



Royal Papworth Hospital  
NHS Foundation Trust

ROYAL PAPWORTH

# Annual Report and Accounts April 2018 to March 2019



**Royal Papworth Hospital  
NHS Foundation Trust**

**Annual Report  
and Accounts**

**April 2018 to March 2019**

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### Quality Report

See separate contents page

### Annual Accounts

This report is based on guidelines issued by NHS Improvement and was approved by the Board of Directors on the 23 May 2019.

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# 1. Performance Report

## 1.1 Overview of Performance

### Statement from Chief Executive Officer

The last year 2018/19 has been an incredibly important one for Royal Papworth Hospital.

In the last year, our staff and partners have worked extremely hard to maintain our excellent quality standards whilst remaining on our Papworth Everard site for an extended period following the delay in the move to our new hospital. We had to carefully manage the consequences of the delay in our move whilst continuing to providing an excellent experience for our patients and supporting our staff who had been eager to move to their new site. Despite the huge amount of change we have experienced as an organisation, in the last 12 months we have seen 22,795 inpatients and day cases, and 93,852 outpatients, and we have maintained excellent clinical outcomes and very high scores in our NHS Friends and Family test, with 97% of our inpatients and 98% of our out patients saying they would recommend us as a place to receive treatment (February 2019). Our move is now complete and we treated our first patients at the new hospital on the Cambridge Biomedical Campus in May 2019.

We can also be proud of a number of significant achievements made in the last year. In June 2018 we moved over 200 staff to Royal Papworth House. In September we introduced a new pathway for patients suffering from high-risk NSTEMI; a type of heart attack caused by a severely narrowed artery. This new pathway means that patients identified as being high-risk are now transferred directly to Royal Papworth Hospital for treatment within 24 hours, rather than being admitted to an acute hospital first. This offers huge benefits to patients as high-risk patients achieve better outcomes if they receive treatment to unblock the heart's blood supply within 24 hours. In the six months since the new 'Rapid NSTEMI' pathway was launched in September, 134 patients have been accepted onto the pathway (over twice as many as predicted) with 87.3% patients receiving treatment within 24 hours of referral (and 91.8% receiving treatment within 24 hours of arrival at the Trust). As well as helping our patients receive quicker, safer treatment, the pathway has also led to a range of efficiencies in the wider healthcare system saving ambulance transfers; bed days spent in referring hospitals and reduced A&E attendances. The service is a key part of STP plans for pathway reforms and improving the quality of care for patients and has helping to ease pressures on NHS across the region.

2018 marked the centenary of the Trust and the 70<sup>th</sup> birthday of the NHS and we held a number of events that celebrated our centenary, the wider NHS and our relationship with the village of Papworth Everard since the foundation of the hospital.

Over the last 12 months we have improved digital maturity, becoming a Lorenzo Digital Exemplar site. We have introduced new functionality such as 'Lorenzo on the Wall' screens in clinical areas. We have achieved interoperability between our electronic patient record and the Epic system used at Cambridge University Hospitals through a two-way interface to record laboratory results

Of course, there have been many challenges too, as well as the delay in the move to our new hospital, like other hospital Trusts across England, we have faced many pressures due to staffing, finances and the increasing demand for our services. During the winter period in particular, we experienced a huge increase in demand for our for Extracorporeal Membrane

Oxygenation (ECMO) service, as well as high levels of transplant activity, which unfortunately led to cancellations for other patients and poor bed occupancy across the hospital.

However, while we have faced challenges with regards to staffing throughout the year, I must recognise the huge efforts of staff across the hospital to attract and retain high quality staff to support our patients before, during and after our move to the new hospital. A co-ordinated approach to recruitment campaign has seen for example our critical care nursing now having a waiting list of staff who want to work with our Trust.

The consolidated Trust financial position for the year is a reported a deficit of £11.45m (post impairment) and £9.89m (pre-impairment). This deficit is driven by the additional costs associated with the transition costs relating to the management of the move to the new Royal Papworth Hospital and the ongoing running costs of the site.

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

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

Stephen Posey  
Chief Executive  
23 May 2019

## Overview of Performance

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

### Hospital History and Statutory Background

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

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

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

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

### Our Services

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

The Hospital treated 22,795 inpatient/day cases and 93,852 outpatient episodes in 2018/19 from across the UK. Royal Papworth Hospital's services are internationally recognised and include cardiology, respiratory medicine, cardiothoracic surgery and transplantation.

### New Royal Papworth Hospital

In May 2019, we will move into our brand new heart and lung hospital on the Cambridge Biomedical Campus.

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

- 310 beds, with virtually all being single rooms
- 46-bed Critical Care Area including Cardiac Recovery Unit and Cardiac High Dependency Unit



- 7 state-of-the-art theatres
- 5 Catheter Laboratories
- 6 inpatient wards and a 24-bed day ward
- A centrally-located outpatient unit
- State-of-the-art diagnostic and treatment facilities

Information about the new hospital can be found on the Trust's website:

<https://royalpapworth.nhs.uk/>

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

In 2018/19 the Trust has continued to develop joint plans with the University of Cambridge to create a world-class Heart and Lung Research Institute (HLRI) alongside the new Royal Papworth Hospital. The HLRI will establish one of the largest concentrations of biomedical and scientific research into heart and lung disease in the UK leading to many future benefits to patients. The Institute will allow for significant expansion of basic and clinical research capacity in Cambridge and will also enable the co-location of research groups that are currently dispersed across Cambridgeshire.

Capital contributions totalling c.£12m have been committed by the UoC and the Trust, and the BHF have committed a £10m Strategic Initiative Award to the HLRI. The UoC has requested £30m from RPIF to bring the total available funds to c. £52m. If successful the remaining funds, c. £12.6m, are expected to be secured by the UoC from other philanthropic donations. The Trust and the UoC have agreed to work together in good faith and have formed a joint Project Board to oversee all aspects of the project including specification, construction, financial controls, equipment fit-out and building operational management arrangements.

Diseases of the heart and lung are some of the biggest killers worldwide. Despite a growing awareness of risk factors, such as smoking and poor diet, the prevalence of such diseases is increasing. The HLRI will provide a unique opportunity to establish a world-leading centre of excellence for heart and lung research and will be used by the Trust for research, clinical trials and education facilities.

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

### **Recruitment and Research Activity**

During 2018/19 we enrolled 3038 patients across a balanced portfolio of 63 studies that were open to recruitment with over 55% of these studies being interventional (testing of new therapies and treatments) (see the Quality Accounts for further information). In addition to this recruitment activity we managed the follow up visits for over 120 ongoing studies.

Royal Papworth Hospital ranked as the top recruiting site in the UK for over 20% and in the top 3 highest recruiters for over 50% of the multicentre NIHR portfolio studies we supported. The R&D department has worked hard to improve processes within the department and with the clinical teams. The department has restructured with the introduction of research teams with designated team leaders. This has resulted in an increase in studies recruiting to time and target.

### **R&D Highlights**

- Mr Sam Nashef was awarded a £850K grant from the Moulton Trust to evaluate the impact of cardiac surgery on patient's quality of life. The study aims to recruit 8004 patients from all cardiac surgical centres in the UK over the next 2 years.
- Dr Robert Rintoul and Dr Nitzan Rosenfeld (Cancer Research UK (CRUK)) were awarded a £2.6M CRUK programme grant to study circulating tumour DNA (ctDNA) in early stage lung cancer. This will also include set up of an 850 patient cohort of patients who have

had curative treatment for lung cancer and monitor them for development of second primary lung cancer.

- In September 2018, Papworth Clinical Trials unit gained full accreditation status from the UKCRC.
- The Trust is a collaborator on a number of Innovate UK grants in conjunction with a range of SME companies around the UK. These include, a novel treatment for Bronchopleural fistula (Mr Aman Coonar), a diagnostic test for *Mycobacterium* (Prof A Floto), and a National Artificial Intelligence project (Dr N Screaton).

### **Research Impact and Publications**

Over 290 papers with Royal Papworth Hospital authors were published during 2018 across a breadth of clinical disciplines and published in a range of journals. This is over 30% increase from 2017.

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

### **Royal Papworth Hospital Charity**

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

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

The Charity Annual Report and Accounts for the year ended 31 March is published separately and will be available on the Trust's website after it is submitted to the Charity Commission by the January 2020 deadline.

Further information on Papworth Hospital Charity is available at:

[www.papworthhospitalcharity.org.uk](http://www.papworthhospitalcharity.org.uk).

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

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

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

Academic Health Science Centres (AHSC) have been created by the Department of Health as they looked to identify outstanding clinical partnerships in England. Six centres in total have been created and they were chosen due to their links with university research, clinicians and business as well as their capacity to further develop collaboration to improve healthcare

for patients. CUHP was set up as a Limited Company in 2009 and was reaccredited in 2014 by the National Institute for Health Research for three years.

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

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

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

## **Highlights 2018/19**

### **Rapid NSTEMI pathway**

On Monday 10 September we launched a new pathway for patients with high-risk NSTEMI (a type of heart attack) in partnership with the East of England Ambulance Service, Cambridge University Hospitals and North West Anglia NHS Foundation Trusts. The Rapid NSTEMI pathway sees high-risk patients transferred immediately to Royal Papworth Hospital for coronary angiography and revascularisation, rather than being admitted to an acute trust first. In its first year, the new pathway has the potential to save the NHS 125 ambulance transfers, 604 occupied bed days and £238,000 while improving outcomes for patients.

### **Bidirectional interface with CUHFT**

Blood test results from patients at Royal Papworth Hospital can now be sent electronically from the laboratory at CUH back to Royal Papworth, thanks to a new link between the different electronic patient record systems used at the two Trusts. The complex link between the two systems means that clinicians will receive results from blood tests – which are analysed at the CUH laboratory – much more quickly than if they had to wait for them to arrive by post. It is hoped that the electronic link will also lead to a reduction in transcribing errors, as clinicians will no longer have to enter test results manually into Lorenzo, the electronic patient record system used here at Royal Papworth. The interface, which went live on 16 October 2018, marks the first ever connection between Lorenzo and the Epic electronic patient record system used at CUH. Eventually it is hoped that further connections will be developed to allow other types of clinical information to be shared, benefitting the many patients who receive treatment at both hospitals.

### **Completion of new hospital construction**

Construction work on our new hospital building on the Cambridge Biomedical Campus was completed in January 2019 and we received handover of the building from our construction partner, Skanska. Several teams – including the Project team, Digital and Medical Engineering teams – moved into the new building to carry out equipping and staff training in preparation for our move in May 2019.

### **Cardiovascular Outcomes – NICOR report 2014-2017**

Royal Papworth Hospital is the best-performing NHS hospital in the country for cardiac surgery survival, according to a report published in January. Over a three-year period, the hospital had a risk adjusted survival rate of 98.81%. The national survival rate for this group of patients is 98.16%. During that time, Royal Papworth also performed the most procedures, recording 5,722 cases, making it both the biggest and best-performing cardiac surgery unit in the UK. The data comes from the National Institute for Cardiovascular Outcomes Research (NICOR) report, which looked at hospital performance between 2014 and 2017.

### **Annual Report on Cardiothoracic Transplantation**

Royal Papworth Hospital had a number of the UK's best survival rates for heart and lung transplants, according to a report published by NHS Blood and Transplant (NHSBT) in September 2018.

The report identifies that the national 30 day rate of survival following adult heart transplantation was 90.8%, which ranged from 83.6% to 95.3% across centres (risk-adjusted), with some evidence of a significantly higher rate of survival at Papworth (95.3%). The national 1 year survival rate was 83.2%, ranging from 76.3% to 90.0% across centres (risk-adjusted), again with some evidence of a significantly higher rate at Papworth. The national 5 year survival rate was 69.2%, ranging from 48.5% to 76.8% across centres (risk-adjusted). There was also some evidence of higher survival at five and ten years at Papworth, compared with the national rates.

For lung transplant the 90-day post-transplant all centres were statistically consistent with the national rate of survival which was 89.4%. Papworth had a rate of 92.6% (92.9% risk adjusted).

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

### **Celebrating our staff**

On Thursday 14 March, we held our annual staff awards ceremony in our new hospital, just a few weeks before it opened to patients. We were able to put on a fantastic evening of celebration for around 160 staff members.

## Strategy and operational plans

In 2019 the Royal Papworth Hospital NHSFT (RPH) is developing its strategy for 2019 – 2024. The current strategy will essentially be completed in 2019 with the move to the Cambridge Biomedical Campus. A new strategy is needed to set out a clear direction of travel for the future, guide decisions on priorities and investments, and steer the ongoing development of both services and partnerships. This is being developed at a time when the environment is characterised by unprecedented challenges, opportunities, and change. The strategy must respond appropriately and positively to these drivers; and so it is vital that these factors are clearly understood by all involved in the development of our strategy.

The new NHS Plan helpfully identifies both cardiovascular and respiratory disease as priority areas for attention and investment, as major contributors to death and disability. The emphasis throughout is firmly on prevention, early detection and treatment in primary care, and rehabilitation; with the aim being to avoid or reduce the need for care in an acute setting.

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

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

We have agreed Strategic Objectives for 2019/20 as set out in the table below together with the method of measurement:



## Strategic Objectives

2019/20 Strategic Objectives	Measure:
<b>1.1 Our Patients:</b> We will implement our Quality Strategy (2019-2022) and further embed our Quality Improvement methodology to deliver continuous quality improvement, supporting excellent care and outcomes.	PIPR: Safe KPIs & Caring KPIs and Quality Account measures.
<b>1.2 Our Patients:</b> We will deliver our activity plan and meet our patient access targets.	PIPR: Responsive KPIs, Effective KPI's, Contract compliance and RTT recovery plan measures.
<b>2.1 Our Staff:</b> We will, during this period of change, invest in our leaders to enable them to be the best they can be to support our incredible staff to deliver excellent patient care.	PIPR: People, Management and Culture KPIs and Staff survey results.
<b>2.2 Our Staff:</b> We will continue to enhance our reputation as an employer and attract high quality staff to work with us in all roles and departments.	PIPR: People, Management and Culture KPIs and Staff survey results.
<b>3.1 Our Resources:</b> We will deliver a safe and effective move to our new Royal Papworth Hospital.	PIPR: Transformation KPIs and the MCP .
<b>3.2 Our Resources:</b> We will deliver our financial plan and recovery programme, supporting the Trust's return to financial sustainability.	PIPR: Responsive KPIs, Effective KPI's, Contract compliance and RTT recovery plan measures.
<b>4.1 Our Partners:</b> We will use the opportunity of our new hospital and location to innovate, develop partnerships with external organisations and further build upon our reputation as one of the world's leading heart and lung hospitals.	Develop 24/7 Cardiology services across the patch; developing & extending the N-STEMI pathway; STP, CTP, MCP plan delivery.
<b>4.2 Our Partners:</b> We will work closely with our Sustainability and Transformation Partnership (STP) partners to support delivery of our system plan and, through our leadership of cardiothoracic services, to refine patient pathways to improve outcomes and patient experience.	NHS Digital, CUHP, STP and CTP milestone achievement.

For further information on our strategic objectives see our Strategic and Operational Plans submitted to NHS Improvement: <https://improvement.nhs.uk/about-us/corporate-publications/publications/Royal-Papworth-Hospital-NHS-Foundation-Trust/>

**The key risks for 2019/20 are:**

Risk Description	Mitigation
<p><b>Workforce Recruitment and Retention</b> The inability to recruit and retain mission critical staff (including registered nurses, other professional staff and all non-medical staff groups) resulting in an impact on clinical services, maintaining capacity, pressure on existing staff and failure to meet NHSI agency ceiling and safer staffing levels. Whilst vacancy levels have reduced over the last year there remain high vacancy rates in some areas that impact on the provision of required activity levels. The significant organisational change, primarily the increase in travel time for staff, as a result of the relocation of the hospital has had an negative impact on retention of staff. The national shortages of key professional groups such as nursing means that there will be a continuing impact on the ability of the Trust to recruit staff.</p>	<p>The Trust has a Recruitment and Retention Strategy which includes overseas recruitment campaigns and a programme for assisting overseas nurses to gain registration, proactive social media campaign, engagement with HEIs across the country and regular recruitment events including some jointly with CUH, promotion of return to practice option. The Recruitment and Retention Strategy addresses how we seek to retain staff by supporting and developing them. In addition we have taken specific actions to mitigate the impact of the relocation of the hospital including : an excess daily travel allowance to support staff travelling to the new site, working with campus partners to commission a new bus routes from the west of Cambridge to the new site, a free bus service from the new staff accommodation in Waterbeach to the existing site to support staff in remaining with the Trust during the delays to the relocation.</p>
<p><b>New Royal Papworth Hospital (including Hospital Move ‘cut over’)</b> Affordability; construction, equipping, Cambridge Transition Programme, ICT and telecoms and cut over planning; construction delays; future</p>	<p>Risk documentation and tracking; Standalone solutions where appropriate; Significant internal audit work performed during 2018/19 (see later in Annual Governance Statement for more detail); Review by the Project Board and Strategic Projects Committee, including ‘Go or No Go Decision’); Escalation process to the Board of Directors.</p>
<p><b>Cambridge Transition Programme (part of New Royal Papworth Hospital move)</b> Failure to secure mission critical services prior to move to NPH.</p>	<p>CEOs and Teams at Royal Papworth and CUH are working together to resolve mission critical services with agreement that NPH is a joint endeavour. Alternative plans to joint working are being developed where these are more appropriate.</p>
<p><b>Finances</b> The Trust’s financial position due to national NHS financial pressures, risks to delivery of activity, or change in casemix, the move to the new hospital and the need to identify cost improvements have potential risks to impact on quality. The conclusion of the disposal of residual estate (impact on the cash position Q1 &amp; Q2 2019/20);  Delay in implementation of changes in the national tariff for transplantation.</p>	<p>Quality Impact assessments for all CIP/SIP. Continually reviewing environment through CQC matron ward rounds (weekly) and PLACE inspection (1 per year). Escalation to Nursing advisory group and Quality and Risk Committee. Maintenance work plan from estates. Weekly review of Family and Friends feedback escalated to estates if patient environment needs addressing. On-going discussions with Commissioners and Regulators.</p>

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

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

### Going Concern

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

The Trust is required by the Group Accounting Manual (GAM) to prepare accounts on a going concern basis. The GAM states: *4.11 The FReM notes that in applying paragraphs 25 to 26 of IAS 1, preparers of financial statements should be aware of the following interpretations of Going Concern for the public sector context.*

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

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

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

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

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

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

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

## 1.2 Performance Analysis

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

### Meeting Specialist Healthcare Needs – Treating More Patients

2018/19 has been another busy year for Royal Papworth Hospital and the specialist services provided by our dedicated staff. The number of patient episodes seen at the hospital was 116,647 (2017/18: 116,536) and the tables below provide a breakdown of this demand across our services.

#### Inpatients and day cases

	2018/19	2017/18	2016/17	2015/16	2014/15
Cardiology	8,318	8,213	8,843	8,548	8,118
Cardiac Surgery	2,252	2,235	2,418	2,561	2,613
Thoracic Surgery (incl PTE)	933	887	888	907	918
Respiratory Support and Sleep Centre	6,064	7,631	7,096	6,901	6,975
Transplant/Ventricular Assist Devices	673	698	885	949	913
Thoracic Medicine	4,555	4,627	5,081	4,809	4,427
<b>Total</b>	<b>22,795</b>	<b>24,291</b>	<b>25,211</b>	<b>24,675</b>	<b>23,964</b>

#### Outpatients

	2018/19	2017/18	2016/17	2015/16	2014/15
Cardiology	39,812	37,141	37,122	34,416	31,681
Cardiac Surgery	3,604	4,727	5,557	6,139	4,657
Thoracic Surgery	1,266	1,393	1,367	1,510	1,270
Respiratory Support and Sleep Centre	23,632	23,724	24,614	22,161	21,039
Transplant/Ventricular Assist Devices	4,168	3,820	3,435	3,476	3,442
Thoracic Medicine	21,370	21,440	20,491	19,264	19,105
<b>Total</b>	<b>93,852</b>	<b>92,245</b>	<b>92,586</b>	<b>86,966</b>	<b>81,194</b>

### Control of Infection

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

Goals 2016/17	Outcome 2016/17	Goals 2017/18	Outcome 2017/18	Goals 2018/19	Outcome 2018/19	Goals 2019/20
No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia	3 MRSA bacteraemia	No MRSA bacteraemia	1 MRSA bacteraemia	No MRSA bacteraemia
No more than 5 C. difficile cases *	Total for year = 0	No more than 5 C. difficile cases *	Total for the year= 3	No more than 4 C. difficile	Total for the year 2	No more than 11 C.difficile
Achieve 100% MRSA screening of patients according to agreed screening risk assessment	98%	Achieve 100% MRSA screening of patients according to agreed screening risk assessment	98.7%	Achieve 100% MRSA screening of patients according to agreed screening risk assessment	97% data collected between April 18 – February 19 Q4 data is not currently available	Achieve 100% MRSA screening of patients according to agreed screening risk

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

**\*Please note: The figures reported in the table are the number of C.difficile cases and MRSA bacteraemias attributed to the Trust and added to our trajectory ceiling targets.**

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

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

### Performance of Trust against selected metrics

Throughout 2018/19 we have continued to measure our quality performance against a number of metrics. The Table below sets out our performance against the national operational metrics identified in Appendix 3 to NHS Improvement's (NHSI's) Single Oversight Framework which are applicable to Royal Papworth Hospital.

