**

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# Staff Report

## Analysis of staff costs

Staff costs for 2018/19 and 2017/18 are shown in the table below.

Permanently employed staff are those staff with a permanent employment contract with the hospital. This includes executive directors but excludes non-executive directors. Other staff are those staff that are engaged on the objectives of the Trust that do not have a permanent contract with the hospital. This includes employees on short-term contracts of employment, agency/temporary staff, locally engaged staff overseas and inward secondments from other entities.

	2018/19			2017/18		
	Total	Permanent	Other	Total	Permanent	Other
	£000	£000	£000	£000	£000	£000
Salaries and Wages	121,811	120,618	1,193	113,692	112,518	1,174
Social Security Costs	11,5089	11,508	0	10,859	10,859	0
Apprenticeship Levy	604	604		525	525	
Pension Cost - Employer Contributions to NHS Pension Scheme	15,272	15,272	0	14,499	14,499	0
Pension Cost - Other schemes	31	31	0	12	12	0
Termination Benefits	32	32	0	23	23	0
Temporary Staff - External Bank	5,143	0	5,143	5,143	0	5,143
Temporary Staff - Agency / Contract Staff	11,058	0	11,058	13,489	0	13,489
	165,459	148,065	17,394	158,242	138,436	19,806
Employee Costs Capitalised as Part of Assets	638	530	108	737	614	123
Total Staff Costs (Excluding Capitalised Costs)	164,821	147,535	17,286	157,505	137,822	19,683

## Analysis of average staff numbers (WTE Basis)

An analysis of average staff numbers is shown below.

The average number of employees is calculated as the whole time equivalent (WTE) number of employees under contract of service in each week in the financial year, divided by the number of weeks in the financial year. The “contracted hours” method of calculating WTE has been used, that is dividing the contracted hours of each employee by the standard working hours. Staff on outward secondment have been excluded from the numbers.

	2018/19			2017/18		
	Total	Permanent	Other	Total	Permanent	Other
	WTE	WTE	WTE	WTE	WTE	WTE
Medical and Dental	442	351	91	426	343	82
Administration and Estates	788	760	28	763	718	45
Healthcare Assistants and Other Support Staff	1,165	1,043	123	1,158	1020	138
Nursing, Midwifery and Health Visiting Staff	1,109	1018	92	1,059	967	92
Scientific, Therapeutic and Technical Staff	280	272	8	275	267	8
Healthcare Science Staff	59	55	4	95	91	4
Social Care Staff	10	10	0	7	7	0
Total	3,854	3,509	345	3,782	3,413	369
Of which: Number of Employees (WTE) Engaged on Capital Projects	15	14	1	19	18	1

## Gender analysis

Number of staff as at 31 March 2019

	Male	Female
Senior managers <sup>3</sup>	5	8
Other staff	692	3483

<sup>3</sup> Includes Execs (5), non-executive directors and Chair (8), excludes chief executive (1)

## Sickness absence data

Sickness absence data expressed in average working days lost (per WTE) for the Trust for 2018/19 and 2017/18 is shown below.

	2018/19 Number	2017/18 Number
Total days lost*	45,142	44,396
Total staff years	3,509	3,413
<b>Average working days lost (per WTE)</b>	<b>13</b>	<b>13</b>
*Total days lost is split as follows:		
- long term	27,173	26,917
- short term	<u>17,969</u>	<u>17,479</u>
	45,142	44,396

**Policies applied during the financial year for giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; for continuing the employment of, and for arranging appropriate training for, employees who have become disabled persons during the period; and for the training, career development and promotion of disabled employees.**

The Trust's diversity and equality strategy and its supporting policies are the cornerstone of its approach to equality of employment opportunity. We recognise our responsibility to provide (as far as is reasonably practicable) job security of all employees.

Our policies aim to ensure that no job applicant or employee receives less favourable treatment where it cannot be shown to be justifiable on the grounds of:

- Age;
- Disability;
- Gender reassignment;
- Marriage and civil partnership;
- Pregnancy and maternity;
- Race;
- Religion or belief;
- Sex;
- Sexual orientation.

In relation to recruitment and selection, promotion, transfer, training, discipline and grievance and all terms and conditions of employment, the Trust has developed its Equality, Diversity and Inclusion agenda to include more training and awareness sessions, more detailed analysis of our workforce demographics and objective setting in line with the Equality Delivery System 2 and the Workforce Race Equality Standard. A Listening into Action programme, starting in May 2018, will also support the development of our Equality, Diversity and Inclusion objectives and we have launched our 'Be Yourself' group open to all staff members.

As a Trust, we recognise the important role we must play as an active and socially responsible member of the local community and that our patients, clients and staff represent the community we serve.

We know that having a committed and motivated workforce depends on staff feeling that they are treated with fairness, respect and dignity and that they have equal opportunities for self-development. We want to ensure that our staff are not discriminated against, or harassed, on the grounds of their ethnic origin, physical or mental ability, gender, age, religious beliefs or sexual orientation or any other characteristic. Equally, if this happens, we want staff to feel confident about using our policies to raise concerns and to have them addressed.



**Actions taken in the financial year to provide employees systematically with information on matters of concern to them as employees; consult employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests; encourage the involvement of employees in the Trust's performance.**

The Trust has formal consultation arrangements through the staff partnership committee to provide information to staff, consult them through their designated local representatives and take their views into account. The Trust also uses a variety of regular forms of communication to secure engagement with staff:

- The Staff Forum – a forum between staff representatives from across the Trust and our Hospital Leadership Team. The agenda for every forum is set by the staff representatives who then have the opportunity to directly discuss the chosen subjects with the hospital Executives and Divisional Directors. We have adapted our approach this year to enable any other member of staff to join the discussions during the forum;
- Staff surveys – the national staff survey provides all staff with the opportunity to express how they feel about working at the Trust. In addition to the annual national staff survey, a 'Your Voice' internal survey is also carried out on a quarterly basis;
- Pay-slip bulletin - information relevant to everyone (corporate development, employment issues etc.) circulated to every member of staff with their monthly pay-slip;
- Intranet - the staff only section of the Trust's website facility. Staff can access policies and procedures, patient information, an on-line telephone directory and up-to-date news about the Trust - including performance reports and minutes from key meetings such as the council of governors and board of directors;
- Staff App – providing staff members with access to Trust news and other information via an App on their mobile phones or tablets;
- Email briefings - regular briefings to all staff via their personal email accounts, on a variety of subjects affecting the Trust - from departmental moves to briefings on clinical issues;
- Staff magazine – 'Life@theRoyal' – an informal online newsletter focusing on staff and the roles they play in the organisation;
- Posters, leaflets, reports - produced specifically for staff;
- Membership magazine – Membership Matters is distributed online to all community and staff members of the Trust every quarter and updates the Trust's membership on service developments, proposals and plans;

- Service improvement programmes and training empower staff to put forward and implement ideas for innovation and service improvement. This has been supported further through the commencement of Listening into Action (LiA) in 2017 and the introduction of the QSIR senior improvement methodology in 2018/19. LiA aims to give our staff the empowerment to put their ideas into action and bring about change across the workforce.
- A freedom to speak up guardian is in place as an avenue for staff to discuss and raise any concerns they may have with an objective individual outside of their immediate work area. Freedom to speak up champions are also available in local areas throughout the Trust.

### **Trade Union (Facility Time Publication Requirements) Regulations 2017**

The Trust published on its website the information required under these regulations.

### **Information on health and safety performance and occupational health**

Information on health and safety performance and occupational health is shown in the Environmental, social, community and human rights matters report on pages AR36 to AR47 respectively.

### **Countering fraud, bribery and corruption**

Under service condition 24 of the NHS Standard Contract, the Trust is required to ensure that NHS funds and resources are safeguarded against those minded to commit fraud, bribery or corruption and to put in place and maintain appropriate anti-crime arrangements that are fully compliant with NHS Counter Fraud Authority (NHSCFA) Standards for Providers.

The Trust has a nominated Counter Fraud Specialist (CFS) who is responsible for carrying out a range of activities that are overseen by the Audit and Risk Committee. Fraud risk assessments are undertaken throughout the year and used to inform an annual programme of counter fraud work that is undertaken within four key areas defined within NHSCFA Standards for Providers:

#### *Strategic Governance.*

This sets out the standards in relation to the Trust's strategic governance arrangements. The aim is to ensure that anti-crime measures are embedded at all levels across the organisation.

#### *Inform and Involve.*

This sets out the requirements in relation to raising awareness of crime risks against the NHS and working with NHS staff, stakeholders and the public to highlight the risks and consequences of crime against the NHS.

#### *Prevent and Deter.*

This sets out the requirements in relation to discouraging individuals who may be tempted to commit crimes against the NHS and ensuring that opportunities for crime to occur are minimised.

#### *Hold to Account.*

This sets out the requirements in relation to detecting and investigating fraud, bribery and corruption, obtaining sanctions and seeking redress.

The Trust's prepares an annual self-assessment of compliance with NHSCFA Standards for Providers which resulted in an overall green rating for 2018/19.

During the reporting year, the counter fraud programme of work has focused on addressing areas of identified fraud risk through the delivery of a risk based programme of counter fraud activities. Where fraud is identified or suspected it is formally investigated in accordance with the Trust's Fraud, Bribery and Corruption Policy.

## **Staff survey results**

### **Approach to staff engagement**

Chesterfield Royal Hospital has invested resource into improving staff engagement and empowering leaders. This work has been developed further through the introduction of a refreshed People Strategy for 2019 to 2022. The refreshed People Strategy has been shaped through listening sessions with staff, leaders and staff representatives and continues to evolve and develop the culture of our organisation.

The introduction of Listening into Action (LiA) in 2017 has been very successful and the Trust signed up to year 2 in 2018. Year 2 has seen the highest number of teams ever launch LiA improvement projects across the Trust.

The staff forum continues and is made up of staff representatives and the Hospital Leadership Team. The Forum meets quarterly to ensure staff engagement is central to the decision making process and staff and leaders work in partnership to address matters of importance.

The Trust also places a great deal of importance on the National Staff Survey results as an indicator to how staff feel about working at the Trust. From 2016, the staff survey has been a full census approach where all staff are invited to participate. In 2018, the Trust had a 71% response rate which was the second highest Acute Trust nationally and the highest ever achieved at Chesterfield Royal Hospital.

The results and the learning from these interventions continues to be significant because we are using the information gathered from these activities to improve our services and the Trust as a place of work for example, we have/are:

- Ensured that our refreshed People Strategy focuses on what matters to our staff and our patients.
- Continue with our Applause recognition scheme which links reward to our Proud to Care values. Staff participation with Applause continues to increase and be well received across the organisation.
- Simplifying our appraisal process to encourage better conversations between leaders and team members. From April 2018, we introduced a new approach called the 'Appraisal Season' which enabled our Leaders to plan for appraisals to take place between April and July every year. Continuous conversation and feedback on performance should take place all year with the formal appraisal planned within these months to support the prioritisation and importance of appraisal. This approach provided us with our highest ever appraisal completion rate where 87% of our staff received an appraisal in 2018. We will continue the appraisal season in 2019 and have made some changes based on staff feedback.
- The continuation of the People Committee, as a sub-committee to the Board, to ensure there is accountability, assurance and a robust governance structure to support the delivery of the Trust's people agenda.

- The launch of a workforce health and wellbeing 12 month project (supported by our Charitable Funds Committee) to ensure our health and wellbeing offer is tailored to needs of our workforce.
- Further development of our Equality, Diversity and Inclusion workforce agenda. Our 2018 Annual Equality, Diversity and Inclusion report is published on the Trust's internet and includes our objectives for 2019.

Local engagement sessions are taking place across the Trust to discuss the 2018 National Staff Survey results. From these conversations, local improvement plans will be developed and reviewed on an on-going basis.

### Summary of Performance

	2017		2018	
Response rate	CRH	National average	CRH	National average
	63%	45%	71%	44%

From 2018, ten staff experience themes replace the long standing 'key findings' all of which are scored on a 0-10 scale. Overall themes have been calculated differently to key findings and therefore do not provide a direct comparison.

Our scores in seven out of the ten themes are statistically significantly better than 2017, two of the themes are about the same and one theme is new for 2018.

### Staff engagement

The overall staff engagement score for Chesterfield in 2018 is **7 out of 10**, which is significantly better than 2017 and the same as the national average.

# Our NHS Staff Survey Results 2018

More of you than ever before told us how it feels to be part of the NHS - working in our hospital, community bases and GP surgeries. All the questions you answered have been combined to reveal our scores across ten themes of staff experience and more...



## Final response rate



An impressive 2751 staff completed their survey in 2018 - the biggest return we've ever had! The more people who have their say the better, to gain a true picture of how people feel and to provide a focus for improvement



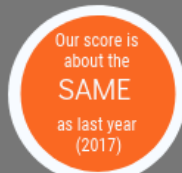
How do we compare to the other 88 Acute Trusts in our 2018 peer group?

The best **72%**  
Average **44%**  
The worst **33%**

## Theme one: Equality, diversity & inclusion



This theme scores from one to ten - and is all about fair career progression, experience of discrimination and adjustments that support people to do a good job. The higher the score the better



How do we compare to the other 88 Acute Trusts in our peer group?

The best **9.6**  
Average **9.1**  
The worst **8.1**

## Theme two: Health & wellbeing



The higher the score the better for organisations where staff are offered flexible working opportunities, positive action to look after their health & wellbeing and support when they are ill or feeling stressed



How do we compare to the other 88 Acute Trusts in our peer group?

The best **6.7**  
Average **5.9**  
The worst **5.2**

## Theme three: Immediate managers



This theme scores from one to ten - and focuses on the support and leadership immediate managers provide, including making training and development available to their teams. The higher the score the better



How do we compare to other Acute Trusts in our peer group?

The best **7.3**  
Average **6.9**  
The worst **6.2**

## Theme four: Morale



This is a new theme for 2018 - with questions that focus on how people are involved, treated, encouraged and valued at work. The closer to ten an organisation scores the higher staff morale



How do we compare to other Acute Trusts in our peer group?

The best **6.7**  
Average **6.1**  
The worst **5.4**

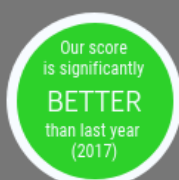


There's more over the page and our full report can be viewed at: [www.nhsstaffsurveys.com/Page/1056/Home/NHS-Staff-Survey-2018/](http://www.nhsstaffsurveys.com/Page/1056/Home/NHS-Staff-Survey-2018/)  
Over the next couple of months leaders in all our Divisions and Corporate Services will be hosting staff engagement sessions - to talk to teams about their local level results and to hear what they want to improve in 2019

### Theme five: Quality of appraisals



A high score suggest staff feel that appraisals help them improve how they do their job, set clear objectives and that they feel valued. Quality also includes discussing organisational values as part of the process



How do we compare to the other 88 Acute Trusts in our 2018 peer group?

The best **6.5**  
Average **5.4**  
The worst **4.6**

### Theme six: Quality of care



Asks staff if they are satisfied with the quality of care they give to patients and service users and if they feel their role makes a difference to them. The higher the score the better especially if feel they can deliver the care they aspire to give



How do we compare to the other 88 Acute Trusts in our peer group?

The best **8.1**  
Average **7.4**  
The worst **7.0**

### Theme seven: Safe environment Bullying & harassment



Organisations with scores closer to ten show that staff have experienced low levels of harassment, bullying or abuse at work - from either patients, relatives and carers - or managers and other colleagues



How do we compare to the other 88 Acute Trusts in our peer group?

The best **8.5**  
Average **7.9**  
The worst **7.1**

### Theme eight: Safe environment Violence



Organisations with scores closer to ten show that staff have experienced low levels of physical violence at work - from either patients, relatives and carers - or managers and other colleagues



How do we compare to other Acute Trusts in our peer group?

The best **9.6**  
Average **9.4**  
The worst **9.2**

### Theme nine: Safety culture



A range of questions in the survey cover fair treatment for staff involved in incidents, learning actions, feedback, ability to raise concerns and report incidents and an organisation's ability to address issues.

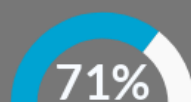


How do we compare to other Acute Trusts in our peer group?

The best **7.2**  
Average **6.6**  
The worst **6.0**



Of staff recommend our organisation as a place to work



Of staff would be happy with the standard of care we'd provide to their family or friends

### Theme ten: Staff engagement

An engaged workforce is an illustration of an organisation that enables its staff to use their initiative, supporting them to lead change and improvement. Staff who are engaged recommend their Trust as a place to work and receive treatment. A number of questions contribute to the overall score for this theme. The closer to ten the better and our overall score for 2018 is seven out of ten the same as the national average.



**KEY:**

Green bars show themes where we score better than the national average



Blue bars show themes where we score exactly the same as the national average



Red bars show themes where we score lower than the national average

**NHS**  
Chesterfield  
Royal Hospital  
NHS Foundation Trust

## **Priorities highlighted for 2019 - 2022**

In line with our refreshed People Strategy we have recognised the progress we have made over the last two years and the strategic environment, together with listening to the views of our staff. From this, we have identified four themes of focus as follows:

### **BUILD**

To continue to build our workforce through the development of new roles and to develop our strategy and approach to attraction, recruitment and retention. To continue to grow our clinical bank workforce to reduce agency spend further.

We will also focus on refining and sharing workforce intelligence data to support our on-going progress.

### **LEAD**

To continue the development of our leadership framework, 'Leading the Chesterfield Way', to implement phase 2 of our leadership development programme and further embed 'We can all Lead the Chesterfield Way'.

To ensure all of our workforce have the opportunity for a quality appraisal discussion and to continue with the development of succession planning through our talent forum structure.

### **ENGAGE**

To continue to build on the Trust's engagement framework which includes the response to our National Staff Survey results, year 2 of Listening in Action, the development of our Equality, Diversity and Inclusion and Health and Wellbeing agendas. We will also continue with our recognition event, 'Applause' and the embedding our Communications Strategy together with increasing the awareness and promotion of our valuable Volunteers.

### **LEARN**

We continue to increase apprenticeships across the Trust and ensure that our training offers meet the needs of our workforce. We will also be reviewing our essential training portfolio to ensure this is accessible and again meets the needs our workforce.



## Introducing our People Strategy 2019-2022



### **BUILD**

How will we build our workforce?



### **LEAD**

How will we develop our leadership culture and nurture talent?



### **ENGAGE**

How will we engage with all our people?



### **LEARN**

How will we ensure there are learning opportunities for all?

## Expenditure on Consultancy

Expenditure on consultancy in 2018/19 was £490,139 (2017/18: £590,676).

## Off-payroll arrangements

### Policy statement

The Trust's policy is to avoid the use of off-payroll arrangements for engaging highly paid staff. The only event in which they are used, exceptionally, is where there is a compelling need to import expertise the Trust does not currently have for a specific short-term purpose within a defined timescale, and where for whatever reason it is not feasible to engage someone as a direct employee. Any off-payroll engagement is subject to approval by a board member on the basis of a clear case of need, and is followed up to ensure that the arrangement has been concluded within the expected timescale.

**Table 1:** For all off-payroll engagements as of 31 March 2019, for more than £245 per day and that last for longer than six months:

Total number of existing engagements as of 31 March 2019	3
Of which:	
Number that have existed for less than one year at the time of reporting	2
Number that have existed for between one and two years at the time of reporting	1
Number that have existed for between two and three years at the time of reporting	Nil
Number that have existed for between three and four years at the time of reporting	Nil
Number that have existed for four or more years at the time of reporting	Nil

**Table 2:** For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, 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 2018 and 31 March 2019	3
Of which:	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	3
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	1
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 3:** For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019:

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	Nil
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements	Eighteen

### Information on staff exit packages

The Trust is required to disclose Staff Exit Packages in line with HM Treasury guidance. Staff Exit Packages include payments made to staff members who have been made redundant (or where their departure has been mutually agreed) including Payments in Lieu of Notice plus Other Non-Compulsory Staff Departures.

**Table 1: Total staff exit packages for 2018/19:**

	2018/19					
Exit Package Cost Band	Number of Compulsory Redundancies	Cost of Compulsory Redundancies £000	Number of Other Departures Agreed	Cost of Other Departures Agreed £000	Total Number of Exit Packages by Cost Band	Total Cost of Exit Packages by Cost Band £000
< £10,000	0	0	13	32	13	32
<b>Total Number of Exit Packages by Type</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>32</b>	<b>13</b>	<b>32</b>

**Table 2: Total staff exit packages for 2017/18:**

	2017/18					
Exit Package Cost Band	Number of Compulsory Redundancies	Cost of Compulsory Redundancies £000	Number of Other Departures Agreed	Cost of Other Departures Agreed £000	Total Number of Exit Packages by Cost Band	Total Cost of Exit Packages by Cost Band £000
< £10,000	0	0	17	25	17	25
<b>Total Number of Exit Packages by Type</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>25</b>	<b>17</b>	<b>25</b>

There were no departures in either year where Special Payments in accordance with HM Treasury guidelines have been made.

Exit Costs in the tables above are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-Health Retirement Costs are met by the NHS Pensions Scheme and are not included in the table.

## Staff Exit Packages - Other Non-Compulsory Departure Payments

**Table 3:** Total staff exit packages – other non-compulsory payments for 2018/19 and 2017/18 were:

	2018/19		2017/18	
	Number of Payments Agreed	Total Value of Agreements £000	Number of Payments Agreed	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual Payments in Lieu of Notice	13	32	16	23
Exit Payments following Employment Tribunals or Court Orders	0	0	1	2
Non-Contractual Payments requiring HM Treasury Approval*	0	0	0	0
<b>Total</b>	<b>13</b>	<b>32</b>	<b>17</b>	<b>25</b>
Of which:				
Non-Contractual Payments made to individuals where the payment value was more than 12 months of their annual salary	0	0	0	0

As a single exit package can be made up of several components, each of which will be counted separately in this note, the total number above may not necessarily match the total numbers in Tables 1 and 2 above, which will be the number of individuals.

No Non-Contractual Payments were made to individuals where the payment value was more than 12 months of their annual salary.

The Remuneration Report includes disclosure of any Exit Payments to individuals named in that Report.

**Accountability report signed by**

A handwritten signature in black ink, appearing to read 'S Morritt', with a long horizontal stroke extending to the right.

**Simon Morritt**  
**Chief Executive and Accounting Officer**

**22 May 2019**

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# Code of Governance

## Code of governance

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

NHS Foundation trusts are required to provide a specific set of disclosures in their annual report to meet requirements of the Code of Governance. For each item below, the information, its reference in the Code of Governance and its location within the annual report are shown. The reference 'ARM' indicates a requirement not of the code but of the Foundation Trust Annual Reporting Manual issued by NHS Improvement.

Reference	Information	Location
A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	Pages AR59-62, AR72 and AR76-81
A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.	Pages AR47, AR58 to AR71, AR73-74
A.5.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	Pages AR83-85
ARM	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	Pages AR83-85

B.1.1	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	Page AR49 and AR50
B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	Pages AR58 and AR63-71
ARM	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated.	Pages AR49, AR58, AR63-71 and AR108
B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	Page AR77
ARM	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	Page AR77
B.3.1	A chairman's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.	Page AR63 and AR72
B.5.6	Governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Page AR82 and AR77-80

ARM	<p>If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012.</p> <p>* Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance).</p> <p>** As inserted by section 151 (6) of the Health and Social Care Act 2012)</p>	This power has not been exercised in 2018/19
B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	Pages AR58 and AR77
B.6.2	Where there has been external evaluation of the board and /or the governance of the Trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the Trust.	AR58
C.1.1	<p>The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy.</p> <p>Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).</p>	<p>Page AR50</p> <p>Page AR149</p>
C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	Pages AR60 and AR155

C.2.2	<p>A Trust should disclose in the annual report:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	Page AR59
C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	This has not arisen during 2018/19
C.3.9	<p>A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include:</p> <ul style="list-style-type: none"> <li>the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed;</li> <li>an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and</li> <li>if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.</li> </ul>	Pages AR51-52, AR54 and AR59-60
D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	This has not arisen during 2018/19
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	Pages AR72 and AR95

E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	Pages AR57 and AR76
E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Pages AR92-95
ARM	<p>The annual report should include:</p> <ul style="list-style-type: none"> <li>• Brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership;</li> <li>• Information on the number of members and the number of members in each constituency; and</li> <li>• Summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership including progress towards any recruitment targets for members.</li> </ul>	Pages AR75 to AR95
ARM	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.	Pages AR72 and AR76

The board of directors confirms that in relation to those provisions within the Code of Governance for which the Trust is required to 'comply or explain', the Trust was compliant throughout the year to 31 March 2019 in respect of those provisions of the Code save for the following exceptions, which the Code requires the Trust to disclose:

B.6.6 - There is a procedure in the constitution which deals with the removal of any governor on the grounds stipulated in this section. This provides for any governor who disagrees with the decision to remove them to have the right of representation to the council but it leaves to the council the final decision in the matter. It is felt that the council should retain this, in order to promote effective governance. The council may decide at its discretion to involve an external assessor, but it is not felt necessary for this to be a requirement.

B.7.1 - The Trust prefers to retain flexibility on reappointments in a final term which recognises the ability to allow one, two or three year terms which are subject to satisfactory performance and annual appraisal.

# NHSI 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.

The segments are as follows:

Segment	Description
1	<b>Providers with maximum autonomy</b> – no potential support needs identified across our five themes – lowest level of oversight and expectation that provider will support providers in other segments
2	<b>Providers offered targeted support</b> – potential support needed in one or more of the five themes, but not in breach of licence (or equivalent for NHS Trusts) and/or formal action is not needed
3	<b>Providers receiving mandated support for significant concerns</b> – the provider is in actual/suspected breach of the licence (or equivalent for NHS trusts)
4	<b>Special measures</b> – the provider is in actual/suspected breach of its licence (or equivalent for NHS Trusts) with very serious/complex issues that mean they are in special measures

The Trust is in segment 2 and has been since the introduction of the Single Oversight Framework. This segmentation information is the Trust's position as at 31 March 2019. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

## Care Quality Commission (CQC)

In February 2017 the Trust was reviewed as part of a focused inspection in which the Well Led domain was assessed, this resulted in a rating of 'Good'.

Further information about the Trust's compliance with CQC requirements is set out on page AR54.



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**Statement of the  
Chief Executive's Responsibilities as  
Accounting Officer  
2018/19**

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## Statement of the Chief Executive's responsibilities as the Accounting Officer of Chesterfield Royal Hospital NHS Foundation Trust

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

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

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health 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
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy 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 by**



**Simon Morritt**  
**Chief Executive and Accounting Officer**

**22 May 2019**

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# **Annual Governance Statement**

## **2018/19**

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# Annual Governance Statement 2018/19

## 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*.

There are external arrangements in place for working with partner organisations. Those operating at Chief Executive level include:

- East Midlands Leadership Academy Board
- East Midlands Acute Trust Chief Executives' Partnership
- Derbyshire Health and Wellbeing Board
- Better Care Closer to Home Implementation Board
- South Yorkshire and Bassetlaw (SYB) Integrated Care Systems (ICS) Collaborative Partnership Board
- ICS – System Health Executive Group
- Joined up Care Derbyshire – Provider Alliance Group
- Joined up Derbyshire Board
- NHS Providers' group for Chairs and Chief Executives
- Destination Chesterfield Board
- Derbyshire CE/FDs Group
- Provider Acute Federation (Committees in Common)

There are similar arrangements in place for working with partner organisations that operate at Director level for finance, business and service planning, quality governance and communications.

## 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 Chesterfield Royal Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. This system of internal control has been in place in Chesterfield Royal Hospital NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.



### **Capacity to handle risk**

The board of directors is ultimately responsible for the management of key risks through a risk management strategy that is implemented and monitored through the Trust's governance processes. The key areas of those risks are managed through:

- Risk management policy;
- Strategic business risk management;
- Integration of risk management;
- Board assurance framework;
- Trust risk register;
- Financial risk management;
- Compliance with targets.

The board of directors receives details of key risks through regular board reports:

The trust risk report identifies all high level risks for the Trust with the monthly integrated performance report recording all key financial and operational risks, and performance against key clinical quality indicators.

All the board assurance committees receive reports showing the risks against the strategic objectives of the Trust which are aligned to each committee's terms of reference. The Trust's six strategic objectives are:

- 1: Provide high quality, safe and person-centred care;
- 2: Deliver sustainable, appropriate and high-performing services;
- 3: Developing existing and creating new partnerships for the benefit of patients;
- 4: Support and develop our staff;
- 5: Manage our money wisely, foster innovation and improve efficiency;
- 6: Provide an infrastructure to support delivery.

The audit and risk committee exercises lead responsibility for the board assurance framework, which governs the agendas of all the board's assurance committees. In this capacity, the audit and risk committee reviews the provision of assurance to the board by the finance and performance committee, the quality assurance committee and the people committee. The audit and risk committee receives audit reports on risk and governance, including the board assurance framework, to satisfy itself that the system of internal control is effective.

The board of directors and each of its committees also approve and regularly review the board assurance framework to assess progress and risks against the strategic objectives of the Trust.

The board of directors is supported by six committees (each chaired by a non-executive director together with other non-executive director members) that ensure effective monitoring and assurance arrangements for the system of internal control. These, and their key responsibilities, are set out below:

### **Remuneration committee**

- Review and determine the executive directors' remuneration package;
- Review and determine succession plans for the executive director posts.

#### **Audit and risk committee**

- Provide assurance to the board about the soundness of overall systems for governance and internal control;
- Financial management control;
- Review allocated strategic objectives risks;
- Consider high level risks in detail;
- Ensure soundness of overall system of risk management;
- Review allocated strategic objectives risks.

#### **Quality assurance committee**

- Clinical risk assurance;
- Quality governance;
- Review and provide assurance to the board of directors on allocated strategic objectives risks.

#### **Finance and performance committee**

- In-depth review of financial performance and financial strategy;
- In-depth review of operational performance and improvement plans;
- Assurance on the mitigation of in-year financial and operational pressures;
- Review and provide assurance to the board of directors on allocated strategic objectives risks.

#### **People committee**

- Develop and embed a sustainable and affordable workforce plan;
- Ensure leaders live our values and actively prioritise staff engagement and involvement;
- Build a healthy workforce with strong personal resilience;
- Become a centre of excellence for training and development;
- Review and provide assurance to the board of directors on allocated strategic objectives risks.

#### **Charitable funds committee**

Review and approve the use of the Trust's charitable funds.

The minutes, an assurance report and other key documents that have been discussed at these committees are submitted to the board of directors meeting.

Each of the supporting committees conduct an annual committee evaluation and improvement actions identified. Annual evaluation reports and action plans are reported to the Board and feed into the planned Board development programme which continues into 2018-19.

## Leadership of the risk management process

The Chief Executive has overall responsibility for the management of risk of the Trust. The other members of the Executive Team exercise lead responsibility for the specific types of risk as follows:

- |                    |   |
|--------------------|---|
| • Quality risk     | Director of Nursing and Patient Care and Medical Director |
| • Operational risk | Chief Operating Officer                                   |
| • Workforce risk   | Director of Workforce and Organisational Development      |
| • Financial risk   | Director of Finance and Contracting                       |

The role of the directors is to ensure that appropriate arrangements and systems are in place to achieve:

- Identification and assessment of risks or hazards;
- Elimination or reduction of risk to an acceptable level;
- Compliance with internal policies and procedures, and statutory and external requirements; and
- Integration of functional risk management systems and development of the assurance framework.

These responsibilities are managed operationally through the risk system manager supporting the directors and working with designated lead managers in the clinical divisions.

## Staff empowerment and training (risk management)

Staff are equipped to manage risk in a variety of ways and at different levels of strategic and operational functioning. These include:

- Formal in-house training for staff as a whole in dealing with specific everyday risks, e.g. fire safety, health and safety, moving and handling, infection control, security, information governance;
- Training and induction in incident investigation, including documentation, root cause analysis, steps to prevent or minimise recurrence and reporting requirements; and
- Developing shared understanding of broader business, financial, environmental and clinical risks through collegiate clinical, professional and managerial groups (such as the performance delivery group and the quality delivery group) and sharing good practice through appropriate forums such as NHS Providers.

## Stakeholder Communications

A number of forums exist that allow communication with stakeholders including:

- Council of governors;
- Partner organisations;
- Staff;
- Public and service users.

Communications with these bodies is key in ensuring risks identified by stakeholders that affect the Trust can be assessed, discussed and where appropriate action plans can be developed to resolve any issues. Such communication opportunities include those listed over the page.

### **Council of governors**

The council has a formal role as a stakeholder body for the wider community in the governance of the Trust.

- Newsletters;
- Events including the annual members' meeting;
- Minutes of the council of governors meetings.

### **Staff**

- Payslip bulletin and board and chief executive briefings;
- Staff meetings and team briefings;
- Social media;
- Staff forum; and,
- Staff surveys.

### **Public and service users**

- Patient surveys and face to face interviews;
- Social media;
- Assistance and Complaints Service; and
- Meetings with voluntary and self-help groups.

### **Partner organisations**

- Joined up Care Derbyshire;
- South Yorkshire and Bassetlaw (SYB) Integrated Care Systems (ICS) Collaborative Partnership;
- South Yorkshire Mid Yorkshire North Derbyshire (SYMND) Working Together Partnership;
- Clinical commissioning groups, voluntary sector and universities; and
- Clinical and professional networks in South Yorkshire and the East Midlands.

### **Risk and control framework**

The Trust is committed to establishing a transparent risk management culture and process where effective management of risk is an integral part of day to day management and delivery of healthcare. The Board is committed to establishing an environment where staff feel able to and are supported to identify risk.

### **Policy for the management of risk**

The Trust has in place a Risk Management policy, which is endorsed by the board of directors. The policy defines risk and the Trust's risk appetite and identifies individual and collective responsibility for risk management within the organisation. It also sets out the Trust's approach to the identification, assessment, scoring, treatment and monitoring of risk. The policy:

- Defines the objectives of risk management and the process and structure by which it is undertaken;
- Provides clear definitions of terminology regarding risk management;
- Defines the Trust's risk appetite which articulates the content and range of risk(s) that the Trust might take. In its consideration of this range the Trust holds paramount its objective for providing high quality care and services for its patients and the community;
- Sets out the lead responsibilities and the organisational arrangements as to how these are discharged;
- Sets out the key policies, procedures and protocols governing risk management; and
- Is complemented by a Risk Management toolkit.

The risk grading matrix uses an NHS common scoring approach that is a symmetrical scoring matrix, where risk is calculated as the product of consequence multiplied by likelihood, often referred to as the 5 x 5 matrix (scores 1-25). The principle underpinning this approach is the higher the final score the greater the risk.

All operational risks are entered onto the DATIX record management system which is used to produce reports for all levels of management, the assurance committees, the council of governors and the board of directors. Another feature of the DATIX system is the utilisation of personalised dashboards where risk related metrics can be noted at a glance and also facilitates 'drilling down' into the data. Each risk record within the DATIX system has key dates (date of previous review and next review due), strategic objectives which are affected; initial, current and target risk ratings, justification of risk ratings and projected dates for when the target risk rating would be met.

### **Board assurance framework**

The Trust has a board assurance framework. This identifies the principal risks facing the Trust in the achievement of its strategic objectives, the sources of assurance currently available both internally and externally, the identification of the lead responsibility within the Trust and how the risk is being managed or treated. Any gaps in sources of assurance are identified on the document along with actions for addressing the gaps. The board assurance framework and action plans are reviewed during the year by the assurance committees and the board of directors.

During 2018/19, the assurance committees have reviewed the board assurance framework, providing the board of directors with assurances on the effectiveness of the systems of internal control. The board assurance framework is a living document, framed around the critical success factors to the delivery of the Trust's five-year strategic outcomes. The Board of Directors receives and discusses the Board Assurance Framework regularly and monitors the progress of actions identified to mitigate the gaps in control and assurance.

## Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare a Quality Account for each financial year. NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of quality reports which incorporates the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The quality assurance committee is identified as the board committee with responsibility for the development of the Trust's annual Quality Account. This ensures that there is appropriate input into the development of the report.

The quality assurance committee receives regular information on quality indicators via the integrated performance report and is responsible for the development and ongoing monitoring of the quality strategy. The medical director and the director of nursing and patient care have led negotiations with the clinical commissioning groups on the agreement of the quality schedule and specifically, the CQUINs (commissioning for quality and innovation targets). These documents have formed the basis of the Quality Account.

In addition:

- The board has reviewed the annual Quality Account and has considered on-going compliance with the priorities via the monthly integrated performance reports;
- The medical director and the director of nursing and patient care have presented the Quality Account to the council of governors, which also receives the monthly integrated performance reports; and
- The draft Quality Account has been shared with: the clinical commissioning groups, the Derbyshire County Council improvement and scrutiny committee and Healthwatch.

The Quality Account contains information that is subject to internal and, in many cases, external validation. In all instances the information has been made available to the public through the monthly integrated performance reports that are provided to the open meeting of the council of governors and through reports produced by regulatory bodies. There are no identified gaps in assurance in the board assurance framework relating to the Trust's Quality Account.

The Trust's report on quality is subject to review by its external auditors who have reported on their review of the arrangements that the Trust has in place to secure the data quality of information included in the Quality Account.

The external auditors have reported a clean audit opinion (based on limited testing) on the maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers, and on the A&E four hour wait indicators.

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

- Continue to implement our data assurance process which we use to assess all of the information included within our Integrated Performance Report;
- Continue to develop our data quality assurance processes by involving clinical staff in the review of recorded information; and
- Build on the skills and knowledge of the Data Quality Team and raise awareness across the Trust, provide training and drop-in sessions for staff.

Staff continue to carry out pathway validation to ensure performance remains a true reflection of the Trust's position.

### **Clinical audit**

Clinical audit is an integral part of the Trust's clinical quality strategy and a key component of clinical governance. The quality assurance committee ensures that the Trust meets its statutory requirements with regard to audit activity. The committee ensures through the quality delivery group that activity is integrated within the directorate structures, findings are considered and appropriate actions identified.

In order to ensure that there is a robust clinical audit programme which reflects Trust priorities, divisions are required to develop annual clinical audit plans which include relevant local and national audits. In order to assess progress against the annual plan an annual report detailing recommendations and action taken is presented to the divisional governance groups and the Trust's quality assurance committee.

### **Workforce Safeguards<sup>1</sup>**

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

The foundation trust has published an up-to date register of interests for decision-making staff within the past twelve months, as required by the Managing Conflicts of Interest in the NHS<sup>2</sup> guidance.

As an employer with staff entitled to membership in 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 contributions and payments into the scheme are in accordance with the scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the regulations.

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

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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<sup>1</sup> <https://improvement.nhs.uk/resources/developing-workforce-safeguards/>

<sup>2</sup> <https://www.england.nhs.uk/publication/managing-conflicts-of-interest-in-the-nhs-guidance-for-staff-and-organisations/>

### **Information governance assurance programme**

The Trusts Information Governance (IG) framework has gone through a successful transformation to align with the General Data Protection Regulation (GDPR), which became law on 25<sup>th</sup> May 2018. The Trust has a Caldicott Guardian (Medical Director); a Senior Information Risk Officer (SIRO – Director of Finance and Contracting) and a Data Protection Officer (DPO) – ICT Quality & Governance Manager. The Trust has an Information Governance Group (IGG), established to oversee all information governance issues which reports to the Trust's Board via the Audit and Risk Committee and to Hospital Leadership Team as required. Each division and corporate team has appointed an information asset owner (IAO) to provide leadership at local level.

Information governance risks are managed in accordance with Trust risk management standards, and, where appropriate, recorded on the risk register. Key IT systems have a designated system manager, with defined responsibilities, including risk management and responsibility for identifying IG risks.

All members of staff are governed by a code of confidentiality, and access to data held on IT systems is restricted to authorised users. Information governance training is incorporated in the Trusts essential training programme and all members of staff are required to undertake IG training to national standards.

The annual information governance self-assessment exercise has been replaced with the Data Security & Protection Toolkit (DSPT) provided by NHS Digital. The Trust has successfully completed its inaugural DSPT submission with a status of 'standards met' for the 100 mandatory evidence items during 2018/19. Additionally, the Trust audit partner, 360 Assurance, has completed its independent assessment of the Trust DSPT submission and the one action raised has been completed on time and is now closed.

There has been one IG incident reported to the Information Commissioner's Office (ICO) during 2018-19, which resulted in the ICO confirming that the action taken by the Trust was satisfactory. There have been 2 employer liability claims raised relating to Data Protection and these are handled via NHS Resolution on the Trusts behalf. The Trust continues to strengthen its IG capabilities and is well placed to secure longer term compliance with the standards.

### **Compliance with Care Quality Commission targets**

As part of their routine programme, during September to November 2018, the CQC undertook an inspection of Trust services which included five core services (Medicine, surgery, children and young people, end of life care and community child and adolescent mental health services) and an inspection of the well-led key questions at trust level. Our findings are in the section headed "Is this organisation well led?"

The inspection demonstrated clear improvements being made with an increase in the number of areas rated as good and two services receiving outstanding for caring. Overall the Trust is now good in all domains:

The report highlights two 'must do' recommendations; a 'must do' recommendation is where there is clear evidence that a regulation (Fundamental Standard) has not been met, as follows:

- The trust must ensure that the processes for completing DNACPR is clear and that where mental capacity assessments are undertaken, they must be done on a situation specific basis and include all relevant parties in that situation specific assessment. In response to this the Trust:
  - Have produced a ReSPECT pack which includes MCA form and patient information leaflet;
  - Will produce a ReSPECT awareness video to be shared with staff throughout the Trust to raise awareness of when and how to complete a form;



- Will undertake staff consultation to identify barriers to completion of ReSPECT and develop further our improvement plan to address issues identified using the LiA approach;
  - Will ensure all relevant staff to receive ReSPECT (DNACPR) training via annual resuscitation training;
  - Will assess staff knowledge and compliance with ReSPECT process via Care Accreditation (roll-out commenced April 2019).
- The trust must ensure staff understand the requirements of the Mental Capacity Act 2005 in relation to their role and responsibilities. In response to this the Trust will:
    - Review the MCA form and launch revised form supported by staff communication in April 2019;
    - Ensure all relevant staff to receive MCA training in line with Trust's mandatory training programme;
    - Review training to identify best practice and take forward changes to the Trust's mandatory training programme in line with findings;
    - Develop a methodology for measuring staff awareness and understanding of the MCA;
    - Develop educational material which will be used as a "golden thread" in all relevant training e.g. nutrition and hydration, falls, etc.

In addition, the Trust has developed an improvement plan in response to the 22 "should do" recommendations.

### **Quality governance arrangements**

The board takes clear responsibility for ensuring the quality and safety of services offered by the Trust and has developed robust structures and reporting mechanisms to ensure that quality goals are identified, monitored and, where performance is sub-standard action is taken to rectify the situation. The key board committee is the Quality Assurance Committee which is supported in this role by the Audit and Risk committee.

Following the divisional restructure in 2017 and the establishment of Care Units, the Governance system was revised in April 2018 to reflect the new structure.

NHS Improvement guidance sets out how providers should carry out developmental reviews of their leadership and governance using the framework as part of their own continuous improvement. These developmental well-led reviews should be carried out by providers every three to five years. The Trust is progressing its development programme during 2018-19.

### **Compliance with the NHS constitution**

The Trust operates with regard to the NHS constitution in all its decisions and actions concerning its staff and service users. The constitution has been revised to meet the requirements identified in the Health and Social Care Act 2012.

A periodic statement is provided to the board of directors on the Trust's compliance with the requirements of the NHS constitution.

## Description of the principal risks facing the Trust during 2018/19

The following principal risks were identified in 2018/19:

- Poor patient experience;
- Failure to ensure the Trust learns from incidents will impact on the quality of care given to patients;
- Inability to meet regulatory core standards and national levels of compliance in respect of essential quality and clinical effectiveness standards will have an impact on the quality of care for our patients;
- Failure to deliver the ambitions of the Clinical Services Strategy to transform and build efficiency within the portfolio of core services, based on business modelling and analysis, and to divest non-core services that are not sustainable or affordable;
- Risk that Royal Primary Care is not able to offer the appropriate range of services to patients in a sustainable way;
- The Trust is not able to consistently deliver the full range of NHSI access standards (4hr, all cancer standards and 18wks) and other internal/external standards for acute and primary care;
- Failure by Derbyshire and South Yorkshire system partners to agree and implement the ambitions of the respective sustainability and transformation plans to deliver integrated care with appropriate structures;
- Failure to develop and embed a sustainable and affordable workforce plan that delivers the right people in the right place at the right time with the right skills;
- Failure to build staff experience and satisfaction via the priority themes of the engagement framework;
- Failure to engage, support and develop our leaders via the 'Leading the Chesterfield Way' framework;
- Financial and reputation risk associated with an inability to deliver a control total compliant plan due to:
  - Insufficient improvement headroom;
  - Insufficient capacity and capability to deliver the improvement plan; or,
  - An inability to mitigate the actions associated with the Derbyshire STP/transformation requirements;
- Poor service commissioning decisions made which lead to poor care due to the inability to influence the Derbyshire strategic commissioner and STP savings plan requirements due to poor plans, regulatory oversight or engagement;
- Not developing and delivering an IT strategy (which describes both a) our hospital and system clinical digital plan or b) the safety and security of our wider IT systems) that is supported by the Board and effectively communicated to staff;
- Not developing and delivering an environmental strategy, or site development plan/strategy, which delivers carbon reduction and wider social responsibilities, or 'fit for purpose' clinical facilities that are supported by the Board and effectively communicated to staff.

These risks have been mitigated during the year through close monitoring and performance, but some will continue to be principal risks in the year ahead. The risks are aligned with the key issues and risks identified in the chief executive's statement on performance.

The principal risks to compliance with the provider licence condition 4 (FT governance) is that the Trust does not achieve its financial targets and some operational targets. The action taken to mitigate this is through the board's finance and performance committee which closely reviews, monitors and challenges financial and operational performance and agrees action to mitigate in-year pressures and improve performance, as well as scrutinising plans to meet longer-term challenges.

In making its corporate governance statement for 2018/19, the Trust will have assured itself of the validity of the statement through identification of the information and evidence available to support each part of the statement, and the testing of the robustness of this with each of its four key assurance committees, i.e. the audit and risk committee, the finance and performance committee, the quality assurance committee and the people committee prior to the board approving the final statement.

No high-risk issues were formally reported as a result of the Internal Audit 2018/19 work to date.

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

During the year the board of directors has received regular reports informing of the economy, efficiency and effectiveness of the use of resources. The reports provide detail on the financial, clinical and performance of the Trust during the previous period and highlight any areas through benchmarking or traffic light system where there are concerns. The executive directors of the Trust supply these reports. The Board has also been given the opportunity for an in depth walk through of the financial annual accounts.

Internal audit has reviewed the systems and processes in place during the year and published reports detailing the required actions within specific areas to ensure economy, efficiency and effectiveness of the use of resources is maintained. The outcomes of these reports are graded according to the level of outstanding risks within the area. This Annual Governance Statement takes account of the limited (red) assurance opinions given in a number of the internal audit reports, although these do not constitute any significant risk as the recommendations and associated action plans arising are being tracked by the audit and risk committee.

In the NHS Improvement Single Oversight Framework providers are segmented based on the level of support each provider needs. The Trust has been segmented as '2', where targeted support is offered. The Trust further obtains assurance of its systems and processes and tests its benchmarking by working with other NHS and external organisations, and also through the NHS Providers, where foundation trusts share good practice.

### **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 Account 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 result of my review of the effectiveness of the system of internal control by the board, the audit and risk committee, the finance and performance committee, the people committee and the quality assurance committee, and plans to address weaknesses and ensure continuous improvement of the system are in place. My review is also informed by:

- ISA 260 audit highlights memorandum 2018/19;
- Confirmation by NHS Improvement through segmentation under the Single Oversight Framework;
- Continued compliance with the Care Quality Commission's standards.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the committees identified above, by the board of directors' monitoring of corporate and divisional performance, by the publication of audit reports in line with their work programme by internal audit during the year, and by the evidence of the assessment of the Trust and the capacity and capability of the board of directors by NHS Improvement in relation to its financial management, governance arrangements and risk management systems. Plans to address any weaknesses and ensure continuous improvement of the system are in place.

### **Conclusion**

There are no significant internal control issues that have been identified during the period 1 April 2018 to 31 March 2019 that require disclosure in this statement.

### **Signed by**



**Simon Morritt**  
**Chief Executive and Accounting Officer**

**22 May 2019**





## **Annual Report 2018 to 2019**

Chesterfield Royal Hospital NHS Foundation Trust  
Calow  
Chesterfield  
Derbyshire S44 5BL



# Quality Accounts

## 2018 to 2019



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<sup>1</sup> Throughout this document we have used the term patients to represent all our services users including those people who are important to patients e.g. carers, relatives, friends.

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# Introducing our hospital

April 2018 - March 2019

**NHS**

**Chesterfield  
Royal Hospital**  
NHS Foundation Trust

We serve a North Derbyshire  
population of more than

**400,000**



Our budget is

**£245  
Million**



We have

**3,900 Staff**  
and **150 Volunteers**



We provide a full  
range of acute services  
– plus community  
midwifery, specialist  
children's services,  
GP & primary care  
services & 24 hour ED



We have more than  
**20 Wards**

With around  
**550 Beds**



Over the year we will care for more than

**30,000** patients after a  
planned operation

Over the year we  
will have treated  
**80,000**

patients in the  
emergency department



This year we will  
look after about

**40,000**

patients admitted to hospital  
for a medical emergency



**3,000 Babies**

will be born at the hospital over the year

At least

**250,000**

patients will be seen in  
our out-patient clinics  
this year



We will carry out more than

**170,000**

x-rays and scans



We will test around

**2.0 Million**

pathology samples this year



Correct as at June 1 2018 (version 3)

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# Part One

## What is the Quality Account?

The Quality Account is our opportunity to share with you information about how well we have delivered services which are safe, effective and offer our patients a good experience. We publish a Quality Account each year so that we can show progress against our key standards and let you know our priorities for the coming year.

### About Chesterfield Royal Hospital NHS Foundation Trust

We serve a North Derbyshire population of more than 400,000, providing a full range of acute services – plus community midwifery, specialist children's services, GP & primary care services and a 24 hour emergency department. Find out more about us on page 7.

## Performance against key targets

### Areas where we achieved our targets

- ✓ **Hospital Standardised Mortality Rate:** For February 2018 to January 2019 the HSMR is 106, and this is within expected range
- ✓ **Summary Hospital Mortality Index:** SHMI is published quarterly using a rolling 12 months; for the latest reporting periods the Trust has had a rate which is 'as expected'.
- ✓ **Cancer waiting times:** - the Trust has achieved the 2 week and 31 day waiting time targets for cancer care
- ✓ **VTE Assessment:** We aim to meet the national standard for VTE assessment, which is now set at 95% of all admitted patients. We performed consistently against this standard and maintaining compliance at over 95%.
- ✓ **C-dfficile rates:** The number of hospital-acquired C. difficile infections has increased slightly to 17 from 13 in 2017/18 however this remains below the trajectory of 30.
- ✓ **Fall in Hospital:** The incidence of falls trust wide was 6.25 per 1000 bed days for 18/19, better than the 6.6 target and falls with harm were 1.33 per 1000 bed days (target less than 2)
- ✓ **Incident reporting:** the rate of incidents per 1,000 bed days has increased over the last 3 periods.
- ✓ **National inpatient survey:** For this survey, published in June 2018, the Trust scored better than other trusts for two questions; the remaining 58 questions are performing 'about the same' as other trusts.
- ✓ **National staff survey** – The Trust's 2018 survey results showed an increase in the proportion of staff who reported that they were happy with the quality of care provided by the Trust.
- ✓ **Re-admission rates:** Overall our re-admission rates are lower than the national average.

### Areas where we did not achieve our targets

- ✗ **Cancer waiting times:** This has been a challenging year for patient activity and admissions therefore the Trust did not meet the 62 day cancer targets
- ✗ **Hospital acquired pressure ulcers:** the Trust did not sustain our previous reduction in pressure ulcers.
- ✗ **MRSA** – The Trust had one case of hospital acquired MRSA bacteraemia this year, against a target of zero.
- ✗ **Waiting time in the Emergency Department : A&E** - We missed the national target of 95% or more of our patients waiting four hours or less before a decision to treat, admit or discharge.
- ✗ **Referral to Treatment Time:** At the 31st March 2018, 90.3% (standard 92%) of patients on incomplete pathways had been waiting less than 18 weeks.

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# Statement on Quality

We strive to give every one of our patients a safe, effective and positive patient experience. We need to ensure our patients are protected by comprehensive safety systems that focus on openness and learning. We need to aim for patient outcomes that are consistently better than expected and we need to ensure we respect, value and empower our patients – so we can listen to them and improve as a result of that listening.

These very pledges are at the heart of our refreshed Quality Strategy launched this year by our Director of Nursing and Patient Care, Lynn Andrews. They provide a focus for our journey towards becoming an outstanding organisation – where the ratings our hospital, our community based services and our GP surgeries achieve from the Care Quality Commission (CQC) reflect our ambition to provide the best possible care and services we can to the 400,000 plus people in North Derbyshire who make us their first choice for care and treatment.

This Quality Account is once again an honest reflection of where we are on that journey. It provides a picture of highlights and achievement; and also shows that we are clear about where we are not performing well - and that we know we have to take on-board what happened over the last year and continue to develop and improve.

The 4,000 colleagues that support provision of high-quality care and services are committed and determined to our success. Whether they provide direct patient care to our patients in wards, clinics or departments, or they provide valuable support and behind the scenes services they work together as one team. Every single member of staff contributes to how our patients feel about the Trust and its reputation. We appreciate everyone for the role they have - and I hope our report enables you to consider every individual's influence and input.

In the Quality Account this year you will see progress. You will also see some disappointments, where our performance has not reached the standards we would have wanted for our patients. So for example we're proud of the work we've done to ensure that patients who become acutely unwell whilst in our care are quickly recognised. It means our doctors and nurses can take swift action to support deteriorating patients - so they receive optimal attention. We are also delighted that Ruth May, Chief Nursing Officer for NHS Improvement (NHSI) highlighted the Trust as one of a few that have been successful in reducing healthcare associated E coli bacteraemia (bloodstream infections). We've seen an impressive 38% reduction over a three-year period. These, alongside all our other 'good news stories' still remain important priorities for us though - as there's always more to do to reach that 'outstanding' level.

Whilst we are delighted to share our successes, we are also sharing aspects of care where we need to focus our efforts to get to a higher level of excellence. Some of the national targets we are set for cancer care remain challenging and so we are improving clinical pathways with partners to ensure patients are seen, diagnosed and treated in the shortest time possible. We have also been unable to sustain a reduction in hospital-acquired pressure sores and we've set out an eight point programme in these pages to describe how we intend to get back on plan and enhance this position. It's an area where we know we need to concentrate our improvement efforts.

Notwithstanding any setbacks, I can't end this year's statement on quality without mentioning the highlight of the year – and it's one that really does show progress towards CQC 'outstanding'. It's a real tribute to our staff and the Quality Account is another opportunity for us to showcase their exceptional accomplishments across the CQC's fundamental standards for patient care and services.

In January 2019, the independent regulator of health services published our hospital's inspection report and rating - and huge congratulations were in order for all our teams. The report made excellent reading and was a testament to the hard work and commitment staff demonstrate every day.

The hospital was once again rated GOOD overall, although we were also awarded an outstanding rating in the domain of 'care' for End of Life Care and for Child & Adolescent Mental Health Services. And just to show how much we've improved in the two years since our last inspection, our staff had effectively reduced the number of 'requires improvements' in the full domain table from 12 to just three in this latest inspection. As you would expect there are still improvement actions – although just two 'must-do' points around Mental Health Capacity Act training and education that you can read about in this account (page 24-26).

As well as looking back on the past year we have set out our commitments for the coming year within this report - and my colleagues Lynn Andrews, our Director of Nursing & Patient Care and Dr Hal Spencer, our Medical Director, along with the rest of our Executive Director team continue to inspire, encourage and support people across the Trust as they continue to do all they can to lead their own improvements. Staff-led change is so important because they know their patients and they know what will make a real difference to support high-quality person centred care for all.

In conclusion – and to the best of my knowledge - all the data and information presented in the 2018/19 Quality Account report is true and accurate - and it has been approved by the Trust's Board of Directors. I hope you feel the same way I did when I read that 100% of bereaved friends and relatives<sup>1</sup> that came into contact with staff after their loved one died said they felt they were treated in a sensitive manner. This to me, along with all the other information and details in our report, should provide the ultimate assurance that we remain committed to giving our patients the best – and that even after they have gone they can be confident that we'll continue to look after their loved-ones with the same compassion, respect and dignity. I would want exactly the same for my family and whilst I'll be moving on to a new challenge at another Trust later this year I am proud to have been part of an organisation where this compassion exists and matters.



**Simon Morritt**  
**Chief Executive**  
**22 May 2019**

<sup>1</sup> 100% of those who responded to the survey



# Part Two

## Priorities for improvement

The ambitions for 2018-20 have been developed through review of our past performance and consideration of national priorities, and build on the work done over the past 2 years since the publication of our previous strategy.

Our continued focus to be 'outstanding' will ensure that:

**Clinical Effectiveness** - Outcomes for our patients are better than expected

**Patient Safety** - Patients are cared for within strong, comprehensive safety systems, and that we focus on openness and learning

**Patient Experience** – Patients are truly respected and valued as individuals and services provide informed choice and continuity of care

These three priorities were chosen as they reflect the quality of care across the organisation and are key indicators within the Trust's Quality Strategy, which was developed based on feedback from patients and the public and in consultation with our staff.

Progress against each of these priorities will be reported via regular performance reports which are presented to the Board of Directors, Quality Assurance Committee and Council of Governors. In addition, these reports are shared with our Clinical Commissioners, Derbyshire Healthwatch and Derbyshire County Council Overview and Scrutiny Committee. The following section looks at our progress to date and plans for improvement for 2019/20.

### 2.1 Clinical Effectiveness

#### Priority 1: The best outcomes for our patients

To be outstanding we need to ensure that outcomes for patients who use our services are consistently better than expected. In line with the Trusts Quality Strategy a number of priority areas for 2018/19 were identified. These priorities, the action to date and plans for the coming year, are as follows:

##### Learning from deaths

Many people experience excellent care in the months or years leading up to their death. However there is scope for improvement; by reviewing deaths and ensuring that learning is identified we can improve care for future patients and reduce avoidable deaths.

During 2018/19, we have:

- Continued to develop our Learning from Deaths process, maintaining the proportion of deaths which are subject to screening and increasing the number of focused reviews completed.
- Used our intelligence to identify areas where mortality may be higher than expected and undertaken focused reviews in these areas.
- Strengthened our palliative care team arrangements, published our End of Life Care Strategy and achieved a Care Quality Commission (CQC) rating of outstanding for Caring for our End of Life services.
- Achieved and sustained significant improvements in the care of patients with Sepsis.

- Launched the Recommended Summary Plan for Emergency Care and Treatment (ReSPECT) process and documentation, in conjunction with services across Derbyshire. This process creates personalised recommendations for a person's clinical care in a future emergency.

In 2019/20, we will:

- Increase the number of deaths which are subject to a structured judgement review to 20% of the total, and complete reviews for all patients with learning disabilities.
- Introduce a Medical Examiner role to increase communication with and involvement of families and strengthen oversight of the death certification process.
- Undertake an initial review on at least 90% of deaths.
- Continue to drive improvements in End of Life Care in response to the national audit.
- Take action to embed the ReSPECT process in everyday clinical care to support discussions with patients and their families.

### **Implementing best practice**

Healthcare is constantly changing and achieving the best outcomes requires us to understand and implement evidence-based best practice.

During 2018/19, we have:

- Strengthened our processes to assess compliance with NICE guidance and identify actions to address non-compliances.
- Engaged with the national Getting It Right First Time programme which aims to improve the quality of care within the NHS by reducing unwarranted variations.

During 2019/20, we will:

- Embed our processes to assess compliance with NICE guidance with the aim of achieving compliance with our target response times by June 2019.
- Continue to engage with the Getting It Right First Time programme and implement improvement plans to address the shortfalls identified.

### **Learning and improvements from Clinical Audit**

Clinical audit is our key method for finding out if healthcare is being provided in line with standards and helps care providers know where their service is doing well, and where there could be improvements with the ultimate aim of improving outcomes.

During 2018/19, we have:

- Reviewed our clinical audit procedures and strengthened the reporting and escalation process to focus on ensuring that shortfalls in clinical practice are addressed systematically and that changes are evidence based.
- Developed a clinical effectiveness assurance framework to ensure that there is a focus on the outcomes of national audits.

During 2019/20, we will:

- Focus our audit plans on the priorities as informed by our risk register and identified themes from patient safety intelligence.
- Encourage multi-professional involvement in audit including nursing.
- Introduce an annual audit celebration event to showcase local audits.

## 2.2 Patient Safety

### Priority 2: Protecting our patients from harm

Chesterfield Royal Hospital NHS Foundation Trust is committed to delivering sustainable high quality safe clinical care for all our patients. We are committed to reduce avoidable harm and have placed patient safety at the heart of the Trust's Quality Strategy.

In line with the Trusts Quality Strategy a number of priority areas for 2018/19 were identified. These priorities, the action to date and plans for the coming year, are as follows:

#### **Recognising and responding to deteriorating patients:**

Ensure that patients who become acutely unwell in hospital receive optimal care because their deterioration is quickly recognised and acted upon.

During 2018/19, we have:

- Launched the revised National Early Warning Score chart (NEWS 2) and re-launched the adult observation policy and procedures.
- Commenced a pilot programme of simulation training to help staff translate this policy and procedures into practice.
- Introduced trust-wide “deteriorating patient” stickers to strengthen effective treatment of patients who are deteriorating
- Further strengthened and embedded the accountability handovers throughout the Trust; these handovers promote individual accountability for the care of patients by encouraging staff to review and challenge practice and foster dual responsibility for ensuring the standard of communication at handover.
- Reviewed and re-launched our Transfer Policy to strengthen processes in place to ensure patients are transferred throughout the hospital in a safe and timely manner.

In 2019/20, we will:

- Introduce an e-observations platform and task management system which will provide further opportunities to improve the safe escalation of the deteriorating patient.
- Continue to strengthen our processes surrounding clinical communication, handover and escalation; through the continued embedding of accountability handovers and the SBAR escalation tool throughout the Trust

#### **Patient and Family Involvement:**

Open and honest communication with patients is at the heart of health care. Being open when things go wrong immediately and supporting and involving patients and their families throughout the subsequent investigations can help them to cope better with the after effects of a patient safety incident.

During 2018/19, we have:

- Continued to embed the Trust's Being Open (Duty of Candour) policy and the “Keeping Patients Safe” leaflet to ensure open and honest conversations with patient and their families immediately following a patient safety incident and throughout any subsequent investigation
- Delivered education and training on Duty of Candour to key clinical staff groups such as ward matrons through the matron way forward programme.
- Ensured a more consistent approach to duty of candour communications has been achieved across the Trust by provision of divisional performance reports and expert guidance and support from both central and divisional governance teams for clinicians.

In 2019/20 we will:

- Strengthen our serious incident investigations processes to ensure active involvement and engagement of patients and their families through the whole of the investigation process.
- Strengthen support provided to patients and their families both immediately and throughout serious incident investigations; including ensuring a lead contact is identified who will liaise with the patient and their family throughout the investigation process.

### **Learning from Incidents**

When something goes wrong in healthcare, the people affected often say, "I don't want this to happen to anyone else." We want to be recognised by our staff and patients as a true learning organisation with a culture that actively promotes reporting of all incidents, irrespective of harm, as an opportunity to learn and continuously improve the quality of services, outcomes and safety.

During 2018/19, we have:

- Continued to deliver our Learning from Incidents strategy
- Strengthened our reporting safety culture via near miss awareness campaign and introduction of telephone incident reporting line.
- Further developed our 'SWARM' incident investigation methodology; this involves staff 'swarming' like bees to the site of an incident to determine its causes and discuss how to prevent it recurring
- Strengthened learning processes by ensuring actions identified in response to incidents are SMART and developed mechanisms to support broader learning across specialties and divisions.

In 2019/20, we will:

- Continue to develop our mechanisms for sharing of learning from incident to support broader learning across specialties and divisions.
- Strengthen how we generate solutions to the causes of our patient safety incidents by ensuring actions identified in response to incidents are SMART and will significantly reduce the likelihood of recurrence.
- Utilise the Trusts Listening into Action (LiA) and Quality and Service Improvement (QSIR) programmes to more effectively generate solutions to learning from incidents.
- Develop processes to evaluate the impact of these actions to determine whether effective learning has taken place following an incident.
- Strengthen our incident investigation capabilities through the introduction of human factors and appreciative inquiry methodologies into our learning processes.

## 2.3 Patient Experience

### Priority 3: Positive Experience

Our Quality Strategy highlights that to be outstanding we need to ensure that patients are truly respected and valued as individuals and empowered as partners in care. We want to listen to patient's experiences and learn from them to provide the best care possible.

In line with the Trusts Quality Strategy three priority areas for 2018/19 were identified. These priorities, the action to date and plans for the coming year, are as follows:

#### Communication

Good communication is vital in helping patients make informed decisions. Feedback from our patients suggests that this is a key opportunity for improvement. We want to ensure patients are cared for by staff who can communicate in a clear and understandable way and that they are provided with appropriate support, information and explanations. During 2018/19, we have:

- Increased membership of the Service User Partnership Project, whereby patients volunteer to be involved in staff education sessions, and expanded the staff groups who involve Service User Partners in their training programmes to ensure that the patient is at the centre of education and training.
- Held a Dignity and Respect week in October 2018, to reiterate the Trust's Dignity standards and celebrate the compassionate care demonstrated by our staff.
- Recruited to a team of dedicated End of Life Volunteer Companions.
- Increased the volunteer presence in the Emergency Department to improve support for those patients and visitors waiting in the department.
- Introduced the 'START' (Simple Triage and Rapid Treatment) team in the Emergency Department to improve efficiency and communication.
- Launched the Trust's 'About Me' booklet to support patient communication with staff and shared this with other local organisations to support consistent communication across providers.
- Launched patient communication cards, so that patients can quickly and easily inform staff if they have any communication needs.
- Launched a set of tools to support patients with autism who attend the Trust for care and treatment.
- Introduced the 'Red Bag Initiative' to help improve communication and relationships between care homes, ambulance staff and hospital; the bags contain standardised items and stays with the patient until they leave the hospital.
- Introduced additional support services, including financial advice, art therapy and emotional support, in the NGS Macmillan Cancer Information and Support Service Centre.
- Introduced appointment reminder calls for cancer patients seen in the Dermatology outpatient clinic.
- Reviewed discharge processes on Trinity Ward to ensure patients are given consistent, quality information.
- Initiated a process at Royal Primary Care of sending birthday cards to patients on their 14th Birthday, to provide information about services relevant to adolescents.
- Engaged in the national Health Matters: tobacco and alcohol CQUIN (Commissioning for Quality and Innovation), whereby staff communicate advice and offer support regarding tobacco and alcohol use.
- Found that over 98% of patients said they were always treated with courtesy, kindness, compassion and respect when asked as part of the Trust's dignity audit (quarter two 18/19), and over 97% of patients said that they felt listened to and supported to express their own needs and wishes.
- Found that over 90% of Royal Primary Care patients who responded to the national GP survey 2018 said that they felt the healthcare professional recognised or understood any mental health needs during their last general practice appointment.
- Found that 100% of bereaved friends/relatives who responded to the Trust's bereavement survey (July to December 2018) and who came into contact with staff after their loved one died said they felt they were treated in a sensitive manner.

In 2019/20, we will:

- Roll out Human Factors Training across the Trust to support patient safety and experience, improving communication with patients and between staff/services.
- Promote and increase awareness with staff and patients regarding the 'About Me' booklet for communication and support needs and continue to work with other providers who wish to implement this.
- Introduce the automated production of Easy Read and large print letters.
- Work with local services to develop a discharge process for our homeless patients, including appropriate communication between providers.
- Embed an established discharge coordinator (DC) role within staff teams on the general medical wards.
- Pilot the Continuity of Carers service in maternity to provide consistent support for women in the Chesterfield area with mild to moderate mental health conditions.
- Introduce new personalised care plans in maternity, to support communication and involvement and shared decision making.
- Complete an evaluation of the Birth Talk service from those who have accessed support following traumatic birth experience.
- Review maternity bereavement support for parents and families.
- Ensure that our maternity service users are signposted to "Mother Hub" and "Parent Hub" for online information and advice, following its launch in 2019.
- Finalise 'ED journey maps' to support patients to understand the different pathways through the Emergency Department and potential reasons for wait times.
- Hold our annual Dignity and Respect week in October 2019, to reiterate the Trust's Dignity standards and celebrate the compassionate care demonstrated by our staff.

#### **Always events®**

The key to a positive experience is ensuring the consistency of those aspects of the patient experience that should always occur when patients interact with healthcare professionals and the delivery system. These aspects are referred to as "Always Events". We want to ensure that patient experience is supported by Always Events®.

During 2018/19, we have:

- Continued work on the pilot Always Events® in postnatal maternity care.
- Engaged with NHS England to ensure the Trust is involved in national development of Always Events®.
- Presented our 'Story so Far' at a regional NHS England Always Event® conference.

In 2019/20, we will:

- Commence an Always Event® in End of Life Care.
- Commence an Always Event® for children and young people.
- Ensure each Care Unit has commenced work on at least one Always Event®.
- Improve discharge processes and associated patient experience through Listening into Action and Always Events® projects.
- Continue to engage with NHS England's national programme for Always Events®.
- Align the Always Events® methodology with other quality improvement programmes across the Trust.

## Learning from Feedback

Learning from patient experience feedback is key to improving services. We want to ensure that we respond to feedback, however it is received, at all levels of the organisation in order to drive improvements to patient experience.

During 2018/19, we have:

- Introduced focused Patient Experience Improvement Plans for each Care Unit.
- Refreshed the Trust's Patient Experience Group and included patient representatives on the group.
- Increased the Trust's Patient Partner membership, to help us to think about our services from a patient/public point of view, to improve patient and carer experiences and to make sure our services are right for the local community.
- Formed an Outpatient Partner's group to support our outpatient projects and help us to see improvement from the patient perspective.
- Recruited a team of young Volunteers to support patient experience.
- Hosted the Deaf Forum to discuss patient experience in outpatients and the Emergency Department.
- Engaged with NHS Improvement to complete the Patient Experience Improvement Framework Assessment Tool, which will help to drive improvements through the Trust's Patient Experience and Engagement Delivery Plan and Care Unit improvement plans.
- Continued sharing patient stories at Trust Board and other meetings across the Trust to support the emotional recovery process for patients and those close to them and to ensure we listen to and learn from these stories, identifying areas of good practice or missed opportunities.
- Developed alternative ways of collecting feedback from children and young people, to ensure their voice is heard.
- Reviewed and refined the programme of focused patient feedback to ensure the views of our Royal Primary Care patients are heard, including bespoke surveys for children and young people.
- Refurbished part of Ashover Ward to create a Reminiscence day room and piloted an Activity Coordinator role on the ward.
- Extended the Carer's Liaison Officer post until 2021, to ensure that carers continue to be identified, involved as partners in care and supported.
- Implemented the Carer's Champion role at Royal Primary Care with support from the Trust's Carer's Liaison Officer.
- Introduced 'sit and wait' appointments and extended hours in conjunction with other local practices to improve accessibility of appointments at Royal Primary Care.
- Engaged with local schools to display pupils' artwork at Royal Primary Care GP sites.
- Found that patient feedback consistently highlights staff attitude and good service as key influences on patient perception of positive experience.
- Found that the Trust consistently receives a rating of 98% from those patients who would recommend our inpatient and daycase services via the Friends and Family Test; this is in the upper quartile nationally.
- Introduced improvements to increase the percentage of patients who would recommend the Emergency Department, which rose from 67% in quarter 1 to 83% in quarter 4 (18/19).

In 2019/20, we will:

- Implement the new real-time patient feedback system and develop ways of displaying patient feedback information for the public to view.
- Develop a Patient Experience and Engagement Delivery Plan to ensure that staff and patients are aware of our goals and expectations in relation to patient experience.
- Continue to monitor and strengthen Care Unit patient experience improvement plans.



- Continue to work with patients and the public to ensure a culture of co-production becomes embedded in trustwide improvement projects.
- Introduce a 'partial booking' appointments system to improve efficiency and flexibility for patients.
- Pilot alternative ways of providing outpatient and pre-operative assessment appointments.
- Introduce a permanent Activity Coordinator and Reminiscence Interactive Therapy Activities (RITA) on Ashover Ward.
- Improve the environment for children and young people in the waiting areas at Royal Primary Care.
- Develop a set of standards for children and young people seen in adult outpatient clinics.
- Develop a Child Health and Children and Adolescent Mental Health Care Unit five year vision, which puts patients at the centre of their priorities for providing quality care.
- Develop a Patient Partnership Group to support improvements in the Emergency Department.
- Introduce bespoke Patient Participation Group (PPG) telephone surveys to assess patient experience at Royal Primary Care.
- Hold a week of patient and public engagement events to celebrate NHS England's Experience of Care Week and National Patient Experience week in April 2018.





## 2.4 Statements of assurance from the Board

### 2.4.1 Review of Services

During 2018/19 the Chesterfield Royal Hospital NHS Foundation Trust provided and/or sub-contracted 43 relevant health services.

The Chesterfield Royal Hospital NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these relevant health services.

The income generated by the relevant health services reviewed in 2018/19 represents 100% of the total income generated from the provision of relevant health services by the Chesterfield Royal Hospital NHS Foundation Trust for 2018/19.

### 2.4.2 Participation in Clinical Audits and Confidential Enquiries

#### National Confidential Enquiries 2018-19

We see participation in national audits as an important part of our work seeking to improve services not only at this hospital but across the country. During 2018/19, 45 national clinical audits and 3 national confidential enquiries covered relevant health services that Chesterfield Royal Hospital NHS Foundation Trust provides.

During that period Chesterfield Royal Hospital NHS Foundation Trust participated in 45 (100%) national clinical audits and 3 (100%) national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Chesterfield Royal Hospital NHS Foundation Trust was eligible for and participated in, and for which data collection was completed during 2018/19, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

#### National Clinical Audits 2018-19

National Clinical Audit and Clinical Outcome Review Programmes eligible for participation	Did the Trust participate?	No. of cases submitted as a % of the number of cases required for 2018/19
Adult Community Acquired Pneumonia	Yes	100%
BAUS Urology Audit – Female Stress Urinary Incontinence (SUI)	Yes	On target
BAUS Urology Audit - Nephrectomy	Yes	On target
BAUS Urology Audit Percutaneous Nephrolithotomy (PCNL)	Yes	On target
Cardiac Rhythm Management (CRM)	Yes	100%
Case Mix Programme (ICNARC)	Yes	On target

National Clinical Audit and Clinical Outcome Review Programmes eligible for participation	Did the Trust participate?	No. of cases submitted as a % of the number of cases required for 2018/19
Elective Surgery (National PROMs Programme)	Yes	See PROMS section
Falls and Fragility Fractures Audit Programme (FFFAP)	Yes	100%
Feverish Children (care in emergency departments)	Yes	100%
Learning Disability Mortality Review Programme (LeDeR)	Yes	Ongoing
Major Trauma Audit (TARN)	Yes	100%
Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	Yes	100%
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK)	Yes	Ongoing
Myocardial Ischaemia National Audit Project (MINAP)	Yes	100%
National Asthma and COPD Audit Programme	Yes	100%
National Audit of Breast Cancer in Older People	Yes	100%
National Audit of Cardiac Rehabilitation	Yes	100%
National Audit of Care at the End of Life (NACEL)	Yes	100%
National Audit of Dementia	Yes	100%
National Audit of Seizures and Epilepsies in Children and Young People	Yes	Ongoing
National Bowel Cancer Audit (NBOCA)	Yes	100%
National Cardiac Arrest Audit (NCAA)	Yes	100%
National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis (NCAREIA)	Yes	100%
National Comparative Audit of Blood Transfusion programme	Yes	100%
National Diabetes Audit – Adults	Yes	100%
National Emergency Laparotomy Audit (NELA)	Yes	Ongoing
National Heart Failure Audit	Yes	100%
National Joint Registry (NJR)	Yes	100%

National Clinical Audit and Clinical Outcome Review Programmes eligible for participation	Did the Trust participate?	No. of cases submitted as a % of the number of cases required for 2018/19
National Lung Cancer Audit (NLCA)	Yes	100%
National Maternity and Perinatal Audit (NMPA)	Yes	On target
National Mortality Case Record Review Programme	Yes	Ongoing
National Neonatal Audit Programme (NNAP)	Yes	100%
National Oesophago-gastric Cancer (NAOGC)	Yes	On target
National Ophthalmology Audit	Yes	100%
National Paediatric Diabetes Audit (NPDA)	Yes	100%
National Prostate Cancer Audit	Yes	100%
Non-Invasive Ventilation - Adults	Yes	On target
Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis)	Yes	100%
Sentinel Stroke National Audit programme (SSNAP)	Yes	100%
Serious Hazards of Transfusion (SHOT): UK National Haemovigilance	Yes	100%
Seven Day Hospital Services	Yes	100%
Surgical Site Infection Surveillance Service	Yes	100%
UK Cystic Fibrosis Registry	Yes	Ongoing
Vital Signs in Adults (care in emergency departments)	Yes	100%
VTE risk in lower limb immobilisation (care in emergency departments)	Yes	100%

## National Confidential Enquiries 2018-19

During 2018/19 hospitals were eligible to enter data in up to 5 NCEPOD studies, 3 of which were applicable to the Trust. A summary of the studies in which Chesterfield Royal participated are included below:-

Study title	Did the Trust participate?	No. of cases submitted as a % of the number of cases required for 2018/19
Acute Bowel Obstruction	Yes	100%
Pulmonary Embolism	Yes	100%
Dysphagia in people with Parkinson's	Yes	Study in progress

The reports of 22 national clinical audits were reviewed by the provider in 2018/19 and Chesterfield Royal Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- Increase the capacity of the cardiology team - an additional consultant cardiologist post has been appointed to.
- Educate junior doctors and nurses regarding procedural sedation and in particular the use of the proforma, as it acts as a reminder to do airway assessment, institute appropriate monitoring and note any adverse reactions.
- In order to provide full assessment of patients with Parkinson's, better use of time before and after clinic appointments will be obtained by using of a pre-clinic questionnaire for the patient to highlight issues prior to discussion, the nursing team will measure sitting and standing BP in clinic and clinic letter will be improved.
- For children with diabetes the aim is to achieve a target average HbA1c of 59mmol with at least 40% of patients with HbA1c <58mmol and a maximum of 20% of patients with HbA1c >69mmol.
- Increase the number of tubeless procedures in Percutaneous Nephro-Lithotomy (PCNL)

The reports of 114 local clinical audits were reviewed by the provider in 2018/19 and Chesterfield Royal Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- Put into use an asthma proforma to improve the management of these children on the paediatric ward.
- Introduce a form for all suspected or confirmed pulmonary embolism patients to improve their management.
- Raise awareness via the perinatal meeting about recording the delivery room temperature and change practice to reduce the use of magnesium in order to improve the care of pre-term babies.
- Improve communication between the surgical team and radiology in order to improve the time to CT scans for emergency laparotomies.
- Improve the quality of fluid prescribing by covering the topic in departmental teaching sessions.

### 2.4.3 Research

The UK Policy Framework for health & Social Care Research 2017 states that “*Research is a core function of health and social care and is essential for our health and wellbeing*”.