### Operational performance Metrics

Indicator	Target pa	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-17	Jan-19	Feb-19	Mar-19	YTD actual
18 weeks Referral to Treatment (RTT)*	>92%	83.38%	83.62%	83.82%	84.52%	85.65%	87.31%	88.45%	89.49%	90.49%	90.91%	90.35%	90.30%	87.41%
62 day cancer wait *	>85%	100.00%	100.00%	92.90%	78.6%	71.4%	100.00%	100.00%	71.4%	71.4%	100.00%	100.00%	80.00%	88.3%
31 day cancer wait	>96%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	93.1%	100.00%	100.00%	100.00%	100.00%	99.3%
6 week wait for diagnostic	>99%	99.59%	99.14%	99.55%	99.60%	99.50%	99.23%	99.08%	99.18%	99.36%	99.42%	99.28%	99.31%	99.35%
C. difficile (sanctioned)	Less than 5	1	1	0	0	0	0	0	0	0	0	0	0	2
Number of patients assessed for VTE on admission	>95%	94.00%	94.00%	94.33%	94.33%	94.50%	94.24%	92.04%	92.00%	86.64%	86.66%	96.66%	93.33%	92.64%

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



### Care Quality Commission (CQC)

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

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

Ratings		
Overall rating for this trust		Good 
Are services at this trust safe?	Good	
Are services at this trust effective?	Outstanding	
Are services at this trust caring?	Outstanding	
Are services at this trust responsive?	Good	
Are services at this trust well-led?	Good	

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

### Patient Safety Incident Trends and Actions

There were a total of 2,628 patient incidents reported during the financial year compared to 2,499 in the previous year; an increase of 129 reports. In 2018/19 there were 2,278 actual incidents reported (2,208 in 2017/18) and 350 near miss incidents (291 in 2017/18).

Those graded as near miss (13%) and no/low harm over the last 12 months (80%) demonstrates a continuous readiness to report and learn from all types of incidents. There has been a request for staff to report incidents in order to demonstrate an open and fair culture of learning and no blame. This process also captures the clinical consideration given to all types of incidents, with moderate harm incidents and above being reviewed at the Trust's new Serious Incident Executive Review Panel (SIERP).

All moderate harm incidents and above have investigations and associated action plans, which are managed by the relevant business unit and monitored by the Quality and Risk Management Group (QRMG). Lessons learnt are shared across the organisation via the quarterly Lessons Learnt report on the intranet, Grand Round presentations and local dissemination via Business Units and specialist meetings.

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

### 2018 National Adult Inpatient Survey

Royal Papworth Hospital performed very well in the latest National Inpatient Survey and improving our overall response rate from 59% to a 63% (against an average of a 43% response rate for similar organisations included in the Picker Average who undertook the survey on our behalf).

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

### Oncology/62 day cancer waits

Like all other hospital trusts, Royal Papworth Hospital is expected to treat 85% of patients referred on a 'fast track' pathway with suspected lung cancer within 62 days of referral. As Royal Papworth only treats lung cancer and is never the first hospital on a patient's pathway the achievement of the 85% single cancer site-specific target continued to be challenging in 2018/19 but was achieved.

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

### Financial Review 2018/19

This part of the Annual Report provides a review of the financial performance for the year ending 31 March 2019.

#### Summary of financial performance

As at 31 March 2019, the Trust had delivered the following performance:

	Plan	Year end
EBITDA *	£(0.60)m	£0.19m
Year-end deficit	£(17.02)m	£(10.23)m
Cash Balance	£4.60m	£22.72m
Use of resources rating	3	3

\*Earnings Before Interest, Tax and Amortisation

- The year-end deficit of £(10.23)m included an impairment relating to the old hospital site of £1.56m;
- The capital programme was underspent by £3.53m due to the delay in the hospital move compared to the original plan and a capital contingency that was not utilised;
- The cash balance of £22.72m was favourable to plan by £18.12m due to an improved working capital position driven from the trading position and the delays to the capital equipping programme following the move delay.

#### 2018/19 Income by Commissioner and Service

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

##### 2018/19 Income by Commissioner

	£'000
NHS England	98,473
Cambridgeshire and Peterborough CCG	13,070
West Suffolk CCG	4,126
West Norfolk CCG	2,841
Ipswich & East Suffolk CCG	1,606
Bedfordshire CCG	2,194
East and North Hertfordshire CCG	1,165
South Lincolnshire CCG	1,348
West Essex CCG	1,223
Other CCGs	4,459
Other NHS	3,485
Private patients	8,115
Other non-NHS	12
<b>Total patient service income</b>	<b>142,117</b>

## 2018/19 Income by Service

	£000's
<b>Admitted patient care</b>	
Cardiology	31,594
Cardiac surgery	24,488
Thoracic surgery	11,399
Respiratory Support and Sleep Centre	7,070
Transplant/Ventricular Assist Devices	18,387
Thoracic Medicine	11,749
Clinical and diagnostics	15,171
<b>Total Admitted Patients</b>	<b>119,858</b>
<b>Outpatients</b>	
Cardiology	5,362
Cardiac surgery	635
Thoracic surgery	212
Respiratory Support and Sleep Centre	3,898
Thoracic Medicine	2,876
Diagnostics	2,404
<b>Total Outpatients</b>	<b>15,387</b>
Agenda for Change (pay award central funding)	<b>1,153</b>
MFF (inpatients and outpatients)	<b>5,719</b>
<b>Grand total (Inpatients and Outpatients)</b>	<b>142,117</b>

## Looking Ahead

### Financial Plan 2019/20

Royal Papworth Hospital has a track record of successfully meeting the demand for specialist cardiac services, adapting to local and national changes in the healthcare system whilst pioneering and establishing new treatments and procedures to provide the best possible level of patient care to patients. The Trust is going through a significant period of change with the relocation of the hospital to the Cambridge Biomedical Campus in May 2019 and together with the financial challenges in the NHS both locally and nationally, it is increasingly imperative that the Trust deliver clinical excellence whilst maintaining financial stability.

Royal Papworth Hospital is fully engaged in the system wide transformation programme that is underway with our five neighbouring NHS providers, the Clinical Commissioning Group and local authority partners. Locally the Trust is also actively involved with Cambridge University Hospitals (CUH) in the Cambridge Transition Programme (CTP) in line with the move to the new hospital site on the Cambridge Biomedical Campus in May 2019. The impacts of this move have been reflected in the Operational Plan submissions.

In addition, the Trust agreed Strategic Objectives for 2019/20 as have been set out above.

The Trust is planning to deliver a £15.5m deficit on a Control Total basis – pre Financial Recovery Funding (FRF) / Prover Sustainability Funding (PSF) in 2019/20, a £nil (break-even) position on a Control Total basis post FRF/PSF and a bottom line surplus of £11.6m (post profit on sale of assets).

This Operational Plan reflects the impact of the agreed contracts with the Trust's largest commissioners, NHS England - Specialised Commissioning Midlands and East (East of England) and Cambridgeshire & Peterborough Clinical Commissioning Group.

### Environmental matters

See sustainability section of Annual Report.

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

See Staff Report and Sustainability Report.

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

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

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

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

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

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

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

Stephen Posey  
Chief Executive and Accounting Officer  
23 May 2019

## 2. Accountability Report

### 2.1 Director's Report

#### Composition of the Board

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

#### Non-executive Directors

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

#### Register of Interests

At the time of their appointment, all Directors are asked to declare any interests on the Register of Directors' Interests. There is a standing item on all Board of Directors and Committee meetings to confirm/update declarations of interest. The register is held by the Trust Secretary and updated annually or as required during the year and interests are recorded in the minutes of the Board. The register is available to the public and published on the Trust website. Anyone who wishes to see the Register of Directors' Interests should make enquiries to the Trust Secretary at the following address: The Trust Secretary, Royal Papworth Hospital, Papworth Road, Cambridge Biomedical Campus Cambridge, CB2 0AY.

#### Political Donations

No political donations have been made by Royal Papworth Hospital NHS Foundation Trust in the 2018/19 financial year. No political donations were made in previous years.

#### Cost allocation and charging

During the year 2018/19, the Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

#### Better Payment Practice Code

The Better Payment Practice Code requires the Trust to aim to pay all valid invoices by the due date or within thirty days of receipt of goods or a valid invoice, whichever is later. Furthermore, the Trust has made efforts to play its part in assisting small and medium sized enterprises in these more challenging financial times through aiming to make payment within ten days where possible.

The Trust endeavours to make payments within the timescales required by the Code and aims to pay 95% of invoices within 30 days or within agreed contract terms. In 2018/19 86.6% (2017/18: 79.0%) of non-NHS invoices were settled within 30 days of invoice date and 69.9% (2017/18: 60.2%) of NHS invoices. The Trust paid £0 (2017/18: £0) of interest under the Late Payment of Commercial Debts (Interest) Act 1998 during.

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

Under the NHS Foundation Trust Code of Governance the Directors of Royal Papworth Hospital NHS Foundation Trust are required to prepare financial statements for each financial year. The Directors consider the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable and provide the information necessary for patients, regulators and stakeholders to assess the Trust's performance, business model and strategy.

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

The income from the provision of goods and services for the purposes of the health service in England during 2018/19 was greater than the income from the provision of goods and



services for any other purposes. Private patient income was £8.12m (£8.15m 2017/18) or 5.4% (6.1% 2017/18) of total patient income.

## **Quality and Risk**

### **Quality Strategy**

Our Quality Strategy has been reviewed and refreshed in 2018 and builds on the foundations and achievements of previous Trust strategies. We have made excellent progress over the past three years and our new strategy provides the opportunity to reflect on our achievements and journey so far, and to refresh our Quality Ambitions and Objectives for the next 3 years. Our Strategy is aligned to and takes into account of the National Quality Improvement (QI) agenda, current QI research, and National QI leadership programmes. This includes the Trust Board endorsement to implement the Culture and Leadership Programme co-designed between NHS Improvement and the Kings Fund, which will start in 2019 and support the delivery of our Quality Strategy.

At Royal Papworth Hospital we pride ourselves on our ability to deliver state-of-the art medicine with excellent patient outcomes. However it is important to always strive for improvement in the care which is given to our patients and look at new and innovative ways to do this. We believe that high quality care is only achieved when safety, clinical effectiveness and positive patient experience are present; not just one or two of them.

For further information see Quality Report.

### **Quality Governance**

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

### **Approach to Quality Improvement**

Quality Improvement Capability is described in the Quality Strategy, the Trust intends to build quality improvement capability from novice to expert. This is a continuation of the work already underway to improve the safety and continuous improvement culture within the Trust. Our Strategy is aligned to and takes into account the National Quality Improvement (QI) agenda, current QI research and National QI leadership programmes. This includes the Trust Board endorsement to implement the Culture and Leadership Programme co-designed between NHS Improvement and the Kings Fund, which will start in 2019 and support the delivery of our Quality Strategy.

For further information see the Quality and Risk Quarterly and Annual Reports on our web site <https://royalpapworth.nhs.uk/our-hospital/information-we-publish>

### Commissioning quality priorities 2018/19

The Commissioning Quality Priorities for 2018/19 are set out below. Monitoring of the quality priorities continued through the year using the quality dashboard and quality accounts, overseen by the Quality and Risk Committee. Quarterly quality reviews were undertaken with lead commissioners. The Trust continues to aim to align its quality priorities with those set by the national agenda, and those agreed with commissioners through the contracting process and as part of the Commissioning for Quality and Innovation (CQUIN) programme.

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

<b>National CQUINs</b>
GE3: Hospital Medicines Optimisation
IM2: Cystic Fibrosis Adherence
NSTEMI Pathway
NSTEAC pilot
Cardiac Clinical Network
<b>CCG CQUINs</b>
1a: Improvement of Health and Wellbeing of NHS Staff
1b: Healthy food for NHS staff, visitors and patients
1c: Improving the uptake of flu vaccinations for front line clinical staff
2a: Timely identification of sepsis in acute inpatient settings
2b: Timely treatment of sepsis in acute inpatient settings
2c: Antibiotic review
2d: Reduction in antibiotic consumption
6: Offering advice and guidance
7: NHS e-Referrals
9a: Tobacco screening
9b: Tobacco brief advice
9d: Alcohol screening
9e: Alcohol brief advice or referral
Engagement in STP process

The Trust received 99.6% of its CQUIN funding for 2018/19. For further information on CQUINs see the Quality Report.

### Commissioning quality priorities 2019/20

For 2019/20 the NHSE specialised 2019/20 CQUIN schemes and non-specialised CCG CQUIN schemes have been agreed and are set out below:

<b>Specialised CQUIN Schemes:</b>
GE3 Hospital Medicines Optimisation
Rethinking conversations/Shared decision making
NSTEMI Pathway
Cardiac Clinical Network
<b>Non Specialised CQUIN Schemes:</b>
CCG 2 Staff Flu Vaccinations
CCG 3a Alcohol & Tobacco - Screening
CCG 3b Tobacco Brief Advice
CCG 3c Alcohol Brief Advice
CCG 7 Three High Impact Actions to Prevent Falls

## Royal Papworth Hospital's Quality Account Priorities 2018/19

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

For further information see the Quality Report - Part 2.

## The Trust's quality priorities 2019/20

To determine priorities for 2019/20 the Trust reviewed its clinical performance indicators for the year and the feedback from on-going consultation with service users on the range and quality of services provided. A wide range of methods are used to gather information, including national patient surveys, real-time patient feedback from the Trust-wide patient experience data collection tool, concerns, compliments and complaints. Having identified potential priorities, the Trust consulted with clinical teams, Governors, Quality and Risk Committee and Patient & Public Involvement Committee before final priorities were selected. Our priorities for 2019/20 reflect the three domains of quality, patient safety and clinical effectiveness & patient experience. They are:

- Quality Improvement
- A safe Hospital Move
- Optimise Lorenzo
- Leadership and Culture

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

## NHS Improvement's well-led framework

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

Utilising the NHSI guidance we have undertaken a developmental self-assessment of our leadership and governance using the framework as part of our continuous improvement. This self-assessment has been used to identify areas where we need to improve. A Fundamentals of Care Board has been established which is overseeing the implementation of improvements. We have worked at a directorate level to improve the governance and support structures. We have worked with our bookings teams to develop KPIs and delivered training across a range of staff. This has been a significant piece of work which looked at cultural change and a movement towards a responsive and professional business support function.

The performance review cycle for the Board has been reviewed and improvements made which ensure that all Executives and Non-Executive Directors have performance reviews completed by the end of the financial year and objectives set for the coming year in line with the Corporate Objectives. These objectives are then cascaded to individual Executive Directors teams. The performance review process includes individual 360 feedback.

## **Patient Experience**

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

This is an assessment of how the environment supports patients' privacy and dignity, food, cleanliness and general building maintenance. The latest published assessment was held in August 2018.

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

### **Patient and Public Involvement**

Royal Papworth Hospital has a Patient and Public Involvement Committee (PPI) of the Council of Governors which monitors patient experience, and is involved in setting the priorities for the Quality Accounts for the year. The Trust established a Patient and Carer Experience Group in year (formerly the PEP) with extended membership and including patient and support group representatives and representation from Healthwatch. The PEP and the PCEG group met on several occasions during the year and are represented on the PPI Committee.

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

- Pulmonary Hypertension;
- Mesothelioma;
- Pulmonary Fibrosis
- Transplant Patient Support Group.

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

### **Complaints Handling**

Listening to the patient experience and taking action following investigation of complaints is an important part of our quality improvement framework. In 2018/19 Royal Papworth Hospital received 54 formal complaints from patients. Of the 54 complaints reported (24 inpatient and 30 outpatient complaints) 53 were relating to NHS provided services with 1 complaint relating to private patient services at Royal Papworth Hospital. The overall numbers of complaints received is decreased on the number received during the previous year when 70 complaints were received (23% decrease). All formal complaints received have been subject to a full investigation, and throughout the year service improvements have been made as a result of analysing and responding to complaints. Communication /Information and Delay in Diagnosis/ Treatment or Referral categories were the highest reason for complaints in 2018/19.

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

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

## **Other Highlights of 2019-20**

### **Student Nursing Times Awards**

Royal Papworth Hospital's Critical Care Team was shortlisted for two categories at this year's Student Nursing Times Awards. The team was highly-commended for the Student Placement of the Year and Partnership of the Year awards – the latter with our partner, Anglia Ruskin University.

### **NHS Heroes Awards**

On Monday 14 May, Royal Papworth surgeons Mr Stephen Large and Mr Steven Tsui received the 'Hero Pioneer Award' at the ITV and Daily Mirror NHS Heroes Awards. The award recognises their work to establish the DCD heart transplantation programme at Royal Papworth Hospital. The event was broadcast on ITV1 on Monday 21 May and covered in a wide range of national and local media outlets, helping to raise awareness of this innovative procedure which had already saved more than 40 lives.

### **Strategic partnership with Philips Electronics UK Limited**

On Monday 11 June, Royal Papworth Hospital signed up to a strategic partnership with Philips Electronics UK Limited to explore new healthcare innovations. As part of the hospital's commitment to working with industry to tackle major heart and lung conditions, the two organisations agreed to team up on a number of projects that have the potential to transform patient care.

### **Celebrating 100 years at Papworth**

On Wednesday 27 June we held a thanksgiving service at 6pm in Papworth Village Hall, conducted by the Bishop of Ely. The service, which was part of our centenary celebrations, was a chance to give thanks for everything the hospital has achieved over the last 100 years and the many people whose lives have been changed as a result of the hospital's work.

We also held a summer fete here in Papworth Everard to recognise 100 years of partnership with the village. The event, which raised funds for Royal Papworth Hospital, featured a huge range of traditional fete activities as well as stalls about our history, the work of our Research and Development team and our wards.

On 5 July, the 70th anniversary of the NHS, we held a screening of our new documentary 'Papworth: A Moving Story' at Cambridge Arts Picturehouse. The film had been made to celebrate our centenary thanks to support from the Heritage Lottery Fund and Papworth Hospital Charity. Further screenings took place in Papworth Everard and Saffron Walden later in the year.

### **New offices at Royal Papworth House in Huntingdon**

On Monday 25 June, we opened our new office at Royal Papworth House in Huntingdon. Up to 200 staff members from departments including Workforce, Research and Development and the Booking team are now based in the new office, all making a vital contribution to our services.

### **New staff accommodation opened**

On Monday 25 June, we accepted handover of our new staff accommodation at Waterbeach. This is a significant project which enables us to provide 230 new units of high quality staff accommodation to current and future staff members.

### **'How the NHS Changed our World' documentary**

On Monday 25 June, BBC2 broadcast a documentary about Royal Papworth Hospital as part of a series called 'How the NHS Changed our World'. The documentary, which was part of the channel's NHS 70<sup>th</sup> anniversary programming, looked at the history of heart and lung transplantation at the hospital.



### **Annual Members' Meeting**

On Wednesday 19 September, we held our Annual Members' Meeting for Foundation Trust Members in Papworth Village Hall. Our Foundation Trust Members heard updates on the hospital's performance over the past year, as well the latest on the hospital move and some excellent clinical presentations from some of our consultants. Many of the questions raised by those at the event echo the discussions we have been having internally regarding travel and parking at the Cambridge Biomedical Campus, how we plan to work with our partners at CUH and other hospitals in the future and our progress with implementing our Electronic Patient Record.

### **Celebrating Organ Donation Week**

In September, to mark Organ Donation Week, we reunited five patients transplant patients who had received their transplants in 36 hours to help raise awareness of the need for more organ donors and for more families to have the discussion about organ donation at home.

### **DCD Heart Transplant Programme**

Royal Papworth Hospital's pioneering donation after circulatory death (DCD) heart transplant programme reached a significant milestone when clinicians used the new life-saving technique on the 50th patient. The transplant took place in October, and since then surgeons and physicians have added to the figure – taking the total number of non-beating heart transplants to 64.

### **40 years since Papworth Hospital carried out its first ever heart transplant.**

On Monday 14 January we marked 40 years since Papworth Hospital carried out its first ever heart transplant. On 14 January 1979, a 44-year-old patient underwent the operation, which was overseen by surgeon Sir Terence English, having spent a prolonged time in hospital with advanced heart disease. The recipient died 17 days later after developing a brain injury, but the dramatic effect of providing a patient in terminal heart failure with a normal functioning heart had been shown. The operation which is considered the UK's first successful heart transplant was carried out at Papworth Hospital in the August of the same year.