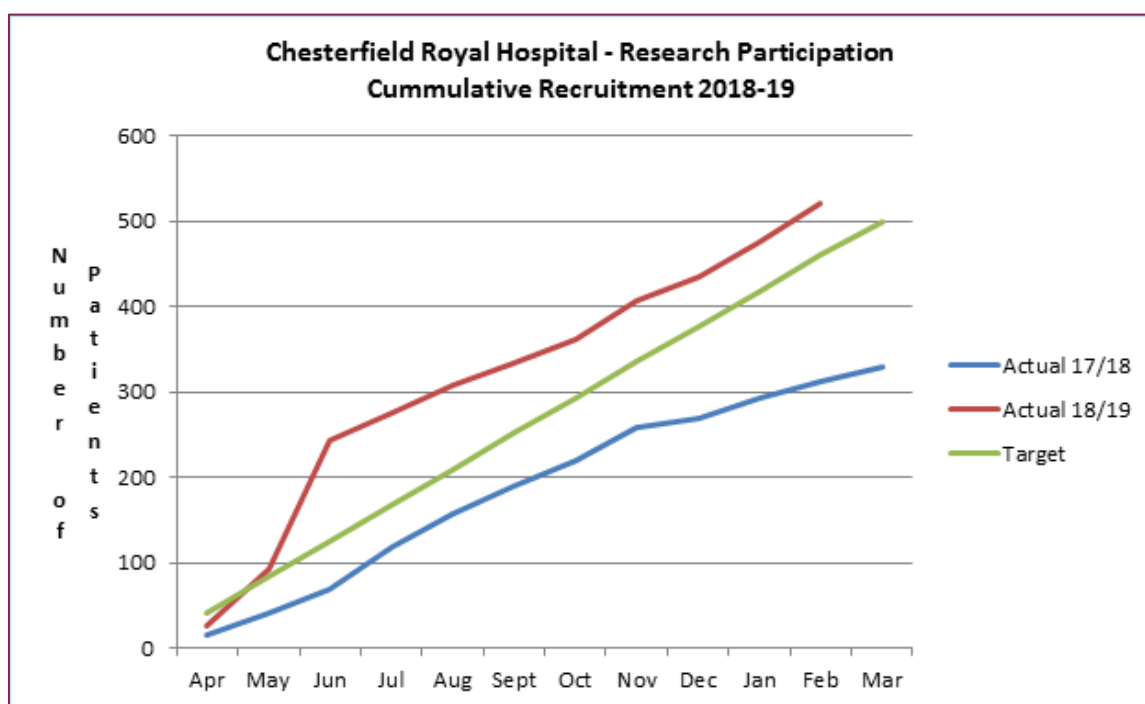
Participation in clinical research supports the hospital’s commitment to improving quality of care and contributes to national health improvement. The benefits of research are wide-reaching:

- ✓ Evidence suggests quality of care may be higher in organisations that undertake research, adopt a learning environment and implement research findings
- ✓ People experience a better quality of life from improved care
- ✓ The hospital benefits from income generated from commercial trials
- ✓ Participation in research develops the skills of our staff
- ✓ Patients, service users, the public and clinical staff are all involved in the pursuit of knowledge

Statistics for 2018/19 YTD:-

	NIHR Portfolio studies	Commercial studies
Number of patients recruited	575	5
Number of studies	47	2

Between 1 April 2018 and 31<sup>st</sup> March 2019 a total of 95 new studies were approved. Of this total, 49 were recruiting studies, 20 were patient identification only and 26 were continuing care only or data collection only).



During this same period 16 NHS to NHS letters of access were issued by researchers and 4 letters of access were issued to researchers employed by academic institutions in conjunction with research passports.

The specialities that are most research active are cardiology, cancer, gastroenterology and reproductive health.

### *Key achievements through the year:*

- Continued partnership working with Sherwood Forest Hospital: a very successful joint study/team day took place on 17<sup>th</sup> October hosted by Sherwood Forest; joint research post funded through CRN Innovation funding
- Research Matron delivered training on research nursing to the second year nursing students at Sheffield Hallam University receiving excellent feedback
- Review and update of all departmental Standard Operating Procedures
- Participant recruitment significantly in excess of last year's total
- Introduction of full meetings and improved integrated working between the clinical research team and the R & D team

#### **2.4.4 Goals Agreed with Commissioners**

A proportion of Chesterfield Royal Hospital NHS Foundation Trust income in 2018/19 is conditional on achieving quality improvement and innovation goals agreed between Chesterfield Royal Hospital NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

Further details of the agreed goals for 2018/19 are available electronically at:

<http://www.chesterfieldroyal.nhs.uk/news/annualreport/qualityaccounts/index>

For 2017/18 the total income dependent upon achieving quality improvement and innovation goals was £4,348k, of which we achieved £3,908K. For 2018/19 the total income dependent upon achieving quality improvement and innovation goals is £4,625K of which the Trust expects to achieve £3,762K.

#### **2.4.5 What Others Say About the Provider**

##### **Care Quality Commission (CQC) Registration**

Chesterfield Royal Hospital NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is 'registered with the CQC with no conditions attached to registration'.

The Care Quality Commission has not taken enforcement action against Chesterfield Royal Hospital NHS Foundation Trust during 2018/19.

##### **Care Quality Commission Special Reviews/Investigations**

Chesterfield Royal Hospital NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

##### **Care Quality Commission Special Reviews/Investigations**

As part of their routine programme, during September to November 2018, the CQC undertook an inspection of Trust services which included five core services (Medicine, Surgery, Children and Young People, End of Life Care and Community Child and Adolescent Mental Health Services) and an inspection of the well-led key questions at trust level. Our findings are in the section headed "Is this organisation well led?"

The inspection demonstrated clear improvements being made with an increase in the number of areas rated as good and two services receiving outstanding for caring. Overall the Trust is now good in all domains.

The report highlights two 'must do' recommendations; a 'must do' recommendation is where there is clear evidence that a regulation (Fundamental Standard) has not been met, as follows:

*The trust must ensure that the processes for completing DNACPR (Do not Attempt Cardio-Pulmonary Resuscitation) is clear and that where mental capacity assessments are undertaken, they must be done on a situation specific basis and include all relevant parties in that situation specific assessment. In response to this the Trust:*

- Has produced a ReSPECT (Recommended Summary Plan for Emergency Care and Treatment) pack which includes Mental Capacity Act (MCA) form and patient information leaflet.
- Will produce a ReSPECT awareness video to be shared with staff throughout the Trust to raise awareness of when and how to complete a form.
- Will undertake staff consultation to identify barriers to completion of ReSPECT and further develop our improvement plan to address issues identified using the LiA approach.
- Will ensure all relevant staff receive ReSPECT (DNACPR) training via annual resuscitation training.
- Will assess staff knowledge and compliance with ReSPECT process via Care Accreditation (roll-out to commence April 2019).

*The trust must ensure staff understand the requirements of the Mental Capacity Act 2005 in relation to their role and responsibilities. In response to this the Trust will:*

- Review the MCA form and launch revised form supported by staff communication in April 2019
- Ensure all relevant staff receive MCA training in line with Trust's mandatory training programme.
- Review training to identify best practice and take forward changes to the Trust's mandatory training programme in line with findings.
- Develop a methodology for measuring staff awareness and understanding of the MCA.
- Develop educational material which will be used as a "golden thread" in all relevant training e.g. nutrition and hydration, falls, etc.

In addition, the Trust has developed an improvement plan in response to the 22 "should do" recommendations.





## CQC Ratings

### Trust Overall Rating:

Safe	Effective	Caring	Responsive	Well-led	Overall
Good ↑ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019

### Ratings for Chesterfield Royal Hospital:

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Good Apr 2015	Good Apr 2015	Good Apr 2015	Good Apr 2015	Good Apr 2015	Good Apr 2015
Medical care (including older people's care)	Requires improvement ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019
Surgery	Good Jan 2019	Good Jan 2019	Good Jan 2019	Good Jan 2019	Good Jan 2019	Good Jan 2019
Critical care	Good Jul 2016	Good Apr 2015	Good Apr 2015	Good Apr 2015	Good Apr 2015	Good Apr 2015
Maternity	Good Jul 2016	Good Apr 2015	Good Apr 2015	Good Apr 2015	Good Apr 2015	Good Apr 2015
Services for children and young people	Good ↑ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019
End of life care	Good ↔ Jan 2019	Requires improvement ↔ Jan 2019	Outstanding ↑ Jan 2019	Good ↑ Jan 2019	Good ↔ Jan 2019	Good ↑ Jan 2019
Outpatients	Requires improvement Jul 2016	Not rated	Good Jul 2016	Good Jul 2016	Good Jul 2016	Good Jul 2016
Overall*	Requires improvement ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019	Good ↔ Jan 2019

### Ratings for Mental Health Services:

	Safe	Effective	Caring	Responsive	Well-led	Overall
Specialist community mental health services for children and young people	Good ↑ Jan 2019	Good ↔ Jan 2019	Outstanding ↑ Jan 2019	Good ↔ Jan 2019	Good ↑ Jan 2019	Good ↑ Jan 2019
Overall	Good ↑ Jan 2019	Good ↔ Jan 2019	Outstanding ↑ Jan 2019	Good ↔ Jan 2019	Good ↑ Jan 2019	Good ↑ Jan 2019

Key to tables					
Ratings	Not rated	Inadequate	Requires improvement	Good	Outstanding
Rating change since last inspection	Same	Up one rating	Up two ratings	Down one rating	Down two ratings
Symbol *	↔	↑	↑↑	↓	↓↓
Month Year = Date last rating published					



#### 2.4.6 Data Quality

Chesterfield Royal Hospital NHS Foundation Trust submitted records during 2018/19 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:

- 99.9% for admitted patient care
- 99.9% for outpatient care and
- 99.5% for accident and emergency care.

The percentage of records in the published data which included the patient's valid General Medical Practice Code was:

- 100% for admitted patient care;
- 100% for outpatient care; and
- 99.9% for accident and emergency care.

The Trusts Information Governance (IG) framework has gone through a successful transformation to align with the General Data Protection Regulation (GDPR), which became law on 25<sup>th</sup> May 2018. . The Trust has a Caldicott Guardian (Medical Director); a Senior Information Risk Officer (SIRO – Director of Finance and Contracting) and a Data Protection Officer (DPO) – ICT Quality & Governance Manager. The Trust has an Information Governance Group (IGG), established to oversee all information governance issues which reports to the Trust's Board via the Audit and Risk Committee and to the Hospital Leadership Team as required. Each division and corporate team has appointed an information asset owner (IAO) to provide leadership at local level.

The annual information governance self-assessment exercise has been replaced with the Data Security & Protection Toolkit (DSPT) provided by NHS Digital. The Trust has successfully completed its inaugural DSPT submission with a status of 'standards met' for the 100 mandatory evidence items during 2018/19.

Chesterfield Royal Hospital NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2018/19 by the Audit Commission; however the Trust commissioned its own audit as part of the annual Information Governance requirements. The audit was carried out by a team of Clinical Classifications Service Approved Clinical Coding Auditors.

There is wide recognition within the National Health Service of the importance of good quality coded clinical data and the fundamental role it plays in the management of hospitals and audits are undertaken to assess the accuracy and completeness of the coded data as well as investigating the quality and depth of the information contained in the source documentation.

The audit included a random selection of 200 episodes covering all specialties undertaken at the Trust and the results were as follows:

- Primary diagnosis correct – 99%
- Secondary diagnosis correct – 95.6%
- Primary procedures correct – 97.5%
- Secondary procedures correct – 100%

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

- Continue to utilise our data assurance process to assess all of the information included within our Integrated Performance Report.
- Involve clinical staff in the review of recorded information to support our data quality assurance processes.
- Continue to report on our own internal data quality dashboards.
- Continue to build on the skills and knowledge of the Data Quality Team and raise awareness across the Trust, provide training and drop-in sessions for staff

#### 2.4.7 Seven day hospital services

The Trust has been working towards implementation of the ten 7-day Service Standards since 2014, most recently focusing on the four priority standards with the revised intention of achieving full-compliance by April 2020.

Progress towards full compliance with the priority standards has been monitored by NHSI and NHSE through annual national audits with the most recent audit undertaken in Spring 2018. NHSI have since introduced new national monitoring arrangements to raise the profile of 7-day services at board level and to facilitate Trust Boards having direct oversight of progress towards full implementation via their Board Assurance Frameworks.

The NHS Standard Contract will require providers to undertake the 7DS board assurance process bi-annually. Data from these submissions will form a 7DS metric in the clinical commissioning group improvement and assessment framework to allow CCGs to monitor local delivery of 7DS.

The BAF reporting comprises a standard template reporting progress against the delivery of full 7- day services which is then used to assure the Trust's Board prior to regional and national submission. A trial period ran from November 2018 to February 2019 during which time completed templates were shared with regional and national teams but were not made publically available. Full implementation will commence March to June 2019 with new local audit data and the assessments being published on the NHS Improvement and NHS England websites. For the trial submission, Trusts were required to complete the templates with data taken from their most recent national audit.

Early investment in acute physician posts and weekend therapy capacity with service redesign in medicine (weekday daily board rounds) and paediatrics (extended on site consultant hours) has contributed towards further progress towards compliance. The most recent audit demonstrated over 90% for Clinical standard 5: Access to diagnostics and Clinical standard 6: Access to consultant directed interventions and considerable progress made with Clinical standard 2: Time to first Consultant review. However, our position overall within East Midlands is 38 / 41 Trusts. Without further investment divisions will try to maximise the opportunities for service redesign and ensure that any outstanding gaps are identified to be addressed through the planning round in order to make the necessary progress towards full compliance. Our revised ambition, in line with NHSI expectations, is to achieve full compliance by April 2020.

Chesterfield Royal Hospital NHS Foundation Trust	CS2: Time to first consultant review within 14hrs	CS5: Access to diagnostics	CS6: Access to consultant directed interventions	CS8: Ongoing consultant review
Spring 2018	70%	100%	94%	70%
Autumn 2017	63%	N/A	N/A	N/A
Spring 2017	68%	94%	94%	76%

#### **2.4.8 Medical Staff Rota Gaps**

Sustaining middle grade rotas remains challenging in a number of areas:

Emergency Medicine middle grade roles remain on the national Shortage Occupation List requiring significant effort to ensure rotas are covered. The Division undertook successful overseas recruitment appointing 4 middle grade doctors, along with a further CESR (Certificate of eligibility for specialist registration) candidate. It is anticipated that it will be some time before sufficient resources are secured in order to significantly reduce locum reliance, and although there have been a number of Health Education England (HEE) initiatives designed to attract more doctors into the Emergency Department (ED), the fill for Higher Specialist Trainees (HST) training remains low.

Obstetrics & Gynaecology and Paediatric middle tier rotas have also proved difficult to back fill. Both have been recognised nationally as specialties for which HEE HST fill is low, and it is difficult to recruit to Trust positions. Both areas have found innovative ways to achieve 24/7 cover and there have been a number of attempts to recruit to back fill, including the scheduling of consultant grade practitioners to support the cover of the rotas.

Critical Care continues to undertake recruitment to ensure rota sustainability for periods where novice trainees at Core level are not sufficiently experienced to undertake full duties on the 24/7 rota. Progressive recruitment to the Obstetric rota and development of practitioners who are able to work flexibly at both Tier 2 and Tier 3 level has reduced locum reliance, but there is still a need to work towards achieving 1:8 rotas across the board.

Last minute gaps still occur due to trainee failure to progress at Annual Review of Competency Progression (ARCP) and it remains difficult to back fill slots which are only of 4 or 6 month's duration. A number of specialties have 'over-recruited' to innovative posts such as Education, Quality Improvement Projects (QIP) and Mountain Medicine Fellows in order to mitigate for this, helping to reduce reliance on locums in some areas facilitating cost savings and improving quality. These alternative posts have protected time for post graduate education and the development of alternative workforce options such as Advanced Clinical Practitioner roles.

Significant General Practice Speciality Training (GPST) expansion in 2018 facilitated a level of flexibility that allowed the Trust to back fill a number of Cover level trust vacancies and training gaps in Orthopaedics, Medicine and General Surgery. Fill rates at Tier 2 have been of the highest achieved for some time and additional cover required was mostly for sickness absences (some long term), limited duties arrangements (where the full rota is not worked for a time) and for ad hoc additional cover linked to winter pressures initiatives.

#### **2.4.9 Freedom to Speak Up (FTSU)**

We are committed to promoting an open and transparent culture across the organisation to ensure all members of staff feel safe and confident to Speak Up.

Our Freedom to Speak up Guardian has a key role in helping to raise the profile of speaking up by providing confidential advice and support to staff in relation to concerns they have about patient safety, staff safety and staff wellbeing. Since starting in post as the first Guardian in November 2016 over 100 members of staff have contacted her, which has led to many positive changes within the Trust. The Guardian reports directly to our Chief Executive and also meets regularly with the Director of Nursing and Patient Care, Medical Director and Director of Workforce and Organisational Development. This enables high level awareness of themes and shared learning to ensure that issues do not recur.

The key messages of Freedom to Speak Up are given to all new starters to the Organisation on corporate induction, and for existing staff all details are on the Home page of the Trusts Intranet, and are part of statutory training. We have produced a video which includes a message from our Chief Executive reiterating the importance of Speaking up about anything that staff feel may be effecting patient care, and that any victimisation of staff who have done so will not be tolerated. The video also includes two members of staff who have spoken up to share their positive experience. This video was highlighted by the National Guardian Office as a benchmark for good practice.

The Guardian has engaged staff to adopt the role of Freedom to Speak Up Champions; currently there are 16 in the Trust in a variety of roles including nursing and medical staff, Estates, service improvement, HR Partner, Union convenor, volunteers and Royal Primary Care. The champions have received the National Guardian Office foundation training and encourage staff to speak up to their line managers or the Guardian.

Our recent staff survey has shown an increase in the number of staff feeling safe and supported to raise concerns, highlighting that staff continue to feel more confident in the process; this is also evidenced by the feedback that the guardian receives from staff who speak up.

There is a direct correlation between barriers to speaking up, how well staff are supported to speak up by managers and leaders and a Trust's overall Care Quality Commission (CQC) rating. Therefore as a Trust we are committed to ensuring Freedom to Speak Up becomes business as usual.

What do we plan to do:

- Explore different Freedom to Speak Up Models, to ensure an effective FTSU agenda.
- Explore ways of training leaders into how to manage concerns and how these can be improved.
- Review existing channels for staff to raise concerns and how these can be improved.
- Establish Freedom to Speak Up assurance to ensure learning is applied to improving services



# Part Three

## Review of Quality Performance

This section includes a range of information relating to our quality performance in 2018/19. Whilst this is not an exhaustive list it gives an overview of our performance in both hospital-wide and service specific indicators in relation to the three domains of quality:

- **Clinical Effectiveness**
- **Patient Safety**
- **Patient Experience**

### 3.1 Clinical Effectiveness Indicators

#### Reduction in avoidable mortality / Learning from deaths

##### How is mortality measured?

Mortality rates are a measure of the number of deaths (in general, or due to a specific cause) in a particular population over a specified time period (usually one year). Mortality measures are a standard part of assessing how a hospital performs and have received increased attention following the Francis, Berwick and Keogh Reports. There are two key mortality measures applied to hospitals:

- 1) **Hospital standardised mortality rate (HSMR)** – Like many other hospitals, we use an independent organisation called Healthcare Evaluation Data (HED) to monitor our HSMR for in-hospital deaths. The HSMR sets the mortality rate for England (the national average) at 100 and hospitals are then compared to this; a HSMR of less than 100 is better than average and a HSMR of more than 100 is worse than average. HED will alert us if a score for a particular diagnosis group is raised by a statistically significant amount; we then initiate a quality improvement project to establish if the quality of our care is below the required standard.
- 2) **Summary hospital mortality index (SHMI)** – This is the measure published nationally by the NHS Information Centre. The SHMI is similar to HSMR but also includes deaths that have occurred within 30 days of discharge from the hospital. The SHMI calculates a score like the HSMR, but for SHMI the national rate is set at 1.

Both measures take into account the type of patients a hospital admits e.g. age, why they were admitted (diagnosis), what else is wrong with them (co-morbidities), and then describes the hospital as falling into one of three bandings, as follows:

- The Trust's mortality rate is 'higher than expected'
- The Trust's mortality rate is 'as expected'
- The Trust's mortality rate is 'lower than expected'

##### What did we set out to do?

For our HSMR and SHMI data to remain within the 'expected range' as measured on HED and benchmarked against other similar sized trusts. Ideally this should be reducing year on year.

## Did we achieve this?



### Hospital Standardised Mortality Rate

For February 2018 to January 2019 the HSMR is 106 and this is within expected range



### Summary Hospital Mortality Index

SHMI is published quarterly using a rolling 12 months; as the table below shows for the latest reporting periods the Trust has had a rate which is 'as expected'.

Period	Summary Hospital Mortality Index		Proportion of patient deaths with palliative care coded at either diagnosis or specialty level	
	Chesterfield Royal	National average (Range)	Chesterfield Royal	National average (Range)
Oct 17 – Sept 18	0.99 'as expected'	1.0 (0.69-1.27)	24.7%	33.6% (14.3%-59.5%)
Jul 17 – Jun 18	1.01 'as expected'	1.0 (0.70-1.26)	24.0%	33.1% (13.4%-58.7%)
Apr 17 – March 18	0.99 'as expected'	1.0 (0.70-1.23)	21.3%	32.5% (12.6%-59.0%)
Jan 17 – Dec 17	1.02 'as expected'	1.0 (0.72-1.22)	21.7%	32.2% (11.7%-60.3%)
Oct 16 – Sept 17	1.03 'as expected'	1.0 (0.72 - 1.24)	22.8%	31.5% (11.5% - 59.8%)
Jul 16 – Jun 17	1.01 'as expected'	1.0 (0.72 – 1.22)	23.6%	31.1% (11.2% - 58.6%)
Apr 16 – March 17	1.01 'as expected'	1.0 (0.70 – 1.21)	25.1%	30.7% (11.1% - 56.9%)
Jan 16 – Dec 16	0.99 'as expected'	1.0 (0.69 – 1.18)	26.2%	30.1% (7.3% - 55.9%)
Oct 15 – Sept 16	0.94 'as expected'	1.0 (0.69 – 1.16)	26.7%	29.7% (0.4%-56.3%)
July 15 – June 16	0.97 'as expected'	1.0 (0.69 – 1.17)	25.0%	29.2% (0.6%-54.8%)
April 15 – March 16	0.98 'as expected'	1.0 (0.68 – 1.18)	26.1%	28.5% (0.6%-54.6%)
Jan 15 - Dec 15	0.98 'as expected'	1.0 (0.67 – 1.17)	26.5%	27.6% (0.2%-54.7%)



The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The Trust has continuously focussed on mortality, reviewing the care of patients with conditions where mortality rates appear higher than expected and taking action to address any concerns identified and to ensure learning.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services, by:

- Focussing on the in depth reviews of patient deaths to ensure the process is robust and effective including a 'must-do' list of certain patient groups, any alerts generated by HED and a random sample of cases.
- Improving the governance processes and structures for deriving learning from reviews and acting on this learning linking with the serious incident process where necessary.
- Engaging with relatives via the bereavement questionnaire and considering how we can strengthen this process further to ensure relatives feel engaged with the mortality process.

In order to identify learning from deaths the Trust undertakes structured judgement reviews and investigations. As shown in the table below the number of these completed equates to nearly 10% of the deaths in hospital.

	Q1	Q2	Q3	Q4	Total
<b>No of deaths</b>	320	287	351	353	1311
<b>No of Structured Judgement case reviews completed</b>	66	11	22	10	109
- Relating to deaths in 18/19	15	5	15	8	43
- Relating to deaths in 17/18	51	6	7	2	66
<b>No of investigations</b>	9	3	3	4	19
- Relating to deaths in 18/19	6	3	3	4	16
- Relating to deaths in 17/18	3	0	0	0	3
<b>Deaths judged to be more likely than not to have been due to problems in the care</b>	0	1	1	0	2

By 30<sup>th</sup> March 2019, 43 case record reviews and 16 investigations have been carried out in relation to the 1311 deaths in 2018/19. In 1 case a death was subjected to both a case record review and an investigation. 2 representing 0.15% of the patients of the patient deaths during 2018/19 are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using the conclusions of the structured judgement reviews and root cause analysis investigations conducted.

In addition, 66 case record reviews and 3 investigations completed after 1<sup>st</sup> April 2018 which related to deaths which took place before the start of the reporting period; none of which were judged to be due to problems in care provided to the patient.

## Learning and action taken as a result of the reviews

### *End of Life care*

The reviews identified missed opportunities to provide palliative care to patients, which whilst not changing the outcome would have improved care at the end of life. Over the year the Trust has worked to strengthen the End of Life team and in January 2019 the team is fully staffed. This has led to an increase in the number of patients who have palliative care input and an increase in the number of patients supported to die in their preferred place. In 2019/20 the team will complete a period of training, upskilling existing team members and team development after which services will be expanded to include 7 day working, supportive care clinics, and case finding in EMU & ED.

### *Recognition and escalation of deteriorating patients*

In line with the Trust's Quality Strategy ambition, the Trust has had a continued focus on the management of patients at risk of deterioration. During the year, the Trust launched the NEWS2 (the revised National Early Warning Score) observation chart which emphasises the importance of considering sepsis and confusion. The launch was supported by a range of staff awareness of education, which has led to a decrease in the number of serious incidents where deterioration was a contributory factor. To further strengthen the observation and escalation process the Trust is planning to implement an e-observations platform and task management system during 2019/20. Once this system is embedded it will provide further opportunities to improve the safe escalation of the deteriorating patient and the Trust will identify what further action is required.

### *Antibiotic prescription and administration*

In common with the monitoring of Sepsis treatment, mortality reviews identified a theme relating to the timeliness and appropriateness of antibiotic administration and the ongoing review of the need for antibiotics. The Sepsis group took forward a range of education and awareness raising in relation to this and monitoring has shown that compliance with the antibiotic standards has been sustained, with over 95% of patients with sepsis receiving antibiotics within 60 minutes of diagnosis.

### *Decisions relating to resuscitation*

The reviewers felt that there were a number of patients where discussions about the personal priorities and agreed clinical recommendations about care and treatment had not been undertaken in a timely or appropriate manner. In response to this the Recommended Summary Plan for Emergency Care and Treatment (ReSPECT) process and documentation in was launched in July 2018.

An audit of the use of the ReSPECT document has been completed and results are showing an increase in documentation of appropriate discussions in the notes, however in line with the CQC findings it is clear that further work is required to embed this fully. In 2019/20 the Trust plans to increase the uptake of training in relation to ReSPECT and further raise awareness with staff of the process.

## What are we going to do next?

- Increase the number of Structured Judgement Reviews (SJR) and use all the data to capture learning.
- Introduce the Medical Examiner process.

### **Data quality**

Data for the HSMR is made available by HED and SHMI is published by the NHS Digital; both indicators use data submitted to HES (Hospital Episodes Statistics) in line with standard national definitions.



### 3.1.2 Cancer Waiting Times

Timely diagnosis and treatment for cancer is key to improving survival rates. To reflect the importance of this there are a range of national standards against which we are monitored.

#### What did we set out to achieve?

We set out to meet the national targets for Cancer Waiting Times so that patients are diagnosed and treated speedily.

#### Did we achieve this?

This has been a challenging year for patient activity and admissions therefore some of our cancer targets were not met.

Standard	Trust Performance				
	Target	2016/17	2017/18	2018/19	Achieved
Percentage of patients seen by a specialist within 2 weeks of urgent GP referral for suspected cancer.	93%	93.1%	88.7%	94.1%	✓
Percentage of patients seen by a specialist within 2 weeks of GP referral with any breast symptom except suspected cancer	93%	93.3%	77.1%	93.34%	✓
Percentage of patient treated within one month (31 days) of a decision to treat	96%	98.6%	94.9%	97.82%	✓
Percentage of patients receiving subsequent anti-cancer drug treatment /Surgical Treatment within one month (31 days) of a decision to treat	94%	98.8%	98.8%	98.8%	✓
Percentage of patients receiving their first definitive treatment for cancer within two months (62 days) of a GP or dentist urgent referral for suspected cancer <sup>1</sup>	85%	81.9%	80.7%	83.93%	✗
Percentage of patients receiving their first definitive treatment for cancer within two months (62 days) of urgent referral from a national screening programme <sup>1</sup>	90%	94.2%	88.8%	83.53%	✗

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The Cancer Pathway Team work very closely with the clinical and divisional management staff delivering cancer care to ensure that patients are seen and treated as quickly as possible. Performance is shared internally within the Trust and externally with our commissioners and GP Lead via a monthly Cancer Performance Report.
- All breaches are formally reviewed by the clinical leads and divisional management teams to identify learning and improvement action in order to prevent avoidable delays and provide a smooth diagnostic, treatment or transfer of treatment pathway for the patient.

<sup>1</sup> The calculation of performance against these standards takes account of all cancer patients referred to Chesterfield Royal Hospital irrespective of where their treatment actually takes place, whether it is in Chesterfield or Sheffield.

- The Trust appointed a Macmillan Cancer Transformation Lead in January 2018 to develop and lead a three year cancer improvement programme, engaging with Clinical Leads and Divisions to progress pathway mapping and improvement that will support sustainable compliance, including:
  - Analysis of current timed pathways against national published guidance and development of tumour site specific 62 Day improvement plans for the Lung, Breast, Urology and Colorectal pathways;
  - Implementation of straight to test pathways for the Lung and Colorectal pathways;
  - Implementation of a new local pathway for patients with vague symptoms; and
  - Development of plans to implement the recovery package for patients living with and beyond cancer.

The Trust has already implemented a number of improvements that are delivering improved performance, which include:

- Straight to CT following abnormal chest x-ray within the Lung pathway;
- MRI at first outpatient appointment within the Urology pathway;
- Implementation of the optimal national pathway for referral post diagnostics to surgery or oncology within the Urology pathway;
- Straight to test following urgent GP referral within the Colorectal pathway; and
- Implementation of new clinic timetables to secure additional 2WW and follow up capacity, and deliver more daily clinics across the week across a number of pathways.

The Trust has been successful in securing resources to extend its cancer improvement programme with a Cancer Service Improvement Lead now in post and working to develop improvement plans for the Upper GI and Head and Neck pathways.

#### **What are we going to do next?**

Continue to refine and improve diagnostic pathways to ensure that we meet the regionally agreed Standard to be implemented in 2020; and continue to provide timely treatment for patients on local pathways and surpassing national standards.

#### **Data quality**

We are confident that the data we use for these indicators is accurate. Referrals are automated between the hospital Patient Administration System and the cancer database Infoflex which automatically triggers the calculations and drives the tracking of the patients through the relevant pathways. Pathway data is captured into this system and is reconciled onto Open Exeter with other provider data where shared pathways exist.

### **3.1.3 Percentage of patients risk-assessed for Venous Thromboembolism (VTE)**

VTE is a condition in which a blood clot (a thrombus) forms in a vein. It most commonly occurs in the deep veins of the legs; this is called deep vein thrombosis. It may then subsequently dislodge and move to the lungs; this is called a pulmonary embolus. An estimated 25,000 people in the UK die from venous thromboembolism (VTE) every year.

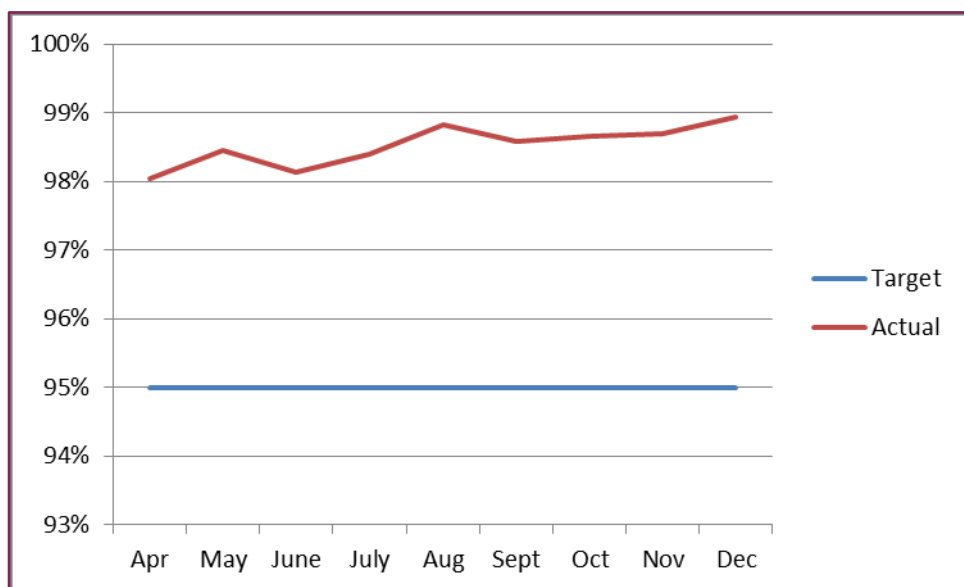
#### **What did we set out to achieve?**

Reduce the risk of our patients developing a hospital associated thrombosis. In order to do this we assess patients when they are admitted to hospital and offer preventative measures to those at increased risk. We aim to meet the national standard for VTE assessment, which is now set at 95% of all admitted patients (national target).

### Did we achieve this?

Yes – as the table below shows we performed consistently against this standard and maintain compliance at over 95%.

Period	Chesterfield Royal	Achieved
April-June 2018	98.21%	✓
July –September 2018	98.6%	✓
October – December 2018	98.76%	✓



The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- An electronic risk assessment tool was successfully introduced in 2012, which requires completion of the risk assessment prior to any drug prescribing.

The Chesterfield Royal Hospital NHS Foundation Trust intends to take the following actions to improve this score and so the quality of its services, by:

- Continuing to be a VTE Exemplar Centre – a kite mark or excellence in VTE prevention – which demonstrates that we are delivering best practice.
- Completing a review for all cases of Hospital Associated Thrombosis and identify actions required to reduce the risk.

### What are we going to do next?

Continue to exceed the national standard for VTE assessment of 95% of all admitted patients.

### Data quality

We are confident that the information we use for this indicator is accurate. It is published by the NHS Information Centre, based on submissions from the Trust that are collected in line with standard national definitions.

### 3.1.4 Readmissions

By ensuring that patients discharge from hospital is well-planned we can avoid (or reduce to a minimum) the numbers of patients who need to be re-admitted quickly. Most emergency re-admissions are not normally part of the original treatment plan or care pathway - and many may be potentially avoidable.

#### What did we set out to do?

Maintain re-admission rates at less than the national average (local target).

#### Did we achieve this?

Yes - Overall our re-admission rates are lower than the national average.

<b>Patients</b>	<b>National<sup>2</sup></b>	<b>Chesterfield Royal</b>		
	<b>2011/12</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<i>Patients aged 16 and over</i>	11.2%	6.2%	6.71%	8.59%
<i>Patients aged 0 to 15</i>	10.2%	9.5%	9.64%	11.54%
<b>Overall</b>	<b>11.7%</b>	<b>6.5%</b>	<b>6.93%</b>	<b>8.89%</b>

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- We continuously monitor readmission rates to detect any areas where these are higher than expected and take action to address any concerns identified.

The Chesterfield Royal Hospital NHS Foundation Trust intends to take the following actions to improve this score and so the quality of its services, by:

- Reviewing the discharge process to ensure that patients are discharged at the right time with the right package of care in place to support them.

#### Data quality

We are confident that the information shown here is accurate. Data for this indicator is calculated internally using data from our Patient Administration System in line with standard national definitions. This process was subject to an external audit in 2018/19 and no concerns were identified.

<sup>2</sup> No national comparator has been made available on the NHS Information Centre website since 2011/12, therefore we are reporting this as the latest national figure.

## 3.2 Patient Safety

### 3.2.1 Pressure Ulcers

A pressure ulcer is localised damage to the skin and/or underlying tissue, usually over a bony prominence (or related to a medical or other device), resulting from sustained pressure (including pressure associated with shear). The damage can be present as intact skin or an open ulcer and may be painful.

Pressure ulcers can range in severity from patches of discoloured skin to open wounds that expose the underlying bone or muscle. Pressure ulcers tend to affect people with health conditions that make it difficult to move, especially those confined to lying in a bed or sitting for prolonged periods of time. By ensuring that we identify those patients at risk of developing a pressure ulcer and taking steps to reduce their risk, such as pressure relieving mattresses, maintaining movement and ensuring patients have the right diet and plenty of fluids.

#### What did we set out to achieve?

We aimed to achieve the following local targets

- Sustain the rate of hospital acquired pressure ulcers (grade 2-4) at below 0.5 per 1,000 bed days in line with 2017/18 out-turn.

#### Did we achieve this?



#### Pressure Ulcers

As the table below shows we have not been able to sustain the decrease.

	Grade	2015/16	2016/17	2017/18	2018/19
No. of hospital acquired pressure ulcers	2	177	55	60	81
	3 *	42	45	40	45
	4	1	0	0	0
	Total	220	100	100	126
Rate per 1,000 bed days (Grade 2-4)		1.2 (↓ 52%)	0.5 (↓ 58%)	0.5 =	0.72 (↑ 44%)

\*Mucosal ulcers have been included in this data

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- Overall acuity of patients; with an increase in the number of patients with significant risk factors
- The opening of additional beds over the winter period led to a dilution of nursing skills across the organisation and a reduction in the ability of the older people's team to meet requests for enhanced support
- Changes to the provision of disposable slings and sliding sheets may have caused increased skin damage (shearing).

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services, by:

- Delivering staff education at ward level focusing on the common themes which contribute to the development of pressure ulcers within the hospital. In addition, all relevant new staff receive Pressure Ulcer Prevention training at Corporate Induction
- Ensuring staff are aware of how well their area is performing on a monthly basis.
- Providing enhanced support for wards who have an increased incidence of pressure ulcers.
- Reviewing documentation to better evidence skin assessments and repositioning regimes.
- Continuing to monitor and build upon the current incident review process to encourage shared learning and increased knowledge.
- Embedding the PROTECT ME campaign aimed at empowering staff to identify early signs of pressure damage and to be more proactive in preventing pressure damage.
- Revising the patient information leaflet to be more reader friendly; all staff are encouraged to provide this leaflet to all patients assessed to be at risk of pressure damage.
- The Tissue Viability team have published an audit in Wounds UK Journal which showed that 78% of patients admitted with existing pressure damage were noted to be either healed or progressing towards healing on discharge.
- Successfully submitting a bid to charitable funds for the purchase of replacement bedside chairs to ensure all patients are provided with good high density foam pressure redistributing cushions when sitting out as standard. The new chairs will be in place before the end of the financial year.
- Ensuring ongoing education by introducing 2 annual study days specifically for the prevention and management of pressure ulcers.
- Trialling a SWARM approach for all patients developing pressure damage found to be a Serious Incident. Feedback has been positive and the MDT approach has been well received with sharing of lessons learnt. This approach will continue.
- Commencing cross divisional pressure ulcer post harm reviews on a fortnightly basis to ensure learning is shared between the Surgical Division and Medical and Emergency Division
- Implementing focussed education in ED regarding accurate risk assessments and skin assessments
- Incorporating the NHS Improvement Guidance Pressure Ulcers : Revised Definition and Measurement Framework

### **What are we going to do next?**

We aim to sustain, or improve upon, the current rate of pressure ulcers by:

- Developing a replacement programme for our dynamic mattresses and cushions. Suppliers have been invited to attend a “show and tell” exhibition and members of the MDT have evaluated the equipment. The next step will be to trial 3 of the approved mattresses and formulate a business case to replace out current stock.
- Auditing point of care education provided to all staff by the Tissue Viability team when reviewing patients with pressure damage. This will be included in the Quality Schedule reports.
- The clinical educators focussing on the ward training on risk assessments, both formal and informal assessments, encouraging staff to use clinical judgement alongside the Waterlow Risk Assessment Tool.
- Trialling a new validated risk assessment tool, Purpose T, on 3 wards; if successful this will be rolled out across all divisions.
- Re-establishing the tissue viability champion role and providing education packs to disseminate to all staff by the champions.
- Continuing to support areas who are reporting increasing incidence of pressure ulcers.
- Developing a business case to increase the Tissue Viability Team with a designated pressure ulcer prevention member.
- Participate in NHS Improvement’s national pressure ulcer prevalence audit in April.

### 3.2.2 Hospital Acquired Infections

Hospital or healthcare acquired infection causes significant harm and is a major concern to patients. There has been a very significant decline in rates of MRSA and C. difficile infection in Chesterfield Royal Hospital in recent years but we are keen to reduce this further.

#### What did we set out to achieve?

Achieve the national targets in relation to MRSA and C. difficile and the local target in relation to E-Coli.

#### Did we achieve this?

Criterion	2015/16		2016/17		2017/18		2018/19	
	Target	No.	Target	No.	Target	No.	Target	No To date
C.difficile	31	15 ✓	31	10 ✓	31	13 ✓	30	17 ✓
MRSA	0	2 ✗	0	1 ✗	0	0 ✓	0	1 ✗
E-coli	~	60	~	47	~	37	~	39

The number of hospital-acquired C. difficile infections has increased slightly to 17 from 13 in 2018/19 however this remains below the trajectory of 31. There has been 1 case of MRSA reported this year.

The Trust received acknowledgement from Ruth May Chief Nursing Officer NHS Improvement (NHSI) as one of the few trusts who have been successful in reducing healthcare associated E coli bacteraemia (Bloodstream infections). The Trust has seen a 38% reduction over a three year period.

In addition to the information above, data is reported nationally relating to the number of hospital-acquired C. difficile infections per 100,000 bed days, as shown below

Period	Chesterfield Royal	National average (Range)
2017/18	7.7	13.7 (0.0-91.0)
2016/17	5.2	13.2 (0.0-82.6)
2015/16	8.6	14.9 (0.0-67.2)
2014/15	18.4	15.0 (0.0-62.7)
2013/14	19.0	14.7 (0.0-37.1)
2012/13	21.0	17.4 (0.0-31.2)

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The Trust has continued to analyse infection control incidents and implement action to reduce the incidence of hospital acquired infections.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services, by:

- Infection control audits to monitor compliance with MRSA screening and decolonisation policy.
- Continuing to review the care of all patients who develop C. difficile or MRSA/ E coli bacteraemia in hospital to identify any lapses in care and share learning from these across the organisation.

### Data Quality

The data for these indicators is collected by the infection control team using data from their IT system (ICNET) which links directly to the laboratory information system, and where appropriate, in line with national definitions. The process for infection surveillance was subject to an internal audit in 2009/10 and the process for C. difficile was subject to external audit in April 2011. Neither of these audits identified any significant concerns.

### Tuberculosis

In order to support the ongoing development of the tuberculosis (TB) service, the Lead nurse for Infection Prevention and Control / TB continues to attend both the East Midlands TB Control Board and the National Workforce group, these meetings are held quarterly, influencing the National Strategy for TB Service provision.

TB service provision across the UK is widely provided by standalone TB Teams; these can vary from an individual to larger teams' dependant on the caseload and geographical location. The vast majority are hosted in primary care with a few in secondary care.

The Chesterfield Royal model of Integrated Service provision for IP&C / TB was presented at the National TB Board previously, this was very well received. Subsequently NHSI have been working with the Infection Prevention Society and National TB board have recommended the CRHFT model as a mode for consideration in other areas of the UK.





### 3.2.3 Patient Falls

At Chesterfield Royal Hospital NHS Foundation Trust we recognise the significant impact that inpatient hospital falls can have. Across England and Wales, approximately 152,000 falls are reported in acute hospitals every year; a significant number of falls result in death or severe or moderate injury. The human cost of falling includes distress, pain, injury, loss of confidence and loss of independence, as well as the anxiety caused to patients, relatives, carers, and hospital staff.

#### What did we set out to achieve 18/19?

Reduce the incidence of falls with harm per 1,000 bed days to below 2 per 1,000 bed days. This is in line with the Royal College of Physicians approach to reduction of falls with harm.

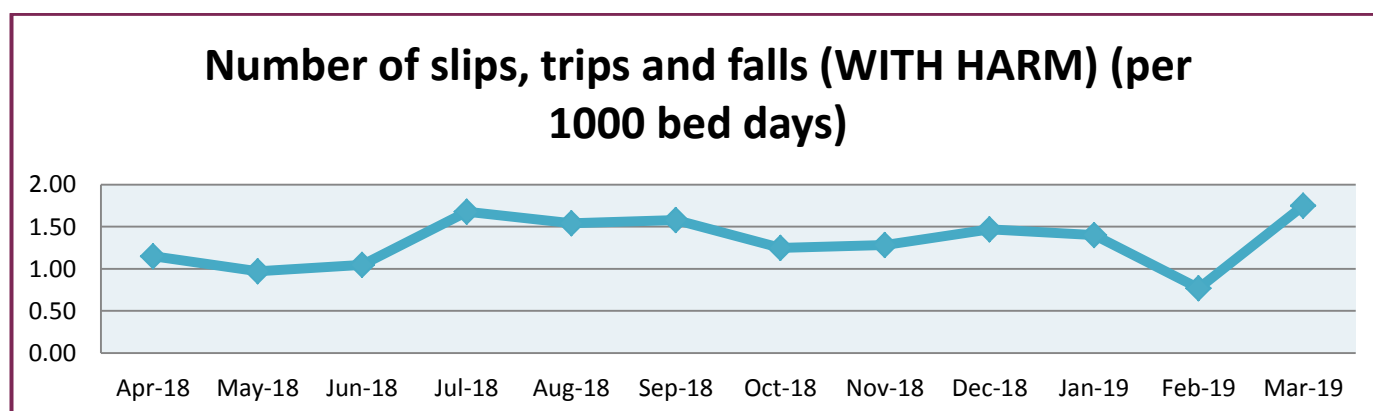
#### Are we achieving this?



##### Reduction in rate of falls with harm

As of March 2019, the incidence of falls with harm Trustwide is 1.33 per 1000 bed days for 18/19, meeting the <2 target.

The graph below shows the number of falls with harm reported, per 1000 bed days:



#### What did we set out to achieve 18/19?

Reduce the incidence of falls per 1,000 bed days to below 6.6 per 1,000 bed days.

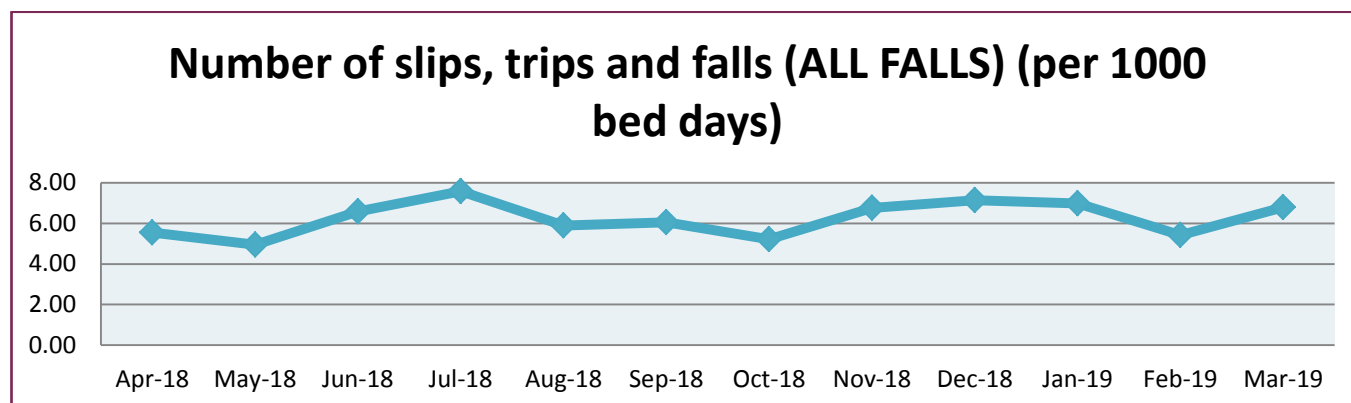
#### Did we achieve this?



##### Reduction in falls rate

The incidence of falls trust wide was 6.25 per 1000 bed days for 18/19, meeting the 6.6 target.

The graph below shows the number of falls reported, per 1000 bed days since Apr 18 – this has remained reasonably consistent.



The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

Over the past year the Trust has continued to take action to reduce falls and harm from falls. Chesterfield Royal Hospital NHS Foundation Trust has participated in the Royal College of Physicians (RCP) National Audit of Inpatient Falls and has revised the falls improvement plan in line with findings and recommendations.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services, by:

- Continuing to focus on reduction in number of falls, but particularly falls with harm.
- Further reducing the number of falls with harm per 1000 bed days by March 2019. Actions to support this are identified on the inpatient falls improvement plan and this is monitored through the inpatient falls safety group (IFSG) and the Trust Quality Delivery Group.
- Implementing SWARM reviews as part of IFSG – moving actions forward.
- Launching new information leaflet for discussion and sharing with patients and/or relatives.
- Providing the E-Learning for Health (E – LFH) falls e learning package via the skills passport.
- Developing Bed rails flowchart– awaiting launch of new documentation.
- Developing and launching Ultra-low bed guidance.
- Successfully trialling use of falls armbands on Pearson ward – now being rolled out to all wards.
- Reviewing and updating falls policy.
- Reviewing and updating Nursing Care Audit questions reviewed and updated to highlight need for conversation with patient/ relatives.
- Setting up a CRH falls prevention twitter account to share information and good practice.
- Undertaking a full review of falls improvement plan.

### What are we going to do next?

Focus is on embedding interventions in place and ensuring they happen consistently, for each patient at risk of falls, at every opportunity, as identified through:

**SWARMS** - The SWARM process was introduced by CRH in March 2018 and is used as a tool to identify learning from certain serious incidents, including falls with harm, within the trust. The themes from the SWARMS are reviewed as part of the Trust's Inpatients Falls Safety Group (IFSG) and are used to identify where further improvements can be made to process and practice.

The timely completion of falls risk factor assessments has been a recurring theme that has been identified through the SWARM process, however it should be noted that despite this, we are finding that appropriate interventions to reduce the risk of falls are consistently being put into place.

**Compliance** - The compliance with the falls risk factor assessment process and the application of appropriate interventions is monitored through the Nursing Care Audit process. This data supports the intelligence gained through the SWARM process that there are inconsistencies in the completion and timeliness of falls assessments across the ward areas.

### 3.2.4 Patient safety incidents

Our primary role is to provide our patients with high-quality care that is safe and people-centred. However, we know that things can go wrong and when they do it is our job to be honest and open about what happened, so we can learn from our errors and prevent them recurring. Our staff have a duty to report patient safety incidents, such as medication errors, hospital falls, pressure ulcers development or clinical errors.

To check how we are doing we measure the number and rate of patient safety incidents that staff report; and the number and percentage of patient safety incidents that results in severe harm or death.

#### What did we set out to achieve?

We aimed to achieve the following local targets:

- Increase the number of incidents and near misses that are reported. It is an accepted view that high levels of incident reporting are a sign of a good safety culture within a healthcare system.
- Support the investigation of incidents and the identification of root causes to enable changes in practice to be made and shared.

#### Did we achieve this?



#### Increase in incident report

As the table below shows the rate of incidents per 1,000 bed days has increased in the most recent reporting period

	All incidents reported		Incidents that resulted in severe harm or death	
	No.	Rate per 1,000 bed days	No.	% of all incidents reported
<b>Apr 18-Sep 18</b>	2212	29.1	16	0.75%
<b>Oct 17 – Mar 18</b>	2418	28.6	15	0.62%
<b>Apr 17- Sep 17</b>	2168	26.0	23	1.06%
<b>Apr 16 – Mar 17</b>	5487	31.4	28*	0.51%

\*data updated from published NRLS data due to data cleansing

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The Trust has continued to promote incident reporting, with an emphasis on the importance of near miss reporting. Local data shows that rates of incident reporting have continued to rise over the past year which is likely due to a number of successful initiatives to simplify incident reporting including a more streamlined e-reporting form and the introduction of a telephone reporting line.
- The reduction in the number of incidents resulting in severe harm or death also provides assurance that the increased reporting rate is linked to a greater number of low/no harm incidents and near misses.

### What have we done?

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services, by:

- Simplifying our electronic incident reporting system to ensure it is more accessible to staff.
- Introducing a telephone incident reporting line to ensure staff who has restricted access to a computer terminal can also easily report incidents.
- Undertook a near miss 'last good catch' campaign to encourage the reporting of low/no harm and near miss incidents.



## 3.3 Patient Experience

### 3.3.1 Friends and Family Test

Ensuring our patients have a good experience in our hospital is one of our key priorities. To meet this objective, we also need to demonstrate our commitment to listening to our patients and acting on their concerns and views. Feedback about our services (from their experiences) help us to make our services even better for patients and those close to them.

To help us understand what our patients think about their recent hospital experience we use a range of measures, including the national indicator known as the Friends and Family test. This asks patients:

**“How likely are you to recommend this service<sup>3</sup> to your friends and family if they needed similar care or treatment?”**

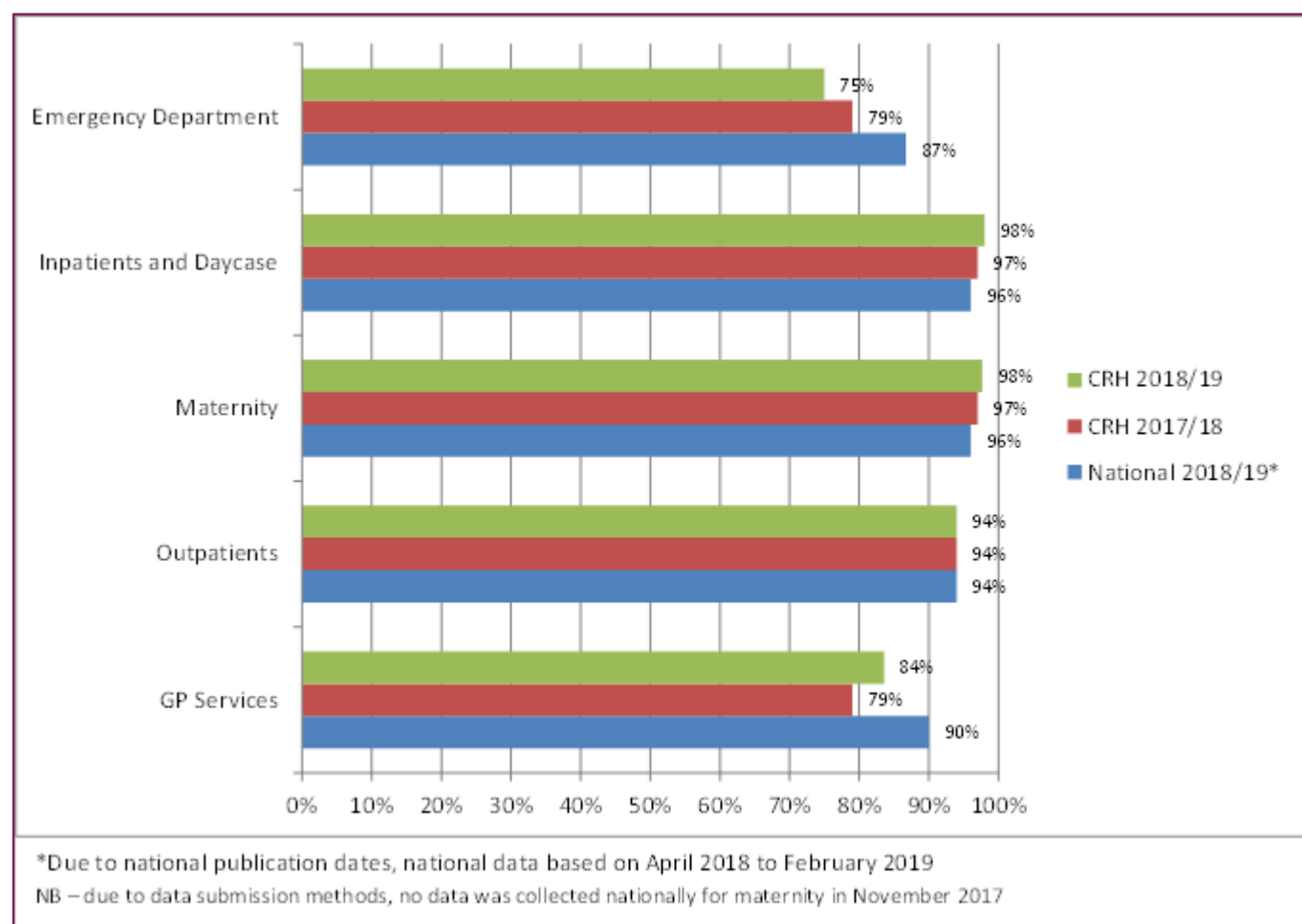
The headline score is the percentage of patients who would recommend the service.

#### What did we set out to achieve?

We aimed to improve patient experience by continuing to use feedback from the Friends and Family Test (local target).

#### Did we achieve this?

The graph below demonstrates that the Trust’s Friends and Family scores remain in line with the national average for inpatients and daycase, maternity and outpatients, whilst the Emergency Department and GP services score below national average.



<sup>3</sup> This service may include: this ward, this emergency department, this outpatient clinic, this maternity service or this surgery

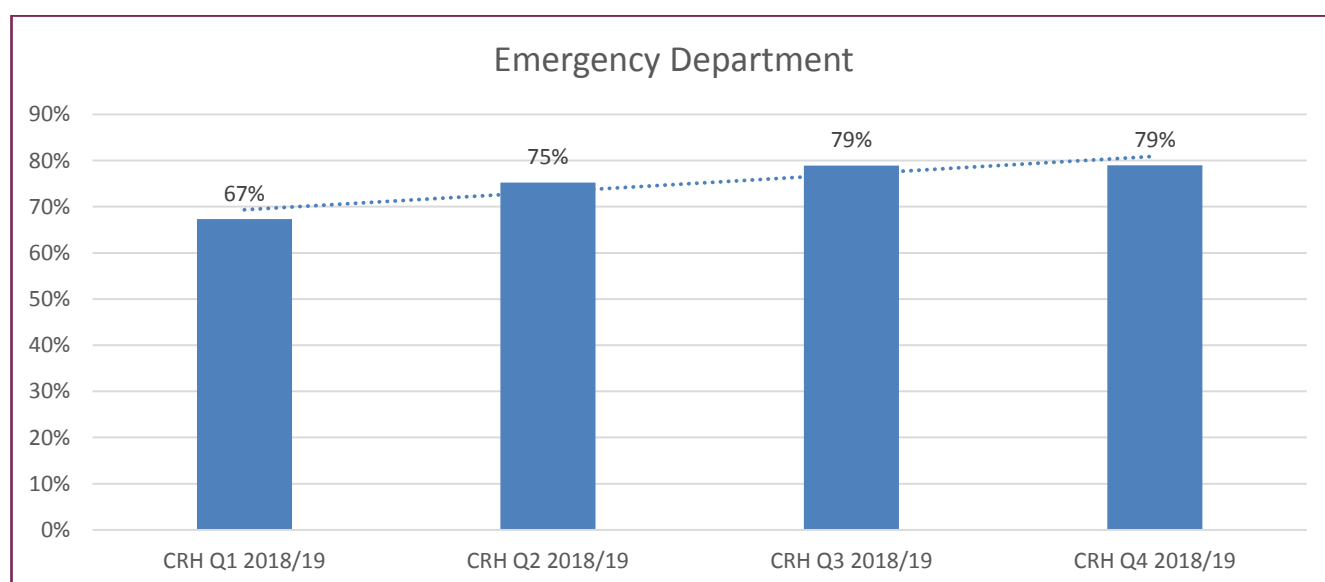
The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

The Trust uses a real-time patient feedback system which allows staff to review patient feedback in a timely manner. The system also allows the Trust to identify the themes arising from patient comments. Overall, the vast majority of comments are positive, highlighting staff behaviour, particularly in relation to friendly, helpful, caring and compassionate staff, alongside a good general service. We continually review the feedback received through the friends and family test to identify where improvements can be made.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services.

### Emergency Department (ED)

An Emergency Department (ED) upgrade programme was completed in June 2018, which aimed to improve patient experience related to efficiency, dignity and respect by expanding the department; the department also intends to improve the environment in the waiting area in 2019. In addition, the Emergency Department has instigated a robust patient experience improvement plan. The improvement work in ED to date has resulted in a positive impact on patient satisfaction; this is demonstrated by an increase in those patients who would recommend the department via the Friends and Family Test during 2018/19, as illustrated below. The aim is for ED to meet the national average, which was 87% in 2018/19; work continues in the department to improve patient experience.



Actions undertaken and ongoing to improve patient experience within the Emergency Department include:

**Communication** – the department is introducing a number of techniques to equip staff with knowledge and skills to improve communication for patients. In addition, comfort rounding has been increased, to ensure patients are kept up to date with their progress; there are a number of volunteers in the department, who have helped to increase refreshment rounding and support for patients waiting in the department, including communication of wait times.

A Makaton resource folder has been introduced to support patients with communication or learning difficulties; Makaton uses signs and symbols to support spoken words.

**Efficiency** – comments from patients suggest that reductions in wait times and the number of different contacts with different members of staff could help to improve patient experience. Implementation of a new ‘START’ (Simple Triage and Rapid Treatment) Team in 2018 aims to improve efficiency and communication, minimising the time patients wait whilst being seen in the department and reducing the number of times a patient has to share their information with staff.

In order to increase patient and visitors’ understanding of waiting times and priority patients, the department is developing a series of maps to display the various pathways a patient might take when visiting the department; these are being designed with patients, staff and Trust Governors.

**Patient Support** – a number of ‘distraction’ toys have been purchased for children and those with special needs, for use whilst medical procedures are undertaken in the department; these aim to calm and relax children by taking their mind off the procedure and providing something else to concentrate on.

In 2018, the department launched autism boxes, which include: ear defenders and sunglasses to help reduce anxiety reactions to sensory stimuli for our autistic patients; communication cards to act as visual supports for the spoken word; and reversible wrist bands to aid non-verbal communication, where patients indicate their mood and feelings to staff by turning the wrist band over.

In addition to the above, the Department is recruiting a team of patient partner volunteers who will help them to develop and plan further improvement projects. Patient partners help us to think about our services from a patient/public point of view, to improve patient and carer experiences and to make sure our services are right for the local community.

## **Outpatients**

The majority of our outpatient feedback is good and relates to friendly and helpful staff and a positive experience of services; however, we recognise that there are always opportunities for improvement.

As part of the Trust’s Outpatient Improvement Programme, an Outpatient Partners Group has been established to ensure the patient voice is listened to when planning, developing and implementing improvements. The group meets regularly to discuss the current position and future plans. The improvement programme is currently under review, to ensure it is aligned with the NHS Long Term Plan, and aims to address key opportunities for improvement identified from patient feedback, these include:

**Efficiency** – comments submitted via the Friends and Family Test (FFT) suggest that waiting times, both for receiving appointments and when attending clinics are key opportunities for improving patient experience. A project is in progress to ensure waiting times in clinic are regularly and consistently communicated to patients; feedback tells us that experience is often improved when staff communicate with patients regarding the reasons for waiting and how long expected wait times might be.

The Trust is also implementing a partial booking system, which will improve convenience of appointments for patients and in addition, the improvement programme is exploring alternative ways of providing appointments to improve efficiency and flexibility for patients.

**Communication** – whilst comments relating to communication are often positive, our outpatient feedback tells us that patients would sometimes appreciate more information/explanations and time to ask questions. The Trust continues to develop a communication training framework to support this.

In addition, the Trust has continued to work on improvement of appointment letters and SMS content, in which the Trust Reader’s Panel has been involved to assess the content for suitability and clarity. The Trust is also introducing a document control system for the automated production of Easy Read and large print letters.



**Environment** – upgrade work for some outpatient areas is in progress, with Suite 3/Dermatology recently completed; outpatient partners are involved in reviewing the work already done and planning for next steps.

Standards for children and young people seen in adult outpatient areas are currently in development with staff and patient involvement; these standards aim to make sure that children are welcomed and cared for appropriately in outpatient areas, including a child-friendly environment.

In addition, an outpatient improvement project reviewing wayfinding, signage and rest-stops aims to make it easier for patients to find and get to their outpatient appointments.

### **Inpatients and Day Case**

Inpatient and day case results for the Friends and Family Test are consistently high with 98% of patients recommending these services over the past year; this exceeds Trust target and national average. The Trust has analysed comments left by patients and included appropriate actions on their Care Unit Improvement Plans; the following opportunities for improvement have been identified:

**Communication** – whilst most of our feedback around communication is good, we still have opportunities for improvement, particularly around the consistency and quality of information and explanations given to patients by staff. The Trust continues to review communication training needs to ensure that staff are offered the most appropriate training and development and a communication training strategy is in progress. Six members of staff have now been trained to deliver human factors training at the Trust and roll of this training is currently being planned; human factors training aims to support consistent communication, by increasing understanding of individual behaviour and interactions with others. In addition, staff are encouraged to attend Sage and Thyme training, which teaches communication and listening skills when talking to people with concerns.

**Discharge** - a key area of improvement for communication for 2018/19 has been identified as communication regarding discharge; this has been presented as an ambition in the Trust's Quality Strategy and Care Units have recognised the need for action as part of their Patient Experience Improvement Plans. In addition, a Trustwide project to improve discharge processes in progress and communication will be considered as part of this. The Trust is working with NHS England to identify the potential for a discharge Always Event<sup>®</sup>. Always Events<sup>®</sup> are defined as "those aspects of the patient and family experience that should always occur when patients interact with healthcare professionals and the health care delivery system" (NHS England).

In addition, the Discharge to Assess (D2A) model, a multi-agency project with Derbyshire County Council Adult Care and Derbyshire Community Health Services, has been implemented and embedded across the trust. The model allows patients to have many of their therapy and social assessments undertaken at home in a more timely manner.

**Emotional support** – The Trust's Voluntary Service continues to recruit and develop volunteers who are able to sit and talk with patients to provide company and raise any comments with staff. In addition, the first cohort of End of Life companions have been trained; this was launched on Hasland and Markham ward in July 2018.



## **Maternity**

Whilst feedback from service users regarding Maternity services is largely positive, opportunities for improvement have been identified from service user comments; these relate to communication and efficiency. Maternity services have developed a robust improvement plan, containing actions relating these opportunities for improvement.

**Communication** – comments suggested that improvements in communication were particularly related to information and explanations given. Trinity Ward have reviewed their discharge process and the information that women were given on leaving hospital. They have produced a discharge video, which is shown to all women prior to discharge and ensures that information given is clear, consistent and of the same quality. They have also added patient information to the Bounty Birth, Pregnancy and Baby app, as women find this is a simple and accessible information hub.

Maternity services are also reviewing and developing relevant and accessible patient information to be made available as leaflets and via online and app content; this, alongside improved signposting to support services, aims to improve information and explanations given, particularly around emotional changes and physical recovery. In addition, training is being implemented to support effective listening skills for staff.

**Efficiency** – waiting times, particularly in antenatal clinic, have also been identified as an opportunity for improvement. A review of patient flow using LiA methodology (which engages with and supports staff to make change) is in progress, which aims to improve efficiency in antenatal clinic by reducing waiting times and repetition, ensuring that women are seeing the right person at the right time. In addition, maternity services have implemented midwife-led gestational diabetes clinics, to ensure that specialist care is provided to meet the complex needs of women with gestational diabetes.

## **Royal Primary Care (RPC)**

The percentage of patients who would recommend Royal Primary Care via the Friends and Family Test has seen an improvement since 2017/18. Opportunities for improvement relate to communication, efficiency and accessibility. Royal Primary Care has a robust patient experience improvement plan in place to address these themes.

**Efficiency and Accessibility** – RPC offers a sit and wait service for patients who need to be seen that day, where patients are triaged by the duty GP in order of clinical priority. They are also working with other practices in the local area to provide appointments seven days a week with extended hours to enable access from 8.00 am to 8.00 pm.

FFT comments tell us that patient experience in relation to telephone access has improved, however, this remains key for RPC; as a result telephone capacity is under review and staff rotas have been reviewed to ensure an optimum number of staff are available to answer the telephones.

Improvements are continuously monitored via FFT and a local quarterly survey, based on questions from the national GP survey.

**Communication** – RPC are introducing "About me" booklets in line with the remainder of the Trust, to support patients to communicate important messages, as well as updating RPC "It's OK to Ask" leaflets to empower patients to ask questions.

RPC use TV screens in the waiting room, the website and social media to communicate important messages to patients; they are using these methods to advertise the purpose of sit and wait appointments.

### **What are we going to do next?**

We will continuously monitor and act upon patient feedback to optimise patient experience at the Trust. Care Unit patient experience improvement plans will be regularly reviewed through the Trust's Patient Experience Group. In addition, we will continue to develop our real time patient feedback system to enable us to track the impact of improvements.

### **Data Quality**

Friends and Family data is collected regularly from patients and those close to them.

This information is drawn from individual patient responses to the Friends and Family question which we ask using a range of methods; postcards given out by staff, electronically via tablets, kiosk or online, and a link to an on-line survey sent via a text message, all of which are in line with national guidance. The Trust commissions an independent organisation to collate and analyse our responses.

Royal Primary Care have experienced some issues in collating their SMS (text message) data from some sites; therefore, the reliability of this data is not certain.

Over the year we have aimed to increase our response rates. Whilst this position is improving, some areas have remained below our local targets in 2018/19; therefore we cannot be certain as to the reliability of this data.

### **3.3.2 National Patient Surveys**

In line with our aim to be the hospital of first choice for local people, patient satisfaction and positive feedback is seen as a key indicator of success. We conduct a wide range of patient and public involvement work each year, however one of the key indicators of patient satisfaction are the national patient surveys – where questions are rated, using three categories:

- better than most other trusts in the survey
- about the same as most other trusts in the survey
- worse than most other trusts in the survey

National surveys for 2017/18 were:

- National inpatient survey 2017 (published June 2018)
- National GP survey 2018 (published August 2018)
- National cancer patient experience survey 2017 (published September 2018)
- National maternity survey 2018 (published January 2019)

### **What did we set out to achieve?**

We aimed to ensure that the Trust results were at as good as, or better than, other trusts (local target).

### **Did we achieve this?**

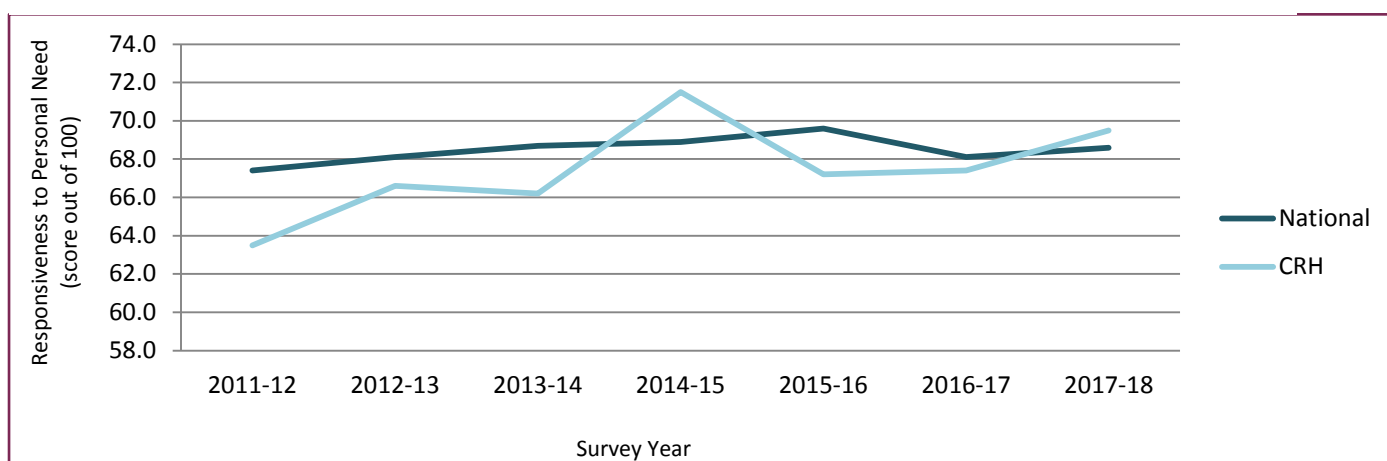
The following tables detail the results for those national patient surveys where results were published in 2018/19. Results of national surveys are usually published in the following year.

**National inpatient survey** - For the 2017 survey (published in June 2018), the Trust scored better than other trusts for three questions; the remaining 58 questions are performing 'about the same' as other trusts.

National Inpatient Survey	Performance	2017/18	2016/17	2014/15
	Better	3 (5%)	1 (2%)	2 (3%)
	About the same	59 (95%)	64 (98%)	58 (97%)
	Worse	0	0	0

In addition to the results for individual questions in the inpatient survey, trusts are scored with regard to responsiveness to the personal needs of its patients. This indicator is based on the average score of five questions from the National Inpatient Survey. Figure 1 demonstrates that, nationally, the indicator saw a slowly incremental trend until a decline in 2016/17, demonstrating slight improvement in 2017/18. Chesterfield Royal Hospital (CRH) has continued to improve since a decline in 2015/16, bringing the score above the national score in 2017/18.

Figure 1 – Responsiveness to the Personal Needs of Patients

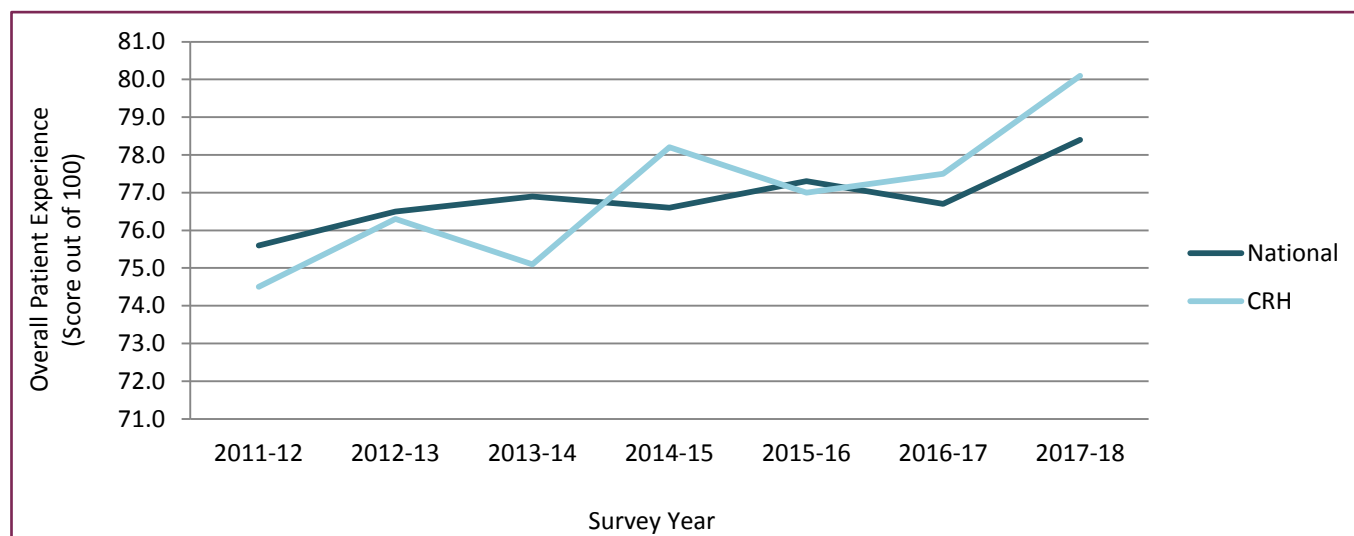


A further indicator measures the overall patient experience of hospital care based on a range of questions from the National Inpatient Survey (19 questions) relating to:

- Access and waiting
- Safe, high quality co-ordinated care
- Better information more choice
- Building closer relationships
- Clean, comfortable and friendly place to be

Figure 2 demonstrates that the value has fluctuated both nationally and locally, with little national change overall. 2017/18 demonstrates an increase nationally and locally, with Chesterfield Royal Hospital (CRH) scoring above the national score.

Figure 2 – Overall Patient Experience of Hospital Care



The Chesterfield Royal Hospital NHS Foundation Trust consider that this data is as described for the following reasons:

Of the 62 questions presented in the 2017 benchmarking results the Trust had improved on 29 since the 2016 survey; 4 were statistically significant and related to admission, communication and discharge; these sat within the following sections:

- **Waiting to get to a bed on a ward**
  - An improvement in the way patients felt about the length of time they waited for a bed on a ward from the time they arrived at the hospital
- **Operations & procedures**
  - An increase in the number of patients who felt members of staff answered questions about their operation or procedure in a way they could understand
  - An increase in the number of patients who were told how they could expect to feel after having an operation or procedure

There was no statistical decline demonstrated in any questions within the 2017 survey.

## How will we improve?

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve scores in the national inpatient survey:

The Trust's Quality Strategy refresh includes a focus on information and explanations given to patients on discharge. The Trust is working with NHS England to implement an Always Event<sup>®</sup> aimed at improving patient experience regarding discharge. In addition, Care Units will continue to monitor improvement plans, ensuring that appropriate actions are developed and implemented; currently these include actions aimed at:

- Communication
- Discharge
- Emotional Support
- Environment

**National GP Survey** - The Trust participates in the national GP survey for Royal Primary Care. Two key indicators aiming to capture the experience of patients of accessing GP services look at:

- The percentage of patients who report their experience of making a GP appointment as 'fairly good' or 'very good'
- The percentage of patients who describe their overall experience of this surgery as good

Figures four and five show that the Trust scored below average for these in the 2017 survey

Following the national GP survey results in 2017, Royal Primary Care implemented a quarterly local survey, based on questions from the national survey; this was reviewed and refined following the national survey 2018. Results from the local survey show overall improvement for both questions since the national GP survey in 2018, however, this has not yet met national average.