### **Pulmonary endarterectomy**

Royal Papworth Hospital has performed its 2,000th pulmonary endarterectomy (PTE) procedure, 23 years after the hospital's first in 1996. This is the second biggest PTE series in the world and is one of the most active currently, with nearly 200 operations carried out each year. Royal Papworth remains the only centre in the UK offering the service with some of the best long-term outcomes internationally. I would like to congratulate the whole team involved in reaching this significant milestone.

### **Excellence in Organ Retrieval Award**

Royal Papworth Hospital won a top transplant award at the British Transplantation Society Annual Congress 2019 in March. Our Transplant team picked up the accolade for 'Excellence in Organ Retrieval' at the 'Inaugural UK Awards for Excellence in Organ Donation and Retrieval'. Transplant Consultant Dr Jas Parmar collected the award, with judges praising the 'entire hospital staff for a number of reasons, not least completing five transplants in 36 hours' last year. Other achievements during the year included a world record in the number of adult donation after circulatory death (DCD) heart retrievals, resulting in a 40% increase in the number of patients who have benefitted from transplantation, leading to a significant reduction in the hospital's heart transplant waiting list.

### **Disclosures to Auditors**

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

The Directors' Report is presented in the name of the following directors who occupied Board positions during the year 2018/19:

<b>Name</b>	<b>Title</b>
John Wallwork	Chairman
Michael Blastland	Non-Executive Director (from 22 March 2019)
Karen Caddick	Non-executive Director (to 31 October 2018)
Cynthia Conquest	Non-executive Director (from 1 January 2019)
David Dean	Non-executive Director (from 1 November 2018 & Designate NED from 1 August 2018)
David Hughes	Non-executive Director and Deputy Chairman
Susan Lintott	Non-executive Director and Senior Independent Director
Mark Millar	Non-executive Director (to 31 October 2018)
Nick Morrell	Non-executive Director
Ron Zimmern	Non-executive Director (to 28 February 2019)
Stephen Posey	Chief Executive
Roy Clarke	Chief Finance Officer
Roger Hall	Medical Director
Eilish Midlane	Chief Operating Officer (from 24 April 2017)
Oonagh Monkhouse	Director of Workforce and OD (from 1 October 2017)
Josie Rudman	Chief Nurse
Andrew Raynes	Director of Digital and Chief Information Officer



Stephen Posey  
Chief Executive and Accounting Officer  
23 May 2019

## 2.2 Remuneration Report

During 2018/19 there were a number of changes to the Non-executive Directors (NEDs) on the Board. Two NEDs came to the end of their terms of office; one NED resigned from the Board and three NEDs were appointed to the Board. One NED had their third term extended from three to eleven months (from February 2019 to October 2019) to provide continuity during the hospital move.

The Trust has also made two NED designate appointments to replace two NEDs whose terms of office come to an end in October 2019.

All appointments are subject to open advertisement.

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

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

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

#### Major decisions on senior managers' remuneration

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

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

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

### Future Policy Table – Executive Directors

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

Remuneration component	Applicable to	Jurisdiction	Relevance to Trust's long and short term objectives	Amount payable
Basic salary	All senior managers	Remuneration Committee	Recommendations in respect of basic salary are made to the Remuneration Committee by the Chief Executive (for Executive Directors) and the Chairman (for the Chief Executive) on the basis of internal and external relationships, the scope of responsibilities, where appropriate performance and the annual cost of living assessment.	Any increases are agreed with reference to external benchmarks and advice as required. No Executive Director has been released for Board duties at another trust for which they have received an additional payment.
Payments over £150,000	Two Senior Managers	Remuneration Committee. NHSI approval where above £150k National Terms and Conditions – Consultants (England) 2003	When determining salary levels, an individual's role, and experience together with independently sourced data are considered. For medical staff National terms and conditions for Consultants apply.	See table 1- Remuneration to March 2019.
Pension	All senior managers	Terms of membership as specified by the NHS Pension Scheme administered by the NHS Pensions Agency	Not Applicable	Existing Executive Directors are covered by the provisions of the NHS Pension Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at <a href="http://www.nhsbsa.nhs.uk/pensions">www.nhsbsa.nhs.uk/pensions</a> .
Clinical Excellence Award Scheme	Medical Director	Determined by Local and National Awards Committees in accordance with medical employment contracts; these are not awarded by Remuneration Committee	Awards are determined by the Local and National Awards Committees in accordance with an agreed scheme that recognises clinical excellence. Analysis of the scheme demonstrates a linkage to the Trust's strategic objectives including the leadership and delivery of clinical services, teaching, training and research.	Level 9 award is the maximum that can be awarded locally.

#### Accompanying notes:

- (1) There have been no additions or changes to the components of the remuneration package paid during 2018/19
- (2) There are no significant differences in 2018/19 between the remuneration policy for senior managers and the general policy for employees' remuneration
- (3) The remuneration policy for 2018/19 does not include provision for performance-related bonuses or other such schemes.
- (4) There is provision for the recovery of performance sums paid to directors

## Non-executive director remuneration policy

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

## Terms of Office of members of the Board of Directors during 2018/19

		First Appointed	Re-appointed From	Expiry/End of Term of Office
<b>John Wallwork</b>	Chairman	1 Feb 2014	1 Feb 2017	31 Jan 2020
<b>Michael Blastland</b>	Non-executive Director	22 Mar 2019	-	31 Mar 2022
<b>Karen Caddick</b>	Non-executive Director	1 Nov 2013	1 Nov 2016	31 Oct 2018
<b>Cynthia Conquest</b>	Non-executive Director	1 Jan 2019	-	31 Dec 2020
<b>David Dean</b>	Non-executive Director	1 Nov 2018	-	31 Oct 2021
<b>David Hughes</b>	Non-executive Director	1 Nov 2013	1 Nov 2016	31 Oct 2019
<b>Susan Lintott</b>	Non-executive Director	1 Dec 2012	1 Dec 2015 1 Dec 2018	31 Oct 2019
<b>Mark Millar</b>	Non-executive Director	1 Nov 2011	1 Nov 2014 1 Nov 2017	31 Oct 2018
<b>Nick Morrell</b>	Non-executive Director	1 Jan 2014	1 Jan 2017	31 Dec 2019
<b>Ron Zimmern</b>	Non-executive Director	1 Dec 2012	1 Dec 2015	28 Feb 2019
<b>Stephen Posey</b>	Chief Executive	14 Nov 2016	Not Applicable	6 month notice period
<b>Roy Clarke</b>	Director of Finance	30 Nov 2015	Not Applicable	6 month notice period
<b>Roger Hall</b>	Medical Director	22 May 2015	Not Applicable	6 month notice period
<b>Eilish Midlane</b>	Chief Operating Officer	24 Apr 2017	Not Applicable	6 month notice period
<b>Oonagh Monkhouse</b>	Director of Workforce and OD	1 Oct 2017	Not Applicable	6 month notice period
<b>Josie Rudman</b>	Chief Nurse/Interim COO	18 Mar 2014	Not Applicable	6 month notice period
<b>Andrew Raynes (Advisory Non-Voting Member)</b>	Director of Digital and Chief Information Officer	01 April 2018	Not Applicable	6 month notice period

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

Name		03-May-18	08-Aug-18
John Wallwork	Chairman	✓	✓
Michael Blastland	Non-executive Director		
Karen Caddick	Non-executive Director	x	x
Cynthia Conquest	Non-executive Director		
David Dean	Non-executive Director		
Dave Hughes	Non-executive Director	✓	✓
Susan Lintott	Non-executive Director	✓	✓
Mark Millar	Non-executive Director	✓	✓
Nick Morrell	Non-executive Director	✓	✓
Ron Zimmern	Non-executive Director	✓	x

✓ Attended meeting      x Apologies received      Not a member ☐

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

## Attendance of Governors at Appointments Committee Meetings

Governor Members	Category	09-May-18	21-Nov-18	20-Mar-19
Janet Atkins	Public	x	x	x
Barry Crabtree-Taylor	Public	x	x	✓
Richard Hodder (Chair and Lead Governor)	Public	✓	✓	✓
Glenn Edge	Public	✓	x	✓
Rob Graham	Public	x	✓	✓
Keith Jackson	Public	✓	✓	✓
Graham Jagger	Public	x	x	✓
Cheryl Riotto	Staff	✓	x	✓
Alessandro Ruggiero	Staff	✓	x	✓

✓ Attended meeting      x Apologies received

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

NEDs also receive work mileage expenses. For values see Remuneration table.

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

Directors received expenses for 2018/19 of £19,550 (2017/18: £14,000). Expenses to the value of £14,477 (2017/18: £8,669) are a reimbursement of amounts directly incurred in the performance of an individual Director's duties. They also include an element of tax on some of these payments. In the Remuneration Report tables on remuneration for Directors, note 3 states that benefits in kind also include this taxable benefit on mileage.

The Board consists of 14 Directors (including one non-voting Director), due to changes in the year there were a total of 17 (2017/18: 15) serving Directors. 8 (2017/18: 12) Directors received expenses.

Governors received expenses for 2018/19 of £3,260 (2017/18: £4,969). Expenses are a reimbursement of amounts directly incurred in the performance of an individual Governor's duties.

At March 2019 the Council consisted of 26 (2017/18: 28) Governors and due to changes in the year there were a total of 31 (2017/18: 35) serving Governors. 7 Governors received expenses (2017/18: 9)



## Remuneration Report (Audited Information)

**Table 1: Year ended 31 March 2019 (audited information):**

Name and Title	Salary and Fees <sup>1</sup>	Taxable Benefits <sup>2</sup>	All Pension-related Benefits	Total
	(bands of £5,000) £'000	(total to the nearest £100) £	(bands of £2,500) £'000	(bands of £5,000) £'000
Prof. J Wallwork – Chairman	40 - 45	1,200	-	40 – 45
Mr M Blastland – Non-executive Director (started 22 March 19)	-	-	-	-
Mrs K Caddick – Non-executive Director	5 - 10	-	-	5 – 10
Mrs C Conquest – Non-executive Director	0 - 5	-	-	0 - 5
Mr D Dean – Non-executive Director	5 - 10	1,100	-	5 - 10
Mr D Hughes – Non-executive Director	10 - 15	2,400	-	10 – 15
Dr S Lintott – Non-executive Director	10 - 15	-	-	10 – 15
Mr M Millar – Non-executive Director	0 - 5	1,500	-	5 - 10
Prof. N Morrell – Non-executive Director	10 - 15	-	-	10 – 15
Dr R Zimmern – Non-executive Director	10 - 15	-	-	10 – 15
Mr S Posey – Chief Executive <sup>8</sup>	155 - 160	-	57.5 - 60.0	215 – 220
Mr R Clarke – Chief Finance Officer	130 - 135	-	10.0 – 12.5	140 – 145
Dr R Hall – Medical Director <sup>6</sup>	165 - 170	-	-	165 – 170
Mrs E Midlane – Chief Operating officer	95 - 100	-	112.5 – 115.0	210 - 215
Mrs O Monkhouse – Director of Workforce and OD	105 - 110	-	12.5 – 15.0	120 - 125
Mrs J Rudman – Chief Nurse	105 - 110	-	62.5 – 65.0	170 – 175
*Mr A Raynes (Advisory non-voting member)	95 - 100	-	50.0 – 52.5	145 - 150

### Remuneration received

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

#### Notes to Tables 1 and 2

- Salary and other remuneration excludes the employer's pension contribution and is gross of pay charges to other NHS Trusts;
- Taxable Benefits relate to a taxable benefit on mileage;
- No payments were made in respect of 'golden hellos', compensation for loss of office or for an annual/long term performance related bonus;
- No compensation payments were made to past Executive or Non-executive Directors;
- No Executive Director served as a Non-executive Director elsewhere;
- Salary and Fees includes £34,755 relating to clinical duties and £36,192 relating to a Clinical Excellence Award;
- No performance related remuneration was paid in 2018/19;
- Includes a 10% non-consolidated/non pensionable element at risk of claw-back.

**Table 2: Year ended 31 March 2018 (audited information):**

Name and Title	Salary and Fees <sup>1</sup>	Taxable Benefits <sup>2</sup> (total to the nearest £100)	All Pension-related Benefits (bands of £2,500)	Total (bands of £5,000)
	(bands of £5,000) £'000			
Prof. J Wallwork – Chairman	40 - 45	1,900	-	40 – 45
Mrs K Caddick – Non-executive Director	10 - 15	-	-	10 – 15
Mr D Hughes – Non-executive Director	10 - 15	1,400	-	10 – 15
Dr S Lintott – Non-executive Director	10 - 15	100	-	10 – 15
Mr M Millar – Non-executive Director	10 - 15	1,900	-	10 – 15
Prof. N Morrell – Non-executive Director	10 - 15	-	-	10 – 15
Dr R Zimmern – Non-executive Director	10 - 15	-	-	10 – 15
Mr S Posey – Chief Executive <sup>8</sup>	155 - 160	-	42.5 - 45.0	195 – 200
Mr R Clarke – Director of Finance	115 - 120	-	57.5 - 60.0	175 – 180
Dr R Hall – Medical Director <sup>6</sup>	165 - 170	-	35.0 - 37.5	200 – 205
Miss E Horne – Director of Human Resource (Board Member to 16/5/17 remuneration includes project role to 31/01/18)	125 - 130	-	22.5 - 25.0	150 – 155
Mrs E Midlane – Chief Operating officer (from 24/4/17)	95 - 100	-	17.5 – 20.0	110 - 115
Mrs O Monkhouse – Director of Workforce and OD (from 1/10/17)	50 - 55	-	22.5 – 25.0	75 - 80
Mrs C Tripp – Deputy Chief Executive (to 22/9/17)	115 – 120	-	n/a	115 - 120
Mrs J Rudman – Director of Nursing (2017/18) Director of Nursing/Interim Chief Operating Officer (to 23/4/17)	105 - 110	-	50.0 - 52.5	155 – 160
*Mr A Raynes (Advisory non-voting member)	45 - 50	-	35.0 – 37.5	80 - 85
*Ms R McAll (Advisory non-voting member)	30 - 35	-	n/a	30 - 35

**Notes to Tables 1 and 2**

- Salary and other remuneration excludes the employer's pension contribution and is gross of pay charges to other NHS Trusts;
- Taxable Benefits relate to a taxable benefit on mileage;
- No payments were made in respect of 'golden hellos', compensation for loss of office or for an annual/long term performance related bonus;
- No compensation payments were made to past Executive or Non-executive Directors;
- No Executive Director served as a Non-executive Director elsewhere;
- Salary and Fees includes £34,525 relating to clinical duties and 36,192 relating to a Clinical Excellence Award;
- No performance related remuneration was paid in 2017/18;
- Includes a 10% non-consolidated/non pensionable element at risk of claw-back.

**Table 3: Pension Entitlements of Senior Managers 31 March 2019 (audited information):**

Name and Title	Real Increase in Pension at pension age (bands of £2,500)	Real Increase in Pension at pension age (bands of £2,500)	Total Accrued Pension at 31 March 2018 (bands of £5,000)	Lump Sum at pension age Related to Accrued Pension at 31 March 2018 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2018	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mr S Posey – Chief Executive	2.5 – 5.0	0.0 – 2.5	40 – 45	90 – 95	501	113	630
Mr R Clarke – Chief Finance Officer	0 – 2.5	0.0	35 – 40	75 – 80	399	69	497
Dr R Hall – Medical Director	-	-	-	-	-	-	-
Mrs E Midlane – Chief Operating officer	5.0 – 7.5	10.0 – 12.5	35 – 40	95 – 100	566	166	762
Mrs O Monkhouse – Director of Workforce and OD	0.0 – 2.5	0.0	35 – 40	80 – 85	581	73	686
Mrs J Rudman – Chief Nurse	2.5 – 5.0	2.5 – 5.0	40 – 45	105 – 110	595	127	755
Mr A Raynes (Advisory non-voting member)	2.5 – 5.0	2.5 – 5.0	10 – 15	15 – 20	148	33	198

1 Non-executive Directors do not receive pensionable remuneration therefore there are no entries in respect of pensions for Non-executive Directors;

2 Information contained within this note is based on figures provided by the NHS Pension Agency. The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accumulated by a member at a particular point in time;

3 The benefits valued are the members' accumulated benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries;

4 The current inflation rate applied to pensions by the NHS Pension Agency is 3.0%;

5 In calculating the actuarial value of the CETV as at 31 March 2019 the NHS Pensions Agency has used factors which include the indexation of pension benefits in line with the Consumer Price Index (CPI) and not the Retail Price Index (RPI). This follows the Government announcement in July 2010 that pension benefits from 2011 will be indexed in line with CPI and not RPI. The change in inflation assumption led to a decrease in the CETV value as at 31 March 2011 compared with the CETV as at 31 March 2010.

6 The factors used to calculate a CETV increased on 29 October 2018. This has affected the calculation of the real increase in CETV. CETVs are calculated in accordance with SI 2008 No 1050 Occupational Pension Schemes (Transfer Values) Regulations 2008. Revised guidance was issued by HM Treasury on 26 October 2011 regarding the calculation of CETVs in public service pension schemes. Based on this guidance the NHS Pensions Agency, with effect from 8 December 2011, has used revised and updated actuarial factors produced by GAD when calculating CETVs within the NHS Pension Scheme.

7 There are no employers' contributions to stakeholder pensions.

**Table 4: Pension Entitlements of Senior Managers 31 March 2018 (audited information):**

Name and Title	Real Increase in Pension at pension age	Real Increase in Pension Lump Sum at pension age	Total Accrued Pension at pension age 2017	Lump Sum at pension age Related to Accrued Pension at 31 March 2017	Cash Equivalent Transfer Value at 1 April 2016	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2017
	(bands of £2,500) £'000	(bands of £2,500) £'000	(bands of £5,000) £'000	(bands of £5,000) £'000	£'000	£'000	£'000
Mr S Posey – Chief Executive	2.5 – 5.0	0.0 – 2.5	35 – 40	90 – 95	431	65	501
Mr R Clarke – Director of Finance	2.5 – 5.0	2.5 – 5.0	30 – 35	75 – 80	334	62	399
Dr R Hall – Medical Director	0.0 – 2.5	7.0 – 7.5	35 – 40	115 – 120	795	92	895
Miss E Horne – Director of Human Resource (to 31/01/2018)	0.0 – 2.5	2.5 – 5.0	40 – 45	115 – 120	709	72	788
Mrs E Midlane – Chief Operating officer (from 24/4/17)	0.0 – 2.5	0.0	30 – 35	80 – 85	533	27	566
Mrs O Monkhouse – Director of Workforce and OD (from 1/10/17)	0.0 – 2.5	0.0	30 – 35	80 – 85	529	46	581
Mrs J Rudman – Director of Nursing (2017/18) - Director of Nursing/Interim Chief Operating Officer (to 17/4/17)	2.5 – 5.0	2.5 – 5.0	35 – 40	95 – 100	516	74	595
Mrs C Tripp - Deputy Chief Executive (to 22/9/17)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr A Raynes (Advisory non-voting member)	0.0 – 2.5	0.0	10 – 15	10 – 15	122	25	148
Ms R McAll (Advisory non-voting member)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

### Fair Pay Multiple

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

	2018/19		2017/18
Band of Highest Paid Director's Total Remuneration (£'000)	165-170	Band of Highest Paid Director's Total Remuneration (£'000)	165-170
Median Total Remuneration	29,608	Median Total Remuneration	28,913
Ratio	5.66	Ratio	5.79

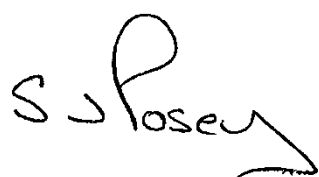
The mid-point of the banded remuneration of the highest paid Director in the Foundation Trust in the financial year 2018/19 was £167,500 (2017/18: £167,500). This was 5.66 times (2017/18: 5.79 times) the median remuneration of the workforce, which was £29,608 (2017/18: £28,913). 19 employees in 2018/19 (2017/18: 18) received remuneration in excess of the highest paid Director. Remuneration ranged from £168,954 to £264,965 (2017/18: £168,949 to £252,401).

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

The median full time equivalent remuneration of the workforce has been calculated based on those receiving remuneration in March 2019. The remuneration received in March has been annualised and excludes the highest paid director. Included within the figures to calculate the median full time equivalent remuneration is the annualised remuneration of agency staff working at the Trust at 31 March 2019. The annualised remuneration of agency staff has been calculated after deduction of an average commission rate, removing employers NI and excluding those only working a single shift.