Figure 4 - % of patients who describe their experience of making an appointment as good

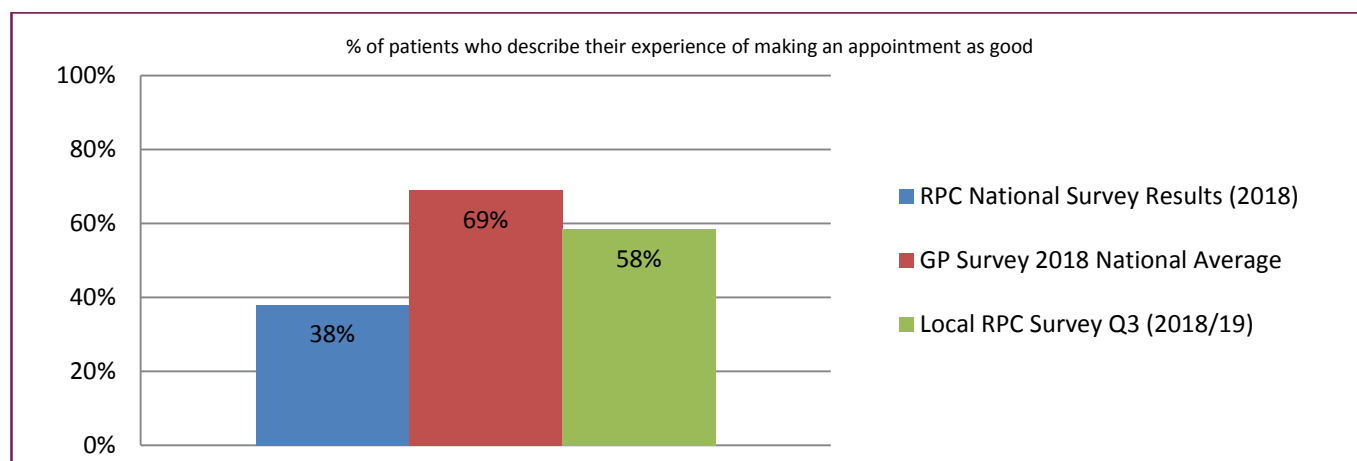
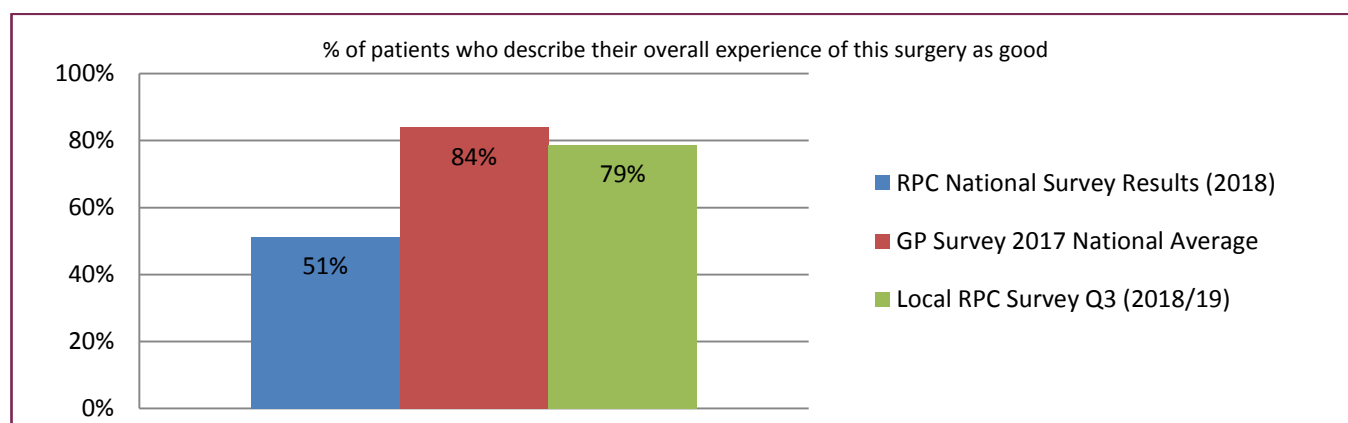


Figure 5 - % of patients who describe their experience of this surgery as good



### How will we improve?

Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve scores in the national GP survey:

Royal Primary Care has an improvement plan, which incorporates actions based on the findings of the national GP survey and the quarterly local survey. This ensures that services are continuously working towards improving the following aspects of patient experience:

- Telephone access, including piloting of a telephone triage team
- Access to online appointments and promotion of availability
- Access to clinicians, including sit and wait appointments, an extended hours project to provide patients access to 8am-8pm and weekend appointments, and a redesign of the clinical rota to optimise the number of appointment slots available
- Communication, including the use of patient tools to empower and encourage communication

Royal Primary Care's quarterly local survey is used to monitor those national questions where opportunities for improvement have been identified from previous surveys.

### National Cancer Patient Experience Survey

Of the 52 questions with published responses, the Trust was within the expected range for 49 questions, which is a positive result. One question showed significant improvement, as well as being significantly above the national average, which related to relatives being able to talk to doctors. Two questions scored below the expected range, which related to wait times for tests and attending clinics. No questions had significantly declined since the 2016 survey.

National Cancer Patient Experience Survey	Performance	2017/18	2016/17	2015/16
	Better	1 (2%)	3 (5%)	2 (4%)
	About the same	49 (94%)	54 (92%)	49 (94%)
	Worse	2 (4%)	2 (3%)	1 (2%)

## How will we improve?

The Chesterfield Royal Hospital NHS Foundation Trust has an improvement plan in place for the National Cancer Patient Experience Survey, which aims to improve those questions with the potential to impact on the Trust scoring below the expected range, or which are low scoring; these mostly relate to communication and provision of information and explanations, including patients being given:

- The name of a Clinical Nurse Specialist (CNS); each Division is responsible for CNS provision and several actions regarding CNS availability are in progress
- Information on financial help, to include signposting of patients to Macmillan Benefits Online and the Macmillan finance helpline, which offers general advice and guidance, and the promotion of the welfare service for all cancer patients within the Information and Support Centre, which includes both a face to face service, with drop ins and appointments, alongside a local telephone advice line
- Access to a copy of their care plan; recruitment to the 2-year pilot (which has currently been extended due to staff on maternity leave) for Band 3 Support Workers in Colorectal, Breast, Prostate and Haematology has supported a focus on Holistic Needs Assessments (HNAs) and Care Plans in these areas. This means that patients are given support and information, they are able to discuss their physical, social and emotional needs and have an opportunity to ask questions; this has the potential to impact on improvements in provision of information (including a copy care plan), explanations and support

Additional actions include increased capacity and additional recruitment to support patient experience, and reviews of clinic processes to improve efficiency.

## National Maternity Survey

Of the 51 patient experience questions asked in the 2018 survey, 47 questions scored about the same as other trusts; Two questions, both from the labour and birth pathway, scored better than expected, whilst two questions, both from the postnatal care pathway, scored worse than expected.

Four question scores, all related to postnatal care, had declined significantly since the 2017 survey.

Pathway	Performance	2017/18	2016/17	2015/16	2013/14
Antenatal Care	Better	0	1 (8%)	1 (8%)	1 (11%)
	About the same	12 (100%)	11 (92%)	11 (92%)	8 (89%)
	Worse	0	0	0	0
Labour and birth	Better	2 (11%)	3 (16%)	10 (53%)	9 (53%)
	About the same	17 (89%)	16 (84%)	9 (47%)	8 (47%)
	Worse	0	0	0	0
Postnatal Care	Better	0	4 (20%)	3 (16%)	8 (44%)
	About the same	15 (88%)	15 (75%)	13 (68%)	9 (50%)
	Worse	2 (12%)	1 (5%)	3 (16%)	1 (6%)

### **How will we improve?**

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve scores in the national Maternity survey:

- A 'Continuity of Care' pilot Carer pilot for women in the Chesterfield area with mild to moderate mental health conditions, to ensure consistency in the staff providing care for a woman and her baby throughout the maternity journey and support relationship-building
- Introduction of a personalised care plan, co-produced with the Maternity Voices Partnership, which aims to support women and their partners/companions to make choices, inform them of what to expect and empower them to ask questions
- Expansion of the Birth Talk Service, which aims to improve emotional support and involves talking to women and their partners who have experienced a traumatic birth
- Continuation of NHS England's Always Events<sup>®</sup> programme in postnatal care and development of additional Always Events<sup>®</sup> for the labour and birth pathway

### **National Emergency Department (ED) Survey**

The national ED survey is undertaken every other year. Therefore, there were no results due for publication during 2018/19. Consequently there is also no update of national indicators. The next ED survey is due for publication in late 2019.

### **National Children and Young Person's Survey**

The national Children and Young Person's Survey is undertaken every other year. Therefore, there were no results due for publication during 2018/19. The next Children and Young Person's Survey is due for publication in late 2019.

### **Progress Monitoring**

Progress against all of these ambitions is being monitored via our Friends and Family Test, which includes local additional questions, local GP surveys and national survey results, alongside Always Events projects, ad hoc engagement work and individual service surveys. We will ensure that improvement opportunities identified from patient feedback are reflected in our quality strategy work.

### **What are we going to do next?**

We will continue to drive improvements in patient experience via our Quality Strategy, Patient Experience Group and trust-wide projects, monitoring progress through our patient feedback mechanisms.

### **Data Quality**

The data for these indicators is taken from data published nationally by the Care Quality Commission, Ipsos Mori and NHS England.



### 3.3.3 National Staff Surveys

As well as asking patients how they feel about the services we deliver, the annual staff survey includes a friends and family question, which reflects the proportion of staff who would recommend the Trust as a provider of care to their friends and family.

#### What did we set out to achieve?

An increase in the proportion of staff who would recommend the Trust as a provider of care (local target).

#### Did we achieve this?



#### National Staff Survey

As the table below shows the proportion of staff who would be happy with the standard of care provided by the trust if a friend or relative needed treatment has increased.

Period	Chesterfield Royal	National Average
2018/19	71%	71%
2017/18	66%	71%
2016/17	63%	70%
2015/16	67%	70%
2014/15	60%	65%

Our Trust is benchmarked in a group of acute trusts that totals 89. Our return of 71% is the best we have ever-achieved. Response rates in our peer grouping show an average return of 44%, a top return of 72% and the lowest is 33%.

There are a number of changes to the reporting mechanisms used for the results this year:

- Ten staff experience themes replace the long-standing 'key findings' - all of which are scored on a 0-10 scale
- There are up to five years of trend data across both theme and question results, providing a more reliable indication of movement and progress
- Question results are now benchmarked, so organisations can make comparisons to their peers on specific areas of staff experience

In summary, our results for 2018 show:

- Seven areas of significant improvement
- Two areas which are 'about the same'
- There is a new measure of 'morale' of which we scored above the national average for 2018

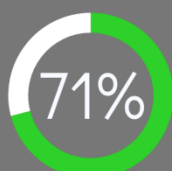
We are above national average in six measures, meeting the national average in three and are 0.1 of a mark behind national average in one of the safe environment measures. This is a much better picture than we've seen for a number of years and reflects the huge effort to improve staff engagement that leaders across the Trust have been supporting.

# Our NHS Staff Survey Results 2018

More of you than ever before told us how it feels to be part of the NHS - working in our hospital, community bases and GP surgeries. All the questions you answered have been combined to reveal our scores across ten themes of staff experience and more...



## Final response rate



An impressive 2751 staff completed their survey in 2018 - the biggest return we've ever had! The more people who have their say the better, to gain a true picture of how people feel and to provide a focus for improvement



How do we compare to the other 88 Acute Trusts in our 2018 peer group?

The best **72%**  
Average **44%**  
The worst **33%**

## Theme one: Equality, diversity & inclusion



This theme scores from one to ten - and is all about fair career progression, experience of discrimination and adjustments that support people to do a good job. The higher the score the better



How do we compare to the other 88 Acute Trusts in our peer group?

The best **9.6**  
Average **9.1**  
The worst **8.1**

## Theme two: Health & wellbeing



The higher the score the better for organisations where staff are offered flexible working opportunities, positive action to look after their health & wellbeing and support when they are ill or feeling stressed



How do we compare to the other 88 Acute Trusts in our peer group?

The best **6.7**  
Average **5.9**  
The worst **5.2**

## Theme three: Immediate managers



This theme scores from one to ten - and focuses on the support and leadership immediate managers provide, including making training and development available to their teams. The higher the score the better



How do we compare to other Acute Trusts in our peer group?

The best **7.3**  
Average **6.7**  
The worst **6.2**

## Theme four: Morale



This is a new theme for 2018 - with questions that focus on how people are involved, treated, encouraged and valued at work. The closer to ten an organisation scores the higher staff morale



How do we compare to other Acute Trusts in our peer group?

The best **6.7**  
Average **6.1**  
The worst **5.4**



There's more over the page and our full report can be viewed at: [www.nhsstaffsurveys.com/Page/1056/Home/NHS-Staff-Survey-2018/](http://www.nhsstaffsurveys.com/Page/1056/Home/NHS-Staff-Survey-2018/) Over the next couple of months leaders in all our Divisions and Corporate Services will be hosting staff engagement sessions - to talk to teams about their local level results and to hear what they want to improve in 2019

### Theme five: Quality of appraisals



A high score suggest staff feel that appraisals help them improve how they do their job, set clear objectives and that they feel valued. Quality also includes discussing organisational values as part of the process



How do we compare to the other 88 Acute Trusts in our 2018 peer group?

The best **6.5**  
Average **5.4**  
The worst **4.6**

### Theme six: Quality of care



Asks staff if they are satisfied with the quality of care they give to patients and service users and if they feel their role makes a difference to them. The higher the score the better especially if feel they can deliver the care they aspire to give



How do we compare to the other 88 Acute Trusts in our peer group?

The best **8.1**  
Average **7.4**  
The worst **7.0**

### Theme seven: Safe environment Bullying & harassment



Organisations with scores closer to ten show that staff have experienced low levels of harassment, bullying or abuse at work - from either patients, relatives and carers - or managers and other colleagues



How do we compare to the other 88 Acute Trusts in our peer group?

The best **8.5**  
Average **7.9**  
The worst **7.1**

### Theme eight: Safe environment Violence



Organisations with scores closer to ten show that staff have experienced low levels of physical violence at work - from either patients, relatives and carers - or managers and other colleagues



How do we compare to other Acute Trusts in our peer group?

The best **9.6**  
Average **9.4**  
The worst **9.2**

### Theme nine: Safety culture



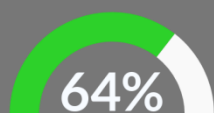
A range of questions in the survey cover fair treatment for staff involved in incidents, learning actions, feedback, ability to raise concerns and report incidents and an organisation's ability to address issues.



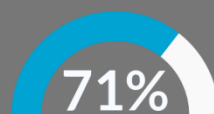
How do we compare to other Acute Trusts in our peer group?

The best **7.2**  
Average **6.6**  
The worst **6.0**

### Theme ten: Staff engagement



Of staff recommend our organisation as a place to work



Of staff would be happy with the standard of care we'd provide to their family or friends

An engaged workforce is an illustration of an organisation that enables its staff to use their initiative, supporting them to lead change and improvement. Staff who are engaged recommend their Trust as a place to work and receive treatment. A number of questions contribute to the overall score for this theme. The closer to ten the better and our overall score for 2018 is seven out of ten the same as the national average.



## KEY:

Green bars show themes where we score better than the national average



Blue bars show themes where we score exactly the same as the national average



Red bars show themes where we score lower than the national average

**NHS**  
Chesterfield  
Royal Hospital  
NHS Foundation Trust

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

The Trust has worked hard to improve our staff satisfaction and levels of engagement.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by:

- Leading the Chesterfield Way, Listening into Action, Staff Engagement Framework, Health and Well-Being initiatives, the implementation of a new Appraisal Season, Applause staff recognition, focus on improving flexible working practices and culture, and a more accountable and robust staff survey action planning process within divisions. These are some of the recent improvements (within 2016-18) that the Board has supported. These have been designed to improve staff engagement and narrow the gap between us and other acute Trusts nationally, whilst continuing to evolve our culture.

### **What are we going to do next?**

In response to the themes identified we are developing Trust-wide and local improvement plans; at a Trust level the actions identified include:

- Our new People Strategy for April 2019/2022 was formally agreed in January 2019 and will be launched widely across the Trust from March 2019 onwards. This strategy is based on 4 key themes: Build, Lead Engage and Learn. All of these will have an impact on staff morale, satisfaction and engagement.
- A new Equality, Diversity and Inclusion group started in January 2019. This group named 'Be Yourself' will evolve over time and have initially planned to improve presence and visibility in relation to equality, diversity and inclusion through increased awareness and education. The group also plan to make improvements to our recruitment and selection process.
- The Trust's Charitable Funds Committee has supported a 12-month workforce health and wellbeing project which started in December 2018. This project aims to ensure our offer of health and wellbeing fits with what our staff need and that we raise awareness of all the initiatives that can be accessed. We have continuously developed our culture in relation to supporting flexible working over the last 12 to 18 months through the development of a 'think yes rather than no' ethos with supporting guidance documents for our leaders. This continues to be a strong focus and further communication will be launched in 2019 to support this approach.

Local staff engagement improvement plans will be developed based on the local results and the ideas generated in these sessions. We have decided to rename these from staff survey plans, to show that staff engagement is a continuous and year-round activity.

### 3.3.4 A&E indicators

Waiting time in Emergency Departments is a high profile indicator of performance. The key measure is the proportion of patients who wait four hours or less before a decision to treat, admit or discharge.

#### What did we set out to achieve?

We aimed to ensure that 95% or more of our patients wait four hours or less before a decision to treat, admit or discharge.

#### Did we achieve this?



#### Waiting time in the Emergency Department -

We missed the national target of 95% or more of our patients waiting four hours or less before a decision to treat, admit or discharge.

	Percentage of patients spending four hours or less in ED			
	Target	2018/19	2017/18	2016/17
Chesterfield Royal	95%	93.1%	92.0%	87.2%
National		88.0%	88.4%	89.0%

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- Like many organisations the Trust has struggled to achieve this challenging target due to an increasing number of patients attending ED who require admission to a hospital bed.
- As the data shows we have performed better than the national average by extending the hours for GP streaming at the front of ED and improving patient flow across the organisation to reduce delays to admission.
- The Trust continues to experience challenges in the medical cover within the department.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by:

- Continuing to work to develop our urgent care village to ensure that patients are seen in a timely manner by the most appropriate professional.
- The Trust has recruited doctors internationally and is in the process of implementing a new rota management system which aims to match workforce to demand.

#### What are we going to do next?

We aim to improve our performance in the coming year by focusing on matching medical staffing to demand.

#### Data Quality

The data for these indicators is collected from our Patient Administration System in line with national definitions. This indicator was subject to external audit in 2018/19 and no concerns were identified.

### 3.3.5 Referral to treatment waiting times

In order to ensure that patients receive timely treatment the Trust monitors the % of patients on incomplete pathways who have been waiting less than 18 weeks. These patients may have been seen in clinic by a hospital doctor, and they may have had tests, but haven't yet started full treatment (or been discharged) and so they have an "incomplete pathway".

#### What did we set out to achieve?

We aimed to achieve the national target of 92%.

#### Did we achieve this?



#### Referral to Treatment Time

At the 31<sup>st</sup> March 2019, 90.3% (standard 92%) of patients on incomplete pathways had been waiting less than 18 weeks.

Standard	2018/19	2017/18	2016/17
% of patients on incomplete pathways, who have been waiting less than 18 weeks	90.3%	91.8%	92.8%

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- Staff have worked hard throughout the year to ensure delays are minimised with additional appointments being made available where necessary, however due to high demand in a number of areas particularly in relation to the Cancer 2 week targets we have narrowly missed the target.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by:

- Ensuring recovery plans are in place in all relevant specialities to provide additional capacity where necessary.

#### What are we going to do next?

We aim to achieve the national standard.

#### Data Quality

The data for these indicators is collected from the Trust's Patient Administration System in line with national definitions and the data is reported monthly in the Performance Dashboard. This indicator was subject to external audit in 2017/18 and no concerns were identified.

### 3.3.6 Maximum 6-week wait for diagnostic procedures

This six week diagnostic wait was initially introduced as a 'milestone' towards achieving the standard Referral to Treatment wait of 18 weeks. Diagnostic waiting times now form part of the NHS Constitution which pledges that patients should not be required to wait 6 weeks or longer for a diagnostic test.

#### What did we set out to achieve?

We aimed to achieve the national target of 99%.

#### Did we achieve this?



#### Maximum 6-week wait for diagnostic procedures

We narrowly missed the national target of 99% or more of our patients having a maximum six week wait for diagnostic procedures

Standard	2018/19
% of patients waiting less than 6 weeks for a diagnostic test	97.3%

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- Staff have worked hard throughout the year to ensure delays are minimised, however due to high demand in a number of areas particularly in relation echocardiography targets we have narrowly missed the target.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by:

- Ensuring recovery plans are in place in all relevant specialities to provide additional capacity where necessary.

#### What are we going to do next?

We aim to achieve the national standard.

#### Data Quality

The data for these indicators is collected from the Trust's Patient Administration System in line with national definitions and the data is reported monthly in the Performance Dashboard.



### 3.3.7 Patient Reported Outcome Measures (PROMS)

PROMs (Patient Reported Outcome Measures) is a programme of evaluation of surgical outcomes based on questionnaires completed by patients before and after their surgery. Eligible patients are those treated for hip replacement and knee replacements.

#### Participation Rates

This Trust has extremely good participation rates which often exceed the national average. This reflects the robust system we have in place in pre-assessment for engaging patients with the process. This can be seen again in our recent figures published in February 2019 for the period of April 2017-18 (final data) and the previous year of April 2016-17 (final data), as showed in the table below.

Publication	Number of eligible Hospital Episodes	Number of Pre-operative Questionnaires returned	Participation Rates
April 2017-18 (Feb-19 Publication)	672	591	87.9% (England 86.7%)
April 2016-17 (Aug-18 Publication)	667	683	102.4%* (England 90.7%)

\*The percentage is calculated out of an estimated number of hospital episodes in comparison to the number of pre-operative questionnaires returned.

#### Response Rates

The table below shows our patient response rates for post-operative questionnaires are above national average in the recent publication of February 2019 (April 2017-18 final data).

Publication	Number of Post-operative Questionnaires sent out	Number of Post-operative Questionnaires returned by patients	Response Rate
April 2017-18 (Feb-19 Publication)	588	418	71.1% (England 70.1%)
April 2016-17 (Aug-18 Publication)	682	480	70.4% (England 75.8%)

#### Patient Outcomes

The tables on the following page show the latest PROMS publication (February 2019) for both hip and knee procedures over the period 2017-18 (final data). The figures in brackets contain the previous year of 2016-17 final data (Aug-18 publication) for comparison.



## Knee Replacements

Procedure	Measure	Modelled Records	Adjusted Average Health Gain	England Average	Significance
Total Knee Replacement	EQ-5D Index	211 (236)	0.339 (0.321)	0.337 (0.323)	As Expected (as expected)
	EQ VAS	200 (236)	7.570 (6.846)	8.153 (6.892)	As Expected (as expected)
	Oxford Knee Score	216 (259)	16.991 (16.260)	17.102 (16.392)	As Expected (as expected)
Knee Replacement Primary	EQ-5D Index	203 (227)	0.347 (0.322)	0.338 (0.325)	As Expected (as expected)
	EQ VAS	193 (228)	8.005 (6.600)	8.280 (7.016)	As Expected (as expected)
	Oxford Knee Score	211 (248)	17.228 (16.390)	17.259 (16.546)	As Expected (as expected)
Knee Replacement Revision	EQ-5D Index	8 (9)	N/a	0.292 (0.273)	N/a
	EQ VAS	7 (8)	N/a	4.892 (3.599)	N/a
	Oxford Knee Score	5 (11)	N/a	13.124 (12.346)	N/a

## Hip Replacements

Procedure	Measure	Modelled Records	Adjusted Average Health Gain	England Average	Significance
Total Hip Replacement	EQ-5D Index	172 (148)	0.399 (0.360)	0.458 (0.437)	Lower 99.8% (Lower 99.8%)
	EQ VAS	167 (148)	13.175 (9.346)	13.877 (13.137)	As Expected (Lower 95%)
	Oxford Hip Score	184 (168)	20.834 (18.521)	22.210 (21.382)	Lower 95% (Lower 99.8%)
Hip Replacement Primary	EQ-5D Index	163 (135)	0.407 (0.366)	0.468 (0.445)	Lower 99.8% (Lower 99.8%)
	EQ VAS	158 (135)	14.067 (8.802)	14.230 (13.457)	As Expected (Lower 99.8%)
	Oxford Hip Score	174 (153)	20.953 (18.646)	22.680 (21.800)	Lower 95% (Lower 99.8%)
Hip Replacement Revision	EQ-5D Index	9 (13)	N/a	0.289 (0.290)	N/a
	EQ VAS	11 (13)	N/a	7.654 (7.187)	N/a
	Oxford Hip Score	10 (15)	N/a	13.901 (13.512)	N/a

\* A minimum of 30 responses per year is required per procedure for an accurate outcome measure; therefore there are no results for knee replacement revision or hip replacement revision.

Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

PROMS are collated quarterly and due to the information captured, the surveys run at least two quarters behind. Therefore, the data included is for the last full year (2015/16) and part year of 2016/17. It should be noted that a higher figure than national average indicates a better performance.

Results have shown we are consistently performing as expected for knee replacement surgery, however, for hip replacement surgery the results are lower than expected for mobility, self-care and pain (EQ-5D Index and Oxford Hip Score). The issue with hip replacements is complex although steps are being taken to address this. The Trust has made improvements regarding the EQ VAS measure for both total hip replacement and hip replacement primary and we are now within the expected range for this (this relates to the patients current state of health).

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services:

- Our Lead Orthopaedic Consultant Surgeon undertook a review of the care and outcomes for hip patients which did not identify any clinical concerns;
- Conducted an audit to critically analyse length of stay and mobility for patients undergoing hip replacements which identified a number of actions detailed below.

The Trust intends to take the following actions to improve these outcomes scores, and the quality of its services by:

- Increasing the proportion of patients mobilised on the day of operation; this will be supported by a patient information leaflet given pre-operatively to emphasise the benefits of early mobilisation and prompt discharge. Clinicians will also ensure any reasons for delay in mobilisation are clearly documented in the patient notes to support ongoing improvements;
- Introducing the use of cold compressions to improve pain control measures;
- The Clinical Audit Department continuing to work with the Pre-assessment team to ensure that the participation rate remains as high as possible, matching the pre-op questionnaire response with the operation date. This will increase the chances of the post-operation questionnaire to be returned and the Trust target of 70% participation rate to be met.

#### **Data Quality**

The data for these indicators is taken from data published nationally by the NHS Information Centre. This information is drawn from individual patient responses to questionnaires administered pre and post-surgery. This process is administered by an independent organisation commissioned by the Department of Health.

# Feedback on our Quality Account

We have shared the draft Quality Account with North Derbyshire Clinical Commissioning Group, the Trust's Council of Governors, Derbyshire Health watch and the Derbyshire County Council Improvement and Scrutiny Committee for comment prior to publication.

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## Quality Accounts – Statement from the Trust’s Council of Governors

The Council of Governors would like to comment on the following areas:

- **CQC Inspection 2018** – The Council of Governors are pleased with the Trust rating of Good in the most recent Care Quality Commission (CQC) inspection. Governors recognise the excellent work undertaken across the Trust, which has impacted on these ratings and they would like to congratulate staff on their achievements. In addition, Governors would like to highlight the ratings of Outstanding for the Caring domain in End of Life Care and in Community and Adolescent Mental Health Services (CAMHS).
- **Royal Primary Care** – In 2018, Governors expanded their ward/department programme to incorporate visits to Royal Primary Care. This aims to support continuous integration of Royal Primary care services into the Trust and ensures that Governors remain sighted on the positive progress being made. Governors also welcomed the informative presentation provided by the Divisional Director of Royal Primary Care at Governor induction.
- **NHS 70<sup>th</sup> Birthday Celebrations** – Governors were pleased to have been involved in the Trust’s celebrations of the NHS’ 70<sup>th</sup> year. Governors conducted hospital walk rounds, visiting different departments and wards, where they were also invited to share tea and cake with staff. Governors appreciated the reception they were given and were pleased they could spend quality time with staff and patients on the day.
- **Listening into Action (LiA)** – The Council appreciate the progress which has been made with reference to LiA and are pleased that the programme is continuing and growing. Governors have been involved in LiA ‘Big Conversations’ and CrowdFixing events and look forward to receiving updates on the variety of projects in place and developing across the Trust.
- **End of life care** – The Trust has continued to make significant improvements to the end of life care offered by the hospital. The Council of Governors have been extremely supportive of these improvements and have welcomed regular updates on progress. The accomplishments in end of life care have been illustrated by the rating of Outstanding received from the CQC for delivering care that ensures people are involved and treated with compassion, kindness, dignity and respect; Governors would like to commend staff for this achievement.
- **Outpatient Improvement Project** – The Trust continues to take action to improve patient experience for those people who use our outpatient services. Governors have been informed of positive progress and planning in relation to outpatients, including improvements to telephone access, plans for improvements in appointment booking and ongoing projects regarding waiting time communication in clinics and a review of patient rest-stops. Governors look forward to seeing further developments and monitoring progress.
- **Birth Talk Service** – Governors were pleased to receive a presentation from the Trust’s Birth Trauma Resolution Practitioner, who runs the Birth Talk Service for women and their partners who have experienced traumatic birth. Birth Talk aims to help women and their partners to make sense of what happened and answer any questions. The service can also help people to prepare and plan for future pregnancies by talking through previous birth experiences. The Trust is one of the few in the region to have a qualified Birth Trauma Resolution Practitioner in post. Governors feel that the service is innovative and invaluable for emotional support.
- **Team Around the Patient** – The Council of Governors are very supportive of the continuation and expansion of the Trust’s innovative, inter-professional Team Around the Patient model, which has received national recognition as a best practice case study and supports the Trusts aim to be in the top 20% of NHS employers for staff experience in the national staff survey. Governors feel this will also benefit patients, as staff satisfaction is closely linked to patient experience and having the right skill-mix in place is important for providing person-centred, safe and effective care.

- **Emergency Department** - The Council of Governors is pleased that building work for the initial Emergency Department (ED) upgrade has been completed, with a goal of improving efficiency and dignity and respect for patients. Governors look forward to seeing improvements in patient experience feedback.
- **Pain Clinic** – Governors have noted the improvements in patient flow in the Pain Clinic, following an update at the end of 2018. Governors were also interested to hear about a new treatment for pain relief, which is now available at the Trust. Radio Frequency Denervation provides longer lasting pain relief and consequently reduced the need for pain relief injections and frequent attendances.
- **Special Diets** – Governors appreciated the presentation and tasting session received from Trust staff and Sodexo (the Trust's catering service); they found it very informative and were pleased with the range of food available, which catered for various dietary requirements. They felt the presentation helped to provide them with a broader understanding of the food available to patients and how it can be requested. Governors were also pleased to note that patient feedback on the choice and quality of food was obtained from patients on the wards on discharge, and that regular tasting sessions were held in the main entrance for staff, patients and the public.
- **Patient Feedback** – Governors were pleased with the improvements in gaining patient feedback and the mechanisms used to collect this, including the installation of a feedback kiosk in ED and volunteer discussions with patients and those close to them. They look forward to the new developments planned for the following year.
- **Cancer Services** – Governors received a presentation regarding Trust cancer services, following the publication of the National Cancer Patient Experience Survey 2017. They understand that these results do not demonstrate any improvements as a result of the new NGS Macmillan Unit, as the survey was sent out prior to the unit opening. They were, however, pleased to note that a significant area of improvement was family and friends being given the opportunity to talk to a doctor. In addition, Governors like the services offered in the Macmillan Information and Support Centre, which has been nominated for a national patient experience award. Governors will continue to monitor cancer services and will be looking for improvements in the 2018 National Cancer Patient Experience, which will be published towards the end of 2019.
- **Review of Sub-Committees** – The Council of Governors are currently reviewing all sub-committees to ensure their functions are appropriate, consistent and relevant. Governors feel it is important that all sub-committees and that they are achieving or working towards their original aims and objectives.
- **Project work** – Governors continue to be included on Trust project boards and are active in the following:
- **Urgent Care Village Development** - this project aims to improve patient and staff experience of the urgent and emergency care environment and pathways.
- **Retreat at the Royal** - this project aims to provide a tranquil outside space for patients and staff, situated near the MacMillan Centre and Relax at the Royal. This type of outside space has been found to be therapeutic for patients and the Governors are extremely supportive of this project. The Council are grateful to the Mayor's appeal, which raised £20,000 for this initiative (underwritten by the Charity Funds Committee). Work began in 2018, with planting due to begin in April 2019.

- **Additional Activities:** Governors undertake an annual programme of ward visits, to gain an understanding of patient experience, good practice and opportunities for improvement. These and other activities are ongoing and the Council continues to monitor patient experience at the Trust to ensure that it is optimum. Additional activities over the previous year have included:
  - Participation in consultations regarding CQC well-led
  - Engagement in the appointment of new Non-Executive Directors
  - Involvement with Sustainability and Transformation (STP) planning, following on from historical work with Joined up Care Derbyshire
- **Peak Heart Throbs** – following consideration at the Council of Governors meeting Governors were pleased to hear of the Chief Executive’s decision to waive the charge to the group for the use of hospital facilities, as a group of outpatients and ex-outpatients undertaking recommended activities to support their continued rehabilitation.
- **Feedback from Children and Young People** – Governors like the ‘tops and pants process’ for collecting feedback from children and young people (where patients give positive feedback on a T- shirt shaped card (‘tops’) and negative feedback on a ‘pants’ shaped card). They noted that this is also being used to collect feedback from children and young people in adult areas and were pleased to see both an increase in responses in ED and the roll-out of the process in surgical outpatient clinics.



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## Statement from North Derbyshire Clinical Commissioning Group

### Chesterfield Royal Hospital NHS Foundation Trust Commissioner Statement

#### General Comments

NHS Derby and Derbyshire Clinical Commissioning Group (DDCCG) is responsible for providing the commissioner statement on the quality account provided by Chesterfield Royal Hospital NHS Foundation Trust (CRHFT). Careful consideration has been given to the content and accuracy in line with the national guidance. DDCCG can confirm that CRHFT has produced a Quality Account that meets the required criteria and that the information provided appears to be accurate and representative of the information available to NDCCG through contract monitoring and quality assurance processes during the year.

#### Measuring and Improving Performance

The Quality Account describes the quality of services provided this year by Chesterfield Royal Hospital Foundation Trust (CRHFT) measured against national, regional and local standards as detailed within the NHS contract and also within the local quality schedule and Commissioning for Quality and Innovation scheme (CQUIN). Areas in which CRHFT has performed well include continuing to perform under the trajectory for C. difficile infections, and an overall reduction in the rate of falls per 1,000 bed days.

For 2018/19 CRHFT detailed three priorities for quality improvement over the year. These were providing the best outcomes for our patients (Clinical Effectiveness); protecting our patients from harm (Patient Safety); and positive experience (Patient Experience).

#### Providing the best outcomes for Patients

The Trust continues to perform well with regards to the Hospital Standardised Mortality Rate (HSMR) and the Summary Hospital Mortality Index (SHMI), with both within expected ranges. In relation to preventing patients from developing hospital associated thrombosis the Trust perform consistently against the Venous Thromboembolism (VTE) assessment target of 95%. The Trust continues to be an exemplar centre for VTE, providing the Trust with a Kite mark for excellence in VTE prevention. Ensuring patients who become acutely unwell have optimal care continues to be an area of increased focus, with the implementation of the National early Warning Score 2 (NEWS 2) this has been backed up by the introduction of simulation training for staff to enable them to put policy and procedures into practice.

#### Protecting Patients from Harm

Although the number of C Diff infections increased slightly from 13 in 2017/18 to 16 in 2018/19, the Trust continues to perform below the annual trajectory of 31 cases. In relation to the reduction in E Coli despite the number of cases remaining static at 37 for 2017/18 and 2018/19, there has been a reduction of 38% over the last three years.

The Trust have achieved their ambition to reduce falls with harm to less than 2 per 1000 bed days, with a reduction to 1.32 per 1000 bed days; and in terms of fall rates, the Trust's incidence rate was 6.15 per 1000 bed days, against the ambition to achieve less than 6.6.

An area identified as good practice, and contributing to the reduction of falls is the introduction of SWARM methodology, which enables staff to learn from certain serious incidents and used to identify areas for improvement.

Despite the Trust not achieving the target of reducing hospital acquired pressure ulcers (grade 2-4) of 0.5 per 1000 bed days, achieving 0.68, a number of impacting factors have been identified including an increase in acuity of patients, and the opening of additional beds over the winter period, and resulting staffing levels.

It is encouraging to note that there is an increase in incident reporting, with an increased focus on near missed and simplifying the electronic reporting system to ensure it is more accessible to staff.

## Positive Experience

The Trust continue to perform well in terms of patient experience, with 98% of patients reporting that they are always treated with courtesy, kindness, compassion and respect.

The Friends and Family test scores remain in line with the national average for inpatients and day case, maternity and outpatients, with Emergency Department (ED) and GP services scoring below that national average. It is encouraging to see that the Emergency Department has developed a robust patient experience improvement plan, which has to date resulted in a positive impact on patient satisfaction. The aim is for ED to meet the national average of 87% with The Trust meeting 83%, with an upward trajectory quarter on quarter.

It is positive to note that whilst the maternity score is less than the national average, feedback from maternity service users is largely positive, and an improvement plan has been developed to support improvements to experience. Improvements include a continuity of carer pilot for women with mental health conditions to ensure consistent carer; and the introduction of personalised care planning. All improvement work is being undertaken with support from the Maternity Voices Partnership.

CRHFT priorities for improvement in 2019/20 have been identified and reflect both the national agenda and areas identified by both Governors and Commissioners, they include the following examples:

- Providing the best outcomes for Patients: Increase the number of deaths which are subject to a structured judgement review to 20% of the total, and complete reviews for all patients with learning disabilities; Continue to engage with the Getting It Right First Time programme.
- Protecting Patients from Harm: Introduce an e-observation platform and task management system which will provide further opportunities to improve the escalation of the deteriorating patient; Further developed 'SWARM' incident investigation methodology
- Positive Experience Roll out Human Factors Training across the Trust to support patient safety and experience.

## Additional comments

The Quality Account is an annual report to the public that aims to demonstrate that the Trust is assessing quality across the healthcare services provided. The Quality Account provides patients and their families with an accurate, honest and reflective account of the progress that the Trust has made throughout this year and its future plans to further enhance service provision.

Derby and Derbyshire Clinical Commissioning Group look forward to continuing to work with the Trust to commission and deliver high quality patient care.

Brigid Stacey  
Chief Nursing Officer  
On behalf of NHS Derby and Derbyshire Clinical Commissioning Group

24<sup>th</sup> April 2019

## Statement from Derbyshire Healthwatch

Healthwatch Derbyshire (HWD) is an independent voice for the people of Derbyshire. We listen to the experiences of Derbyshire residents using health and social care services and give them a stronger say in influencing how local health and social care services are provided.

All of the experiences we collect are shared with the providers and commissioners of the services, who have the power to make change happen.

Experiences from patients and members of the public are collected through our engagement team, which is supported by volunteers. We undertake engagement in two ways:

1. General engagement in which we collect a variety of different experiences on a number of services. Experiences from our general engagement are shared with providers on a regular basis to provide an independent account of what is working well, and what could be improved.

Anyone who shares an experience with HWD is able to request a response, and we encourage organisations to consider responses carefully and indicate where learning has taken place as a result of someone's experience.

2. Themed engagement in which we use to explore a particular topic in more detail, the findings from our themed engagement are analysed and written up into reports which included recommendations for improvement. Service providers and commissioners are asked to respond to the recommendations outlined in the reports.

All of our reports are published onto our website.

We have read the Quality Account for 2018-19 prepared by the Trust with interest. We have considered if, and how the content reflects some of the themes which have emerged in the feedback that HWD has collected during the past year.

The Quality Account details communication as a continued priority area for the Trust, to ensure staff are able to communicate in a clear and understandable way to patients and also provide appropriate support, information and explanations. HWD welcomes this priority as it echoes our feedback collected from patients and members of the public.

HWD also welcomes the priority area of learning from patient experience feedback and how this is key to improving services. HWD welcomes this priority and appreciates the responses provided by the Trust to HWD patient feedback, which are thorough and timely.

By way of summary, during the period April 2018 - March 2019, a total of 54 comments were received about the Trust with a fairly equal split between positive comments (20), negative comments (19) and mixed comments (15). The most frequent negative comments were regarding information and communication. The most frequently made positive comments were in relation to the quality of care provided by members of staff.

Kind regards,

Hannah Morton  
Intelligence and Insight Manager



## Statement from Derbyshire County Council Improvement and Scrutiny

The Derbyshire Health Scrutiny Committee Members are pleased to receive the Quality Account for Chesterfield Royal Hospital NHS Foundation Trust for 2018/19. The Committee will take the opportunity, over the coming year, to monitor the activities and progress of the Trust and both support and challenge the Trust as appropriate.

### How to provide feedback on the Accounts

The Trust welcomes feedback on the content of its quality accounts and suggestions for inclusion in future reports. Comments should be directed to:

Lisa Howlett  
Head of Quality Governance  
Chesterfield Royal Hospital NHS Foundation Trust  
Calow  
Chesterfield  
S44 5BL

Tel: 01246 513685

Email: [lisa.howlett@nhs.net](mailto:lisa.howlett@nhs.net)



## Statement of directors' responsibilities in respect of the Quality Account

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 2018/19 and supporting guidance *Detailed requirements for quality reports 2018/19*
- the content of the quality account is not inconsistent with internal and external sources of information including:
  - board minutes and papers for the period April 2018 to March 2019
  - papers relating to quality reported to the board over the period April 2018 to March 2019
  - feedback from commissioners dated 26/04/2019
  - feedback from governors dated 14/03/2019
  - feedback from local Healthwatch organisations dated 03/05/2019
  - feedback from Overview and Scrutiny Committee dated 11/04/2019
  - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, throughout 2018/19
  - the latest national patient survey 13/06/2018
  - the latest national staff survey 26/02/2019
  - the Head of Internal Audit's annual opinion over the trust's control environment dated 16/05/2019,
  - CQC inspection report dated 25/01/2019
- 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 account, 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 Account 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

A handwritten signature in black ink that reads "Helen Phillips". The script is cursive and fluid.

**Helen Phillips**

**Chairman**

**22 May 2019**

A handwritten signature in black ink that reads "Simon Morritt". The script is cursive and fluid.

**Simon Morritt**

**Chief Executive**

**22 May 2019**

**Independent Auditors Report  
on the  
Quality Account  
(including Limited Assurance Statement)  
2018/19**





## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF CHESTERFIELD ROYAL HOSPITAL NHS FOUNDATION TRUST ON THE QUALITY REPORT**

We have been engaged by the Council of Governors of Chesterfield Royal Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Chesterfield Royal Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2019 (the 'Quality Report') and certain performance indicators contained therein.

### **Scope and subject matter**

The indicators for the year ended 31 March 2019 subject to limited assurance consist of the following two national priority indicators:

- A&E: maximum waiting time of four hours from arrival to admission, transfer or discharge; and
- maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.

We refer to these national priority indicators collectively as the 'indicators'.

### **Respective responsibilities of the directors and auditors**

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2018/19* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes and papers for the period April 2018 to May 2019;
- papers relating to quality reported to the board over the period April 2018 to May 2019;
- feedback from commissioners, dated 26 April 2019;
- feedback from governors, dated 14 March 2019;
- feedback from local Healthwatch organisations, dated 3 May 2019;
- feedback from Overview and Scrutiny Committee, dated 11 April 2019;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- the latest national patient survey, dated June 2018;
- the latest national staff survey, dated February 2018;





- Care Quality Commission Inspection, dated 25 January 2019;
- the 2018/19 Head of Internal Audit's annual opinion over the trust's control environment, dated 16 May 2019; and
- any other information included in our review.

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

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Chesterfield Royal Hospital NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2019, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Chesterfield Royal Hospital NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

#### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

#### **Limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.



The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Chesterfield Royal Hospital NHS Foundation Trust.

### **Conclusion**

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2019:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

KPMG LLP

KPMG LLP  
Chartered Accountants  
One Snow Hill  
Snowhill Queensway  
Birmingham  
B4 6GH

23 May 2019





## **Quality Account 2018 to 2019**

Chesterfield Royal Hospital NHS Foundation Trust

Calow

Chesterfield

Derbyshire S44 5BL



# Financial Accounts & Statements

## 2018 to 2019



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## **FOREWORD TO THE ACCOUNTS**

### **Chesterfield Royal Hospital NHS Foundation Trust**

The accounts for the year ended 31 March 2019 are set out on the following pages and comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the Notes to the Accounts.

The accounts have been prepared by Chesterfield Royal Hospital 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 .....



.....

Date: 22 May 2019

**Simon Morritt (Chief Executive)**

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# Independent auditor's report

## to the Council of Governors of Chesterfield Royal Hospital NHS Foundation Trust

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### 1. Our opinion is unmodified

We have audited the financial statements of Chesterfield Royal Hospital NHS Foundation Trust ("the Trust") for the year ended 31 March 2019 which comprise the Group Statement of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statements of Changes in Equity and Group and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

#### In our opinion:

- the financial statements give a true and fair view of the state of the Group and the Trust's affairs as at 31 March 2019 and of the Group and Trust's income and expenditure for the year then ended; and
- the Group and the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2018/19 and the Department of Health and Social Care Group Accounting Manual 2018/19.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group and Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Overview

**Materiality:** £4.6m (2018:£4.7m)  
Group financial statements as a whole\* 1.8% (2018: 2%) of total forecast operating income

**Coverage** 100% (2018:100%) of group operating income

#### Risks of material misstatement vs 2018

<b>Recurring risks</b>	Valuation of land and buildings	▲
	NHS Income	◀▶
<b>Event Driven</b>	NEW: Accrued expenditure recognition	▲
	NEW: New 100% owned Subsidiary	▲

\*The 2018 comparatives are Trust only materiality balances as the Group was established in 2019.



## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below, the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above together with our key audit procedures to address those matters and our findings from those procedures in order that the Trust's governors as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

All of these key audit matters relate to the Group and the parent Trust.

	The risk	Our response
<b>Valuation of Land and Building Assets</b> (£79m; 2018: £110m)  <i>Refer to page 10 (Audit Committee Report), page 9 (accounting policy) and page 29 (financial disclosures)</i>	<p><b>Subjective Valuation</b></p> <p>Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property (MEAV).</p> <p>There is significant judgement involved in determining the appropriate basis (EUV or MEAV) for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation, such as the condition of the asset.</p> <p>The Trust's accounting policy requires an annual review for impairment, a periodic desk top valuation (usually every three years) and a full valuation (usually in five yearly intervals).</p> <p>When considering the cost to build a replacement asset the Trust may consider whether the asset would be built to the same specification or in the same location. Assumptions about changes to the asset must be realistic.</p> <p>The valuation is undertaken by an external expert engaged by the Trust, using construction indices and so accurate records of the current estate are required.</p> <p>Valuations are inherently judgmental. There is a risk that the methodology, assumptions and underlying data, are not appropriate or correctly applied.</p> <p>The Trust last had a full valuation at 31 March 2018.</p> <p><b>Accounting Treatment</b></p> <p>There is a risk that the valuation is not applied to the financial statement balances appropriately to recognise the valuation gains and impairment losses in line with the requirements of the Department of Health and Social Care Group Accounting Manual 2018/19.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>— <b>Assessing valuer's credentials:</b> We critically assessed the competence, capability, objectivity and independence of the Trust external valuer and considered the terms of engagement of, and the instructions issued to, the valuer for consistency with the requirements of the Department of Health and Social Care Group Accounting Manual;</li> <li>— <b>Methodology choice:</b> We assessed the appropriateness of the valuation bases and assumptions. We reviewed the requirements of the Department of Health Group Accounting Manual and consulted our own technical experts. We reviewed impairments to land and buildings and the assumptions on which they were based;</li> <li>— <b>Benchmarking assumptions:</b> We assessed other assumptions in the valuation model such as cost indices and location factors sense-checked the overall valuation compared to our own expectations. We compared the cost indices used by the valuer to the report issued by Gerald Eve and other entities in the region;</li> <li>— <b>Test of detail:</b> We considered the accuracy of the estates base data provided to the valuer for the purposes of the valuation by comparison to the underlying asset records held by the Trust; and</li> <li>— <b>Test of detail:</b> For a sample of assets purchased during the year and new-build assets becoming operational in the year, we considered whether the valuation basis used was consistent with the uses to which the assets would be put.</li> <li>— <b>Accounting analysis:</b> We undertook work to understand the basis upon which any movements in the valuation of land and buildings had been classified and treated in the financial statements and determined whether they had complied with the requirements of the Department of Health and Social Care Group Accounting Manual 2018/19.</li> </ul> <p><b>Our findings</b></p> <ul style="list-style-type: none"> <li>— We found the initial valuation of land and buildings and the accounting treatment to be balanced.</li> </ul>



## 2. Key audit matters: our assessment of risks of material misstatement (cntd.)

	The risk	Our response
<b>NHS Income</b> (£254m; 2018: £243m)  <i>Refer to page 11 (Audit Committee Report), page 7 (accounting policy) and page 18 (financial disclosures)</i>	<b>2018/19 Income</b>  Of the Group's reported total income, £217 million (2017-18: £212m) came from commissioners (Clinical Commissioning Groups (CCG) and NHS England). CCGs and NHS England make up 85% (2017-18: 87%) of the Group's income. Income is contracted based on expected levels of activity and standard tariff prices for procedures, however the actual income for the year is based on the actual levels of activity completed during the year. Other performance based income is received from NHS Improvement (via local CCGs). This results in estimates being required at the year end.  Income from NHS England and CCGs is captured through the Agreement of Balances exercises performed at months 6, 9 and 12 to confirm amounts received and owed. Mismatches in income and expenditure, and receivables and payables are recognised by the Trust and its counterparties to be resolved. Where mismatches cannot be resolved they can be reclassified as formal disputes	Our procedures included:  <b>Tests of detail:</b> <ul style="list-style-type: none"> <li>— We assessed the outcome of the Agreement of Balances exercise with other NHS bodies. Where there were any mismatches greater than £300,000 we identified the reasons and challenged the Directors' assessment of the level of income they were entitled to receive;</li> <li>— We tested a sample of NHS income contracts and invoices and subsequent receipt;</li> <li>— We tested all material contract variations for commissioner contracts to signed documents;</li> <li>— We assessed the basis upon which provisions for debt have been made. We tested the assumptions taking into account both past performance and circumstances specific to the year ended 31 March 2019; and</li> <li>— We tested a sample of income transactions around the year end to assess the completeness and accuracy of material income.</li> </ul> <b>Our findings</b> <ul style="list-style-type: none"> <li>— We found the resulting income recognition made by the Trust in relation to NHS income to be balanced.</li> </ul>
<b>Accrued expenditure recognition</b>  Trade and other payables (£29m; 2017/18: £17m)  <i>Refer to page 13 (Audit Committee Report), page 8 (accounting policy) and page 6 and 26 (financial disclosures).</i>	<b>Effects of irregularities</b>  As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may be greater than the risk of fraud related to revenue recognition. There is a risk that the Trust may manipulate expenditure to meet externally set targets and we had regard to this when planning and performing our audit procedures.  This risk does not apply to all expenditure in the period. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of creditors and accrued non-pay expenditure at year-end, as well as the completeness of the recognition of provisions or the inappropriate release of existing provisions.	Our procedures included:  <b>Tests of detail:</b> <ul style="list-style-type: none"> <li>— We inspected a sample items of expenditure in the April 2019 bank statements and cashbooks to agree these have been accounted for correctly;</li> <li>— We considered year-end processes to assess that expenditure has been reflected in the correct period;</li> <li>— We performed a year-on-year comparison of accruals to evaluate the completeness of the accruals balance, as well as agreeing a sample to supporting documentation;</li> <li>— We vouched a sample of creditor balances to supporting documentation and post year-end cash payments to agree the correct treatment as a payable at year-end;</li> <li>— We inspected confirmations of balances provided by the Department of Health as part of the Agreement of Balances exercise and compared the relevant payables recorded in the Trust's financial statements to the receivables balances recorded within</li> </ul>

Continued overleaf

## 2. Key audit matters: our assessment of risks of material misstatement (cntd.)

The risk	Our response
	<p>the accounts of Commissioners or other providers. Where applicable we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising expenditure to Commissioners or other Providers; and</p> <p>— We assessed the pressure upon the Trust to achieve a particular year end outturn position and it is normal for expenditure to exceed income for the year.</p> <p><b>Our findings</b></p> <p>— We found the resulting estimates made by the Trust in relation to accrued expenditure to be balanced.</p>
<p><b>New 100% Subsidiary</b></p> <p><i>Refer to page 16 (Audit Committee Report) and page 6 (accounting policy),</i></p>	<p><b>Accounting Treatment</b></p> <p>The Trust set up a new wholly owned subsidiary company, Derbyshire Support and Facilities Services (DSFS) Limited.</p> <p>The Trust transferred Plant, Property and Equipment and Intangible Assets from the Trust into this subsidiary.</p> <p>The go-live date for the subsidiary was 1 April 2019 but assets were sold to DSFS. These were leased back to the Trust for 25 years on 31 March 2019 and accounted for as a finance lease. The assets remained assets of the Trust.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> <li>— <b>Business case review:</b> We considered the business case for the wholly owned subsidiary set up in year;</li> <li>— <b>Accounting Treatment:</b> We assessed the accounting treatment of the lease of the asset to ensure it was in line with the Department of Health Accounting Manual and International Financial Reporting Standards;</li> <li>— <b>Our sector experience:</b> our tax and accounting specialists reviewed the tax and accounting advice provided by a third party; and</li> <li>— <b>Disclosure Review:</b> we assessed the disclosures in the newly established Group financial statements.</li> </ul> <p><b>Our findings</b></p> <p>— We found the accounting treatment to be balanced.</p>



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

Materiality for the Group financial statements as a whole was set at £4.6 million (2018: £4.7 million (Trust only)), determined with reference to a benchmark of operating income (of which it represents approximately 1.8%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

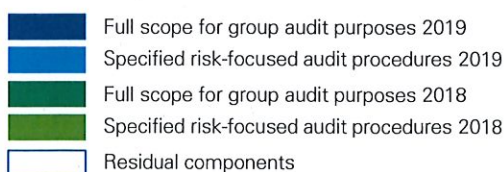
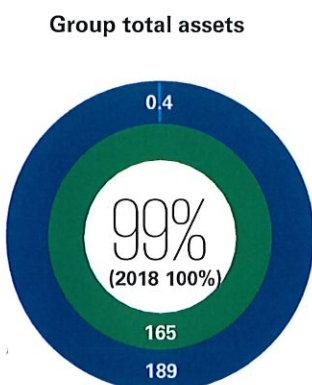
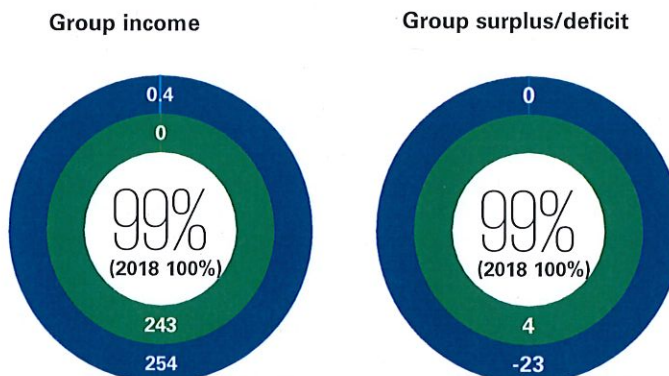
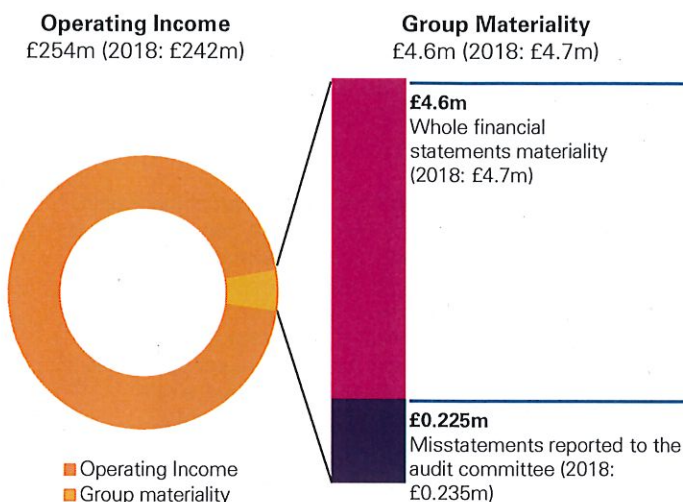
Materiality for the parent Trust's financial statements as a whole was set at £4.6 million (2018: £4.7 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.8%).

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.225 million (2018: £0.235 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 2 (2018: 1) reporting components, we subjected 1 (2018: 1) to full scope audits for group purposes and 1 (2018: 0) to specified risk-focused audit procedures. The latter were not individually financially significant enough to require a full scope audit for group purposes, but did present specific individual risks that needed to be addressed. The components within the scope of our work accounted for the percentages illustrated opposite.

The remaining 1% of total group revenue, 1% of group profit before tax and 1% of total group assets is represented by 1 reporting components, which does not individually represent more than 1% of any of total group revenue or total group assets.

The Group audit team visited all (2018: all) component locations to assess the audit risk and strategy.



#### 4. We have nothing to report on going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Group or the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Trust will continue in operation.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Group's and Trust's business model, including the impact of Brexit, and analysed how those risks might affect the Group's and Trust's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement on page AR139 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

#### 5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

#### Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

#### Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19, is misleading or is not consistent with our knowledge of the Group and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

#### 6. Respective responsibilities

##### Accounting Officer's responsibilities

As explained more fully in the statement set out on page AR139, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of their services to another public sector entity.

##### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)



## **REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

### **We have nothing to report on the statutory reporting matters**

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

### **We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources**

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources..

We have nothing to report in this respect.

#### **Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources..

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

### **Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources**

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements to secure economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risks identified during our risk assessment are set out below together with the findings from the work we carried out on each area.

	The risk	Our response
<b>Sustainable Resource Deployment</b>	<p>The Trust set a budget surplus to meet the NHS Improvement control total of £5.3m. This included Provider Sustainability Funding (PSF) of £6.4m and a CIP of £7.9m.</p> <p>As at 31 March 2019, the Trust was £3.1m off the control total including PSF income. The Trust received £5m of PSF income in 2018/19.</p> <p>We did not identify this as a financial statement level going concern risk, as the Trust has a robust Statement of Financial Position, with £27.0m of cash reserves, and net current assets of £46.0m.</p>	<p>Our work included:</p> <ul style="list-style-type: none"> <li>- <b>Review of the Cost Improvement Schemes (CIPs):</b> We reviewed the Trust's CIP schemes and CIP monitoring process;</li> <li>- <b>Review of the 2018/19 outturn:</b> We considered the level of non-recurrent measures underpinning the achievement of the 2018/19 plan;</li> <li>- <b>Financial Sustainability:</b> We reviewed and challenged the Trust's financial plan for the 2019/20 financial year, assessing whether the Trust has appropriately considered its long term financial health. We reviewed the nature of financial support the Trust is receiving from the Department of Health and Social Care. This included a review of the compliance with the agency spending caps where mandatory;</li> <li>- <b>Operational Performance:</b> We reviewed the Trust's operational performance in year, notably compliance with national targets and other key indicators, including A&amp;E in respect of draw down of PSF;</li> <li>- <b>Underlying Surplus/Deficit:</b> We reviewed the reporting of the reconciliation between the deficit in the Statement of Comprehensive Income for the year ended 2018/19 and the Trust's underlying deficit calculation.</li> </ul> <p><b>Our findings on this risk area:</b></p> <ul style="list-style-type: none"> <li>- The Trust did not deliver against its control total in 2018/19. The challenge for 2019/20 remains significant.</li> <li>- CIP schemes are aligned with the Trust's operational and financial plans and are monitored regularly.</li> </ul>

#### THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

#### CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Chesterfield Royal Hospital NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.



**Andrew Bostock**  
for and on behalf of KPMG LLP (Statutory Auditor)

*Chartered Accountants*  
One Snow Hill  
Snowhill Queensway  
Birmingham  
B4 6GH

23 May 2019

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
31 March 2019**

		<b>Group</b>	
	<b>Note</b>	<b>2018/19 £000</b>	<b>2017/18 £000</b>
Operating Income from Patient Care Activities	4	<b>220,505</b>	213,771
Other Operating Income	5	<b>33,704</b>	28,753
Total Operating Income		<b>254,209</b>	242,524
Operating Expenses	6	<b>(276,754)</b>	(235,532)
<b>OPERATING SURPLUS</b>		<b>(22,546)</b>	6,992
<b>FINANCE COSTS</b>			
Finance Income	13	<b>214</b>	88
Finance Expenses	14	<b>(286)</b>	(331)
PDC Dividends Payable		<b>(2,473)</b>	(2,722)
<b>NET FINANCE COSTS</b>		<b>(2,545)</b>	(2,965)
Gains/(Losses) from Disposal of Assets	15	<b>1,593</b>	(9)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(23,498)</b>	4,018
<b>Other Comprehensive Income</b>			
<i>Will not be reclassified to income and expenditure:</i>			
Net Impairments	19.5	<b>(8,690)</b>	(7,576)
Revaluations		<b>1,225</b>	6,586
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR</b>		<b>(30,962)</b>	3,028

All operations are continuing.

The notes on pages 6 to 49 form part of these accounts.

**STATEMENT OF FINANCIAL POSITION**  
as at 31st March 2019

		Group	Trust	
	Note	31 March 2019 £000	31 March 2019 £000	31 March 2018 £000
<b>NON-CURRENT ASSETS</b>				
Intangible Assets	17	5,998	5,769	4,113
Property, Plant and Equipment	19	79,569	79,415	110,054
Other investments / financial assets	23	10	50,425	0
Trade and Other Receivables	25	611	611	708
<b>TOTAL NON-CURRENT ASSETS</b>		<b>86,188</b>	<b>136,220</b>	<b>114,875</b>
<b>CURRENT ASSETS</b>				
Inventories	21	4,506	1,756	4,273
Trade and Other Receivables	25	22,264	27,052	15,076
Other investments / Financial Assets	23	0	923	0
Cash and Cash Equivalents	32	27,553	27,553	30,548
<b>TOTAL CURRENT ASSETS</b>		<b>54,323</b>	<b>57,284</b>	<b>49,897</b>
<b>CURRENT LIABILITIES</b>				
Trade and Other Payables	26	(24,771)	(29,100)	(17,255)
Borrowings	28	(1,774)	(6,438)	(2,624)
Provisions	30	(189)	(189)	(223)
Other Liabilities	27	(929)	(929)	(764)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(27,663)</b>	<b>(36,656)</b>	<b>(20,866)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>112,849</b>	<b>156,848</b>	<b>143,906</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	28	(12,364)	(55,983)	(13,770)
Provisions	30	(1,865)	(1,865)	(1,601)
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>(14,229)</b>	<b>(57,848)</b>	<b>(15,371)</b>
<b>TOTAL ASSETS EMPLOYED</b>		<b>98,620</b>	<b>99,000</b>	<b>128,535</b>
<b>FINANCED BY TAXPAYER'S EQUITY</b>				
Public Dividend Capital		49,270	49,270	48,223
Revaluation Reserve	31	13,725	13,725	21,532
Income and Expenditure Reserve		35,625	36,005	58,780
<b>TOTAL TAXPAYER'S EQUITY</b>		<b>98,620</b>	<b>99,000</b>	<b>128,535</b>

The notes on pages 6 to 49 form part of these accounts.

These financial statements were approved by the Board of Directors on 22 May 2019 and signed on its behalf by:



..... Simon Morritt (Chief Executive)

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED**  
**31 March 2019**

	<b>Group</b>				<b>Trust</b>			
	<b>Total</b>	<b>Public Dividend Capital</b>	<b>Revaluation Reserve</b>	<b>Income and Expenditure Reserve</b>	<b>Total</b>	<b>Public Dividend Capital</b>	<b>Revaluation Reserve</b>	<b>Income and Expenditure Reserve</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>
<b>TAXPAYERS' EQUITY AT 1 APRIL 2018 - brought forward</b>	<b>128,535</b>	48,223	21,532	58,780	<b>128,535</b>	48,223	21,532	58,780
Surplus/(Deficit) for the Year	<b>(23,498)</b>	0	0	<b>(23,498)</b>	<b>(23,118)</b>	0	0	<b>(23,118)</b>
Net Impairments	<b>(8,690)</b>	0	<b>(8,690)</b>	0	<b>(8,690)</b>	0	<b>(8,690)</b>	0
Revaluations - Property Plant and Equipment	<b>880</b>	0	880	0	<b>880</b>	0	880	0
Revaluations - Intangible Assets	<b>345</b>	0	345	0	<b>345</b>	0	345	0
Transfer to Retained Earnings on Disposal of Assets	<b>0</b>	0	<b>(343)</b>	343	<b>0</b>	0	<b>(343)</b>	343
Public Dividend Capital received	<b>1,047</b>	1,047	0	0	<b>1,047</b>	1,047	0	0
<b>TAXPAYERS' EQUITY AT 31 MARCH 2019</b>	<b>98,620</b>	<b>49,270</b>	<b>13,725</b>	<b>35,625</b>	<b>99,000</b>	<b>49,270</b>	<b>13,725</b>	<b>36,005</b>

The notes on pages 6 to 49 form part of these accounts.



**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED  
31 March 2018**

	<b>Total</b>	<b>Public Dividend Capital</b>	<b>Revaluation Reserve</b>	<b>Income and Expenditure Reserve</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>TAXPAYERS' EQUITY AT 1 APRIL 2017 - brought forward</b>	<b>124,187</b>	46,903	22,546	54,738
Surplus/(Deficit) for the Year	<b>4,018</b>	0	0	4,018
Net Impairments	<b>(7,576)</b>	0	<b>(7,576)</b>	0
Revaluations - Property Plant and Equipment	<b>6,586</b>	0	6,586	0
Transfer to Retained Earnings on Disposal of Assets	<b>0</b>	0	<b>(24)</b>	24
Public Dividend Capital received	<b>1,320</b>	1,320	0	0
<b>TAXPAYERS' EQUITY AT 31 MARCH 2018</b>	<b>128,535</b>	<b>48,223</b>	<b>21,532</b>	<b>58,780</b>

The notes on pages 6 to 49 form part of these accounts.

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
31 March 2019**

	<b>Group</b>	<b>Trust</b>	
<b>Note</b>	<b>2018/19 £000</b>	<b>2018/19 £000</b>	<b>2017/18 £000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Surplus from Continuing Operations	<b>(22,546)</b>	<b>(22,141)</b>	6,992
Operating Surplus/(Deficit) of Discontinued Operations	<b>0</b>	<b>0</b>	0
<b>OPERATING SURPLUS</b>	<b>(22,546)</b>	<b>(22,141)</b>	6,992
<b>NON-CASH INCOME AND EXPENSE:</b>			
Depreciation and Amortisation	<b>6,013</b>	<b>6,013</b>	5,254
Net Impairments	<b>25,644</b>	<b>25,644</b>	(10)
Income Recognised in Respect of Capital Donations (Cash and Non-Cash)	<b>(144)</b>	<b>(144)</b>	(95)
(Increase) / Decrease in Trade and Other Receivables	<b>(7,178)</b>	<b>(11,965)</b>	1,732
(Increase) / Decrease in Inventories	<b>(233)</b>	<b>2,517</b>	100
Increase / (Decrease) in Trade and Other Payables	<b>9,160</b>	<b>13,489</b>	861
Increase / (Decrease) in Other Liabilities	<b>165</b>	<b>165</b>	9
(Increase) / Decrease in Provisions	<b>224</b>	<b>224</b>	(72)
Other Movements in Operating Cash Flows	<b>0</b>	<b>(2,698)</b>	0
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>11,105</b>	<b>11,104</b>	14,771
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	<b>206</b>	<b>206</b>	75
Purchase of financial assets / investments	<b>(10)</b>	<b>(10)</b>	0
Purchase of intangible assets	<b>(2,573)</b>	<b>(2,573)</b>	(631)
Purchase of property, plant and equipment and investment property	<b>(9,541)</b>	<b>(9,541)</b>	(10,816)
Proceeds from sales of property, plant and equipment and investment property	<b>2,133</b>	<b>2,133</b>	47
<b>NET CASH GENERATED USED IN INVESTING ACTIVITIES</b>	<b>(9,785)</b>	<b>(9,785)</b>	(11,325)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Public Dividend Capital Received	<b>1,047</b>	<b>1,047</b>	1,320
Movement in loans from the Department of Health and Social Care	<b>(2,624)</b>	<b>(2,624)</b>	(1,141)
Capital Element of Finance Lease Rental Payments	<b>(70)</b>	<b>(70)</b>	(66)
Interest on Loans	<b>(276)</b>	<b>(276)</b>	(324)
Other interest (e.g. overdrafts)	<b>0</b>	<b>0</b>	(3)
Interest element of finance lease	<b>(14)</b>	<b>(14)</b>	(6)
PDC Dividend Paid	<b>(2,378)</b>	<b>(2,378)</b>	(3,192)
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>(4,315)</b>	<b>(4,315)</b>	(3,412)
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,995)</b>	<b>(2,995)</b>	34
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL 2018</b>	<b>30,548</b>	<b>30,548</b>	30,514
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH 2019</b>	<b>27,553</b>	<b>27,553</b>	30,548
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,995)</b>	<b>(2,995)</b>	34

The notes on pages 6 to 49 form part of these accounts.



## NOTES TO THE ACCOUNTS

### 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 & Social Care Group Accounting Manual (DHSC GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DHSC GAM 2018/19 issued by the Department of Health & Social Care. The accounting policies contained in that manual follow IFRS and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to the NHS. 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 land, buildings and dwellings.

#### 1.2 Going Concern

The financial statements have been prepared on a going concern basis. In reaching this conclusion, the Board of Directors have considered all the information available to them in relation to the future viability of the Trust.

#### 1.3 Consolidation

##### **Subsidiaries**

Subsidiary entities are those over which the trust has the power to exercise control or a dominant influence so as to gain economic or other benefits. The Trust has the following subsidiary undertakings:-

##### Charitable Funds

Chesterfield Royal Hospital NHS Foundation Trust is the Corporate Trustee to Chesterfield Royal Hospital NHS Foundation Trust General Charity (registered charity number 1052913). The Foundation Trust has assessed its relationship to the Charitable Fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The transactions are not material in the context of the group and transactions have not been consolidated. Details of any transactions with the Charity are included in note 36 Related parties.

##### Derbyshire Support and Facilities Services Limited

Derbyshire Support and Facilities Services Limited (DSFS) is a 100% wholly owned subsidiary of Chesterfield Royal Hospital NHS Foundation Trust. It was incorporated on 1st August 2018 to provide an Operated Healthcare Facility (OHF) to the Trust under a 25-year agreement.

On 31 March 2019, the Trust sold a 25 year commercial leasehold interest in the majority of its estate (land and buildings), plus equipment and other assets to DSFS in order for the company to deliver the services specified under the OHF agreement.

On 1 April 2019, approx. 700 Trust staff from facilities, estates, finance and IT functions were transferred (TUPE'd) across to the subsidiary DSFS to support the delivery of the OHF contract.

Although the assets were transferred on 31st March 2019, the company did not commence trading until 1 April 2019 and as such, the income and expenditure transactions included in these financial statements relate to those incurred solely by the Trust.

### 1.3 Consolidation (cont'd)

#### Derbyshire Primary Care and Commercial Services Limited

Derbyshire Primary Care and Commercial Services Limited is a 100% wholly owned subsidiary of Chesterfield Royal Hospital NHS Foundation Trust. It was incorporated on 18th January 2017 to deliver primary care and other commercial services.

The company commenced trading on 1st November 2018 to deliver a Local Pharmaceutical Services (LPS) Contract at the request of NHS England to provide a pharmacy dispensing service for hospital visitors and staff.

The transactions are not material in the context of the group and transactions have not been consolidated. Details of any transactions with the company are included in note 31 Related parties.

#### **Joint operations**

Joint operations are arrangements in which the trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust has the following joint operation:-

#### Derbyshire Pathology

Derbyshire Pathology is a joint operation between Chesterfield Royal Hospital NHS Foundation Trust and University Hospitals of Derby and Burton NHS Foundation Trust to provide microbiology and biochemistry services to both Trusts. It went live on 1st July 2018.

The trust has included within its financial statements its share of the assets, liabilities, income and expenses relating to Derbyshire Pathology.

### 1.4 Income from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

Income in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

#### ***Income from NHS contracts***

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Income is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income

#### **1.4 Income from Contracts with Customers (cont'd)**

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

##### ***NHS injury cost recovery scheme***

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 Pension's 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 Revenue grants and other contributions to expenditure**

Government grants are grants from government bodies other than income from commissioners or 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.

The value of the benefit received when accessing funds from the the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

#### **1.6 Other Income**

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

#### **1.7 Expenditure on Employee Benefits**

##### ***Short-term Employee Benefits***

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees.

The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

##### ***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 covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. They are not designed to be run in a way that would enable the Foundation Trust to identify its share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contribution payable to that scheme for the accounting period. Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

#### **1.8 Expenditure on Other Goods and Services**

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as Property, Plant and Equipment. Expenditure is shown gross except where an administrative arrangement exists, whereby the expenditure is netted off with the corresponding income in accordance with the DHSC GAM.

## **1.9 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 be provided to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably and is in excess of £5,000.

Additionally, Property, Plant and Equipment will be capitalised where it is made up of a group of assets which individually have a cost of £250 and collectively have a cost of at least £5,000, are functionally interdependent, with broadly simultaneous purchase and disposal dates and are under single managerial control; or where it is part of the setting up cost, of a new building, or refurbishment of a new ward or unit, irrespective of their individual or collective cost.

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

### ***Measurement***

#### ***Valuation***

All Property, Plant and Equipment assets are measured initially at cost, representing the costs 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. Cost includes professional fees but not borrowing costs, which the DH Group Accounting Manual (DH GAM) does not allow to be capitalised and are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. All assets are measured subsequently at fair value.

For property assets, the Trust follows the revaluation model outlined in IAS 16.

Specialist buildings are valued at depreciated replacement cost (DRC) on a modern equivalent asset basis.

Non-specialised buildings are valued at market value on an existing use basis.

Assets under construction (AUC) are shown at actual expenditure incurred to date, except for significant value long term building projects which can be split into components and revalued by a professional valuer.

Revaluations are performed by professional valuers. A full revaluation will be performed at least every 5 years, and the Trust will undertake an annual review to ensure that carrying amounts are not materially different from the values that would be determined at the statement of financial position date.

For newly constructed or acquired property, a valuation is only undertaken when there is an indication that the initial cost is different to its fair value. Otherwise the asset is only revalued on the next occasion when all of the assets of that class are revalued.

Plant and equipment assets are not revalued but carried at depreciated historical cost. The DH GAM permits depreciated historical cost as a proxy to fair value when the life of the assets are short or the assets are of low value, providing that both the useful life of the asset and the consumption of economic benefit reflected by the depreciation policy are realistic.

### ***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 an item will flow to the Trust 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 carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

## 1.9 Property, Plant and Equipment (cont'd)

### ***Depreciation***

Items of Property, Plant and Equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated. Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Property assets are depreciated on a component basis over the asset lives determined by professional valuers with a range of asset life from 15 to 90 years.

Plant and equipment assets are depreciated on a straight line basis over the following asset life ranges:

Plant & machinery	5 to 20 years
Transport equipment	5 to 15 years
Information technology	2 to 15 years
Furniture & fittings	5 to 15 years

Depreciation, asset lives and any residual amounts are reviewed annually.

### ***Revaluation gains and losses***

Revaluation gains are recognised in the Revaluation Reserve, except where, and to the extent that, they reverse a revaluation decrease that has been previously 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, and thereafter are charged to Operating Expenses.

Gains and losses recognised in the Revaluation Reserve are reported in the Statement of Comprehensive Income as an item of 'Other Comprehensive Income'.

### ***Impairments***

At each reporting period end, the Trust checks whether there is any indication that any of its Property, Plant or Equipment have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine the value of the loss. In accordance with the DH GAM, impairments that are due to a loss of economic benefit or 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 arising from a loss of economic benefit or 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 Expenses to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the Revaluation Reserve. Where, at the time of the original impairment, a transfer was made from the Revaluation Reserve to the Income and Expenditure Reserve, an amount is transferred back to the Revaluation Reserve when the impairment reversal is recognised.

Other Impairments are treated as revaluation losses. Reversals of Other Impairments are treated as revaluation gains.

## 1.9 Property, Plant and Equipment (cont'd)

### ***De-recognition***

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, Plant and Equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the assets economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

## 1.10 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 where 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 more than £5,000.

#### ***Internally generated Intangible Assets***

Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an Intangible Asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the Intangible Asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

#### ***Software***

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of Property, Plant and Equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an Intangible Asset.

### ***Measurement***

Intangible Assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Following initial recognition, Intangible Assets are carried at fair value by reference to an active market, or, where no active market exists, at depreciated replacement cost.

Intangible Assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

## **1.10 Intangible Assets (cont'd)**

### ***Amortisation***

Intangible Assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Life ranges from 2 to 15 years.

## **1.11 Donated, Government Grant and Other Grant Funded Assets**

Donated and Grant Funded Property, Plant and Equipment and Intangible Assets are capitalised at their fair value on receipt. The donation / grant is credited to income at the same time, unless the donor / grantor has imposed a condition that the future economic benefits embodied in the donation / grant are to be consumed in a manner specified by the donor / grantor. In this case, the donation / grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of Property, Plant and Equipment.

## **1.12 Inventories**

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

## **1.13 Cash and Cash Equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash Equivalents are investments that mature in 3 months or less from the date of the acquisition and that are readily convertible into known amounts of cash with insignificant risk of changes in value. These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see "Third Party Assets" Note 1.22).

## **1.14 Financial Assets and Financial Liabilities**

### ***Recognition***

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

### ***Classification and Measurement***

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

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 described below.

Financial assets are classified and subsequently measured at amortised cost.

Financial liabilities are classified and subsequently measured at amortised cost.



## 1.14 Financial Instruments (cont'd)

### ***Financial assets and financial liabilities at amortised cost***

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest income or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

### ***Impairment of financial assets***

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

The Trust applies a provision matrix for expected credit losses based on historical payment information. Overseas visitors debtors are fully impaired when the invoice is raised. The Trust does not normally impair debts from other NHS organisations.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

### ***Derecognition***

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

## 1.15 Leases

### ***Finance Leases***

#### ***The Trust as a lessee***

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

### 1.15 Leases (cont'd)

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

#### ***The Trust as a lessor***

The Trust does not have any Finance Leases where it acts as the lessor.

#### ***Operating Leases***

##### ***The Trust as a lessee***

Other leases are regarded as Operating Leases and the rentals are charged to Operating Expenses on a straight-line basis over the term of the lease. Operating Lease incentives received are added to the lease rentals and charged to Operating Expenses over the life of the lease.

##### ***The Trust as a lessor***

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

#### ***Leases of Land and Buildings***

Where a lease is for Land and Buildings, the land component is separated from the building component and the classification for each is assessed separately.

### 1.16 Provisions

The Trust provides for legal or constructive obligations that are of uncertain timing or amount, at the Statement of Financial Position date, on the basis of the best estimate of the expenditure required to settle the obligation. The amount recognised as a Provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's published discount rates for short term (0 to 5 years), medium term (5 to 10 years) and long term (> 10 years), except for Early Retirement Provisions and Injury Benefit Provisions which both use the HM Treasury's pension discount rate of 0.29% (2017/18: 0.10%) in real terms.

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

Present obligations arising under onerous contracts are recognised and measured as a Provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

#### ***Clinical Negligence Costs***

NHS Resolution (formerly NHS Litigation Authority (NHSLA)) operates a risk pooling scheme under which the Trust pays an annual contribution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of Clinical Negligence Provisions carried by NHS Resolution on behalf of the Trust is disclosed at Note 25 and is not recognised in the Statement of Comprehensive Income.

## **1.16 Provisions (cont'd)**

### ***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 NHS Resolution 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 when the Liability arises.

## **1.17 Contingencies**

Contingent Assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Trust's control) are not recognised as Assets, but are disclosed in Note 30 where an inflow of economic benefits is probable.

Contingent Liabilities are not recognised, but are disclosed in Note 30 (where applicable), unless the probability of a transfer of economic benefits is remote. Contingent Liabilities are defined as: possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Trust's control; or present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability. A Contingent Liability is disclosed unless the possibility of payment is remote.

## **1.18 Public Dividend Capital**

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the forecast cost of capital utilised by the NHS Foundation Trust, is paid to the Department of Health & Social Care as PDC dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the Average Relevant Net Assets of the Trust. 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 (banking days) held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health & 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.

## **1.19 Value Added Tax**

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

## **1.20 Corporation Tax**

The Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of Income and Capital Gains within categories covered by this but the Trust is potentially within the scope of Corporation Tax in respect of activities where Income is received from a Non Public Sector source.

However, the Trust has evaluated that it has no Corporation Tax Liability, as all activities are either ancillary to healthcare or below the de minimus level of profit at which Tax becomes payable.

## **1.21 Foreign Exchange**

The functional and presentational currencies of the Trust are sterling. Foreign Exchange transactions are negligible.

## 1.22 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual (Note 39).

## 1.23 Losses and Special Payments

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

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

## 1.24 Accounting Standards, Amendments and Interpretations Issued but Not Yet Adopted

The following table presents a list of recently issued accounting standards and amendments which have not yet been adopted within the FReM, and are therefore not applicable to DH group accounts in 2018/19.