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

Approved by the Board and signed by the Chief Executive



Stephen Posey  
Chief Executive  
23 May 2019

## 2.3 Staff Report

### Recruitment and Retention

One of the Trust's most significant risks is recruiting and retaining staff, particularly during this period of major organisational change. There are local and national skills shortages, particularly in key groups such as registered nurses and cardiac physiologists. The recruitment market is extremely competitive in Cambridge and it is a high cost of living area which will particularly impact on staff in AfC Pay Bands 2-4. In addition the Trust is undergoing the most significant organisational change in its history as a result of the move to our new sites. This inevitably impacts on staff engagement and retention. In 2018/19 we have continued to implement our Recruitment and Retention Strategy with the aim of addressing the Trust's challenges with recruitment and retention, thereby ensuring the Trust is an organisation where staff are expert in what they do, appropriately trained and qualified and feel supported, empowered and enabled to deliver high quality care, first time, every time.

The three goals articulated in the Strategy are:

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

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

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

During 2019/20 we will be seeking to maximise the opportunities presented by our new state of the art hospital and the media interest connected to the move to attract staff. We have started to build effective working relationships with Cambridge University Hospital and are planning joint recruitment events on the campus. There is a risk that for a period of time following the move our turnover remains unstable as staff adapt to new travel arrangements and, for many, extended travel time. We will continue to support staff with travel arrangements, for example relocation allowance, discounted bus and train fares, flexible working.

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

### Staff Engagement, Consultation and Involvement

In 2018/19 we undertook the most significant organisational change in the Trust's history. In moving to our new facilities we not only moved location but also, in many areas, fundamentally changed our ways of working. Effectively involving, consulting and engaging our staff during the move process was crucial to staff engagement and retention. We implemented a monthly staff survey to track staff views and feedback on the issues that were concerning them. In 2019/20 we will transition this to a quarterly staff survey that will seek staff feedback as they adapt to their new working environment and



arrangements. We introduced a weekly managers stand up briefing (Our Big Move Briefing) ahead of the move and will continue with this post move as it has proved a popular and effective channel for two way communication.

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

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

The champions' role supplements the range of traditional channels of communication used by the Trust which include a quarterly staff newsletter, a weekly electronic information/news update bulletin, and extensive information about the Trust and its activities which can be accessed on the Trust's Intranet site.

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

Demonstrating that the contribution of staff is recognised and valued is an important element of staff engagement. We hosted the Royal Papworth 100 Staff Awards in March 2019 ahead of our move in April. It was an opportunity to recognise and celebrate the contribution of staff from across the Trust to deliver excellent services and outcomes to our patients. A total of thirteen staff and two Trust teams were presented with awards at a special evening ceremony celebrating individual achievement and team success supported by sponsors and Royal Papworth Hospital Charity. The new hospital was a great backdrop for the awards and made it a very special occasion for the staff nominated.

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

### **Staff Survey**

As stated previously staff engagement is an important issue for the Trust. We undertake a monthly staff survey (moving to quarterly post-move) as well as participating in the NHS national staff survey. These surveys help the Trust measure staff engagement and develop plans to address key themes. In 2018 the response rate from the Trust staff was 54%, 985 responses, which was slightly above the average response rate of 53% for our peer group and an improvement on the 2017 response rate of 46%. We carried out a full census this year and moved to electronic distribution only.

The NHS staff survey is conducted annually. From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

Scores for each indicator together with that of the survey benchmarking group, Acute Specialist Trusts, are presented below.

	2018/19	2018/19	2017/18	2017/18	2016/17	2016/17
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Equality, diversity and inclusion	9.1	9.3	9.3	9.3	9.3	9.3
Health and wellbeing	6.0	6.3	6.3	6.3	6.3	6.3
Immediate managers	7.0	7.0	7.1	6.9	6.8	6.9
Morale	5.8	6.3	na	na	na	na
Quality of appraisals	5.4	5.7	7.4	7.7	7.8	7.8
Quality of care	7.4	7.8	7.4	7.7	7.8	7.8
Safe environment – bullying and harassment	8.2	8.2	8.4	8.4	8.3	8.3
Safe environment – violence	9.7	9.7	9.7	9.7	9.6	9.7
Safety culture	6.8	6.9	6.9	6.9	6.8	6.9
Staff engagement	7.2	7.4	7.3	7.4	7.2	7.5

Comparison of our results with our peer benchmark group is as follows:

In 2018 our scores were average compared to our peer group in the following 3 themes:

- Immediate manager
- Safe environment: bullying and harassment
- Safe environment: violence

We are below average compared to our peer group in 7 themes:

- Equality, diversity and inclusivity
- Health and welfare
- Morale
- Quality of appraisals
- Quality of care
- Safety culture
- Staff engagement

Compared to the NHS national results our scores are above the average in all the themes with the exception of Quality of Care where our score is the same as the national average and the following where we are below the average:

- Morale
- Quality of appraisals

The comparison of our 2018 results with our results in 2017 is as follows:

There was a statistically significant reduction in our scores from last year in 2 themes:

- Equality, diversity and inclusivity
- Health and well-being

There were 2 themes with no reduction in scores from last year:

- Quality of care
- Safe environment: violence

In 6 themes our score reduced from last year but it was not a statistically significant change.

- Immediate manager
- Safe environment: bullying and harassment
- Morale
- Quality of appraisals
- Safety culture
- Staff engagement

### **Future priorities and targets**

Analysis of the results to identify key trends and interactions and review the results broken down by staff group and Directorate has been undertaken. In particular we have focused on analysing the themes of Equality, Diversity and Inclusivity and Health and Wellbeing to understand the drivers for the reduction in our results and to ensure that we take targeted action to improve the experience of staff in these areas. There is no doubt that the very significant organisational change impacted on staff health and wellbeing.

Providing feedback to managers and staff on the outcome of the survey and the actions taken by the Trust in response is very important. They have been provided with analysis of their directorates results which they have cascaded and discussed with their teams to identify areas for improvement within their departments that they wish to focus on. We have also reviewed and discussed the results with key groups such as the Joint Staff Council, Staff Engagement Representatives, the BAME Network, the Equality, Diversity and Inclusivity Steering Group and Staff Governors. In particular we will review and refresh the WRES action plan. The results will be an important part of the diagnostic phase of the Culture and Leadership Programme that is in development.

We will monitor implementation of directorate action via the monthly Directorate Performance Meetings and a learning event that will be held in Autumn 19. The quarterly Trust Staff Survey will gather feedback directly from staff on their experience of working for the Trust.

### Disability Information

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

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

The number of staff who reported themselves as having a disability at the end of 2018/19 was 64 (3.28%) of the workforce. Further information in connection with Equality and Diversity can be found in the Equality and Diversity section of the Annual Report.

### Occupational Health Services

Royal Papworth Hospital's Occupational Health Service is delivered by Cambridge Health at Work (CHaW). CHaW are SEQOHS (Safe Effective Quality Occupational Health Service) accredited. They provide a full range of occupational health services to staff and are integral to the pro-active management of sickness absence and in the promotion of health and well-being initiatives.

As a result of a proactive campaign 84% of front line staff received flu vaccinations, which was an improvement from the previous year (78%). This is an important patient and staff safety measure.

### Employee Assistance Programme

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

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

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

We remain committed to having a diverse Board in terms of gender as well as diversity of experience, skills, knowledge and background. There were 14 members of the Trust Board at the end of March 2019, of whom nine were male and five were female.

	Female	Male	Total
Directors (includes Non-executive Directors)	5	9	14
Senior Managers (as per occupation codes)	20	10	30
Other Employees	1,420	496	1,916

Total	1,445	515	1,960
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Notes: 1. National occupation code used to define senior managers (non-clinical).  
2. Non-executive Directors are included in totals but are not defined as employees.  
3. Executive Directors includes one non-voting Board member.

### Sickness absence rate of staff

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

Figures Converted by DHSC to Best Estimates of Required Data Items			Figures Converted by DHSC to Best Estimates of Required Data Items	
Average FTE 2018	Adjusted FTE days lost to Cabinet Office definitions	Average Sick Days per FTE	FTE - Days Available	FTE - Days Lost to Sickness Absence
1736	13,355	7.69	633,592	21,665

Source: NHS Digital - Sickness Absence Publication - based on data from the ESR Data Warehouse  
Period covered: January to December 2018  
FTE = Full Time Equivalent

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

### Expenditure on consultancy

During 2018/19 The Trust engaged Consultants to undertake work on a number of projects including: New Royal Papworth Hospital, implementation of the LORENZO Electronic Patient Record (EPR) system and development of the Trust's five year strategy.

### Staff Exit Packages

Foundation trusts are required to disclose summary information of their use of exit packages agreed in the year, as required by the *FReM* (paragraph 5.3.27(h)). There were no exit packages agreed in 2018/19.

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

### Exit packages: non-compulsory departure payments

	Agreements Number	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	0	0
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval	0	0
<b>Total</b>	<b>0 (2017/18:2)</b>	<b>0 (2017/18:97)</b>
Of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	0	0

### Reporting high paid off-payroll arrangements

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

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

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

**Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, for more than £245 per day and that last for longer than six months**

No. of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	0
No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations	0
No. for whom assurance has been requested	0
Of which...	0
No. for whom assurance has been received	0
No. for whom assurance has not been received	0
No. that have been terminated as a result of assurance not being received.	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.	0 (2017/18: 0)
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure must include both off-payroll and on-payroll engagements.	17



**Table 4: Staff costs**

	Group			
	Permanent £000	Other £000	2018/19 Total £000	2017/18 Total £000
Salaries and wages	73,050	1,675	<b>74,725</b>	<b>69,633</b>
Social security costs	7,159	-	<b>7,159</b>	<b>6,753</b>
Employer's contributions to NHS pensions	8,274	-	<b>8,274</b>	<b>7,902</b>
Apprenticeship levy	347	-	<b>347</b>	<b>325</b>
Agency/contract staff	-	4,837	<b>4,837</b>	<b>3,211</b>
<b>Total gross staff costs</b>	<b>88,830</b>	<b>6,512</b>	<b>95,342</b>	<b>87,824</b>
Recoveries in respect of seconded staff	-	-	-	-
<b>Total staff costs</b>	<b>88,830</b>	<b>6,512</b>	<b>95,342</b>	<b>87,824</b>
<b>Of which</b> Costs capitalised as part of assets	83	247	<b>330</b>	<b>170</b>

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

	Group					
	Permanent Number	Other Number	2018/19 Total Number	Permanent Number	Other Number	2017/18 Total Number
Medical and dental	211	6	<b>217</b>	206	9	<b>215</b>
Administration and estates	371	35	<b>406</b>	374	39	<b>413</b>
Healthcare assistants and other support staff	349	31	<b>380</b>	340	16	<b>356</b>
Nursing, midwifery and health visiting staff	576	34	<b>610</b>	561	33	<b>594</b>
Scientific, therapeutic and technical staff	147	10	<b>157</b>	141	7	<b>148</b>
Healthcare science staff	75	7	<b>82</b>	74	8	<b>82</b>
Other	1		<b>1</b>	2		<b>2</b>
<b>Total average numbers</b>	<b>1,731</b>	<b>123</b>	<b>1,854</b>	<b>1,698</b>	<b>112</b>	<b>1,810</b>
<b>Of which</b> Number of employees (WTE) engaged on capital projects	0	0	<b>0</b>	1	1.6	<b>2.6</b>

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

### NHS Improvement's Code of Governance

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

#### **Directors**

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

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

The Board considers strategic issues. The Board meets regularly and has a formal schedule of matters specifically reserved for its decision. The Board delegates other matters to the Executive Directors and other senior management. The Board had seventeen formal meetings in 2018/19. The Chairman of the Trust is Chairman of the Board of Directors and Council of Governors and leads both groups on strategy and monitoring. The Chief Executive has responsibility for the implementation of strategy and the day to day operations of the Trust.

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

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

#### **Board Independence**

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

All the Non-executive Directors who have served during the year are considered to be independent according to the principles of the Code. During 2009, the Trust became a partner in one of the first Academic Health Science Centres designated by the Department of Health. The Chairman, Chief Executive and the Non-executive Director

nominated by the University of Cambridge are members of the Board of this separate legal entity as part of their Royal Papworth roles. The Board of Directors does not consider this to affect the independence of these Directors.

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

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

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

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

### **Governors**

The general duties of the Council of Governors are:

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

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

### **Board Performance Evaluation**

The process for Board members appraisal is that the appraisal of NEDs is carried out by the Trust Chairman for report to the Appointments [NED Nomination and Remuneration] Committee of the Council of Governors. The appraisal of the Chairman is co-ordinated by the Senior Independent Director using input from the Lead Governor and Chairs of Governor Committees and the Chief Executive along with input through a 360 degree review process. The Lead Governor is also the Chair of the Appointments Committee of the Council of Governors. Board meetings are open to the public and Governor attendance is encouraged.

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

## Compliance Statement

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

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

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

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

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

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

### Table of supporting explanation for required disclosures

Code of Governance reference	Summary of requirement	Disclosure
A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	The schedule contains a statement on separate roles. The Council of Governors and Board of Directors have an agreed interaction process that describes how disagreements would be resolved.
A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.	See Directors' Report.

A.5.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	See Council of Governors section.
Additional requirement of FT ARM	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	See Council of Governors section.
B.1.1	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	See earlier in this section.
B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	See Board of Directors section.
Additional requirement of FT ARM	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated.	See Remuneration Report section.
B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	See Remuneration Report section.
Additional requirement of FT ARM	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	Open advertisement for Chairman and Non-executive Directors.
B.3.1	A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.	See earlier in this section.
B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors.	See Governors and Foundation Trust sections and latest information on new Royal Papworth Hospital on our website
Additional requirement of FT ARM	If, during the financial year, the Governors have exercised their power under paragraph 10C of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012) "	Governors have not exercised this power.
B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	See Remuneration Report section.
B.6.2	Where there has been external evaluation of the board, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	External review 2015/16. See earlier in this section.
C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and	See Director's Report  See Annual Governance Statement.

	provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	
C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	See Audit Committee section and Annual Governance Statement.
C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	See Audit Committee section.
C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	Council of Governors accepted recommendation to appoint new External Auditor from 2015/16 audit.
C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: <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>	See Audit Committee section
D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	No Director was released in 2018/19.
E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	See Council of Governor section.
E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	See Foundation Trust Membership section.
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	See Board of Director section and Council of Governors section



Additional requirement of FT ARM	<p>The annual report should include:</p> <ul style="list-style-type: none"> <li>• a 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>• a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.</li> </ul>	See Foundation Trust Membership section.
Additional requirement of FT ARM	<p>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.'</p>	There is a standing item on all agendas for the Board of Directors and Council of Governors and their Committees. The register is held by the Trust Secretary.

## 2.5 NHS Improvement's Single Oversight Framework

### Single Oversight Framework

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

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

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

### Segmentation

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

### Finance and use of resources

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

Area	Metric	2018/19				2017/18			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial sustainability	Capital service capacity	4	4	4	4	4	4	4	4
	Liquidity	4	2	1	1	1	1	1	1
Financial efficiency	I&E margin	4	4	4	4	4	4	4	4
Financial controls	Distance from financial plan	1	1	1	1	4	4	4	4
	Agency spend	4	4	4	4	3	2	2	2
Overall scoring		3	3	3	3	3	3	3	3

The Trust's deficit position results in a score of 3 across each quarter in 2018/19. For more information on our financial performance during 2018/19 see the Performance Report section of the Annual Report.

## 2.6 Board of Directors

### The Board of Directors

The Board's responsibilities are as follows:

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

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

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

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

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

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

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

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

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

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

**Michael Blastland (from 22 March 2019)**

Michael is a writer and broadcaster. For nearly twenty years, he was a BBC current-affairs presenter and producer, devising programmes including *More or Less* on Radio 4 – about numbers in public argument - of which he was also the first producer (with Andrew Dilnot the original presenter). He can still be heard as an occasional presenter on BBC Radio 4 and the BBC World Service.

He has written four books, including *The Tiger that Isn't*, a guide to numbers in the news and politics. His other books are about risk, about his son's autism, and, most recently, *The Hidden Half – How the World Conceals its Secrets*, about uncertainty.

He teaches, advises and presents widely, in schools, to business, government and academia. Current health-related roles include advisor to a large meta-analysis of the potential adverse effects of statins, and to the 'Behaviour Change By Design' research programme into nudge-type interventions for public health. He is also a board member of the Cambridge-based Winton Centre for Risk and Evidence Communication.

**Mrs Karen Caddick, Non-Executive Director (to 31 October 2018)**

Karen Caddick left the Trust on 31 October 2018. Further details of her expertise and experience can be found in our annual report for 2017/18.

**Mrs Cynthia Conquest (from 1 January 2019)**

Cynthia is an experienced ex NHS Director of Finance with a wide portfolio of NHS experience covering 39 years. She has worked in all aspects of financial services and in all types of healthcare settings; large acute teaching hospitals, specialist hospitals, mental health and community services. She has a high level of experience in all financial and healthcare processes with a specialty in financial management and transformation. Cynthia's diverse experience includes the education sector either through charity work or paid employment as an interim or consultant and the hospice sector through her voluntary work. Cynthia is currently the Chair of the Audit Committee for a GP Confederation in London and was until the end of December 2018, the Chair of the Patients & Family Committee at a Hospice in Suffolk. She has a master's degree in Business Administration (MBA) from Warwick University and is a Fellow Member of the professional body the Chartered Institute of Public Finance & Accountancy (CIPFA).

**Mr David Dean Non-Executive Director from 1 November 2018  
(designate NED from 1 August 2018)**

David has experience both at Executive and Non-Executive level within the NHS. From 2007 to 2014 he was a Non-Executive Director at Guy's and St Thomas NHS Foundation Trust where he served as Audit Chair and later as Vice Chairman of the Trust. From 2013-2014 he was also Chairman of The Queen Elizabeth Hospital King's Lynn NHS Foundation Trust. From 2014 to 2017 David was a Senior Director at NHS Improvement (formerly Monitor) joining initially to lead the Enforcement and later the Transformation and Turnaround teams. Prior to his NHS career David was an Investment Banker in London and Hong Kong for 17 years and following his retirement from banking, a part-time concert pianist. He is currently Chairman of Essentia Trading Limited, a wholly-owned commercial subsidiary of Guy's and St Thomas NHS Foundation Trust. David is

an active distance runner and completed the 250 mile Cape Wrath Ultra marathon across North West Scotland, in May 2018.

**Mr David Hughes, Non-Executive Director**

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

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

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

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

Susan was appointed as a Non-executive Director of the Foundation Trust Board in December 2012 for a term of three years. In December 2015, she was reappointed for a further three years and this appointment has been extended to October 2019. She is Senior Bursar of Downing College, University of Cambridge, a position she has held for the last eighteen years after retiring from a career as an investment banker, first at The Chase Manhattan Bank in New York and then at the Chase Investment Bank in London. She has previously been on the Board of Cambridge in America, where she held the position of Treasurer. She has also chaired the University's Board of Scrutiny, served as a member of its Audit Committee, and was Chairman of the Cambridge Colleges' Bursars' Committee. She is currently a member of the Gates Cambridge Trust Investment Committee.

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

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

**Mr Mark Millar, Non-Executive Director (to 31 October 2018)**

Mark Millar left the Trust on 31 October. Further details of his expertise and experience can be found in our annual report for 2017/18.

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

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

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

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

**Dr Ron Zimmern, Non-Executive Director (to 28 February 2019)**

Ron Zimmern left the Trust on 28 February 2019. Further details of his expertise and experience can be found in our annual report for 2017/18.

**Mr Stephen Posey, Chief Executive**

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

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

**Mr Roy Clarke, Chief Finance Officer**

Roy was appointed Chief Finance Officer in November 2015 and is responsible for Finance, Procurement, Commercial Services and Estates & Facilities. He joined the Trust from Norfolk Community Health and Care NHS Trust where he was the Chief Finance Officer responsible for leading on all aspects of Finance, IM&T, Estates & Facilities, Procurement and Commercial Services. Previous to this role, Roy held senior roles in general acute and specialist NHS hospital services. Roy is a Chartered Management Accountant and has particular experience in developing and implementing organisational strategy, financial recovery and large scale estate development. He is motivated by developing healthcare organisations to deliver the best possible care to patients.

**Dr Roger Hall, Medical Director**

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



**Mrs Eilish Midlane, Chief Operating Officer**

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

Eilish has worked in the NHS for 30 years and has considerable expertise in patient safety, clinical governance and service improvement planning.

**Mrs Oonagh Monkhouse, Director of Workforce and OD**

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

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

**Mrs Josie Rudman, Chief Nurse**

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

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

**Mr Andrew Raynes Director of Digital and Chief Information Officer**

Andrew is Chief Information Officer and Director of Digital at Royal Papworth Hospital NHS Foundation Trust. Andrew joined the Trust in September 2017 following his former role as IT Programme Director at Barking, Havering and Redbridge University Hospitals NHS Trust. Andrew has over 19 years' experience working in the health and private sectors including overseas. He has led a number of high profile projects including the implementation of a GP-led practice at HMP Thameside on the Belmarsh Estate and the implementation of Liquidlogic, a children and adult social care system while at Leicester City Council. Andrew has a Masters degree in Healthcare Informatics specialising in Education and is a member of the National GS1 UK Advisory Board and is a Fellow of the British Computer Society (BCS).

Andrew is a non-voting member of the Board.

## Table of Attendance at Board and Committee Meetings

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

	Board <sup>A</sup>	Audit <sup>B</sup>	Performance <sup>C</sup>	Quality & Risk <sup>D</sup>	Strategic Projects Committee	Executive Remuneration <sup>E</sup>
<b>Number of meetings 2018/19</b>	17	5	12	5	12	2
<b>M Blastland<sup>1</sup></b>	1/1		1		1	
<b>K Caddick<sup>1</sup></b>	7/10	2/3	1	3/3	4	0/2
<b>R Clarke</b>	16/17	5	11/12		11/12	
<b>C Conquest<sup>1</sup></b>	4/4	1/2			3/3	
<b>D Dean<sup>1</sup></b>	6/7	2/2	5/5		5/5	
<b>R Hall</b>	15/17		10	3/5	10/12	
<b>D Hughes</b>	16/17	3	11/12		11/12	2/2
<b>S Lintott</b>	13/17	4/5				2/2
<b>E Midlane</b>	16/17		11/12	1	11/12	
<b>M Millar<sup>1</sup></b>	7/10	2/3	5/7		5/7	2/2
<b>O Monkhouse</b>	15/17	3	11/12	1	11/12	2
<b>N Morrell</b>	9/17			1/5		2/2
<b>S Posey</b>	15/17	1	11/12	1	10/12	2
<b>A Raynes</b>	15/17		12	2	12	
<b>J Rudman</b>	14/17	2	10	5/5	10/12	
<b>J Wallwork</b>	16/17		1		3	2/2
<b>R Zimmer<sup>1</sup></b>	10/15	2	5/11	5/5		1/2

Not members of the Committee, however Directors attend meetings of committees of which they are not members either as regular attendees or as required.  
<sup>1</sup> Part year membership.

<sup>A</sup> All Directors are members.  
<sup>B</sup> 3 NEDs members. See Audit Committee section of Annual Report.  
<sup>C</sup> Membership 3 NEDs plus Medical Director and Chief Nurse.  
<sup>D</sup> Membership 3 NEDs plus Chief Executive, Chief Finance Officer, Director of Human Resources, Deputy Chief Executive and Chief Operating Officer.  
<sup>E</sup> Membership only Chairman and NEDs. See Remuneration section of Annual Report.

### **The dates of the Board of Directors' meetings in 2018/19 were:**

5 Apr 2018	3 May 2018	24 May 2018	7 June 2018	21 June 2018	5 July 2018
2 Aug 2018	6 Sep 2018	27 Sep 2018	4 Oct 2018	1 Nov 2018	6 Dec 2018
10 Dec 2018	03 Jan 2019	07 Feb 2019	07 Mar 2019	28 Mar 2019	

**Contacting the Directors**

Directors can be contacted through the Trust Secretary at the Chief Executive's Office.  
Tel: 01223 638064

## 2.7 Audit Committee

### Composition of the Audit Committee

As required under NHS Improvement's Code of Governance the membership of this Committee is three independent Non-executive Directors. For the purposes of NHS Improvement's Code Mark Millar, David Dean and Cynthia Conquest are considered by the Board of Directors to have recent and relevant financial experience as detailed in the biographies in the Board of Directors section of this report. The membership of the Committee during 2018/19 was:

Mark Millar (Chair) to 31 October 2018

David Dean (Chair) from 1 November 2018 (designate NED from 1 August 2018)

Cynthia Conquest from 1 January 2019

Karen Caddick to 31 October 2018

Susan Lintott

### Meetings and Attendance of Members

Name	24 May 18	11 Jul 18	10 Oct 18	23 Jan 19	14 Mar 19
Mark Millar (Chair)	x	✓	✓		
Karen Caddick	✓	✓	x		
Susan Lintott	✓	x	✓	✓	✓
David Dean (Chair)			✓ <sup>1</sup>	✓	✓
Cynthia Conquest				x	✓

✓ Attended meeting

x Apologies were received

✓<sup>1</sup> Attended as Designate NED

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

### Role of the Audit Committee

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

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

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

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

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

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

The Audit Committee is responsible for considering the appointment of the Internal Audit service and Counter Fraud service and reviewing their audit fees. In 2017/18 the contract for Internal Audit and Counter Fraud services was renewed for a further three years being awarded to RSM following a formal tendering process under the Crown Commercial Services Framework (RM3745). RSM was also appointed to provide Counter Fraud services.

The Audit Committee also reviews the External Audit service and makes recommendations to the Council of Governors on the appointment and re-appointment of the External Auditor. To aid assurance two Governors are attendees at Audit Committee. In 2015 a formal mini competition was undertaken against the regional framework developed by the East of England Procurement Hub for the appointment of External Auditors. The contract was to cover services for the NHS Statutory Audit and Annual Report and the Charity Annual Report and Accounts. In September 2015 the Council of Governors was asked to approve the appointment of KPMG LLP as External Auditor for an initial period of three years starting with the 2015/16 Statutory Audit, with an option to extend for a further two years which was exercised in 2018/19. A Governor was a member of the interview panel for the appointment of the External Auditor.

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

The AGS provides information on the Trust's system of internal control and the risk and control framework. The AGS can be found in the last section of the Annual Report. Both the Audit Committee and the Quality and Risk (Q&R) Committee considered the Trust's draft AGS for 2018/19. Audit Committee members, Q&R Committee members together with the Trust's External and Internal Auditors, had the opportunity to provide comments on the draft statement. The final AGS was approved by the Audit Committee and Board of Directors on the 23 May 2019.

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

### **Specific Audit Committee Issues – 2018/19**

During 2018/19, the Audit Committee received regular reports from Internal Auditors, External Auditors and Local Counter Fraud Specialist and reviewed their annual work plans and strategies as appropriate.

Principal matters considered were:

- The draft Annual Report and Accounts (including Quality Accounts) and the External Auditors' ISA 260 (including letter of representation and formal independence letter);
- The Annual Governance Statement (AGS);
- The Internal Audit Annual Report and Head of Internal Audit Opinion;
- The External Audit Plan for the Foundation Trust, including requirements for Quality Accounts;
- External Audit Plan, engagement letter and ISA 260 for the Charity Annual Report and Accounts;
- Reports as required on losses and special payments, waived tender schedule and bad debts;
- The Internal Audit Plan and progress report, including log of audit actions;
- Counter Fraud Annual Report, progress report and benchmark report;

- Anti-Fraud & Bribery Policy update and policy;
- Board Assurance Framework;
- Waiver to Standing Financial Instructions report;
- Managing conflicts of interest policy;
- Sanctions and Financial Re-dress Policy;
- Contract for Internal Audit and Counter Fraud Services;
- Annual review of Standing Financial Instructions, Standing Orders and Scheme of Delegation;
- Reports from Committee Chairs;
- CTP Post Submission Assurance Report;
- Annual review of the Audit Committee's terms of reference, Annual Self-Assessment and Committee forward Planner.

Information on internal audit reviews undertaken by the Internal Auditors for 2018/19 can be found in the Annual Governance Statement section of the Annual Report.

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

### **Whistle-blowing**

The Trust has a Whistleblower's Procedure (Raising Issues of Concern) which explains how members of staff should raise any matters of concern which may impact adversely on the safety and/or well-being of our patients/our staff or the public at large, or may be detrimental to the Trust as a whole. It is consistent with the 'Freedom to Speak Up' Report published by Sir Robert Francis QC. Any concern raised is treated seriously and investigated thoroughly. Every effort is made to ensure confidentiality and feedback is provided to the person who raised the issue. As part of the process, individuals have the right to contact our Freedom to Speak Up Guardian, senior Trust officers of the Trust as listed in the Procedure, and identified Executive and Non-Executive Director leads. In addition our policy provides information on how staff can raise concerns with NHSI, CQC, NHSE and HEE. The Procedure is agreed with the Trust's recognised Trade Unions. The Trust's Freedom to Speak up Guardian proactively promotes his role across the Trust by meeting all new starters in the Trust and by undertaking regular walkabouts both in the Hospital site and at Royal Papworth House. He meets regularly with the Director of Workforce and the Chief Executive Officer to discuss themes emerging from the concerns raised with him and the number of hours he has to undertake the role was increased in 2018/19, in recognition of the importance of the role and the need to ensure that there was sufficient time for it to be undertaken effectively. The Guardian is required to report all concerns raised with him to the National Guardian's Office on a quarterly basis. Since his appointment in August 2018 the Guardian has reported 30 concerns. The concerns raised with him have been exclusively about staff relationships rather than about patient care. In 2019/20 we are looking to introduce Speaking Up ambassadors who will work with the Guardian to ensure staff are encouraged and know how to raise concerns. We will also be improving the feedback to managers and staff about the themes emerging from the concerns raised to ensure that we learn from them.

### **External Auditors**

The External Auditors of Royal Papworth Hospital NHS Foundation Trust are: KPMG LLP Botanic House, 100 Hills Road, Cambridge, CB2 1AR. They report to the Council of Governors through the Audit Committee. Non-audit work may be performed by the Trust's external auditors where the work is clearly audit-related and external auditors are best placed to do that work. For such assignments Audit Committee approval ensures that auditor objectivity and independence is safeguarded. The total cost of audit services for the year was £47,500 (2017/18: £52,100), excluding VAT. This is the fee for an audit in

accordance with the Audit Code issued by Monitor in March 2011 and includes a non-recurrent fee in respect of PFI accounting. A further £7,400 (2017/18: £7,400) has been paid for other services in relation to the Quality Report opinion.

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

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

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



## 2.8 Council of Governors

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

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

They must also be presented with:

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

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

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

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

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

The Council of Governors has the following Committees:

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

### **Members of the Council of Governors as at 31 March 2018:**

#### **Cambridgeshire**

##### **Stephen Brown**

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

##### **Glen Edge**

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

##### **Gillian Francis**

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

##### **Graham Jagger**

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

##### **Dr Richard Hodder (Lead Governor)**

Richard's medical career included hospitals, the RAF, research and general practice. After retiring he has maintained an active interest in health issues as well as voluntary work at Papworth and Addenbrooke's. In late 2012 he underwent a successful pulmonary endarterectomy at Papworth. As a Governor his main interest is in the quality of care and patient safety/dignity

## Suffolk

### **Barry Crabtree-Taylor**

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

### **Julia Dunncliffe (to 19 September 2019)**

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

### **Trevor McLeese**

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

## Norfolk

### **John Fiddy MBE**

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

### **Tony Moodey**

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

### **Peter Munday**

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

### **Bob Spinks**

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

## Rest of England and Wales

### **Janet Atkins**

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

### **Rob Graham**

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

### **Keith Jackson**

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

### **Simon Marner**

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

### **Harvey Perkins**

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

## Staff Governors

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

I have been elected as Staff governor for Royal Papworth hospital representing the Allied Health Professionals. I am a qualified and registered social worker and have worked at Papworth since 2007, initially as a part time social worker before being appointed as team leader in 2009.

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

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

### **Helen Munday, Nurses (to 11 November 2018)**

Helen left the Trust on 11 November 2018. Further details of her expertise and experience can be found in our annual report for 2017/18.

**Katrina Oates, Scientific & Technical**

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

**Cheryl Riotto, Nursing**

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

**Helen Rodriguez, Administrative, Clerical & Manager**

Helen has worked at Royal Papworth Hospital since 1992 in a variety of administrative roles across a number of departments. Her current role is Service Manager for Booking. This team is now a centralised service covering in-patient and out-patient bookings for the organisation and is based within the administration hub in Huntingdon. This role ensures that the booking team delivers activity which is booked to capacity whilst helping the organisation meet their waiting times.

**Alessandro Ruggiero, Doctors**

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

He is a staff governor representing doctors since 2017.

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

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

**Appointed Governors****Ann-Marie Ingle (to August 2018)**

Chief Nurse, Cambridge University Hospitals.

**Lorraine Szeremeta (from October 2018)**

Chief Nurse, Cambridge University Hospitals.

**Cllr Susan Ellington (to Jun 2018)**

Cambridgeshire County Council

**Cllr Linda Jones (from Sept 2018)**

Cambridgeshire County Council

**Caroline Edmonds**

Secretary of the School of Clinical Medicine, University of Cambridge

**Cllr Nick Wright (to Jun 2018)**

South Cambridgeshire District Council

**Cllr Alex Malyon (from Jun 2018)**

South Cambridgeshire District Council (SCDC covers Papworth Everard).

## Terms of Office of Governors as at 31 March 2019

Elected Public Constituency	Name	First Elected	Re-Elected	End of Current Term of office
<b>Cambridgeshire</b> *served from Sept 2014 to Sept 2017 in another constituency	Stephen Brown	Sept 2017	n/a	Sept 2020
	Glenn Edge*	Sept 2014	Sept 2017	Sept 2020
	Gill Francis	Sept 2014	Sept 2017	Sept 2020
	Richard Hodder	Sept 2014	Sept 2017	Sept 2020
	Graham Jagger	Sept 2013	Sept 2016	Sept 2019
<b>Suffolk</b> *served from Sept 2010 to Sept 2013 in another constituency	Barry Crabtree-Taylor*	Sept 2013	Sept 2016	Sept 2019
	Trevor McLeese	Sept 2017	n/a	Sept 2020
	Vacancy	-	-	-
	Vacancy	-	-	-
<b>Rest of England and Wales</b>	Rob Graham	Sept 2016	n/a	Sept 2019
	Keith Jackson	Sept 2011	Sept 2014 Sept 2017	Sept 2020
	Janet Atkins	Sept 2017	n/a	Sept 2020
	Harvey Perkins	Sept 2016	n/a	Sept 2019
	Simon Marnier	Sept 2017	n/a	Sept 2020
<b>Norfolk</b>	John Fiddy MBE	Sept 2014	Sept 2017	Sept 2020
	Tony Moody	Sept 2017	n/a	Sept 2020
	Peter Munday	Sept 2014	Sept 2017	Sept 2020
	Bob Spinks	Sept 2013	Sept 2016	Sept 2019
Elected Staff Constituency	Name	First Elected	Re-Elected	End of Current Term of office
<b>Doctors</b>	Alessandro Ruggiero	Sept 2017	n/a	Sept 2020
<b>Nurses</b>	Cheryl Riotto	Sept 2011	Sept 2014 Sept 2017	Sept 2020
	Vacancy (from Nov 18)	-	-	-
<b>Allied Health Professionals</b>	Penny Martin	Sept 2017	n/a	Sept 2020
<b>Scientific &amp; Technical</b>	Katrina Oates	Sept 2011	Sept 2014 Sept 2017	Sept 2020
<b>Administrative, Clerical &amp; Management</b>	Helen Rodriguez	Sept 2013	Sept 2016	Sept 2019
<b>Ancillary, Estates and Others</b>	Tony Williams	Sept 2016	n/a	Sept 2019
Appointed Governor	Name	Start of Term of Office	Re-elected	End of Current Term of office
<b>University of Cambridge</b>	Caroline Edmonds	Oct 2016	n/a	As agreed between organisations
<b>Cambridge University Hospitals NHS FT</b>	Lorraine Szeremeta	Oct 2018	n/a	As agreed between organisations
<b>Cambridgeshire County Council</b>	Cllr Linda Jones	Sept 2018	n/a	As agreed between organisations
<b>South Cambridgeshire District Council</b>	Cllr Alex Malyon	June 2018	n/a	As agreed between organisations



### Register of Interests

The Trust's Constitution requires the Trust to maintain a register of Governors' interests. All Governors are asked to declare any interests at the time of their appointment and annually thereafter. There is a standing item on all Council of Governors and Committee meetings to confirm/update declarations of interest. The register is held by the Trust Secretary. The register is available to the public on request. Anyone who wishes to see the Register of Governors' Interests should make enquiries to the Trust Secretary at the following address: The Trust Secretary, Royal Papworth Hospital, Papworth Road, Cambridge Biomedical Campus Cambridge, CB2 0AY.

### Contacting the Governors

Governors can be contacted via the Chairman's Office, by telephoning 01223 639833 or by writing to: The Chairman's Office, Royal Papworth Hospital, Papworth Road, Cambridge Biomedical Campus Cambridge, CB2 0AY.

### Governor Election Results

Electoral Reform Services Limited (ERS) acted as the returning officer and independent scrutineer for the election process during 2018.

There were vacancies for Governors in one of our public constituencies, Suffolk. No nominations were received from this constituency.

### Information on election results:

**Cambridgeshire** – no election in 2018/19

**Suffolk** - uncontested election: no nominations – two vacancies

**Norfolk** - no election in 2018/19;

**Rest of England and Wales** - no election in 2018/19;

**Doctors** - no election in 2018/19;

**Scientific and Technical** - no election in 2018/19;

**Allied Health Professionals** - no election in 2018/19;

**Nurses** - no election in 2018/19 – one vacancy

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

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

- Members voting (and standing for election) in elections for the Council of Governors;
- Presentations for Governors on subjects including clinical leadership and optimisation of our Electronic Patient Record; Patient Stories;
- Six main Governor/Director Committees: Forward Planning, Appointments [Non-executive Director Nomination & Remuneration], Patient/Public Involvement (PPI), Governors' Assurance, Access and Facilities and Fundraising Group;
- Governor attendance at Audit Committee, Quality and Risk Committee and Open Board meetings;
- Governors' attendance at events such as the Annual Members' Meeting and annual Staff Awards Ceremony;
- Norfolk Governors have leading roles in Norfolk Zipper Club, which supports patients and their families and actively fundraises for the Trust;
- Governor membership on the Patient and Carer Experience Group (PCEG), Reading Panel and HealthWatch;
- Member engagement with the Trust through PALS (Patient Liaison and Advice Service);
- Active Volunteer structure.

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

<b>Council of Governors</b>	<b>20-Jun-18</b>	<b>19-Sep-18</b>	<b>21-Nov-18</b>	<b>20-Mar-19</b>
John Wallwork (Chairman)	✓	✓	✓	✓
Stephen Posey	x	✓	✓	✓
Michael Blastland				
Karen Caddick	x	x		
Roy Clarke	✓	✓	x	✓
Cynthia Conquest				x
David Dean		✓	x	x
Roger Hall	✓	x	✓	x
David Hughes	x	x	x	x
Susan Lintott	x	x	x	✓
Eilish Midlane	x	✓	✓	✓
Mark Millar	x	x		
Oonagh Monkhouse <sup>1</sup>	✓	✓	✓	✓
Nick Morrell	x	x	x	x
Andy Raynes	x	x	x	✓
Josie Rudman	x	✓	✓	✓
Ron Zimmern	x	x	x	

✓ Indicates attendance at meeting.

x Indicates did not attend.

<sup>1</sup> Part year membership

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

**Table of Governor Attendance at Council of Governors' Meetings 2018/19**

<b>Council of Governors</b>	<b>20-Jun-18</b>	<b>19-Sep-18</b>	<b>21-Nov-18</b>	<b>20-Mar-19</b>
Atkins, Janet	x	✓	x	x
Brown, Stephen	✓	✓	✓	✓
Crabtree-Taylor, Barry	✓	✓	x	✓
Dunncliffe, Julia	x	✓		
Edge, Glen	✓	✓	x	✓
Fiddy, John	x	✓	✓	✓
Francis, Gill	✓	✓	✓	✓
Graham, Robert	✓	✓	✓	✓
Hodder, Richard (Lead)	✓	✓	✓	✓
Jackson, Keith	x	✓	✓	✓
Jagger, Graham	✓	✓	✓	✓
Marner, Simon	✓	x	✓	✓
McLeese, Trevor	✓	x	✓	✓
Moodey, Tony	✓	✓	✓	✓
Munday, Peter	✓	x	x	✓
Perkins, Harvey	✓	x	✓	✓
Spinks, Bob	✓	x	✓	✓
Martin, Penny	✓	x	✓	✓
Munday, Helen	x	✓		
Oats, Katrina	x	x	✓	✓
Riotto, Cheryl	✓	✓	✓	✓
Rodriquez, Helen	✓	✓	✓	✓
Ruggiero, Alessandro	✓	✓	✓	✓
Williams, Tony	✓	x	✓	x
Edmonds, Caroline	✓	x	✓	✓
Ellington, Sue	✓			
Ingle, Anne-Marie	✓			
Jones, Linda			x	✓
Malyon, Alex		x	x	x
Szeremeta, Lorraine			x	x

 **Not a Governor**
     
 ✓ **In attendance**
     
 x **Apologies received**

## 2.9 Foundation Trust Membership

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

### Public and Staff constituencies

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

### Membership by constituency as at 31 March 2019:

Membership by constituency as at 31 March 2019		
Public Membership Profile	Number of Members	% of total
Cambridgeshire	2,372	36.60%
Norfolk	1,106	17.07%
Suffolk	957	14.77%
Rest of England & Wales	2,046	31.57%
Sub-total	6,481	100.00%
Constituencies – Staff*	Number of Members	% of total
Nurses	842	37.26%
Doctors	368	16.28%
Allied Health Professionals	258	11.42%
Scientific & Technical	118	5.22%
Ancillary, Estates & Others	156	6.90%
Administrative, Clerical & Management	518	22.92%
Sub-total	2,260	100.00%
Total Membership	8,741	100.00%
*Note: Numbers are individual members of staff, not whole time equivalent		

### Membership Plans

The Membership Strategy was reviewed with Governors in November 2018 is to be refreshed and re-launched following the move to the new hospital. The strategy underpins the Trust's membership model of governance. It sets out how the Council of Governors discharges its role and responsibilities with particular reference to the Governors' role of being responsible for representing the interests of the membership. The strategy includes direction on how Governors could provide regular and effective communication with members, to keep them informed about what is happening at the Trust and, crucially, improve engagement with stakeholders. Membership recruitment continues using the website, leaflets, and posters.