Change published	Financial year for which change first	Notes
	<i>Not yet EU-endorsed.</i>	
<i>IFRS 14 Regulatory Deferral Accounts</i>	<i>Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DH group bodies.</i>	
<i>IFRS 16 Leases (change in recognition of all leases &gt; 1 year on Statement of Financial Position)</i>	<i>Application required for accounting periods beginning on or after 1 January 2019 (2018/19), but not yet adopted by the FReM: early adoption is not therefore permitted.</i>	(i)
<i>IFRS 17 Insurance Contracts (not likely to be applicable to NHS bodies)</i>	<i>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.</i>	
<i>IFRIC 23 Uncertainty over Income Tax Treatments</i>	<i>Application required for accounting periods beginning on or after 1 January 2019.</i>	

The Trust has considered the new Accounting Standards, Amendments and Interpretations to published standards that are not yet effective and concluded the following:

(i) IFRS 16 - anticipated to be of significant impact. All existing leases with a lease term of greater than one year will be required to be disclosed on the Statement of Financial Position, recognising a Non-Current Asset and a corresponding Finance Lease Liability.

## 1.25 Accounting Standards, Amendments and Interpretations Issued but Adopted Early

The Trust has not adopted early any new Accounting Standards, Amendments or Interpretations.

## 2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

## **2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)**

### ***Critical Judgements in Applying Accounting Policies***

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's Accounting Policies and that have the most significant effect on the amounts recognised in the Financial Statements.

#### ***Leases***

The Trust has used its judgement to determine if substantially all the significant risks and rewards of ownership of Leases are transferred from other entities in accordance with IAS 17. Only those arrangements where it has been judged that the risks and rewards are transferred to the Trust are included within Finance Leases.

#### ***Consolidation of NHS Charity***

The Trust has taken the decision not to consolidate its NHS Charity due to it being not material to the Trust. Further details are shown in note 1.2.

### **Key Sources of Estimation Uncertainty**

The Trust has considered key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that could have a significant risk of causing a material adjustment, in the opinion of the Directors, to the carrying amounts of Assets and Liabilities within the next financial year.

Although the Trust has made estimates within these Financial Statements such as Incomplete Patient Spells Accrued Income, Annual Leave Accrual and Provisions e.g. Litigations and Early Retirements, the amounts involved would not cause a material adjustment to the carrying amounts of Liabilities within the next financial year.

In addition, a revaluation of the Trust's buildings was undertaken with a prospective date of 31st March 2019. The Trust relies on an independent external valuer for the accuracy of such valuations, and this is derived from estimates on local market data and calculations to reflect age and condition. In 2015/16 the basis upon which the Modern Equivalent Asset Valuation is assessed by the external valuer changed from the existing site to the alternate, theoretical site.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 19.

## **3. Operating Segments**

The Board as 'Chief Operating Decision Maker' has determined that the Trust operates in one material segment, which is the Provision of Healthcare Services. The segmental reporting format reflects the Trust's management and internal reporting structure.

The Provision of Healthcare (including Medical Treatment, Research and Education) is within one main geographical segment, the United Kingdom, and materially from Departments of HM Government in England.

Income from Activities (medical treatment of patients) is analysed by customer type in note 4.2 to the Financial Statements. Other Operating Income is analysed in Note 5 to the Financial Statements and materially consists of revenues from Healthcare Research and Development, Medical Education and the Provision of Services to Other NHS Bodies.

The Trust's 100% wholly owned subsidiary Derbyshire Support and Facilities Services Limited (DSFS) commenced trading on 1st April 2019 to deliver services under a 25 year Operated Healthcare Facility (OHF) contract back to the Trust. However, this has not resulted in a change to the operating segment, which is the Provision of Healthcare Services.

#### 4. Income from Activities

##### 4.1 Income from Activities (by nature)

	2018/19	2017/18
	£000	£000
Elective Income	29,806	28,718
Non-Elective Income	74,034	71,395
First outpatient income	9,403	9,145
Follow up outpatient income	10,873	10,445
A&E Income	11,382	10,181
High cost drugs income from commissioners (excluding pass-through costs)	13,776	12,867
Other NHS Clinical Income*	67,568	70,063
Other Clinical Income**	844	928
Agenda for Change Pay Award Funding***	2,791	0
Private Patient Income	28	29
	<b>220,505</b>	<b>213,771</b>

Under the terms of their Licences, from 1 April 2013, Foundation Trusts are required to disclose income from Patient Care Activities relating to Commissioner Requested Services and those from other services. Under the Health and Social Care Act 2012, Clinical Commissioning Groups (CCGs) are responsible for planning and purchasing health services for their local populations. That responsibility includes designating a range of services that local Commissioners believe should continue to be provided locally if any individual provider is at risk of failing financially. These are referred to as Commissioner Requested Services.

The split of income from patient care activities into those relating to Commissioner Requested Services and other services is as follows:

	2018/19	2017/18
	£000	£000
Income from Patient Care Activities arising from Commissioner Requested Services	216,842	212,814
Income from Patient Care Activities arising from all other services	3,663	957
	<b>220,505</b>	<b>213,771</b>

\*Other NHS Clinical Income includes services such as Pathology **£4,714k** (2017/18: £4,425k), Radiology **£4,337k** (2017/18: £4,100k), Audiology **£1,407k** (2017/18: £1,443k), Critical Care Services **£8,955k** (2017/18: £9,015k), Child Health Services **£7,709k** (2017/18: £7,613k), Maternity **£6,237k** (2017/18: £5,413k), Screening Services **£3,727k** (2017/18: £3,319k), CQUIN **£4,668k** (2017/18: £4,510k), Outpatient Procedures **£7,453k** (2017/18: £6,901k) Stroke **£2,320k** (2017/18: £2,310k), Transformation **£2,024k** (2017/18: £7,093k), Therapies **£1,705k** (2017/18: £1,779k), Patient Travel **£1,282k** (2017/18: £1,176k) and Royal Primary Care **£4,867k** (2017/18: £5,176k).

\*\*Other Clinical Income includes NHS Injury Scheme Income **£809k** (2017/18: £875k) and Overseas Visitors **£35k** (2017/18: £50k). NHS Injury Scheme Income is subject to a Provision for Doubtful Debts of **9.13%** (2017/18: 3.01%) to reflect expected local rates of collection.

\*\*\*The Trust received **£2,791k** income to fund the national Agenda for Change pay award.

#### 4.2 Income from Activities (by source)

	2018/19 £000	2017/18 £000
NHS Trusts	53	72
NHS England	16,609	17,322
Clinical commissioning groups	200,042	195,244
Department of Health and Social Care	2,791	0
NHS Other	138	179
Non NHS:		
- Private Patients	28	29
- Overseas Patients (Chargeable to Patient)	35	50
- NHS Injury Scheme	809	875
	<b>220,505</b>	<b>213,771</b>

#### 4.3 Analysis of Overseas Patients (Non-Reciprocal) (relating to patients charged directly by the Foundation Trust)

	2018/19 £000	2017/18 £000
Income recognised this year	35	50
Cash payments received in-year (relating to invoices raised in current and previous years)	25	30
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	20	24
Amounts written off in-year (relating to invoices raised in current and previous years)	4	4

#### 5.1 Other Operating Income

	2018/19 £000	2017/18 £000
<b>Other operating income from contracts with customers:</b>		
Research and Development (contract)	520	582
Education and Training	8,763	8,045
Non-Patient Care Services to Other Bodies	10,804	6,216
Provider sustainability / sustainability and transformation fund income (PSF / STF)*	5,058	5,822
Staff Recharges	2,161	1,970
Car Parking Income	1,681	1,651
Pharmacy Sales Income	138	169
Staff Accommodation Rental Income	549	532
Clinical Excellence Awards	101	145
Catering Income	2,169	2,123
Other Contract Income	903	906
<b>Other non-contract operating income:</b>		
Education and Training - notional income from Apprenticeship Fund	235	23
Receipt of capital grants and donations	144	95
Charitable and other contributions to expenditure	59	50
Rental Revenue from Operating Leases	419	424
	<b>33,704</b>	<b>28,753</b>

\*\*Provider Sustainability / Sustainability and Transformation Fund income (PSF / STF) has been made available to NHS providers, linked to the achievement of financial controls and performance targets.

**£5,058k** (2017/18: £5,822k) relates to the Trust's total indicative STF receivable which includes **£2,240k** (2017/18: £3,943k) core STF and **£2,818k** (2017/18: £1,879k) general distribution STF income.



## 5.2 Fees and charges - aggregate of all schemes that, individually, have a cost exceeding £1m

	2018/19 £000	2017/18 £000
Income	2,245	2,151
Full Cost	(2,385)	(2,143)
<b>Surplus / (Deficit)</b>	<b>(140)</b>	<b>8</b>

HM Treasury's FReM requires bodies to provide additional disclosures for fees and charges raised under legislation where the full cost exceeds £1 million or the service is otherwise material in relation to the accounts. The above disclosure relates to legislative prescription charges.

## 5.3 Additional information on contract income (IFRS 15) recognised in the period

	2018/19 £000
Income recognised in the reporting period that was included in within contract liabilities at the previous period end i.e. release of deferred income	764
Income recognised from performance obligations satisfied (or partially satisfied) in previous periods	0

## 5.4 Transaction price allocated to remaining performance obligations

There was no income from contracts that were allocated to remaining performance obligations.

## 5.5 Profits and losses on disposal of property, plant and equipment

On 29th March 2019, the Trust sold Buxton Health Centre to Derbyshire Community Health Services NHS Foundation Trust for £2.13m. The net book value of the associated land and building was £520k. A profit on disposal of £1.61m was realised on sale.

**6. Operating Expenses****6.1 Operating Expenses comprise:**

	2018/19 £000	2017/18 £000
Staff and executive directors costs	164,821	157,505
Non-Executive Directors Costs	158	166
Drug Costs	21,110	19,277
Supplies and Services - Clinical (excl. Drugs)	17,440	18,163
Supplies and Services - General	5,415	5,268
Services from NHS Foundation Trusts	10,570	2,912
Services from NHS Trusts	121	159
Services from Clinical Commissioning Groups (CCGs) and NHS England	1	0
Services from Other NHS Bodies	13	1
Purchase of healthcare from non-NHS and non-DHSC bodies	2,547	2,364
Purchase of Social Care (Under s.75 or Other Integrated Care Arrangements)	(75)	25
Clinical Negligence	7,667	8,942
Premises	9,675	9,192
Establishment	1,375	1,369
Transport (including Patient Travel)	1,701	1,680
Training Costs	621	496
Other Services	438	412
Car Parking and Security Services	212	295
Rentals Under Operating Leases	1,121	227
Insurance Costs	190	194
Legal Fees	109	63
Internal Audit Fees	76	76
Consultancy Costs	490	591
Auditor's Remuneration - Statutory Audit Fees	78	58
Other Auditor's Remuneration	13	7
Depreciation of Property, Plant and Equipment	5,099	4,465
Amortisation of Intangible Assets	914	789
Impairments net of (reversals)	25,644	(10)
Increase in Provision for Impairment of Receivables	0	36
Movement in credit loss allowance: contract receivables / assets	372	0
Increase in Other Provisions	472	45
Change in Provisions Discount Rate	(35)	18
Inventories Write Down	55	115
Other Losses, Ex Gratia and Special Payments	4	6
Hospitality	14	26
Other	(1,671)	600
	<b>276,754</b>	<b>235,532</b>

The above Directors and Staff Costs include **£15,272k** Employers Pension Contributions (2017/18: £14,499k).

Research and Development Costs, mainly included in Staff Costs above, total **£549k** (2017/18: £593k).

Included within 'Other' above is £2.4m for Opt to Tax VAT recovery due under the Capital Goods Scheme.

## 7. Operating Leases

### 7.1 Operating Lease Income

The Trust receives Rental Income for Accommodation that is owned by the Trust but which is rented out to third parties. The Rental Income received during the year and the future minimum lease payments receivable are shown below.

	2018/19 £000	2017/18 £000
<b>Operating Lease Income</b>		
Minimum Lease Receipts	399	355
Contingent Rents	20	69
Other	0	0
	<b>419</b>	<b>424</b>
<b>Future Minimum Lease Payments Receivable</b>		
- not later than one year;	367	305
- later than one year and not later than five years;	1,821	1,205
- later than five years.	192	461
	<b>2,380</b>	<b>1,971</b>

### 7.2 Operating Lease expenditure

The Trust pays rentals for Property, Plant and Equipment that are used but not owned by the Trust. The Trust has reviewed all contracts where the Trust has the right to use an asset to determine whether in substance, an Operating or Finance Lease exists. Where the Trust has determined that a lease arrangement is that of a Finance Lease, these are disclosed in Note 24. Operating Leases that have been identified are shown below. The rentals paid during the year plus the future minimum lease payments due

	Total 2018/19 £000	Buildings 2018/19 £000	Other 2018/19 £000	Total 2017/18 £000
<b>Payments Recognised as an Expense</b>				
Minimum Lease Payments	1,120	17	1,103	227
Contingent Rents	1	0	1	0
Less sub-lease payments	0	0	0	0
	<b>1,121</b>	<b>17</b>	<b>1,104</b>	<b>227</b>
<b>Future Minimum Lease Payments due</b>				
Not later than one year	1,011	17	994	88
Between one and five years	4,673	10	4,663	74
After five years	579	0	579	0
	<b>6,263</b>	<b>27</b>	<b>6,236</b>	<b>162</b>

The Trust does not sublease to other third parties.

## 8. Salary and Pension entitlements of senior managers

Details of the Salary and Pension entitlements of senior managers are included within the Remuneration Report section of the Trust's Annual Report.

**9. Employee Benefit Expense and Numbers****9.1 Employee Expenses**

	Total	2018/19 Permanent	Other	Total	2017/18 Permanent	Other
	£000	£000	£000	£000	£000	£000
Salaries and Wages	121,811	120,618	1,193	113,692	112,518	1,174
Social Security Costs	11,508	11,508	0	10,859	10,859	0
Apprenticeship Levy	604	604	0	525	525	0
Pension Cost - Employer Contributions to NHS Pension Scheme	15,272	15,272	0	14,499	14,499	0
Pension Cost - Other schemes	31	31	0	12	12	0
Termination Benefits	32	32	0	23	23	0
Temporary Staff - External Bank	5,143	n/a	5,143	5,143	n/a	5,143
Temporary Staff - Agency / Contract Staff	11,058	n/a	11,058	13,489	n/a	13,489
	<b>165,459</b>	<b>148,065</b>	<b>17,394</b>	<b>158,242</b>	<b>138,436</b>	<b>19,806</b>
Employee Costs Capitalised as Part of Assets	638	530	108	737	614	123
Total Staff Costs (Excluding Capitalised Costs)	<b>164,821</b>	<b>147,535</b>	<b>17,286</b>	<b>157,505</b>	<b>137,822</b>	<b>19,683</b>

**9.2 Average Number of Employees (WTE Basis)**

	Total	2018/19 Permanent	Other	Total	2017/18 Permanent	Other
	WTE	WTE	WTE	WTE	WTE	WTE
Medical and Dental	442	351	91	425	343	82
Administration and Estates	788	760	28	763	718	45
Healthcare Assistants and Other Support Staff	1,165	1,043	123	1,158	1,020	138
Nursing, Midwifery and Health Visiting Staff	1,109	1,018	92	1,059	967	92
Scientific, Therapeutic and Technical Staff	280	272	8	275	267	8
Healthcare Science Staff*	59	55	4	95	91	4
Social Care Staff	10	10	0	7	7	0
Total	<b>3,854</b>	<b>3,509</b>	<b>345</b>	<b>3,782</b>	<b>3,413</b>	<b>369</b>
Of which: Number of Employees (WTE) Engaged on Capital Projects	15	14	1	19	18	1

WTE = Whole Time Equivalents

\*Reduction due to staff transferring to University Hospitals of Derby and Burton NHSFT on 1 July 2018, as part of the Derbyshire Pathology joint arrangement.

**9.3 Employee Benefits**

There are no additional Employee Benefits, other than those reported in note 9.1.

**9.4 Staff exit packages**

The Trust is required to disclose Staff Exit Packages in line with HM Treasury guidance. Staff Exit Packages include payments made to staff members who have been made redundant (or where their departure has been mutually agreed) including Payments in Lieu of Notice plus Other Non-Compulsory Staff Departures. Details are provided in the table below.

	2018/19				Total Number of Exit Packages by Cost Band	Total Cost of Exit Packages by Cost Band £000
Exit Package Cost Band	Number of Compulsory Redundancies	Cost of Compulsory Redundancies £000	Number of Other Departures Agreed	Cost of Other Departures Agreed £000		
< £10,000	0	0	13	32	13	32
Total Number of Exit Packages by Type	<b>0</b>	<b>0</b>	<b>13</b>	<b>32</b>	<b>13</b>	<b>32</b>

	2017/18				Total Number of Exit Packages by Cost Band	Total Cost of Exit Packages by Cost Band £000
Exit Package Cost Band	Number of Compulsory Redundancies	Cost of Compulsory Redundancies £000	Number of Other Departures Agreed	Cost of Other Departures Agreed £000		
< £10,000	0	0	17	25	17	25
Total Number of Exit Packages by Type	<b>0</b>	<b>0</b>	<b>17</b>	<b>25</b>	<b>17</b>	<b>25</b>

There were no departures in either year where Special Payments in accordance with HM Treasury guidelines have been made.

Exit Costs in this note are accounted for in full in the year of departure. Where the Trust has agreed Early Retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-Health Retirement Costs are met by the NHS Pensions Scheme and are not included in the table.

**9. Employee Benefit Expense and Numbers (cont'd)****9.5 Staff Exit Packages - Other Non-Compulsory Departure Payments**

	2018/19		2017/18	
	Number of Payments Agreed	Total Value of Agreements £000	Number of Payments Agreed	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual	0	0	0	0
Contractual Payments in Lieu of Notice	13	32	16	23
Exit Payments following Employment Tribunals or Court Orders	0	0	1	2
Non-Contractual Payments requiring HM Treasury Approval*	0	0	0	0
<b>Total</b>	<b>13</b>	<b>32</b>	<b>17</b>	<b>25</b>
Of which:				
Non-Contractual Payments made to individuals where the payment value was more than 12 months of their annual salary	0	0	0	0

As a single exit package can be made up of several components, each of which will be counted separately in this note, the total number above may not necessarily match the total numbers in Note 9.4 which will be the number of individuals.

\* includes any Non-Contractual Severance Payment made following judicial mediation and amounts relating to Non-Contractual Payments in Lieu of Notice.

No Non-Contractual Payments were made to individuals where the payment value was more than 12 months of their annual salary.

The Remuneration Report includes disclosure of any Exit Payments to individuals named in that Report.

**9.6 Retirements Due to Ill-Health**

During the year to 31st March 2019 there were **3** Early Retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these Ill-Health Retirements will be **£101k**.

There were 3 Ill-Health Retirements in the year to 31st March 2018, with estimated liabilities of £104k.

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

**10. Pension Costs**

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

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

**a) Accounting Valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

**10. Pension Costs (cont'd)****b) Full Actuarial (Funding) Valuation**

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

**National Employees Savings Scheme (NEST)**

For employees who are not eligible to access the NHS Pension Scheme, the Trust has a workplace stakeholder pension in place (NEST). This is a defined contribution scheme where both the Trust and the employee pay monthly contributions.

**11. Auditor's Remuneration**

Auditor's remuneration for the financial year for statutory external audit services was **£47k** (2017/18: £47k). In addition, the Trust paid **£18k** (2017/18: £5k) for audit cost overruns.

The Trust also paid fees of **£11k** (2017/18: £11k) relating to audit work performed on the Trust's Quality Accounts disclosed as audit related assurance services below.

All fees disclosed above are exclusive of VAT.

**Break down of Other Auditor Remuneration**

Other auditor remuneration paid to the external auditor is analysed as follows:

	2018/19 £000 *	2017/18 £000 *
Auditing of Any Associate of the Trust's Accounts	0	0
Audit-Related Assurance Services	13	7
Taxation Compliance Services	0	0
All Other Taxation Advisory Services (not included above)	0	0
Internal Audit Services (only those payable to the External Auditor)	0	0
All Other Assurance Services (not included above)	0	0
Corporate Finance Transaction Services (not included above)	0	0
All Other Non-Services	0	0
	<b>13</b>	<b>7</b>

\* Including non-recoverable VAT where applicable

The Limitation of Auditor's Liability was £200k for 2018/19 and 2017/18.

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

There were no payments (2017/18: £2k) relating to Interest Payments made in respect of the Late Payment of Commercial Debt (Interest) Act 1998.

## 13. Finance Income

Finance Income was received in the form of Bank Interest Receivable totalling **£214k** (2017/18: £88k).

## 14. Finance Costs

Interest Costs incurred during the year are as follows:

	2018/19 £000	2017/18 £000
Capital Loans from the Department of Health	266	320
Finance Leases	14	6
Interest on Late Payment of Commercial Debt	0	2
Unwinding of Discount on Provisions	6	2
Other	0	1
	<b>286</b>	<b>331</b>

At 31st March 2019, the Trust has one long term capital investment loan agreement from the Department of Health and Social Care (DHSC); a 10 year loan signed during 2015/16 to refurbish the Trust's operating theatres and to build a new Cancer Centre. As at 31 March 2019 total borrowings less repayments totalled **£13.770m** (31st March 2018: £16.394m).

During 2018/19, the final payment of the 10 year loan taken out in 2009/10 to fund a new wards building was made, and therefore this loan has now been fully repaid.

Interest on the loans is accrued from the date of the first drawdown and is paid every six months. The interest rate of the new wards loan was 2.84% and the interest rate on the Theatre Refurbishment and Cancer Centre loan is 1.71%.

## 15. Gains / (losses) on disposal / derecognition of assets

Gains / (losses) on disposal / derecognition of assets are as follows:

	2018/19 £000	2017/18 £000
Gains on disposal/derecognition of other property, plant and equipment	1,614	54
Losses on disposal/derecognition of other property, plant and equipment	(21)	(51)
Losses on disposal/derecognition of intangible assets	0	(12)
<b>Total gain / (losses) on disposal / derecognition</b>	<b>1,593</b>	<b>(9)</b>



## 17. Intangible Assets (Group)

### 17.1 Intangible Assets comprise the following elements:

Group	Total 31 March 2019 £000	IT (internally generated & 3rd party) £000	Assets Under Construction £000
Gross Cost at 1 April*	8,319	7,792	527
Additions - Purchased / Internally Generated	2,455	949	1,506
Impairments Charged to Operating Expenses	0	0	0
Revaluations	(4,517)	(4,517)	0
Reclassifications	0	307	(307)
Disposals / Derecognition	(259)	(259)	0
<b>Gross Cost at 31 March</b>	<b>5,998</b>	<b>4,272</b>	<b>1,726</b>
Amortisation at 1 April*	4,206	4,206	0
Provided During the Year	914	914	0
Revaluations	(4,862)	(4,862)	0
Disposals / Derecognitions	(258)	(258)	0
<b>Amortisation at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Book Value at 31 March</b>			
- Owned at 31 March	5,998	4,272	1,726
- Finance leased at 31 March	0	0	0
- Donated and Government Grant Funded at 31 March	0	0	0
<b>Total at 31 March</b>	<b>5,998</b>	<b>4,272</b>	<b>1,726</b>

\*As the 'Group' was not established at 1 April 2018, the brought forward balances relate to the Trust only.

No Intangible Assets were donated to the Trust by Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds in either year.

Intangible Assets under construction mainly relate to software that has been purchased but not fully commissioned at the year end.

### 17.2 Intangible Assets Acquired by Government Grant

There are no Intangible Assets that have been acquired by Government Grant.

### 17.3 Economic Life of Intangible Assets

The minimum and maximum economic lives of Intangible Assets when purchased are as follows:

	Min. Life Years	Max. Life Years
Software - Purchased	2	5

None of the Trust's Intangible Assets have indefinite useful economic lives.

### 17.4 Impairment of Intangible Assets

An independent review of Intangible Assets current net book value compared to depreciated replacement cost was undertaken in 2017/18 resulting in an impairment of **£1.4m**.

## 18. Intangible Assets (Trust)

### 18.1 Intangible Assets comprise the following elements:

Trust	Total 31 March 2019 £000	IT (internally generated & 3rd party) £000	Assets Under Construction £000	Total 31 March 2018 £000	IT (internally generated & 3rd party) £000	Assets Under Construction £000
Gross Cost at 1 April	8,319	7,792	527	10,340	8,328	2,012
Additions - Purchased / Internally Generated	2,455	949	1,506	507	143	364
Additions - Leased	5,769	4,045	1,724	0	0	0
Impairments Charged to Operating Expenses	0	0	0	(2,469)	(2,469)	0
Revaluations	(4,517)	(4,517)	0	0	0	0
Reclassifications	0	307	(307)	(10)	1,839	(1,849)
Disposals / Derecognition	(6,257)	(4,531)	(1,726)	(49)	(49)	0
<b>Gross Cost at 31 March</b>	<b>5,769</b>	<b>4,045</b>	<b>1,724</b>	<b>8,319</b>	<b>7,792</b>	<b>527</b>
Amortisation at 1 April	4,206	4,206	0	4,493	4,493	0
Prior period adjustments	0	0	0	0	0	0
Amortisation at 1 April (restated)	4,206	4,206	0	4,493	4,493	0
Transfers by absorption	0	0	0	0	0	0
Provided During the Year	914	914	0	789	789	0
Impairments charged to operating expenses	0	0	0	(1,039)	(1,039)	0
Revaluations	(4,862)	(4,862)	0	0	0	0
Disposals / Derecognitions	(258)	(258)	0	(37)	(37)	0
<b>Amortisation at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,206</b>	<b>4,206</b>	<b>0</b>
<b>Net Book Value at 31 March</b>						
- Owned at 31 March	14	0	14	4,113	3,586	527
- Finance leased at 31 March	5,755	4,045	1,710	0	0	0
- Donated and Government Grant Funded at 31 March	0	0	0	0	0	0
<b>Total at 31 March</b>	<b>5,769</b>	<b>4,045</b>	<b>1,724</b>	<b>4,113</b>	<b>3,586</b>	<b>527</b>

No Intangible Assets were donated to the Trust by Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds in either year.

Intangible Assets under construction mainly relate to software that has been purchased but not fully commissioned at the year end.

### 18.2 Intangible Assets Acquired by Government Grant

There are no Intangible Assets that have been acquired by Government Grant.

### 18.3 Economic Life of Intangible Assets

The minimum and maximum economic lives of Intangible Assets when purchased are as follows:

	Min. Life Years	Max. Life Years
Software - Purchased	2	5

None of the Trust's Intangible Assets have indefinite useful economic lives.

### 18.4 Impairment of Intangible Assets

An independent review of Intangible Assets current net book value compared to depreciated replacement cost was undertaken in 2017/18 resulting in an impairment of **£1.4m**.

**19. Property, Plant and Equipment - Group****19.1 Property, Plant and Equipment for 2018/19 comprise the following elements:**

Group	Total 31 March 2018	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction and Payments on Account*	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2018*	134,145	3,108	85,871	3,112	6,501	25,996	309	7,818	1,430
Additions - Purchased	8,111	0	3,404	120	1,530	2,621	0	328	108
Additions - Leased	352	0	0	0	0	0	0	352	0
Additions - Donations of Physical Assets (Non-Cash)	144	0	36	0	0	108	0	0	0
Impairments Charged to Operating Expenses	(26,062)	0	(25,788)	0	0	0	0	0	(274)
Impairments Charged to the Revaluation Reserve	(9,506)	0	(9,424)	(82)	0	0	0	0	0
Reversal of impairments Credited to Operating Expenses	86	84	2	0	0	0	0	0	0
Reversal of Impairments Credited to the Revaluation Reserve	15	0	0	15	0	0	0	0	0
Revaluations	(25,446)	2	(1,524)	(55)	0	(17,509)	(254)	(5,235)	(871)
Reclassifications	0	0	4,050	0	(6,617)	332	0	2,235	0
Disposals / Derecognition	(2,205)	(240)	(285)	0	0	(1,249)	0	(412)	(19)
<b>Cost or Valuation at 31 March 2019</b>	<b>79,635</b>	<b>2,954</b>	<b>56,342</b>	<b>3,110</b>	<b>1,414</b>	<b>10,299</b>	<b>55</b>	<b>5,086</b>	<b>375</b>
Accumulated Depreciation at 1 April 2018*	24,091	0	0	0	1,133	17,418	227	4,523	790
Provided During the Year	5,099	0	1,531	55	0	1,945	27	1,431	110
Reversal of Impairments Credited to Operating Expenses	(332)	0	0	0	(332)	0	0	0	0
Reversal of impairments Credited to the Revaluation Reserve	(801)	0	(0)	0	(801)	0	0	0	0
Revaluations	(26,326)	0	(1,526)	(55)	0	(18,130)	(254)	(5,481)	(880)
Disposals / Derecognition	(1,665)	0	(5)	0	0	(1,233)	0	(408)	(19)
<b>Accumulated Depreciation at 31 March 2019</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>65</b>	<b>0</b>
<b>Net Book Value</b>									
- Owned at 31 March 2019	77,317	2,954	55,224	3,110	1,414	9,578	40	4,733	265
- Finance Lease at 31 March 2019	288	0	0	0	0	0	0	288	0
- Government Granted 31 March 2019	1	0	0	0	0	1	0	0	0
- Donated at 31 March 2019	1,963	0	1,118	0	0	720	15	0	110
<b>Total at 31 March 2019</b>	<b>79,569</b>	<b>2,954</b>	<b>56,342</b>	<b>3,110</b>	<b>1,414</b>	<b>10,299</b>	<b>55</b>	<b>5,021</b>	<b>375</b>

\*As the 'Group' was not established at 1 April 2018, the brought forward balances relate to the Trust only.

The latest revaluation of land and property was carried out by an independent valuer with an effective date of 31/3/2019. Specialist building valuation was completed with reference to the Building Cost Information Service Tender Price Index (BCIS TPI) and 10 year average location factor issued by the Royal Institute of Chartered Surveyors.

Property, Plant and Equipment assets totalling **£144k** (2017/18: £83k) were donated to the Trust by Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds, and **£nil** (2017/18: £12k) were donated from another company.

**19.2 Analysis of Property, Plant and Equipment 31 March 2019**

All Land, Buildings and Dwellings are freehold.

**19. Property, Plant and Equipment - Group (continued)****19.3 Valuation of Property, Plant and Equipment**

The Trust had a professional Modern Equivalent Asset (MEA) valuation performed as at 31 March 2019 by an independent external valuer. The valuation has been undertaken on the basis that the Land and Buildings have been valued for an alternative site as permitted by HM Treasury.

MEA principles and assumptions used in the valuation are in line with the Royal Institute of Chartered Surveyors Red Book Standards. This means that specialised property is valued at the cost of replacing the service potential of the existing property with a modern equivalent asset adjusted to take account of depreciation on the existing asset.

Where property is considered to be non-specialised, this has been valued at open market value. Of the totals at 31 March 2019, **£1,545k** (2017/18: £1,783k) related to Land valued at open market value and **£3,330k** (2017/18: £3,617k) related to Buildings and Dwellings valued at open market value.

Plant and Equipment are shown at depreciated historical cost as a proxy to fair value due to the lives of the assets being short.

**19.4 Economic Life of Property, Plant and Equipment**

The minimum and maximum economic lives of Property, Plant and Equipment when capitalised are as follows:

	Min. Life Years	Max. Life Years
Land	infinite	infinite
Buildings Excluding Dwellings	15	90
Dwellings	15	80
Assets Under Construction	N/A	N/A
Plant and Machinery	5	5
Transport Equipment	5	5
Information Technology	3	5
Furniture and Fittings	5	5

Land and Building lives have been determined by the external valuer as part of the MEA valuation exercise carried out prospectively at 31st March 2019.

**19.5 Analysis of Impairments of Property, Plant and Equipment**

Group & Trust	31 March 2019		
	Total £000	Included in Operating Expenses £000	Charged against Revaluation Reserve £000
Other	1,010	1,010	0
Changes in Market Price	34,558	25,052	9,506
Reversals of Impairments			
Charged in Previous Years	(1,234)	(418)	(816)
<b>Net Impairments</b>	<b>34,334</b>	<b>25,644</b>	<b>8,690</b>

Trust	31 March 2018		
	Total £000	Included in Operating Expenses £000	Charged against Revaluation Reserve £000
Changes in Market Price	23,314	12,632	10,682
Other Intangible Assets	1,430	1,430	0
Reversals of Impairments			
Charged in Previous Years	(17,178)	(14,072)	(3,106)
<b>Net Impairments</b>	<b>7,566</b>	<b>(10)</b>	<b>7,576</b>

**20. Property, Plant and Equipment (Trust)****20.1 Property, Plant and Equipment for 2018/19 comprise the following elements:**

Trust	Total 31 March 2019	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction and Payments on Account*	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2018	134,145	3,108	85,871	3,112	6,501	25,996	309	7,818	1,430
Additions - Purchased	8,111	0	3,404	120	1,530	2,621	0	328	108
Additions - Leased	42,889	1,109	25,882	0	237	10,244	40	5,024	353
Additions - Donations of Physical Assets (Non-Cash)	144	0	36	0	0	108	0	0	0
Impairments Charged to Operating Expenses	(26,062)	0	(25,788)	0	0	0	0	0	(274)
Impairments Charged to the Revaluation Reserve	(9,506)	0	(9,424)	(82)	0	0	0	0	0
Reversal of impairments Credited to Operating Expenses	86	84	2	0	0	0	0	0	0
Reversal of Impairments Credited to the Revaluation Reserve	15	0	0	15	0	0	0	0	0
Revaluations	(25,446)	2	(1,524)	(55)	0	(17,509)	(254)	(5,235)	(871)
foreign operations	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	4,050	0	(6,617)	332	0	2,235	0
Disposals / Derecognition	(44,896)	(1,349)	(26,167)	0	(237)	(11,548)	(55)	(5,146)	(394)
<b>Cost or Valuation at 31 March 2019</b>	<b>79,481</b>	<b>2,954</b>	<b>56,342</b>	<b>3,110</b>	<b>1,414</b>	<b>10,244</b>	<b>40</b>	<b>5,024</b>	<b>353</b>
Accumulated Depreciation at 1 April 2018	24,091	0	0	0	1,133	17,418	227	4,523	790
Provided During the Year	5,099	0	1,531	55	0	1,945	27	1,431	110
Reversal of Impairments Credited to Operating Expenses	(332)	0	0	0	(332)	0	0	0	0
Reversal of impairments Credited to the Revaluation Reserve	(801)	0	(0)	0	(801)	0	0	0	0
Revaluations	(26,326)	0	(1,526)	(55)	0	(18,130)	(254)	(5,481)	(880)
Disposals / Derecognition	(1,665)	0	(5)	0	0	(1,233)	0	(408)	(19)
<b>Accumulated Depreciation at 31 March 2019</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>65</b>	<b>0</b>
<b>Net Book Value</b>									
- Owned at 1 April 2018	108,439	3,108	84,773	3,112	5,368	8,188	66	3,295	529
- Finance Lease at 1 April 2018	0	0	0	0	0	0	0	0	0
- Government Granted 1 April 2018	1	0	0	0	0	1	0	0	0
- Donated at 1 April 2018	1,614	0	1,098	0	0	389	16	0	111
<b>Total at 1 April 2018</b>	<b>110,054</b>	<b>3,108</b>	<b>85,871</b>	<b>3,112</b>	<b>5,368</b>	<b>8,578</b>	<b>82</b>	<b>3,295</b>	<b>640</b>
- Owned at 31 March 2019	36,591	1,845	30,460	3,110	1,177	0	0	0	(0)
- Finance Lease at 31 March 2019	42,824	1,109	25,882	0	237	10,244	40	4,959	353
- Government Granted 31 March 2019	0	0	0	0	0	0	0	0	0
- Donated at 31 March 2019	0	0	0	0	0	0	0	0	0
<b>Total at 31 March 2019</b>	<b>79,415</b>	<b>2,954</b>	<b>56,342</b>	<b>3,110</b>	<b>1,414</b>	<b>10,244</b>	<b>40</b>	<b>4,959</b>	<b>353</b>

The latest revaluation of land and property was carried out by an independent valuer with an effect date of 31/3/2019. Specialist building valuation was completed with reference to the Building Cost Information Service Tender Price Index (BCIS TPI) and 10yr average location factor issued by the Royal Institute of Chartered Surveyors.

Property, Plant and Equipment assets totalling **£144k** (2017/18: £83k) were donated to the Trust by Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds, and **£nil** (2017/18: £12k) were donated from another company.

On 31 March 2019, the Trust sold a 25 year commercial leasehold interest in the majority of its estate (land and buildings), plus equipment and other assets to its 100% wholly owned subsidiary Derbyshire Support and Facilities Services Limited (DSFS) in order for the company to deliver the services specified under an Operated Healthcare Facilities (OHF) agreement. As the risks and rewards still remain with the Trust, the assets came back on the Trust's balance sheet at 31 March 2019 as a finance lease. In addition £383k of assets remained in the books of DSFS after they were sold.

**20.2 Analysis of Property, Plant and Equipment 31 March 2019**

All Land, Buildings and Dwellings are freehold.

**20. Property, Plant and Equipment - Trust (cont'd)****20.3 Property, Plant and Equipment for 2017/18 comprise the following elements:**

	Total 31 March 2018	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction and Payments on Account*	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
Trust only*	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2017	136,314	4,055	79,578	5,250	16,311	24,488	309	5,071	1,252
Additions - Purchased	9,774	0	2,220	18	5,730	1,391	0	382	33
Additions - Donations of Physical Assets (Non-Cash)	95	0	83	0	0	12	0	0	0
Impairments Charged to Operating Expenses	(775)	(775)	0	0	0	0	0	0	0
Impairments Charged to the Revaluation Reserve	(9,881)	(172)	(7,563)	(2,146)	0	0	0	0	0
Reserve	3,106	0	2,659	0	447	0	0	0	0
Revaluations	(1,585)	0	(1,533)	(52)	0	0	0	0	0
Reclassifications	10	0	10,427	42	(15,987)	2,371	0	3,000	157
Disposals / Derecognition	(2,913)	0	0	0	0	(2,266)	0	(635)	(12)
<b>Cost or Valuation at 31 March 2018</b>	<b>134,145</b>	<b>3,108</b>	<b>85,871</b>	<b>3,112</b>	<b>6,501</b>	<b>25,996</b>	<b>309</b>	<b>7,818</b>	<b>1,430</b>
Accumulated Depreciation at 1 April 2017	31,983	0	0	0	9,213	17,821	200	4,056	693
Provided During the Year	4,465	0	1,453	52	0	1,824	27	1,000	109
Impairments Charged to Operating Expenses	11,857	0	11,525	0	332	0	0	0	0
Impairments Charged to the Revaluation Reserve	801	0	0	0	801	0	0	0	0
Reversal of Impairments Credited to Operating Income	(14,072)	0	(4,859)	0	(9,213)	0	0	0	0
Revaluations	(8,171)	0	(8,119)	(52)	0	0	0	0	0
Disposals / Derecognitions	(2,772)	0	0	0	0	(2,227)	0	(533)	(12)
<b>Accumulated depreciation at 31 March 2018</b>	<b>24,091</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,133</b>	<b>17,418</b>	<b>227</b>	<b>4,523</b>	<b>790</b>
<b>Net book value</b>									
- Owned at 1 April 2017	106,033	4,055	78,668	5,250	4,385	6,349	91	859	554
- Finance Lease at 1 April 2017	223	0	0	0	0	0	0	156	0
- Government Granted at 1 April 2017	2	0	0	0	0	2	0	0	0
- Donated at 1 April 2017	1,417	0	910	0	2,713	316	18	0	5
<b>Total at 1 April 2017</b>	<b>107,675</b>	<b>4,055</b>	<b>79,578</b>	<b>5,250</b>	<b>7,098</b>	<b>6,667</b>	<b>109</b>	<b>1,015</b>	<b>559</b>
- Owned at 31 March 2018	108,439	3,108	84,773	3,112	5,368	8,188	66	3,295	529
- Finance Lease at 31 March 2018	0	0	0	0	0	0	0	0	0
- Government Granted at 31 March 2018	1	0	0	0	0	1	0	0	0
- Donated at 31 March 2018	1,614	0	1,098	0	0	389	16	0	111
<b>Total at 31 March 2018</b>	<b>110,054</b>	<b>3,108</b>	<b>85,871</b>	<b>3,112</b>	<b>5,368</b>	<b>8,578</b>	<b>82</b>	<b>3,295</b>	<b>640</b>

\*The figures above relate to the Trust only as at 31 March 2018 as the Trust's 100% wholly owned subsidiary Derbyshire Support and Facilities Services Limited had not been incorporated at this date.