### **Annual Members' Meeting**

The Trust held its Annual Members' Meeting (AMM) on Wednesday 19 September. Our Foundation Trust Members heard updates on the hospital's performance over the past year, as well the latest on the hospital move and some excellent clinical presentations from our consultant staff.

Presentations included the Lead Governor speaking on the role of Governors, performance updates from our Chief Executive, Chief Nurse and Chief Finance Officer, as well as an update on our new hospital and clinical presentations covering Thoracic surgery: now and in the future; Cardiac sarcoidosis: combining research in lung and heart disease and the launch of new Rapid NSTEMI pathway.

The meeting was well attended with much interest in clinical developments and questions answered around travel and parking at the Cambridge Biomedical Campus, how we plan to work with our partners at CUH and other hospitals in the future, and our progress with implementing our Electronic Patient Record.

### **Thanking our volunteers**

In December 2018 we hosted a Christmas Afternoon Tea to say thank you to our volunteers who have supported the work of the hospital throughout the last year. Every day, our volunteers provide invaluable support to our staff and patients in a wide variety of roles and in this year they provided tremendous support for staff and patients throughout the hospital move period. Our volunteers acted as wayfinding champions for our new patients, as runners for our Command and Control centre as well as helping with packing and making beds, which all supported the successful move into the new hospital.

We have launched our Volunteer Strategy in this year and this will support the development of a volunteer service that brings added value to our patients, promotes and gives opportunities for people to volunteer and develops partnership and networking with national, charitable and third sector organisations including volunteer support groups. Since our move to the new site we have seen increase in interest in becoming a volunteer with the Trust.

If you are interested in hearing more about the work of Royal Papworth's volunteers please contact the PALS team via the PALS Office, by emailing [papworth.pals@nhs.net](mailto:papworth.pals@nhs.net) or by telephoning 01223 638896.

## 2.10 Sustainability Report

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

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

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

From 19 February 2018 onwards aggregated data from the 2 sites will need to be provided until sale of the current site. The increases reported in 2018/19 reflect the impact of dual running across two sites, and some exceptional use relating to the commissioning of the new site.

### **Future Projects**

The Trust continues to be represented at meetings of the Cambridge Biomedical Campus (CBC) as part of a Travel and Transport, and Sustainability working group. The group has been looking at ways to improve travel onto the CBC site prior to the move in 2019 whilst still maintaining a "green" travel plan along with exploring culture change for sustainability focusing on energy, waste and water across the whole campus.

The Trust is working with Mott Macdonald to undertake a forensic review of energy consumption at the new hospital site to ensure this is in line with both the design specification and is delivering the required savings.

## SUMMARY OF COMPARATIVE DATA

Area		Type	Non-Financial data								Financial Data £000's					
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19*		
Greenhouse Gas Emissions	Direct GHG Emissions															
		Electricity (GJ)	21,149	20,904	20,235	20,383	21,400	42,214	653,089	667,874	677,343	677,737	786,572	1,551,787		
		Gas (GJ)	44,580	36,608	35,881	36,481	37,183	77,406	400,135	321,557	280,616	247,988	245,194	510,107		
		Oil (GJ)	698	635	554	588	1,215	1,469.55	9,424	9,684	6,406	7,940	19,357	23,410		
		Total	66,427	58,147	57,816	57,452	57,798	116,043	1,062,688	999,115	964,365	933,665	1,038,495	2,085,304		
Waste Minimisation and Management	Clinical Waste for Incineration (Tonnes)	296	311	318	306	300	261	121,596	128,314	142,036	143,666	141,110	122,910			
	General Waste (Tonnes)	322	320	345	331	362	567	43,078	38,019	42,122	45,755	40,371	63,304			
Finite Resources	Water (M <sup>3</sup> )	62,010	50,294	55,289	54,552	63,984	167,911	123,691	107,389	112,377	109,098	130,561	342,539			

\* 2018/19 figures reflect dual running and some exceptional use due to the commissioning of the new site.

For information on 2008/09 to 2012/13 see previous Trust Annual Reports

<https://royalpapworth.nhs.uk/our-hospital/information-we-publish/annual-reports>

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



## 2.11 Equality and Diversity Report

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

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

The nine protected characteristics are:

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

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

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

### **Workforce Profile – 31 March 2019**

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

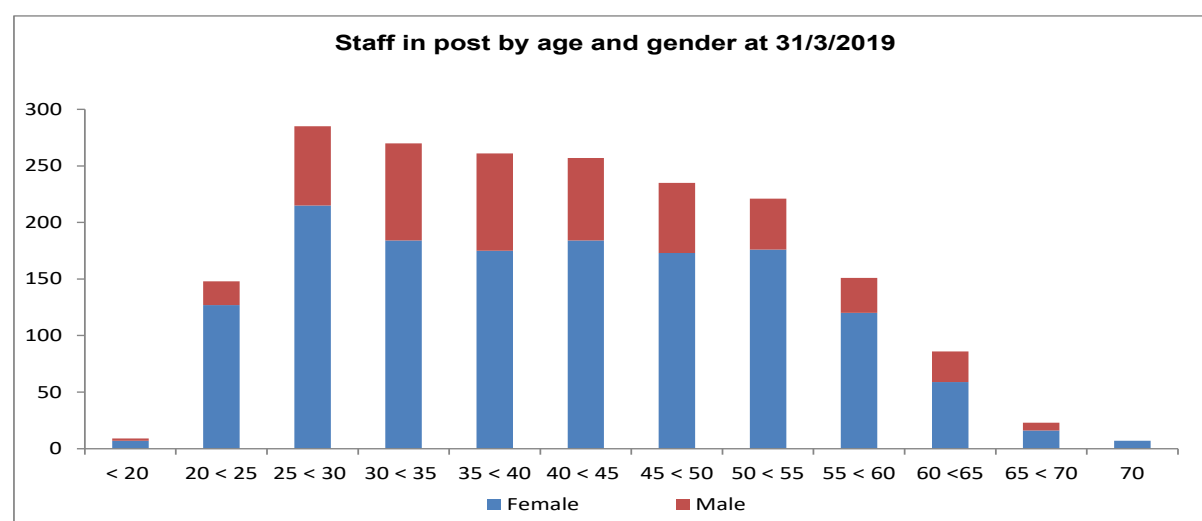
## Gender

The Hospital had 1953 employees at 31<sup>st</sup> March 2019, excluding hosted services, of which, 1400 were full time employees and 553 were part time.

Gender	Full Time		Part Time		Total Workforce	
	Wofkforce	% of Full time	Wofkforce	% of part-time	Wofkforce	% of workforce
Female	942	67.29%	501	90.60%	1443	73.89%
Male	458	32.71%	52	9.40%	510	26.11%
Grand Total	1400	100.00%	553	100.00%	1953	100.00%

## Age by Gender

The age profile of the workforce gender is as follows:



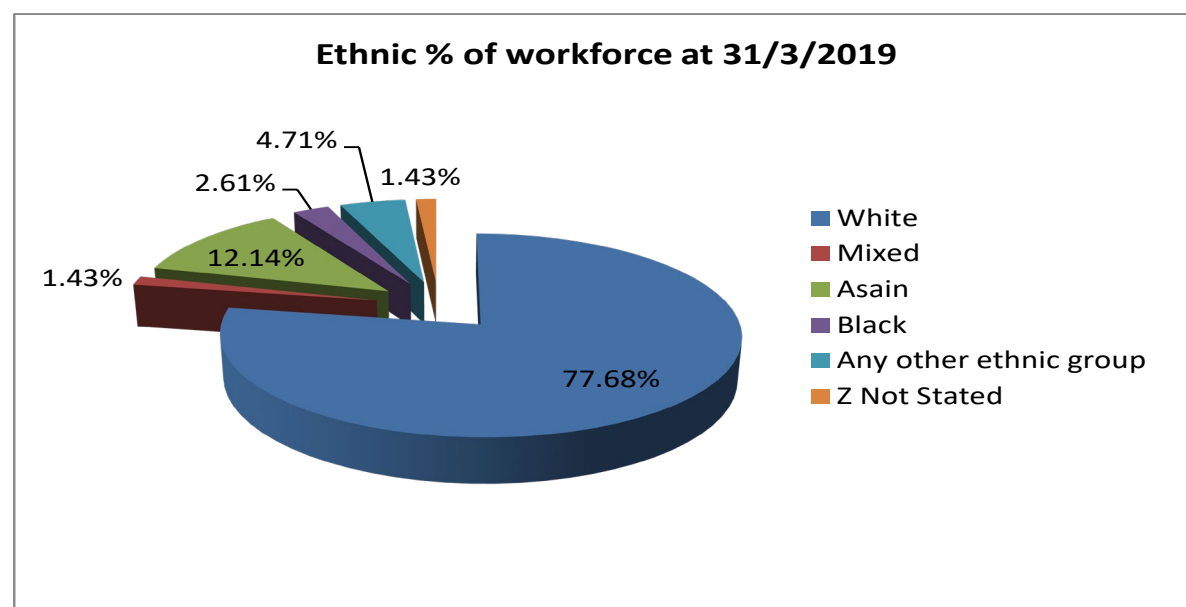
Age band	Female	Male	Total	% of staff
< 20 years	7	2	9	0.46%
20 < 25 years	127	21	148	7.58%
25 < 30 years	215	70	285	14.59%
30 < 35 years	184	86	270	13.82%
35 < 40 years	175	86	261	13.36%
40 < 45 years	184	73	257	13.16%
45 < 50 years	173	62	235	12.03%
50 < 55 years	176	45	221	11.32%
55 < 60 years	120	31	151	7.73%
60 < 65 years	59	27	86	4.40%
65 < 70 years	16	7	23	1.18%
70 years and over	7	0	7	0.36%
<b>Grand Total</b>	<b>1443</b>	<b>510</b>	<b>1953</b>	<b>100.00%</b>

## Gender Pay Gap

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

Gender pay published for 31/3/2018													
Royal Papworth Hospital NHS FT	ORDINARY PAY										BONUS PAY		
	Mean pay gap %	Median Pay gap %	Quartile 4 (Top quartile)		Quartile 3 (Upper Middle Quartile)		Quartile 2 (lower middle quartile)		Quartile 1 (Lower quartile)		Mean Bonus pay gap %	Median Bonus Pay gap %	Proportion of males and females receiving a bonus payment
			Men	Women	Men	Women	Men	Women	Men	Women			Men Women
	25.96%	10.25%	40.42%	59.58%	18.38%	81.62%	23.79%	76.21%	25.95%	74.05%	46.21%	78.86%	7.39% 0.72%

## Ethnicity



## Sexual Orientation

Sexual orientation	Total	% of workforce
Bisexual	16	0.82%
Gay or Lesbian	12	0.61%
Heterosexual or Straight	1341	68.66%
Not stated (person asked but declined to provide a response)	360	18.43%
Other sexual orientation not listed	2	0.10%
Undecided	1	0.05%
Undefined	221	11.32%
Grand Total	1953	100.00%

## Disability

Disabled	Female		Male		Grand Total	
	Wofkforce	% of workforce	Wofkforce	% of workforce	Wofkforce	% of workforce
No	938	48.03%	328	16.79%	1266	64.82%
Not Declared	126	6.45%	76	3.89%	202	10.34%
Prefer Not To Answer	3	0.15%		0.00%	3	0.15%
Undefined	324	16.59%	94	4.81%	418	21.40%
Yes	52	2.66%	12	0.61%	64	3.28%
Grand Total	1443	73.89%	510	26.11%	1953	100.00%

## Religious belief

Religious belief	Total	% of workforce
Christianity	886	45.37%
I do not wish to disclose my religion/belief	396	20.28%
Atheism	251	12.85%
Undefined	220	11.26%
Other	129	6.61%
Islam	31	1.59%
Hinduism	30	1.54%
Buddhism	9	0.46%
Judaism	1	0.05%
Grand Total	1953	100.00%

## NHS equality delivery system (EDS)

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

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

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

The Trust uses the NHS Equality Delivery System (EDS) as a tool to drive equality improvements to engage with patients, staff and the community to review our service and employment equality performance and to identify future priorities and actions for

the Trust's equality objectives. The outcome of our 2017 EDS rating was also reported by the CEO to the Board in November 2017. The Trust's EDS rating reporting template and annual equality objectives to address the gaps are published on the Trust website.

### **Workforce Race Equality Standard**

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

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

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

### **Equality monitoring**

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

This includes:

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

<https://royalpapworth.nhs.uk/our-hospital/information-we-publish/equality-diversity-and-inclusion>

### Trade Union Facility Time Publication Requirements

The Trust has complied with the Disclosure of Trade Union Facility Time set out in The Trade Union (Facility Time Publication Requirements) Regulations 2017. The following data was published as required in 2018/19.

Seven employees were Relevant Union Officials during the relevant period (2017/18) and this equated to 6.4 FTE employees.

The percentage of time spent on facility time was:

a	0%	0
b	1%-50%	7
c	51%-99%	0
d	100%	0

The percentage of pay bill spent on facility time during the relevant period

a	<b>Total cost of pay bill on facility time</b>	<b>£15,523</b>
b	Total pay bill	£82,732,000
c	Total pay bill spent on facility time	0.02%
d	Time spent on paid trade union activities as a percentage of total paid facility time hours	75.29%

## 2.12 Statement of Accounting Officer's responsibilities

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

The 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 [name] NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Royal Papworth Hospital NHS foundation trust and of its income and expenditure, 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's 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/her 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:

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

Stephen Posey  
Chief Executive  
Date: 23 May 2019

## 2.13 Annual Governance Statement

### Executive summary

My annual governance review of 2018/19 confirms that Royal Papworth Hospital NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its organisation's objectives. The Trust has a programme that regularly monitors and tests various aspects of its governance and risk management structures to ensure they remain fit for purpose. Overall, no significant internal control issues have been identified that would impact on the delivery of the Trust's strategic and annual objectives. The Trust recognises that the internal control environment can always be strengthened and this work will continue in 2019/20. The document below summarises the key areas that informed this opinion.

### Scope of Responsibility

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

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

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Royal Papworth Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Royal Papworth Hospital NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the Annual Report and Accounts.

### Capacity to handle risk

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

All new staff joining the Trust are required to attend Corporate induction which covers clinical governance and risk management, including use of the Datix Incident Reporting System. The Trust learns from good practice through a range of mechanisms including root cause analysis of identified incidents, clinical supervision and reflective practice, individual and peer reviews, performance management, continuing professional development, clinical audit and application of evidenced based practice. All relevant

policies are available on the Trust intranet.

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

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

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

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

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

Risk assessment information is held in an organisation wide risk register (Datix Risk Management system). There are regular Corporate and Board Assurance Framework (BAF) risk reports to the Executive Directors; which includes a BAF tracker dashboard. All Serious Incidents (SIs) are reported to the Board via the Chief Nurse, Medical Director or Chief Operating Officer. All staff are responsible for responding to incidents, risks,

complaints and near misses in accordance with the appropriate policies. Incident reporting is co-ordinated by the Department of Clinical Governance and Risk Management. Staff are encouraged to report incidents and there continues to be a healthy incident reporting culture which is demonstrated by the percentage of near miss reports against actual incidents with the majority of incidents graded as low or no harm. Information on patient safety incident trends and actions are discussed in the monthly Quality and Risk Management Group (QRMG) which is chaired by the Clinical Governance Lead – a Consultant Anaesthetist, who is a member of the Board’s Quality and Risk (Q&R) Committee. Information on staff, visitor and organisational incidents and risks are shared at the Health and Safety Committee and disseminated across the Committee structure. Information on patient safety incident trends and actions are also placed on the Trust’s external website in the quarterly Quality and Risk Report. The QRMG reports to the Q&R Committee.

Board of Director Committees consisted in the year of:

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

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

During 2018/19 the Q&R Committee was delegated with providing assurance to the Board that there is an effective structure, process and system of control for:

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

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

- In-Year Performance (financial and service performance);
- Capital Investment, supported by the Investment Group;

- Planning and Service Development, including CIP/SIP.

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

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

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

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

- Quality Strategy: Every patient has the right to feel safe and cared for whilst accessing services at Royal Papworth Hospital NHS Foundation Trust. The Trust has refreshed its Quality Strategy 2019-22 building on its achievements and aligned to, and taking into account the national Quality Improvement agenda, current QI research and National QI leadership programmes. This includes implementation of the Culture and Leadership Programme co-designed between NHS Improvement and the Kings Fund, which will be undertaken in 2019 and support the delivery of our Quality Strategy. The Trust's Quality strategy sets out three ambitions:
  1. Safe: Provide a safe system of care thereby reduce avoidable harm;
  2. Effective and Responsive Care: Achieve excellent patient outcomes and enable a culture of continuous improvement;
  3. Patient experience and engagement: We will further build on our reputation for putting patient care at the heart of everything we do.
- Risks to quality are listed in the Board Assurance Framework (BAF) and in the risk register. The Medical Director and Chief Nurse review the Quality impact assessments for all new Service Improvement (CIP/SIP) projects;
- Capabilities and culture: The Trust has achieved Non-executive Director (NED) engagement in quality through the Quality and Risk Committee (Q&R) and Governor engagement through the Patient and Public Involvement (PPI) Committee and Q&R Committee. The Board of Directors and Council of Governors receive and review the PIPR, including patient safety and patient experience at every meeting. The last external Well-led Review was carried out during 2015/16.
- Structures and processes: Quality, in the form of patient quality and safety, and patient experience are standing items for all meetings of the Board of Directors and Council of

Governors. The Q&R Committee reviews actions to address quality performance issues. The Trust has engaged with its key external stakeholders on quality through the quality reporting process and has requested input from system partners including our NHS Commissioners, Cambridgeshire County Council Health Committee and Healthwatch Cambridgeshire and Peterborough. There is a Guardian of Safe Working Hours and a Lead Healthcare Scientist role established; in the last year the Trust has established a network for Black and Minority Ethnic Staff and has established the role of Freedom to Speak Up Guardian who reporting directly to the Board.

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

## **Risk**

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

All new risks are identified in-year and escalated to the risk register and reported via the Board Assurance Framework (BAF) where the residual risk rating is extreme, and the risk cannot be controlled to an acceptable level. Once identified, all risks are assessed with a consistent approach utilising the Trust 5x5 severity and likelihood matrix. During the review process, all risks (financial, safety, clinical project & management) are afforded the correct level of priority dependent on the Residual Risk Rating (RRR) following any recognised control measures which have been identified. Risks confirmed with a RRR of between 1 and 12 are managed by the responsible Directorate. Risks, resulting in a RRR of 15 or more are reviewed by the Lead Executive to provide assurance that the control measures put in place, are effective and that actions are developed to reduce the risk. Where the risk remains high, it is considered for escalation to the BAF for review by the appropriate Board Committee. All risks are also reviewed by the respective directorate management groups, with the Risk Management Group continuing to monitor the process via the dashboard on a quarterly basis.

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

The Risk Strategy describes the reporting and role responsibilities from department to the Board. Open risks are discussed at departmental and directorate meetings, the corporate risk register and the BAF are considered by the Executive Team and Board Committees, with a report going to Audit Committee at each meeting.