The latest revaluation of land and property was carried out by an independent valuer with an effect date of 31/3/2018. Specialist building valuation was completed with reference to the Building Cost Information Service Tender Price Index (BCIS TPI) and 10yr average location factor issued by the Royal Institute of Chartered Surveyors.

Property, Plant and Equipment assets totalling £83k (2016/17: £49k) were donated to the Trust by Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds, and £12k (2016/17: £nil) were donated from another company. Macmillan Cancer Support donated £2.7m funds in 2016/17 towards a new cancer centre.

**19.4 Analysis of Property, Plant and Equipment 31 March 2018**

All Land, Buildings and Dwellings are freehold.

**21. Inventories****21.1 Analysis of Inventory Movements 2018/19**

	Total £000	Drugs £000	Group Consumables £000	Energy £000	Other £000	Total £000	Trust Drugs £000	Consumables £000
<b>Carrying Value 1 April 2018*</b>	4,273	1,500	757	34	1,982	1,530	1,500	30
Additions	28,862	16,382	11,899	8	573	16,464	16,382	82
Inventories Consumed (Recognised in Expenses)	(28,574)	(16,126)	(10,347)	(8)	(2,093)	(16,216)	(16,126)	(90)
Write-Down of Inventories Recognised as an Expense	(55)	(22)	0	0	(33)	(22)	(22)	0
<b>Carrying Value 31 March 2019</b>	<b>4,506</b>	<b>1,734</b>	<b>2,309</b>	<b>34</b>	<b>429</b>	<b>1,756</b>	<b>1,734</b>	<b>22</b>
<b>Of which:</b>								
Held at lower of cost and NRV	4,506	1,734	2,309	34	429	1,756	1,734	22
Held at fair value less costs to sell	0	0	0	0	0	0	0	0

\*As the 'Group' was not established at 1 April 2018, the brought forward balances relate to the Trust only.

On 31 March 2019, the Trust sold some of its stock to its 100% wholly owned subsidiary, Derbyshire Support and Facilities Services Limited, for use in the delivery of the Operated Healthcare Facility (OHF) contract.

**21.2 Analysis of Inventory Movements 2017/18 - Trust**

	Total £000	Drugs £000	Trust Consumables £000	Energy £000	Other £000
<b>Carrying Value 1 April 2017</b>	4,373	1,599	2,185	39	550
Additions	30,169	17,082	10,577	0	2,510
Inventories Consumed (Recognised in Expenses)	(30,154)	(17,129)	(11,992)	(5)	(1,028)
Write-Down of Inventories Recognised as an Expense	(115)	(52)	(13)	0	(50)
<b>Carrying Value 31 March 2018</b>	<b>4,273</b>	<b>1,500</b>	<b>757</b>	<b>34</b>	<b>1,982</b>
<b>Of which:</b>					
Held at lower of cost and NRV	4,273	1,500	757	34	1,982
Held at fair value less costs to sell	0	0	0	0	0

**22. Non-Current Assets Held for Sale and Assets in Disposal Groups****22.1 Analysis of Non-Current Assets Held for Sale and Assets in Disposal Groups**

There were no assets held for sale or assets in disposal groups during 2018/19 or 2017/18.



## 23. Other investments / financial assets (non-current)

	Group 31 March 2019 £000	Trust 31 March 2019 £000
<b>Non-Current</b>		
Acquisitions in year	10	51,348
Current portion of loans receivable transferred to current financial assets	0	(923)
<b>Carrying value at 31 March</b>	<b>10</b>	<b>50,425</b>
<b>Current</b>		
Loans receivable within 12 months transferred from non-current financial assets	0	923
<b>Total current investments / financial assets</b>	<b>0</b>	<b>923</b>

On 31 March 2019, the Trust sold a 25 year commercial leasehold interest in the majority of its estate (land and buildings), plus equipment and other assets to its 100% wholly owned subsidiary, Derbyshire Support and Facilities Services Limited (DSFS) in order for the company to deliver the services specified under an operated healthcare facilities (OHF) agreement.

The sale was funded by 30% share capital investment (£15.4m); and a 70% loan (£35.9m) repayable over the 25 year life of the contract.

The carrying value of both the loan and investment in share capital and have been assessed for impairment at 31 March 2019. No impairment or provision for credit loss allowances have been recognised for either the loan or the investment in share capital.

The Trust has a further 100% wholly owned subsidiary Derbyshire Primary Care and Commercial Services Limited (DPCCS). The Trust holds a £10k investment in the share capital of that company. The carrying value of the investment has been assessed for impairment. No impairments have been recognised. DPCCS has not been consolidated in these financial statements - see note 24.

## 24. Disclosure of interests in other entities

The Trust has not consolidated its 100% wholly owned subsidiary Derbyshire Primary Care and Commercial Services Limited on the basis of immateriality. Further details are provided in note 1.3.

The Trust has not consolidated its charity, Chesterfield Royal Hospital NHS Foundation Trust General Charity on the basis of immateriality. Further details are provided on note 1.3.

**25. Trade and Other Receivables****25.1 Trade and Other Receivables are made up of:**

	<b>Group</b>	<b>Trust</b>	
	<b>31 March 2019</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Current</b>			
Contract receivables (IFRS 15): invoiced*	7,885	7,885	0
Contract receivables (IFRS 15): not yet invoiced / non-invoiced*	8,058	8,058	0
Trade Receivables*	0	0	4,168
Accrued Income*	0	0	7,381
Allowance for impaired contract receivables / assets	(167)	(167)	0
Allowance for Impaired Other Receivables	0	0	(80)
Prepayments (Revenue)	2,127	2,127	1,517
Interest Receivable	21	21	13
PDC Dividend Receivable	408	408	503
VAT Receivable	2,684	0	403
Other Receivables	1,248	1,248	1,171
Intercompany account: DSFS Ltd (subsidiary)**	0	7,472	0
<b>Total</b>	<b>22,264</b>	<b>27,052</b>	<b>15,076</b>
<b>Non-Current</b>			
Allowance for impaired contract receivables / assets	(61)	(61)	0
Allowance for Impaired Other Receivables	0	0	(22)
Other Receivables	672	672	730
<b>Total</b>	<b>611</b>	<b>611</b>	<b>708</b>

\*Following the application of IFRS 15 from 1 April 2018, the trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

\*\*The balance with the Trust's 100% wholly owned subsidiary Derbyshire Support and Facilities Services Limited (DSFS) mainly relates to VAT that DSFS owes back to the Trust on the purchase of assets from the Trust on 31 March 2019.

The majority of trade is with Clinical Commissioning Groups (CCGs), as Commissioners for NHS Patient Care Services. As CCGs are funded by Government to buy NHS Patient Care Services, no credit scoring of them is considered necessary.

There were no prepaid Pension Contributions as at 31 March 2019 or 31 March 2018.

The fair values of Trade and Other Receivables approximate to their carrying amounts.

**25.2 Allowances for Credit Losses (Doubtful Debts)**

	<b>Group</b>	<b>Trust</b>	
	<b>Contract</b>	<b>Contract</b>	<b>All other</b>
	<b>receivables and</b>	<b>receivables and</b>	<b>receivables</b>
	<b>contract assets</b>	<b>contract assets</b>	<b>receivables</b>
	<b>£000</b>		
At 1 April 2018*	0	0	102
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	102	102	(102)
New allowances Arising	320	320	0
Changes in the Calculation of Existing Allowances	0	0	0
Reversals of Allowances (Where Receivable is Collected in-Year)	52	52	0
Utilisation of Allowances (Where Receivable is Written Off)	(246)	(246)	0
Changes Arising Following Modification of Contractual Cash Flows	0	0	0
<b>At 31 March 2019</b>	<b>228</b>	<b>228</b>	<b>0</b>

\*As the 'Group' was not established at 1 April 2018, the brought forward balances relate to the Trust only.

Receivables impaired include a **9.13%** (2017/18: 3.01%) Provision for Doubtful Debts relating to the NHS Injury Scheme to reflect the expected rates of collection. The rate of 9.13% rate reflects the Trust's actual rate of write-offs.

assessment of historical expected credit losses applied to the current outstanding receivables. However, the exposure to credit risk is minimal.

These impairments are included in Operating Expenses within 'Increase in Provision for Impairment of Receivables' in the Statement of Comprehensive Income.

**25. Trade and Other Receivables (cont'd)****25.3 Allowances for credit losses - 2017/18 - Trust**

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

	<b>Trust All receivables £000</b>
<b>Allowances as at 1 April 2017 - as previously stated</b>	202
Increase in provision	187
Amounts utilised	(136)
Unused amounts reversed	(151)
<b>Allowances as at 31 Mar 2018</b>	<b>102</b>

**26. Trade and Other Payables****26.1 Trade and Other Payables are Made Up of:**

	<b>Group 31 March 2019 £000</b>	<b>Trust 31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Current</b>			
Trade Payables	3,719	3,719	1,802
Capital Payables (including Capital Accruals)	1,104	1,104	2,652
Accruals (Revenue Costs only)	14,180	14,180	6,981
Social Security Costs	1,647	1,647	1,590
VAT Payables	0	4,387	0
Other taxes payable	1,375	1,375	1,355
Accrued Interest on DHSC Loans*	0	0	96
Other Payables	2,746	2,688	2,779
<b>Total</b>	<b>24,771</b>	<b>29,100</b>	<b>17,255</b>

\*Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note 25. IFRS 9 is applied without restatement therefore comparatives have not been restated.

There are no Non-Current Trade and Other Payables in 2018/19 or 2017/18.

The Trust complies with the Better Payment Practice Code and paid **96.2%** (2017/18: 96.1%) of its invoices by their due date or within 30 days of receipt of goods or a valid invoice, whichever is later, during 2017/18. It expects to settle over 95% of the invoices making up the debt shown above within this criterion.

There were Pensions Contributions of **£2,092k** (2017/18: £2,201k), owed to the NHS Pension Scheme, at 31 March 2018 and these are included in Other Payables.

The above Pensions Contributions balance relates to the March 2019 pension liability.

The fair values of Trade and Other Payables approximate to their carrying amounts.

**26.2 Early Retirements Included in NHS Payables**

There are no payments due in future years under arrangements to buy out the liability for Early Retirements over 5 years.

## 27. Other Liabilities

	Group & Trust 31 March 2019 £000	Trust 31 March 2018 £000
<b>Current</b>		
Deferred income: contract liabilities	929	764
<b>Total</b>	<b>929</b>	<b>764</b>

There are no Non-Current Other Liabilities in 2018/19 or 2017/18.

## 28. Borrowings

	Group 31 March 2019 £000	Trust 31 March 2019 £000	Trust 31 March 2018 £000
<b>Current</b>			
Capital Loans from Department of Health	1,706	1,706	2,624
Obligations Under Finance Leases	68	4,732	0
<b>Total</b>	<b>1,774</b>	<b>6,438</b>	<b>2,624</b>
<b>Non-current</b>			
Capital Loans from Department of Health	12,150	12,150	13,770
Obligations Under Finance Leases	214	43,833	0
<b>Total</b>	<b>12,364</b>	<b>55,983</b>	<b>13,770</b>

An analysis of Obligations Under Finance Leases are shown in Note 24.

The amount shown in Current Borrowings represents the obligation to repay the loan based on the liability at the balance sheet date.

### Analysis of Capital Loans

	£000
Total Capital Loans as at 1 April 2018*	16,394
Add: Loan Drawdowns	0
Less: Loan Repayments	(2,624)
Add: Loan Interest Accrued	86
<b>Total Capital Loan Liability as at 31 March 2019</b>	<b>13,856</b>
Due within 1 year	1,706
Due later than 1 year	12,150
<b>Total Capital Loan Liability as at 31 March 2019</b>	<b>13,856</b>

\*As the 'Group' was not established at 1 April 2018, the brought forward balances relate to the Trust only.

On 15 March 2019, the Trust fully repaid its 10 year loan taken out in 2009/10 to fund a new wards block. The remaining loan relates to funding to refurbish the Trust's theatres and to build a new cancer centre. This loan was taken out in 2015/16.

There have been no defaults or breaches of the loans.

## 28. Borrowings (cont'd)

### 28.1 Reconciliation of liabilities arising from financing activities - 2018/19

Group	Total £000	Loans from DHSC £000	Finance leases £000
<b>Carrying value at 1 April 2018*</b>	<b>16,394</b>	<b>16,394</b>	<b>0</b>
<b>Cash movements:</b>			
Financing cash flows - payments and receipts of principal	(2,694)	(2,624)	(70)
Financing cash flows - payments of interest	(290)	(276)	(14)
<b>Non-cash movements:</b>			
Impact of implementing IFRS 9 on 1 April 2018	96	96	0
Additions	352	0	352
Application of effective interest rate	280	266	14
<b>Carrying value at 31 March 2019</b>	<b>14,138</b>	<b>13,856</b>	<b>282</b>

\*As the 'Group' was not established at 1 April 2018, the brought forward balances relate to the Loans from Department of Health and Social Care (DHSC) relate to Capital loans as described in note 28.

Trust	Total £000	Loans from DHSC £000	Finance leases £000
<b>Carrying value at 1 April 2018</b>	<b>16,394</b>	<b>16,394</b>	<b>0</b>
<b>Cash movements:</b>			
Financing cash flows - payments and receipts of principal	(2,694)	(2,624)	(70)
Financing cash flows - payments of interest	(290)	(276)	(14)
<b>Non-cash movements:</b>			
Impact of implementing IFRS 9 on 1 April 2018	96	96	0
Additions	48,635	0	48,635
Application of effective interest rate	280	266	14
<b>Carrying value at 31 March 2019</b>	<b>62,421</b>	<b>13,856</b>	<b>48,565</b>

Further details regarding the Trust's finance leases are shown in note 29.2.

**29. Finance Lease Obligations****29.1 Finance Lease Obligations - Group**

The Trust pays rentals for Property, Plant and Equipment that are used but not owned by the Trust. The Trust has reviewed all contracts where the Trust has the right to use an asset to determine whether in substance, an Operating or Finance Lease exists. Where the Trust has determined that a lease arrangement is that of an Operating Lease, these are disclosed in Note 7.2. Finance Leases that have been identified are included in this note. The future minimum lease payments due and the present value of the minimum lease payments are shown below.

	Minimum Lease Payments		Present Value of Minimum Lease Payments
	Total		
	31 March		31 March
	2019	Other*	2019
	£000	£000	£000
<b>Gross Lease Liabilities of which Liabilities are due</b>			
- not later than one year;	78	78	68
- later than one year and not later than five years;	227	227	214
- later than five years.	0	0	0
	<u>305</u>	<u>305</u>	<u>282</u>
Finance Charges allocated to future periods	(23)	(23)	
	<u>282</u>	<u>282</u>	
<b>Net Lease Liabilities</b>			
- not later than one year;	68	68	
- later than one year and not later than five years;	214	214	
- later than five years.	0	0	
	<u>282</u>	<u>282</u>	

\*Other relates to intangible, equipment (medical, IT), furniture and transport assets.

The Trust does not sublease to other third parties.

There were no Contingent Rents relating to finance leases recognised as an expense in either 2018/19.

**29.2 Finance Lease Obligations - Trust**

The Trust pays rentals for Property, Plant and Equipment that are used but not owned by the Trust. The Trust has reviewed all contracts where the Trust has the right to use an asset to determine whether in substance, an Operating or Finance Lease exists. Where the Trust has determined that a lease arrangement is that of an Operating Lease, these are disclosed in Note 7.2. Finance Leases that have been identified are included in this note. The future minimum lease payments due and the present value of the minimum lease payments are shown below.

	Minimum Lease Payments			Present Value of Minimum Lease Payments	
	Total				
	31 March	Land and	Other*	31 March	31 March
	2019	Buildings	£000	2019	2018
	£000	£000	£000	£000	£000
<b>Gross Lease Liabilities of which Liabilities are due</b>					
- not later than one year;	6,332	1,612	4,720	0	4,732
- later than one year and not later than five years;	25,242	6,448	18,794	0	20,558
- later than five years.	32,239	32,239	0	0	23,275
	<u>63,813</u>	<u>40,299</u>	<u>23,514</u>	<u>0</u>	<u>48,565</u>
Finance Charges allocated to future periods	(15,248)	(13,308)	(1,940)	0	0
	<u>48,565</u>	<u>26,991</u>	<u>21,574</u>	<u>0</u>	<u>0</u>
<b>Net Lease Liabilities</b>					
- not later than one year;	4,732	693	4,039	0	
- later than one year and not later than five years;	20,558	3,023	17,535	0	
- later than five years.	23,275	23,275	0	0	
	<u>48,565</u>	<u>26,991</u>	<u>21,574</u>	<u>0</u>	<u>0</u>

\*Other relates to intangible, equipment (medical, IT), furniture and transport assets.

The Trust has a finance lease creditor with its 100% wholly owned subsidiary Derbyshire Support and Facilities Services Limited (DSFS). At 31 March 2019 the carrying value of the finance lease was £47,975k, with repayments commencing 1 April 2019. The lease relates to the sale of the leasehold interest in the land and buildings, intangible and equipment assets that the Trust sold to DSFS on 31st March 2019. Under the Operated Healthcare Facility (OHF) agreement with DSFS, the assets are still controlled by the Trust, as do the risks and rewards of the arrangement, which results in the assets coming back onto the Trust books under IFRIC 4 'Arrangements containing a lease' and the assets subsequently being accounted for under IAS 17 Leases as a finance lease.

**30. Provisions for Liabilities and Charges - Group and Trust**

	<b>Current</b>		<b>Non-Current</b>	
	<b>Group &amp; Trust</b>	<b>Trust</b>	<b>Group &amp; Trust</b>	<b>Trust</b>
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Pensions - Early Departure Costs*	84	83	804	851
Pensions - Injury benefits**	63	52	1,061	750
Other Legal Claims ***	42	88	0	0
	<b>189</b>	<b>223</b>	<b>1,865</b>	<b>1,601</b>

	<b>Total</b>	<b>Pensions - Early Departure Costs *</b>	<b>Legal Claims **</b>	<b>Pensions - Injury Benefits ***</b>
	<b>31 March 2019</b>	<b>31 March 2019</b>		
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2018	1,824	934	88	802
Change in the Discount Rate	(35)	(10)	0	(25)
Arising During the Year	538	45	36	457
Utilised During the Year - Accruals	0	0	0	0
Utilised During the Year - Cash	(258)	(84)	(61)	(113)
Reversed Unused	(21)	0	(21)	0
Unwinding of Discount	6	3	0	3
<b>At 31 March 2019</b>	<b>2,054</b>	<b>888</b>	<b>42</b>	<b>1,124</b>

<b>Expected Timing of Cash Flows:</b>				
Within one year	189	84	42	63
Between one and five years	586	333	0	253
After five years	1,279	471	0	808
	<b>2,054</b>	<b>888</b>	<b>42</b>	<b>1,124</b>

As the 'Group' was not established at 1 April 2018, the brought forward balances relate to the Trust only.

Events which may lead to the transfer of financial benefits from the Trust are quantified in these Accounts if such a transfer is assessed by the Trust as probable. Otherwise such events are disclosed as Contingent Liabilities in Note 35.

\* Pensions - Early Departure Costs relate to Provisions for Early Retirements. The Provisions have been discounted at **0.29%** (2017/18: 0.1%) to reflect the time value of money. 'Arising during the period' for revised Pensions Provisions is charged to Other Expenditure and relates to changes in the life expectancies of the retirees which are recalculated each financial year.

\*\* Legal Claims relate to Public and Employee Liability (Personal Injury) Claims totalling **£42k** (2017/18: £88k). The Provisions are not discounted as they are expected to be settled within a reasonable period of time.

Personal Injury Claims are handled through the NHS Resolution (formerly NHS Litigation Authority) Risk Pooling Scheme up to the Trusts excess limits. Amounts and probability of settlement are assessed in accordance with recommendations given by NHS Resolution and external solicitors, where available.

\*\*\* Permanent Injury Benefits totalling **£1,124k** (2017/18: £802k). Provisions for Permanent Injury Benefits are discounted at **0.29%** (2016/17: 0.10%) to reflect the time value of money.

As at 31 March 2019 **£88,650k** (2017/18: £79,280k) is included in the Provisions of NHS Resolution in respect of Clinical Negligence and Liabilities of the Trust.



### 31. Analysis of Revaluation Reserve

Group & Trust	Total £000	Revaluation reserve - intangibles £000	Revaluation Reserve - PPE* £000
<b>Revaluation Reserve at 1 April 2018*</b>	<b>21,532</b>	<b>0</b>	<b>21,532</b>
Impairments	(8,690)	0	(8,690)
Revaluations	1,225	345	880
Transfer to I&E Reserve Upon Asset Disposal	(343)	(99)	(244)
<b>Revaluation Reserve at 31 March 2019</b>	<b>13,725</b>	<b>246</b>	<b>13,478</b>

\*As the 'Group' was not established at 1 April 2018, the brought forward balances relate to the Trust only.

Trust	Total £000	Revaluation reserve - intangibles £000	Revaluation Reserve - PPE* £000
<b>Revaluation Reserve at 1 April 2017</b>	<b>22,546</b>	<b>0</b>	<b>22,546</b>
Impairments	(7,576)	0	(7,576)
Revaluations	6,586	0	6,586
Transfer to I&E Reserve Upon Asset Disposal	(24)	0	(24)
<b>Revaluation Reserve at 31 March 2018</b>	<b>21,532</b>	<b>0</b>	<b>21,532</b>

\* PPE relates to Property, Plant and Equipment

### 32. Cash and Cash Equivalents

	Group & Trust 31 March 2019 £000	Trust 31 March 2018 £000
<b>At 1 April*</b>	<b>30,548</b>	<b>30,514</b>
Net Change in Year	(2,995)	34
<b>At 31 March</b>	<b>27,553</b>	<b>30,548</b>
Cash at Commercial Banks and in Hand	57	91
Cash with the Government Banking Service	27,496	30,457
<b>Cash and Cash Equivalents as in SoFP*</b>	<b>27,553</b>	<b>30,548</b>
Bank Overdrafts	0	0
Drawdown in Committed Facility	0	0
<b>Cash and Cash Equivalents as in SoCF**</b>	<b>27,553</b>	<b>30,548</b>

\*As the 'Group' was not established at 1 April 2018, the brought forward balances relate to the Trust only.

The fair values of cash and cash equivalents approximate to their carrying amounts.

\*SoFP relates to Statement of Financial Position (Page 2)

\*\* SoCF relates to Statement of Cash Flows (Page 5)

**33. Capital and Other Financial Commitments**

Commitments under capital expenditure contracts at the balance sheet date were as follows:

	<b>Group &amp; Trust 31 March 2019 £000</b>	Trust 31 March 2018 £000
Property, Plant and Equipment	858	4,686
Intangible Assets	406	160
	<b>1,264</b>	<b>4,846</b>

**The breakdown by project is:**

MRI/CT Development	0	1,817
ED Extension	0	1,727
Relax at the Royal	360	0
Urgent Care Village Enablers	115	0
Cancer Development	0	0
Theatres Refurbishment Project	0	0
Pharmacy Aseptic Refurbishment	17	399
IT, Intangibles & Telecoms	572	491
Medical Equipment	132	340
Other Building Work Projects	67	72
	<b>1,264</b>	<b>4,846</b>

The Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) as follows:

	<b>Group &amp; Trust 31 March 2019 £000</b>	Trust 31 March 2018 £000
Not later than 1 year	3,340	206
After 1 year and not later than 5 years	2,821	822
Paid thereafter	24	303
	<b>6,185</b>	<b>1,331</b>

**34. Events After the Reporting Period**

On 1 April 2019, approx. 700 staff were transferred to the Trust's 100% wholly owned subsidiary Derbyshire Support and Facilities Services Limited (DSFS) to support the delivery of an Operated Healthcare Facility (OHF) contract. The OHF contract is for 25 years and is delivered from DSFS to the Trust on an arm's length commercial basis.

**35. Contingent Liabilities and Assets**

There were no Contingent Liabilities in 2018/19 or 2017/18.

There were no Contingent Assets in 2018/19 or 2017/18.

**36. Related Party Transactions*****Transactions with Key Management Personnel***

IAS 24 requires disclosure of transactions with key management personnel during the year. Key management personnel is defined in IAS 24 as "those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity". The Trust has deemed that its key management personnel are the board members (Directors and Non-Executive Directors) of the Trust.

The requirement in IAS 24 to disclose the compensation paid to management, expense allowances and similar items paid in the ordinary course of an entity's operations is satisfied by the disclosures made in the Remuneration Report.

In addition to his non-executive director's salary, Dr David Pickworth received **£1,050** (2017/18: £3,500) for GP locum services he undertook for the Trust's Royal Primary Care services during the year. Dr Pickworth stepped down from his Non Executive role on 30 September 2018.

There were no other transactions with Board Members (excluding salaries) during both 2018/19 and 2017/18.

### **36. Related Party Transactions (continued)**

#### ***Other Interests Disclosures***

The following declarations were made by Board Members in relation to positions held by them or their partners in organisations which engage in business with the Trust:

All board members are deemed Trustees of Chesterfield Royal Hospital NHS Foundation Trust General Charity as Chesterfield Royal Hospital NHS Foundation Trust is the Corporate Trustee of the Charity.

Lee Outhwaite, Director of Finance and Contracting, declared that he is Trustee of the Health Finance Management Association (HFMA). He is also the Director of Finance of the Derbyshire STP. All transactions with this organisation is in the normal course of business and is on an arms length basis.

Tony Campbell, Chief Operating Officer, declared that he is Non-Executive Director of the East Midlands Leadership Academy (EMLA). All transactions with this organisation is in the normal course of business and is on an arms length basis.

Dr Helen Phillips, Chair, declared that her husband is Chairman of Stockport NHS Foundation Trust. All transactions with this body is in the normal course of business and are on an arms length basis.

Dr David Pickworth, Non-Executive Director declared that he is a Mental Health Assessor (DOLS) for Derbyshire County Council, with which the Trust undertakes financial transactions. Transactions are in the normal course of business and are on an arms length basis.

He also declared that he is a GP locum in the north Derbyshire area including for the Trust's Royal Primary Care services. Transactions with Royal Primary Care services have been disclosed on page 42.

#### ***Transactions with Governors***

Liam Clarke, public governor for High Peak declared that he is a member of NHS North Derbyshire CCG Primary Care Development Group. Transactions are in the normal course of business and are on an arms length basis.

Councillor John Boulton, partner governor, declared that he is a Councillor at Derbyshire County Council. Transactions are in the normal course of business and are on an arms length basis.

Councillor John Ritchie, partner governor, declared that he is a Councillor at Bolsover District Council. Transactions are in the normal course of business and are on an arms length basis.

Councillor Kate Caulfield, partner governor, declared that she is a Councillor at Chesterfield Borough Council. Transactions are in the normal course of business and are on an arms length basis.

Laura Moore, partner governor, declared that she is Deputy Chief Nurse at NHS North Derbyshire CCG. Transactions with this organisation are in the normal course of business and are on an arms length basis.

### 36. Related Party Transactions (continued)

#### Transactions with Other Related Parties

Chesterfield Royal Hospital NHS Foundation Trust is a Public Benefit Corporation licensed by Monitor - the Independent Regulator for NHS Foundation Trusts. All NHS Foundation Trusts are independent bodies which are not controlled by the Secretary of State. The Trust has considered whether or not the working relationships it has with any NHS bodies and Government departments and agencies meet the definition of a Related Party under IAS 24.

The value of transactions with related parties outside of the Government department bodies with which the Trust has had significant dealings and which therefore require disclosure are:

	2018/19		2017/18	
	Income	Expenditure	Income	Expenditure
	£000	£000	£000	£000
Value of transactions with board members (excluding salaries)	0	1	0	3
Value of transactions with key staff members (excluding salaries)	0	0	0	0
NHS Charitable Funds *	204	0	145	0
Non-consolidated Subsidiaries / associates / joint ventures	25	3	0	0
Other	0	0	0	0
	<b>229</b>	<b>4</b>	<b>145</b>	<b>3</b>

The value of balances as at 31 March with related parties outside of Government department bodies with which the Trust has had significant dealings and which therefore require disclosure are:

	As at 31 March 2019		As at 31 March 2018	
	Receivables	Payables	Receivables	Payables
	£000	£000	£000	£000
NHS Charitable Funds *	0	0	10	0
Non-consolidated Subsidiaries / associates / joint ventures	5	1	0	0
Other	0	0	0	0
	<b>5</b>	<b>1</b>	<b>10</b>	<b>0</b>

\* The Trust has received revenue and capital contributions from Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds (Registered Charity number 1052913). Chesterfield Royal Hospital NHS Foundation Trust is the Corporate Trustee of the Charity. Details of the transactions are shown below:

	2018/19	2017/18
	£000	£000
Contributions from Charitable Funds to Cover Expenditure	59	50
Capital Contributions from Charitable Funds	144	83
	<b>203</b>	<b>133</b>

As at 31 March 2019, there were no outstanding transactions between the Charity and the Trust (2017/18: £10k debtor).

### **36. Related Party Transactions (continued)**

#### ***Transactions with Department of Health & Social Care and NHS Organisations***

The Department of Health and Social Care is the parent government department of the Trust. The Trust has undertaken significant transactions (> £100k) with the following NHS organisations:

Care Quality Commission  
Derbyshire Community Health Services NHS FT  
Derbyshire Healthcare NHS FT  
Doncaster and Bassetlaw Teaching Hospitals NHS FT  
Gateshead Health NHS Foundation Trust  
Health Education England  
NHS Barnsley CCG  
NHS Bassetlaw CCG  
NHS England - Core (including S & T fund)  
NHS England - East Midlands Specialised Commissioning Hub  
NHS England - North Midlands Local Office  
NHS Erewash CCG  
NHS Hardwick CCG  
NHS Mansfield and Ashfield CCG  
NHS Newark and Sherwood CCG  
NHS North Derbyshire CCG  
NHS Resolution  
NHS Sheffield CCG  
NHS Southern Derbyshire CCG  
Nottingham University Hospitals NHS Trust  
Public Health England  
Sheffield Children's NHS FT  
Sheffield Health and Social Care NHS Foundation Trust  
Sheffield Teaching Hospitals NHS FT  
Sherwood Forest Hospitals NHS FT  
St Helens and Knowsley Hospital Services NHS Trust  
The Rotherham NHS FT  
University Hospitals of Derby and Burton NHS Foundation Trust  
University Hospitals of Leicester NHS Trust

#### ***Transactions with Other Government Organisations within the Whole of Government Accounts (WGA)***

The Other Related Parties within the scope of the Whole of the Government Accounts (WGA) scope which the

Chesterfield Borough Council  
Department for Business, Energy and Industrial Strategy  
Derbyshire County Council  
HM Revenue & Customs - Other taxes etc  
HM Revenue & Customs - VAT  
NHS Blood and Transplant  
NHS Pension Scheme  
NHS Professionals

#### ***Provisions for Impaired Receivables Relating to Related Parties***

There were **£1k** (2017/18: £nil) of Impaired Receivables in respect of amounts owed by Related Parties

There were **£nil** (2017/18: £nil) Impaired Receivables Written Off During the Year relating to Related Parties.

### **37. Financial Risk Management**

The Trust's activities do not significantly expose it to financial risks (liquidity risk, interest rate risk, credit risk and foreign currency risk).

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's Treasury Management Policy, Standing Financial Instructions and other policies agreed by the Board of Directors.

The Trust's Audit and Risk Committee oversees management compliance with financial risk management policies and reviews the adequacy of the risk management framework in relation to the financial risks faced by the Trust. The Trust's Audit and Risk Committee is assisted by Internal Audit (provided by 360 Assurance) who regularly review the Trust's financial risk management controls and procedures e.g. the Trust treasury activity is subject to review by the Trust's internal auditors.

International Financial Reporting Standard (IFRS 7 - Financial Instruments Disclosures) 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. IFRS 7 applies to all financial instruments within the scope of IAS 32.

Due to the continuing service/provider relationship that the Trust has with local commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by commercial business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IAS 32 and IFRS 9 are mainly aimed at. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risk facing the Trust in undertaking its activities.

#### **Liquidity Risk**

The Trust's cash flows are mainly stable and predictable. The Trust regularly reviews the level of cash required to fund its activities. This involves preparing a cash flow forecast for the next three years, planning for repayments of debt at its maturity and identifying an appropriate amount of headroom to provide a reserve against unexpected outflows.

The Trust largely finances its capital expenditure from funds made available through internally generated resources but the Trust has borrowed from the Department of Health in 2009/10 to finance new wards building and 2015/16 to fund a Theatre Refurbishment and a new Cancer building. Financing was drawn down to match the spend profile of the schemes concerned and the Trust is not, therefore, exposed to significant liquidity risks in this area. Both loans are for a period of ten years, the former one fully repaid in March 2019.

#### **Market Risk**

The aforementioned loans' interest is charged at the National Loans Fund rate, fixed at the time of signing the agreement. The 2009-10 loan rate was 2.84% and the 2015-16 loan rate is 1.71%. The Trust therefore has low exposure to interest rate fluctuations.

#### **Credit Risk**

The Trust's exposure to credit risk at the reporting date is the carrying value of cash at bank and short term deposits.

In the year, the Trust deposited surplus cash with the National Loans Fund and with the Government Banking Service (GBS). All cash deposits were in line with the Treasury Management policy agreed by the Board of Directors.

The majority of the Trust's income comes from contracts with other public sector bodies, and consequently the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2019 are in short term receivables from customers. No further credit risk provision is required in excess of the normal provision for bad and doubtful debts disclosed in the Trade and other receivables note.

### 37. Financial Risk Management (continued)

#### Foreign Currency Risk

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

### 38. Financial Instruments

#### 38.1 Financial Assets by Category

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

#### Carrying value of financial assets at 31 March 2019 under IFRS 9 - Group

	Total	Financial assets at amortised cost
	£000	£000
Receivables (excluding non financial assets) - with DHSC group bodies	12,873	12,873
Trade and other receivables (excluding non financial assets) - with other bodies	2,367	2,367
Other Investments / Financial Assets	10	10
Cash and Cash Equivalents at Bank and in Hand	27,553	27,553
<b>Total at 31 March 2019</b>	<b>42,803</b>	<b>42,803</b>

#### Carrying value of financial assets at 31 March 2019 under IFRS 9 - Trust

	Total	Financial assets at amortised cost
	£000	£000
Receivables (excluding non financial assets) - with DHSC group bodies	12,873	12,873
Trade and other receivables (excluding non financial assets) - with other bodies	9,839	9,839
Other Investments / Financial Assets	50,425	50,425
Cash and Cash Equivalents at Bank and in Hand	27,553	27,553
<b>Total at 31 March 2019</b>	<b>100,690</b>	<b>100,690</b>

#### Carrying value of financial assets at 31 March 2018 under IAS 39 - Trust

	Total	Loans and receivables
	£000	£000
Trade and other receivables (excluding non financial assets) - with NHS and DH bodies	8,794	8,794
Trade and other receivables (excluding non financial assets) - with other bodies	2,686	2,686
Cash and Cash Equivalents at Bank and in Hand	30,548	30,548
<b>Total at 31 March 2018</b>	<b>42,028</b>	<b>42,028</b>



**38. Financial Instruments (continued)****38.2 Financial Liabilities by Category**

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

**Carrying values of financial liabilities as at 31 March 2019 under IFRS 9 - Group**

	<b>Total</b>	<b>Financial liabilities at amortised cost</b>
	<b>£000</b>	<b>£000</b>
DHSC loans	13,856	13,856
Obligations Under Finance Leases	282	282
Trade and other payables (excluding non financial liabilities) - with DHSC group bodies	9,153	9,153
Trade and other payables (excluding non financial liabilities) - with other bodies	10,814	10,814
<b>Total at 31 March 2019</b>	<b>34,105</b>	<b>34,105</b>

**Carrying values of financial liabilities as at 31 March 2019 under IFRS 9 - Trust**

	<b>Total</b>	<b>Financial liabilities at amortised cost</b>
	<b>£000</b>	<b>£000</b>
DHSC loans	13,856	13,856
Obligations Under Finance Leases	48,565	48,565
Trade and other payables (excluding non financial liabilities) - with DHSC group	9,153	9,153
Trade and other payables (excluding non financial liabilities) - with other bodies	10,814	10,814
<b>Total at 31 March 2019</b>	<b>82,388</b>	<b>82,388</b>

**Carrying values of financial liabilities as at 31 March 2018 under IAS 39 - Trust**

	<b>Total</b>	<b>Financial Liabilities</b>
	<b>£000</b>	<b>£000</b>
DHSC loans	16,394	16,394
Trade and other payables (excluding non financial liabilities) - with NHS and DH bodies	1,279	1,279
Trade and other payables (excluding non financial liabilities) - with other bodies	10,797	10,797
<b>Total at 31 March 2018</b>	<b>28,470</b>	<b>28,470</b>

**38.3 Maturity of Financial Liabilities**

	<b>Group</b>	<b>Trust</b>	
	<b>31 March 2019</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within 1 year	21,741	26,396	14,700
Later than 1 year but less than 2 years	1,690	6,508	1,620
Between 2 and 5 years	5,004	20,493	4,860
After 5 years	5,670	28,945	7,290
<b>Total</b>	<b>34,105</b>	<b>82,342</b>	<b>28,470</b>

**38.4 Fair Values**

For current financial instruments (less than one year) the fair values are equal to their book values. The carrying amounts of all non-current financial assets and financial liabilities recorded at amortised cost in the Financial Statements approximate their fair values.

**39. Third Party Assets**

The Trust held **£38k** in cash and cash equivalents at 31 March 2019 (31 March 2018: £5k) which relates to monies held on behalf of patients.

This has been excluded from the Cash and Cash Equivalents figure reported in the accounts.

#### 40. Losses and Special Payments

	Group & Trust 2018/19		Trust 2017/18	
	Number	Value £000	Number	Value £000
<b>Losses:-</b>				
Cash Losses	3	0	7	1
Fruitless Payments and Constructive Losses	0	0	0	0
Bad Debts and Claims Abandoned	41	6	90	11
Damage to Buildings, Property etc. (including Stores Losses)	3	54	3	102
<b>Total Losses</b>	<b>47</b>	<b>60</b>	<b>100</b>	<b>114</b>
<b>Special Payments:-</b>				
Compensation (Under Legal Obligation) Payments	0	0	0	0
Extra Contractual Payments	0	0	0	0
Ex-Gratia Payments	11	4	19	7
Special Severance Payment	0	0	0	0
Extra-Statutory and Regulatory Payments	0	0	0	0
<b>Total Special Payments</b>	<b>11</b>	<b>4</b>	<b>19</b>	<b>7</b>
<b>Total Losses and Special Payments</b>	<b>58</b>	<b>64</b>	<b>119</b>	<b>121</b>

Losses and Special Payments have been accounted for on an accruals basis but exclude provisions for future losses.

There were no clinical negligence, fraud, personal injury, compensation under legal obligation or fruitless payment cases where the net payment exceeded £300k (2017/18: £nil).

The Trust did not make any gifts to individuals or other third parties during the year (2017/18: £nil).

#### 41. Initial application of IFRS 9 Financial Instruments

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £96k, and trade payables correspondingly reduced.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £1.853k.

#### 42. Initial application of IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

The application of IFRS 15 has had no impact on the income disclosed in these financial statements.

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## **Financial Accounts and Statements 2018 to 2019**

Chesterfield Royal Hospital NHS Foundation Trust

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