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

Risk Description	Mitigation
<p><b>Workforce Recruitment and Retention</b>  The inability to recruit and retain mission critical staff (including registered nurses, other professional staff and all non-medical staff groups) resulting in an impact on clinical services, maintaining capacity, pressure on existing staff and failure to meet NHSI agency ceiling and safer staffing levels. Whilst vacancy levels have reduced over the last year there remains high vacancy rates in some areas that impacts on the provision of required activity levels. The significant organisational change as a result of the relocation of the hospital has had a negative impact on retention of staff.  The national shortages of key professional groups, such as nursing, means that there will be a continuing impact on the ability of the Trust to recruit staff and an ongoing impact on staff at new Royal Papworth Hospital.</p>	<p>The Trust has a Recruitment and Retention Strategy which includes overseas recruitment campaigns and a programme for assisting overseas nurses to gain registration, proactive social media campaign, engagement with HEIs across the country and regular recruitment events including some jointly with CUH, promotion of return to practice option.  The Recruitment and Retention Strategy addresses how we seek to retain staff by supporting and developing them. In addition we have taken specific actions to mitigate the impact of the relocation of the hospital including : an excess daily travel allowance to support staff travelling to the new site, working with campus partners to commission a new bus routes from the west of Cambridge to the new site, a free bus service from the new staff accommodation in Waterbeach to the existing site to support staff in remaining with the Trust during the delays to the relocation.</p>
<p><b>New Royal Papworth Hospital (including Hospital Move 'cut over')</b>  Affordability; construction, equipping, Cambridge Transition Programme, ICT and telecoms and cut over planning; construction delays; future</p>	<p>Risk documentation and tracking;  Standalone solutions where appropriate;  Significant internal audit work performed during 2017/18 (see later in Annual Governance Statement for more detail);  Review by the Project Board and Strategic Projects Committee, including 'Go or No Go Decision');  Escalation process to the Board of Directors.</p>
<p><b>Cambridge Transition Programme (part of New Royal Papworth Hospital move)</b>  Failure to secure mission critical services prior to move to NPH.</p>	<p>CEOs and Teams at Royal Papworth and CUH are working together to resolve mission critical services with agreement that NPH is a joint endeavour. Alternative plans to joint working are being developed where these are more appropriate.</p>
<p><b>Finances</b>  Risk to the Trust's financial position due to: national NHS financial pressures, risks to delivery of activity, or change in casemix, the move to the new hospital and the need to identify cost improvements have potential risks to impact on quality.  The conclusion of the disposal of residual</p>	<p>Quality Impact assessments for all CIP/SIP. Continually reviewing environment through CQC matron ward rounds (weekly) and PLACE inspection (1 per year). Escalation to Nursing advisory group and Quality and Risk Committee. Maintenance work plan from estates. Weekly review of Family and Friends feedback escalated to estates if patient environment needs addressing. On-going discussions with</p>

estate (impact on the cash position Q1 & Q2 2019/20);  Delay in implementation of changes in the national tariff for transplantation.	Commissioners and Regulators.
<b>Activity Recovery</b>	Activity recovery plan in place
<b>EU Exit from the European Union</b>	The Trust has an EU Exit Project Board and has assessed risks across: supply of medicines, vaccines, medical devices and clinical consumables; supply of non-clinical consumables, goods and services; Workforce; Reciprocal healthcare; Research and clinical trials; Data sharing, processing and access

### Safer Staffing: Developing Workforce Safeguards

As a key element of the planning for the move to the new hospital the Trust undertook a full workforce planning exercise in 2018/19 to ensure that staffing models, skill mix and numbers aligned with new operational plans. This was a bottom up exercise with close scrutiny by the Executive Team to ensure that workforce plans would deliver safe and cost effective staffing levels. The Trust has used for the last 8 year a Care Hours per Patient Day CHPPD establishment tool which has been adapted from the Nursing Hours Per Patient Day Australian tool. This has been developed for use in a cardiothoracic hospital and benchmarked during it's development with the annual Australian report. This provides the sensitivity required for this group of patients. This was used to set staffing levels and skill mix for the new ward staffing configurations post move.

Each ward has a set average of CHPPD, and we use this to report acuity and identify areas of risk on a daily basis. Royal Papworth Hospital remains compliant against the 2016 NQB guidance and uses a triangulated approach to safer staffing. In the Board Integrated Performance Report safer staffing fill rate and CHPPD is presented alongside safety metrics. This is replicated in detail in the ward score cards, providing ward to Board assurance.

There are two staffing reviews per annum to ensure that changes in activity, acuity etc are identified and where appropriate skill mix and/or staffing numbers are adjusted . The ward acuity is measured 3 times a day and reported at the Trust-wide safety briefing in the morning where safer staffing is discussed and addressed. Professional judgement assisted by an acuity tool is used to ensure the effective deployment of staff to ensure safe staffing levels on a shift by shift basis.

The productive ward series has been embedded and activity audits are carried out quarterly to measure direct care time and reported in Board Integrated Performance Report. Effective rostering for nursing has been reported to the Clinical Professional Advisory Committee, and this next year we will be including the AHP group. Red flags are reviewed and reported. Benchmarking with other Trust's is not available through the model hospital as there is not data available on tertiary hospitals. We do reach out to other specialist tertiary cardio thoracic centres to benchmark CHPPD.

Patient feedback is gathered through the Friends and Family questionnaire and is reviewed on a real time basis weekly at the Matron's meeting, and acted upon. The action taken is feedback on "you said, we did" boards in all areas.

### **Compliance Statements**

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission. The last CQC announced inspection was in December 2014 and this assessed the overall rating as 'Good', with two of the five overall assessments rated as 'Outstanding' with the other three rated 'Good'. Since completing the action plan from the visit the Trust has undertaken three internal mock CQC inspections all rated the organisation as 'Good'. These were undertaken in May 2016 and November 2016 and in October 2018.

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'* guidance.

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

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

The foundation trust has undertaken risk assessments and 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.

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

The Trust's Operational Plan for 2018/19 was approved by the Board of Directors, supported by the Council of Governors, submitted to and accepted by NHS Improvement (NHSI). The Plan reflected finance and governance requirements (including service and quality aspects), each of which was ascribed a risk rating by NHSI. Achievement of the Plan relied on delivery of cash releasing efficiency savings during the financial year. Progress against delivery of service improvement (CIP/SIP) is monitored throughout the year and updates are presented to the Performance Committee and Board of Directors via reports covering activity, capacity, human resources management, patient safety, patient experience, clinical effectiveness, finance and risk. The process to ensure that resources are used economically, efficiently and effectively across clinical services include directorate and divisional reviews, and the regular monitoring of clinical indicators covering quality and safety. In addition to the agreed annual CIP, further efficiency savings are realised during the year through initiatives, such as on-going tendering and procurement rationalisation. The Trust achieved its key financial targets during 2018/19 (excluding Clinical Income and % Agency spend).

The Trust carried out a refresh of the Financial Strategy via the Financial Recovery Plan which reported to the Board of Directors in October 2017. The monthly review of the risks identified and the progress of initiatives has subsequently continued in 2018/19. This provides a focused strategic risk based assessment of the key financial assumptions inherent to the Trust's strategy and therefore the affordability of the Private Finance Initiative (PFI). These risks and related mitigations were considered as part of the two year Operational Plan review for 2018/19 to 2019/20 and a further refresh is underway. To enable the Trust to meet the challenging targets for 2018/19 to 2019/20, the Trust has and will continue to review its position with regard to Get it Right First Time (GIRFT), Agency,

Procurement and efficiencies highlighted by the Lord Carter review to ensure that the Trust's concentration is on delivering a value for money efficient service as part of the local health economy.

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

### **Information Governance**

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

The Trust annually assesses compliance with the requirements of the NHS Digital Information Governance Toolkit for the management and control of risks to information. The Trust's Director of Digital is the Senior Information Risk Owner (SIRO) and the Chief Nurse is the Caldicott Guardian, both reporting to the Board.

Senior managers across the Trust are information asset owners accountable for a particular group of information assets as part of the Information Governance Management Framework. A regular update on information governance is received by the Quality and Risk (Q&R) Committee of the Board of Directors, which is tasked with providing assurance to the Board. There is an Information Governance Steering Group (IGSG) chaired by the SIRO which reviews/approves policies and procedures/action plans relevant to information governance. The SIRO reports any issues to the Q&R Committee and the Board. The Trust has submitted Data Security and Protection (DS&P) Toolkit, which includes requirements relating to the Statement of Compliance and all standards were declared as met.

In 2018/19 there were no serious incidents relating to information governance, including data loss or confidentiality breach that were classified as Level 2 in the Information Governance Incident Reporting Tool.

### **Annual Quality Report**

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

The Chief Nurse is the nominated Trust Executive for the Quality Report. The Board of Directors has agreed that the Quality Report will be considered and recommended by the Quality and Risk (Q&R) Committee of the Board. The Q&R Committee was also responsible for deliberating on priorities for inclusion in the Quality Report. The quality

priorities were developed in consultation with a range of stakeholders including the Patient and Public Involvement (PPI) Committee of the Council of Governors and clinical colleagues. The Council of Governors endorsed items for inclusion in the report.

Since the go live of the electronic patient record (EPR) system (Lorenzo) the Trust has continued to embed and optimise the EPR system and processes. In 2018 we achieved a bidirectional (two-way) link with the EPIC system and this was a first in this level of system interoperability. Information to support the quality metrics used in the Quality Report are held in a number of trust systems, including Lorenzo and Datix (electronic risk management system).

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

The Trust's Quality Report included within the Annual Report contains reported performance against the 2018/19 priorities and provides information on 2019/20 priorities.

There were 14 patient safety incidents reported as serious incidents in 2018/19, one of which was a never event which related to a misplaced nasogastric tube. The Care Quality Commission (CQC) and NHS Improvement (NHSI) were informed immediately. A full root cause analysis investigation took place in each case with learning reported back to staff, full duty of candour was undertaken with the patient and/or family. (For further information see Part 3 of the Quality Report – other information).

The Trust assures the quality of its waiting time data through the validation of the patient tracking list (PTL) which is currently issued weekly. Corrections to Lorenzo are made where required which feed into the following week's PTL. Longer waiting patients are checked on both Lorenzo and other clinical systems to ensure that their waiting time is valid and their treatment expedited if possible. A weekly meeting is held to discuss in detail the longer waiting patients on the PTL and this is further minuted in the Trust's weekly Access meetings.

The Trust has invested in a new validation and reporting system Patient Pathway Plus (PP+) which will enable 'real time' updates to the PTL (updated every 24 hours). PP+ is due to go live in May 2019.

The migration to the Trust's new patient administration system, Lorenzo confirmed that there are a number of areas where data quality can be improved both in timeliness of capture and accuracy. The RTT team and Digital team have worked to develop new training materials and methods. This includes training in the application of Lorenzo specific to staff roles. Individual and group training sessions in RTT are available on a weekly basis and RTT has become part of the induction programme for new starters.

The Trust has not met the overall 92% RTT target for the year in part due to challenges in remaining for an extended period on the old site where we experienced breakdowns in cath lab equipment and operational pressures including ward and critical care bed availability resulting in theatre cancellations, particularly during the ECMO surge and the flu outbreak. The Trust has put in place a remedial action plan and has delivered improvement ahead of trajectory and continues to monitor performance on a monthly

basis. At a specialty level the RTT target was recovered for Cardiology in February 2019 and Cardiac Surgery is ahead of trajectory. The aggregate RTT position is scheduled for recovery in quarter two 2019/20.

### **Review of Effectiveness**

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

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

#### The Head of Internal Audit (HOIA) overall opinion for 2018/19 is that:

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

During the year, seven internal audits were conducted: all except one received either a substantial or reasonable assurance opinion which provided assurance over the effectiveness of controls in place for those areas. Full findings of all internal audit reviews undertaken for 2018/19 are given below.

#### **Substantial Assurance:**

Financial Forecasting, CIPs and Budgetary Control - Financial Governance  
Risk Management and Assurance Framework  
Key Financial Controls

#### **Reasonable assurance:**

CQC – Governance and Mock Inspection Arrangements:  
Financial Forecasting, CIPs and Budgetary Control - CIP Project Management  
Business Continuity – Performance Escalation Processes, CADs

#### **Partial assurance (negative) opinion was provided:**

Business Continuity – Performance Escalation Processes, Cardiology, Surgery and Transplant

#### **No formal opinion provided**

General Data Protection Regulation (GDPR) Governance: no formal opinion provided.  
Data Security and Protection Toolkit

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

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

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

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

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

- Head of Internal Audit Opinion – see above;
- Dialogue with Executive Managers within the organisation who have responsibility for the development and maintenance of the system of internal control, the risk management system and the assurance framework;
- The last Care Quality Commission (CQC) Inspection Report dated 27 March 2015 which rated the Trust as “Good”;
- Clinical governance reports, including the quarterly and annual Quality and Risk Report (see public website);
- Clinical audit programme (see Quality Report);
- Consultation with Patient and Public Involvement groups, e.g. Patient Experience Panel, Patient Forum and Patient & Public Involvement Committee of the Council of Governors;
- The results of patient surveys (see Quality Report);
- The results of staff surveys (See Staff Report);
- External Audit management letter and other reports;
- Continued monitoring and reporting on financial performance, including SIP;
- Maintaining cash flow and liquidity;
- Information governance assurance framework including the Information Governance Toolkit;
- Investigation reports and action plans following serious incidents.



## Conclusion

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

My review confirms that Royal Papworth Hospital NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its organisational objectives. The Trust recognises that the internal control environment can always be strengthened and this work will continue in 2019/20

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

Approved by the Board and signed by the Chief Executive

Signed

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

Stephen Posey  
Chief Executive  
23 May 2019

**Royal Papworth Hospital  
NHS Foundation Trust**

**Group accounts for the  
year ended  
31 March 2019**

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

# **Royal Papworth Hospital NHS Foundation Trust**

## **Quality Report 2018/19**

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## Part 1 Statement on quality from the Chief Executive

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Providing high-quality, safe and effective care is at the heart of everything we do here at Royal Papworth Hospital. We are extremely proud to have gained an excellent reputation for quality in heart and lung medicine, but we know we must continually work to improve the care we provide to our patients. This Quality Account provides an overview of the quality of services that we have provided to patients during 2018/19 as well as our key priorities for improving quality in the year ahead.

In the last year, our staff and partners have worked extremely hard to maintain our excellent quality standards whilst remaining on our Papworth Everard site for an extended period following the delay in the move to our new hospital. We moved over 200 staff to Royal Papworth House in June 2018 and had to manage carefully the consequences of the delay in our move to the new Royal Papworth Hospital bringing forward essential equipment to our existing site and supporting our staff who had been eager to move to their new site. Our move is now secure, and we will be accepting our first patients at the new hospital in May 2019. I remain extremely proud that, despite all the changes we are going through as an organisation, we have maintained our excellent scores in the NHS Friends and Family Test, with 97% of our inpatients and 98% of our outpatients saying that they would recommend us as a place to receive treatment (February 2019).

Notable achievements in the last year include the introduction of a new pathway for patients suffering from high-risk NSTEMI, a type of heart attack caused by a severely narrowed artery. This new pathway means that patients identified as being high-risk are now transferred directly to Royal Papworth Hospital for treatment within 24 hours, rather than first being admitted to an acute hospital. This change in practice offers huge benefits to patients, as research and guidelines state that high-risk patients achieve better outcomes if they receive treatment to unblock the heart's blood supply within 24 hours. In the six months since the new 'Rapid NSTEMI' pathway was launched in September, 134 patients have been accepted onto the pathway (over twice as many as predicted) with 87.3% patients receiving treatment within 24 hours of referral (and 91.8% receiving treatment within 24 hours of arrival at the Trust). As well as helping our patients receive quicker, safer treatment, the pathway has also led to a wide range of efficiencies in the wider healthcare system. Transferring patients directly to Royal Papworth has saved ambulance transfers and bed days spent in referring hospitals. In six months it has delivered system savings of over £240,000 through reduced A&E attendances alone. This service improves the quality of care for patients and has helped to ease pressures on NHS services across the region.

Over the last 12 months we have improved digital maturity, becoming a Lorenzo Digital Exemplar site. We have introduced new functionality such as 'Lorenzo on the Wall' screens in clinical areas. We have achieved interoperability between our electronic patient record and the Epic system used at Cambridge University Hospitals through a two-way interface to record laboratory results. Achieving this bidirectional link to the Epic system at CUH, means that the time to receive results has reduced. We have also introduced an important system called OpenHealthConnect, which will enable our systems to communicate with those used in the community. We have improved patient safety and have seen a continued reduction in the number of medication errors through the introduction of ePrescribing. We have reduced our carbon footprint by removing paper charts and have digitised over a million records. Our digital solutions mean that clinicians in all departments have up-to-date information relating to patient care, without having to wait for paper-based records to be transferred across the hospital, which allows better informed, quicker decisions about patient care. Looking forward, our new hospital offers state of the art technology, and we will ensure that digital opportunities are leveraged to improve the quality of delivery of clinical and non-clinical services.

In the midst of all this change, the patients continue to receive excellent care, with complaints being fewer than 1 per 1000 patient episodes and the patient tracker demonstrating that we provide care with dignity and respect. The Trust has engaged with the National Frailty Agenda, and has joined a number of workstreams such as TAVI to ensure that the patient remains at the centre of all that we do. We have made changes in the In House Urgent patient pathway to improve the timeliness of transfer for surgery, including standardising the preparation of patients in the referral process. With the introduction of the Clinical Cardiac Network (hosted by Royal Papworth Hospital), we will continue to improve pathways and equity of access to our services for all patients in the region.

The year ahead will be an important one for Royal Papworth Hospital. Our first patients will be treated in our new state of the art hospital on the Cambridge Biomedical Campus. The move to our new, purpose-built hospital provides co-location with Cambridge University Hospitals, offering benefits to patients. The move will see:

- The creation of a single centre for pulmonary and upper gastrointestinal cancers
- Co-located cardiothoracic surgery adjacent to the regional trauma centre at CUH
- Speedier cross-referrals between specialties and earlier interventions

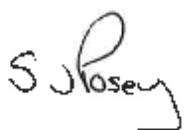
The move also offers the opportunity to build closer links with research organisations and industry on the Campus. Our plans to build a Heart Lung Research Institute (HLRI) on the Campus are progressing with our partners at the University of Cambridge. The Institute will enhance training and career development opportunities for our staff alongside other health and life sciences organisations on the Campus and deliver an array of opportunities to enhance the care that we provide to our patients now and in the future.

With the launch of our Quality Strategy 2019-22 Royal Papworth Hospital has made a commitment to embed and support Quality Improvement within the organisation. It is important for our staff to recognise and believe that quality is everybody's business, and we need to ensure that staff feel empowered to speak up when they feel that patient care is unsafe or the patient doesn't receive the service they deserve. We want staff at all levels to feel that they are supported by the organisation to act and make a change. We want our staff not only to come to work to do their job, but also to come to work to do their job better.

We recognise the value of continuous clinical quality improvement in supporting clinical effectiveness and in improving patient safety and the patient experience. It is also recognised that, service improvement and cost improvement will benefit from supporting the Quality Improvement agenda. Together with our Board of Directors and Council of Governors, and in consultation with our clinical staff, we have developed a series of quality priorities for 2019/20 that will help us make the most of the opportunities presented by our new hospital. These priorities will be addressed later in the Quality Accounts.

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

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



Stephen Posey  
Chief Executive  
23 May 2019

## Information about this Quality Report

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

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

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

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

Further information on the governance and financial position of Royal Papworth Hospital NHS Foundation Trust can be found in the various sections of the Annual Report and Accounts 2018/19.

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



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

### 2.1 Priorities for improvement

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

The focus then shifts to the forthcoming twelve months, and the report outlines the priorities that we have set for 2019/20 and the process that we went through to select this set of priorities.

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

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

#### Summary of performance on 2018/19 priorities

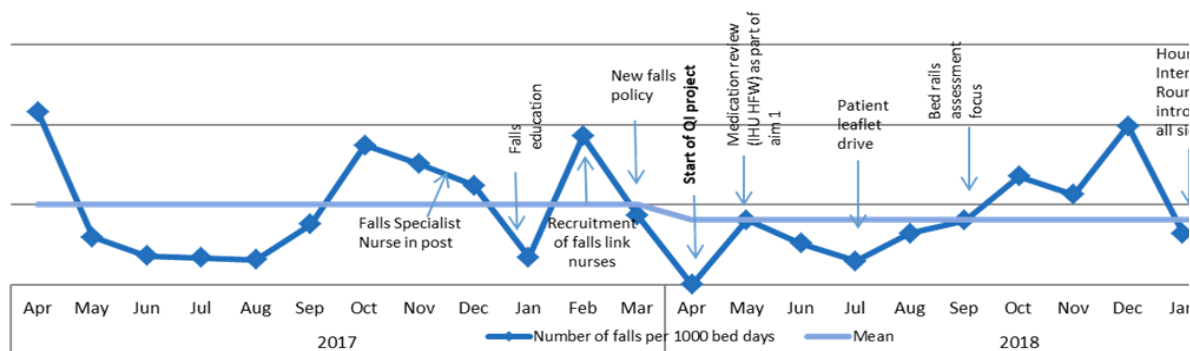
Our 2017/18 Quality Report set out our quality priorities for 2018/19 under the three quality domains of *patient safety*, *clinical effectiveness* and *patient experience*. See our 2017/18 Quality Account for further detail: <https://royalpapworth.nhs.uk/our-hospital/information-we-publish/annual-reports>

The following table summarises the five quality improvement priorities identified for 2018/19 together with the outcomes. The table below demonstrates achievements against the 2018/19 Goals.

#### Quality Account Summary of achievements against priorities for 2018/19

PRIORITY 1		Goals 2018/19	Outcomes
1	Embed an improved safety culture through implementation of SCORE culture tool across the organisation	Implement SCORE Culture Survey in Cath Labs prior to move to NHP and repeat following the move	<b>ACHIEVED</b> The SCORE Safety Culture tool (supported by EAHSN) has been implemented in the Cath Labs. The results have been shared with the main stakeholders. Further feedback sessions are planned with the multi-disciplinary team to develop a local action plan.
2	Deterioration and complications	<p>The quality improvement projects overall aim was to reduce the ward incidents in relation to the recognition of deteriorating patients (2017/18 = 2 reported SIs) After the delivery of each training session, a cycle of monitoring for the following measures will be undertaken:</p> <ul style="list-style-type: none"><li>•Improvement in timely observations using the electronic VitalPAC system</li><li>•Spot checks of fluid balance charts against the urine output recordings on VitalPAC for patients who have urinary</li></ul>	<p><b>ONGOING</b></p> <p>The deteriorating patient quality improvement project was formally launched on 8 November 2018 following recruitment of the project lead and core team being formed. The quality improvement project overall aim was reviewed and refined:</p> <p><b>100% of patients on Varrier Jones Ward with a MEWS of 4 or more will receive the correct actions according to RPH guidelines by 2020.</b></p> <p><b>Progress to date:</b> Baseline data collected from July – November 2018. Monthly monitoring of compliance with escalation guidelines using data from Vital PAC and Lorenzo is in place.</p> <p>First spot check audit of fluid balance / urine</p>

		<p>catheters in place</p> <ul style="list-style-type: none"> <li>•Improving the use of SBAR when verbally escalating a patient to the ALERT Team</li> <li>•Explore and introduce the practice of out of hours multidisciplinary Safety Huddles for Cardiology and Surgical wards</li> <li>•Evidence of documentation supporting appropriate escalation of patients with high risk or critical early warning scores.</li> </ul>	<p>output underway</p> <p>The use of SBAR as a communication tool is now included in managing the deteriorating patient at study days</p> <p>Safety Huddles have been introduced and the first audit of Safety Huddles is underway</p> <ul style="list-style-type: none"> <li>• Implementation of deteriorating patient study days, which have now been extended to band 5/6 nursing staff.</li> <li>• Feedback and learning from previous serious incidents within training</li> <li>• Production of DN749 (hospital at night) completed</li> <li>• NEWS2 online training available on education intranet site</li> </ul>
3	Medicines Safety / Falls Risk Reduction	To reduce falls by 10% by April 2019 on one ward in the In House Urgent patient population	<p><b>ACHIEVED</b></p> <p>The initial aim was to rationalise medication that may have the potential to increase the risk of falls. Data was collected but no changes were made to the medication due to the complex nature of this cohort of patients. This aspect of the work will be re-visited at a later stage of the project.</p> <p>The goal was therefore refined part way through the year:</p> <p><b>To reduce falls by 10% per 1000 bed days by April 2019 for Cardiac Surgery patients on Mallard Ward.</b></p> <p>As a result of the small steps for change implemented and studied, the average number of falls over the reporting period on Mallard Ward has reduced and this is indicative of an improvement compared with the number of falls during the same period in 2017/18. Measures implemented :</p> <ul style="list-style-type: none"> <li>• Providing staff training</li> <li>• Reinvigorating the falls link Nurse role</li> <li>• Supporting falls link nurses to deliver on the ward teaching and falls prevention work</li> <li>• Implementation of a new approach to multidisciplinary intentional rounding</li> <li>• Introduce a patient information leaflet on falls prevention</li> <li>• Launch the updated Falls Policy</li> </ul>



4	Flow and Transfers – Implementation of Red to Green	<ul style="list-style-type: none"> <li>•To define appropriate escalation triggers and actions to support flow.</li> <li>•To look at the role of the Operations Centre in co-ordinating activity across the site.</li> <li>•Staff training</li> <li>•Model the effects of TTOs written at least one day in advance to discharge.</li> <li>•Embed Pharmacy prescribers at ward level and work with ANPs to support discharge.</li> <li>•Promote early use of transport booking system.</li> <li>•Create internal escalation policy for transport issues.</li> <li>•Liaise with commissioners to refine escalation processes.</li> <li>•Review discharge planning arrangements</li> <li>•Develop a criteria lead discharge policy which could be adopted by the organisation.</li> </ul>	<p><b>ACHIEVED</b></p> <p>Every day three times a day, the Operational Manager indicates which triggers have been activated, which calculates into a hospital status</p> <p>Daily SiTREP is distributed at least three times a day and includes the following summary of information:</p> <ul style="list-style-type: none"> <li>• Who is on duty for escalation</li> <li>• Expected Elective Admissions</li> <li>• Transfers</li> <li>• Cancellations</li> <li>• Bed availability</li> <li>• Number of patients on Red or Green Days</li> <li>• In house urgent &amp; ACS information</li> <li>• Repatriations</li> <li>• Staff Summary</li> <li>• Next day planning</li> <li>• Additional information</li> </ul> <ul style="list-style-type: none"> <li>• Training on Red to Green has been delivered. A further online tool will be made available in the next few months, which staff will be prompted to complete within two months of starting at the trust.</li> <li>• TTOs written at least one day in advance of discharges is a business as usual process.</li> <li>• ANPs continue to support the ward and further recruitment has been successful so continued/further support can be accommodated.</li> <li>• Most transport is requested on the transport bookings system and the Transport Booking Coordinator makes the bookings, releasing ward staffs' time, but currently only covering from 10:00 to 18:00. By April 2019 a further Transport Coordinator will be in post and the hours of service will be from 07:30 to 18:00 Monday to Friday. Out of these hours the Clinical Ward Administrative support will cover.</li> <li>• Internal escalation policy with already</li> </ul>
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			<p>written and is within the transport procedure, currently this is a limited resource but further resource is in the planning stages.</p> <p>This project will form business as usual and will not be carried forward in the Quality Account for 2019/20</p>
5	Build QI capability	<p>•<b>Working with our partners – develop a Cambridge QI network</b></p> <ul style="list-style-type: none"> <li>•To develop the network group, set Terms of Reference and meet every 4-6 months</li> </ul> <p>•<b>Access the QI training delivered by EAHSN</b></p> <ul style="list-style-type: none"> <li>•All identified QI leads to have undergone QI training</li> <li>•Monitor take up of EAHSN QI training</li> </ul> <p>•<b>Support and monitor of QI across the organisation</b></p> <ul style="list-style-type: none"> <li>•Monthly meeting of the Quality Improvement Steering Group</li> <li>•Commission coaching support for the three identified QI projects aligned to the Quality account</li> <li>•Transition the Clinical Audit department into a Quality Improvement support function</li> </ul>	<p><b>ACHIEVED</b></p> <p>The Cambridge Quality Improvers Network has been established in 2018/19 with Terms of Reference agreed and regular attendance from CUH, EAHSN representation and CPFT. Remote interest has been expressed by CCS and NWAFT. The network has encouraged cross-organisational support and discussion regarding the local and national QI agenda.</p> <p><b>ACHIEVED</b></p> <p>The project leads and QI support team have attended EAHSN QI training sessions All Leads have completed Bronze online QI training.</p> <p>QI leads have been supported in the initiation of their project by the external QI Coach, who has provided training in the basic principles of QI.</p> <p>Attended EAHSN Deteriorating Patient Workshop</p> <p><b>ACHIEVED</b></p> <p>The QISG has met monthly throughout 2018/19. The QI priorities are monitored and reviewed at each meeting.</p> <p>The Trust has been supported with the three identified QI projects by an external QI Coach. We have used their expertise to support the development of aims and principles of QI to core team members of the QI projects</p> <p>We have initiated the transition of the Clinical audit team to a more QI approach, this will include ongoing clinical audit priorities. 2018/19 has been challenging for the QI team due to unplanned staffing difficulties, and we have not yet managed to achieve full transition. However, we have focused on building knowledge, skills and capability within the team.</p> <p>The QI Support team have attended the following workshops:</p> <ul style="list-style-type: none"> <li>• PDSA and driver diagrams</li> <li>• LIFE QI workshop</li> <li>• Measurement for Improvement</li> <li>• Attended Yorkshire and Humber Silver QI training</li> </ul>

PRIORITY 2		Goals 2018/19	Outcomes
1	Increasing Direct Care Time (DCT) through action research project, starting with one ward and then rolling out across the Trust	<ul style="list-style-type: none"> <li>• Improve Direct Care Time: to aim for minimum of 40% DCT</li> <li>• Wards to monitor DCT through quarterly activity follows</li> <li>• Report DCT quarterly through PIPR</li> </ul>	<ul style="list-style-type: none"> <li>• Measuring DCT on a quarterly basis by doing activity follows. These are reported into PIPR.</li> <li>• We completed Direct Care Time Activity follows for all wards in each quarter in 2018/19 (100%)</li> <li>• We achieved the 40% DCT target in Q3 2018 delivering 40.7% DCT (Q1 39.2%, Q2 36.7%, Q4 38.7%).</li> <li>• Over the year, seven out of the eight ward areas have seen DCT delivered above the 40% target in at least one of the quarters and the one area that did not meet the target achieved 39%.</li> <li>• Wards have provided feedback and identified where there are variations in DCT delivered. This has included the impact of time spent supporting other staff on the ward and some areas where there may be variations in data recording which is being addressed.</li> <li>• The optimisation of Lorenzo has the potential to improve DCT.</li> </ul>
2	Reducing complaints and PALS Concerns relating to communication	Monitor complaints on a monthly basis relating to communication issues. To show an overall reduction in complaints relating to communication against baseline at 31/03/2018	<p>Complaints are monitored and reported from ward to Board in the following ways</p> <ul style="list-style-type: none"> <li>• Monthly Matron's report discussed at ward, business unit and directorate level</li> <li>• Lessons learned shared at site-wide multi-professional meetings</li> <li>• Actively identifying communication elements within complaints, reported incidents and Friends &amp; Family Test feedback</li> <li>• Overall complaint numbers remain low and are closely monitored.</li> </ul>
3	Evidence of improved communication through patient stories	To start meetings with a relevant and appropriate patient story.	<ul style="list-style-type: none"> <li>• Trust-wide meetings from Business Unit to Trust Board now routinely commence with a patient story.</li> <li>• Patient stories are gathered from a wide variety of sources to allow further exploration when issues have been highlighted through other channels such as incidents and complaints.</li> <li>• Stories are also gathered from relatives and staff and shared in the same forum.</li> </ul>
		Patient stories to include what 'Always events' patients and their families feel are important so that these are continually refreshed.	All patient story templates include discussion about 'always events'
		To include Patient stories in Quality reports across all areas and provide a summary of	Patient stories are included in monthly Matron's Directorate reports

		themes from patient stories on a quarterly basis	
<b>PRIORITY 3</b>		<b>Goals 2018/19</b>	<b>Outcomes</b>
1	To <b>retain</b> a compassionate, expert workforce that is proud to work at Royal Papworth Hospital NHS Foundation Trust and feels developed and supported to make decisions, innovate and improve the lives of our patients.	<p>1. Improve our staff Friends and Family score (% strongly agree/agree) <b>Baseline:</b> Treatment: 100% Recommend to Work: 42%</p> <p>2. To maintain an appraisal rate above 90% across all groups of staff. <b>Baseline:</b> 88.38%</p> <p>3. To increase number of staff signed up to Trust benefit scheme. <b>Baseline:</b> 463</p>	<p>Friends and family scores are now recorded in the Trust's monthly 'pulse' surveys. However, response rates are often in the low hundreds of staff. The 2018 Staff survey had 54% of the Trust respond, yielding results of recommend for treatment (88.6%) and recommend to work (63.2%). These results represent a modest improvement from the 2017 Staff survey results for treatment (85.8%) and a slight decline (from 63.3%) for recommend to work.</p> <p>The Trust achieved an above 90% appraisal rate for six of the last twelve months but five of these have come consecutively since November 2018. Increased engagement with managers and improved reporting arrangements have driven this improvement.</p> <p>As at March 2019, 615 staff were active users of the benefit app, representing over 30% of the Trust's staff. Access to discounts, vouchers and other rewards through the app has been a visible element of the Trust's staff engagement strategy.</p>
2	To <b>attract</b> a diverse and skilled candidate pool across all staff groups by developing a strong employment brand through the use of social media and expanding the geographical area of advertising campaigns. Promotion of Royal Papworth's unique selling point 'fantastic reputation'.	<p>Continued extension of training and development pathways</p> <p>Improved advertising</p> <p>Support non-EU staff achieve NMC accreditation</p> <p>Collaborative working with CUH &amp; Campus partners</p>	<p>The Trust has been able to increase the number of nurse apprenticeships from 7 to 10 (with nine more due to start in 2019/20). There has also been the successful introduction of a Critical Care HCSW/Nurse Apprenticeship with six staff appointed as at March 2019.</p> <p>The Trust has used social media, particularly Facebook and LinkedIn as part of its recruitment campaigns with some success and has attended recruitment fairs jointly with CUH.</p> <p>The Trust has also successfully assisted over 50 overseas nurses to achieve their NMC during 2018/19. The majority of these staff have come from EU countries and have had assistance with language courses as well as support in ward areas</p>
3	To <b>recruit</b> staff that share the Trust values ensuring that vacancies are filled in a timely manner. To have efficient recruitment processes and a strong corporate induction that supports the Royal Papworth	<p>To reduce time to hire to a target of 51 days</p> <p>Development of tailored approaches for areas that are difficult to recruit to</p>	<p>The Trust's time to hire has averaged 59 days during 2018/19, a reduction from an average of 71 in 2017/18. The Trust has focused on nurse recruitment and successfully reduced nurse vacancy rates from 9.55% to 4.5% over the year.</p>

	Hospital brand.		
4	Overall KPI measures	<p>Vacancy rate <b>Baseline:</b> 8.87%</p> <p>Turnover of staff (annualised) % <b>Baseline:</b> 21.54%</p>	<p>The Trust's vacancy rate has increased to 11% by March 2019. However, the Trust has increased its establishment by over 100 WTE during the financial year.</p> <p>Turnover reduced slightly in 2018/19 with the annual average falling to 19.42%. Turnover has remained highly volatile throughout the year. A significant number of staff have decided to retire ahead of the Trust's pending re-location, which has increased turnover levels.</p>
<b>PRIORITY 4</b>		<b>Goals 2018/19</b>	<b>Outcomes</b>
1	Ensure a safe move to our new facilities at Waterbeach, Royal Papworth House, Huntingdon and Royal Papworth Hospital, Cambridge.	<p>Increased communications with staff</p> <p>Maintain a robust governance programme in relation to the moves</p> <p>Deliver a safe move to RP House, Waterbeach RP Hospital</p>	<p>Weekly briefings with senior leaders have supported the move process supported by monthly 'pulse' surveys to capture staff feedback around the move.</p> <p>Rigorous governance process in place with Committee and full Board oversight of the sequence of moves and comprehensively documented Go/No Go decisions in place with extensive risk assessments and supporting plans in place for each phase of the move sequence.</p> <p>Successful move to RP House and Waterbeach in line with Trust plans and successful Go decision achieved at Board in March 2019 for completion of the move to the Biomedical Campus followed by positive CQC registration visit in April 2019 and move confirmed for May 2019.</p>
2	Implement our Workforce Race Equality Scheme and prepare for the implementation of the Workforce Disability Equality Scheme.	Submit data against the nine indicators by the 31 July and publish this and our action plan on our website by the end of September 2018	<p>WRES data submitted and action plan published. The action plan delivered:</p> <ul style="list-style-type: none"> <li>• Refreshed Governance of WRES</li> <li>• Updated and ratified Equality and Diversity policy in consultation with key stakeholders.</li> <li>• Freedom to Speak Up Guardian appointed and supported by regular communications to the Trust on the role of the FTSU Guardian</li> <li>• FTSU Guardian to report into Equality and Inclusivity steering group and Board</li> <li>• Non-Executive director sponsor for the FTSU Guardian role.</li> <li>• Unconscious bias training rolling out across the organisation. Embedding e-learning unconscious bias training as mandatory for all recruiting managers in the first instance.</li> <li>• BME network set up with first meeting of BME network on 28/09/18 and an active role developing in the organisation.</li> <li>• Mandatory training compliance by all staff achieving competency in Level 1 CSTF at induction (delivered by EDS lead) three year online mandatory refresher.</li> <li>• Integrating Equality and Diversity insight into the current line manager training offer. Ensure training covers using the</li> </ul>

			<p>Decision Tree in the refreshed Disciplinary Procedure.</p> <ul style="list-style-type: none"> <li>Stepping Up Programme publicised to enable all interested staff members to be considered.</li> </ul>
3	Refresh the Trust's clinical vision and strategy.	<ol style="list-style-type: none"> <li>To secure the mutual benefits through the work of the CTP for: <ul style="list-style-type: none"> <li>Improved patient pathways</li> <li>Service efficiencies</li> <li>Research opportunities</li> </ul> </li> <li>To refresh the Trust's clinical vision and strategy.</li> </ol>	<p>1. In September last year, the Trust introduced a new pathway for patients suffering from high-risk NSTEMI (non ST elevated myocardial infarct) – a type of heart attack caused by a severely narrowed artery. The new pathway means that patients identified as being high-risk are now transferred directly to Royal Papworth Hospital for treatment within 24 hours, rather than first being admitted to an acute hospital. This change offers huge benefits to patients, as research and guidelines state that high-risk patients achieve better outcomes if they receive treatment to unblock the heart's blood supply within 24 hours. In the six months since the new 'Rapid NSTEMI' pathway was launched in September, 134 patients have been accepted onto the pathway with 87.3% patients receiving treatment within 24 hours of referral (and 91.8% receiving treatment within 24 hours of arrival at the Trust). As well as helping patients receive quicker, safer treatment, the pathway has also led to a range of efficiencies in the wider healthcare system. Transferring patients directly to Royal Papworth has saved ambulance transfers and bed days spent in referring hospitals. In six months it has delivered system savings of over £240,000. This service improves the quality of care for patients and has helped to ease pressures on NHS services across the region.</p> <p>The Trust has worked with Campus partners to develop the opportunities for collaborative research with an MoU being agreed with Philips. Plans are progressing with the University of Cambridge on the development of the Heart and Lung Research Institute.</p> <p>2. The Trust has started the review of its strategy, broadly following the Monitor / NHSI Strategy Development Toolkit. This work builds on the development during 2018 of strategies for Research, Digital, Nursing and Quality. The process began with two Clinical Vision workshops, in June 2018 and January 2019, where Directorates presented their own views on the clinical opportunities and risks, and potential strategies for the future.</p> <p>Work has progressed during January and February 2019 to develop an overview of the strategic environment, drawing on recent strategy work, national plans and policy developments, and the insights and expertise of Trust leaders and has resulted in a "Context Scoping" paper. A further workshop was held on the 7 March where the Trust</p>



			Board and leaders of the organisation discussed the Context Scoping paper and agreed the five “Big Questions” that emerged. These will form the framework for strategy discussions in the next phase of development.
<b>PRIORITY 5</b>		<b>Goals 2018/19</b>	<b>Outcomes</b>
1		75% of clinical staff will have undertaken Clinical Familiarisation prior to move	A total of 97% of staff at band 6 and above and 90% of staff at band 5 and below attended clinical familiarisation prior to the move.
2		90% of on call managers / staff will have undergone emergency planning and command and control centre training.	In addition to the two sessions run in the summer of 2018. Two further Command and Control sessions have been run in April 2019 with over 90% attendance. The remaining staff have booked separate sessions to ensure 100% compliance prior to the move sequence.
3		To achieve and maintain staff vacancies of below 10%	The overall Trust vacancy rate achieved was at 10.6% in February 2019, an improvement since September 2018 when the rate reached its highest level in the year at 13.3% (which was expected and aligned to our original planned move date). The vacancy rate will increase as we enter the new financial year as we reflect planned increases in establishment. Within this headline figure there has been a significant improvement in our nurse vacancy figure which is at 3.2% (including PRP staff) which compares to 9.1% rate in March 2018.
4		Rotas are completed in advance of the move articulating operational centre staff (new site and old site) and command and control centre staff, as well as on-call out of hours support.	All rotas completed and checked to match ramp down, ramp up, command and control and patient transfers. Volunteer rotas completed. Command and Control rotas and Operations Centre rotas completed.
5		Stakeholders will be informed and updated as to progress.	Weekly briefings with staff have been in place throughout the year, with a broad suite of communications being undertaken with the wider stakeholder group.
6		Go No Go decision is taken in August 2018 ready for the September 2018 Board of Directors meeting.	Following the delay in the move a re-phased master commissioning plan was agreed by the Board which moved the Go No Go decision to the Board meeting on the 28 March. The Board approved a Go decision at this meeting.
7		The Command and Control centre is set up and run effectively and then day to day running handed to the operational team following “cutover”.	This will now happen in April / May 2019 due to the hospital move delay.
8		The two week hospital cutover programme is delivered and the patients and staff move safely across to the new site.	This will now happen in April / May 2019 due to the hospital move delay.
9		Decommissioning is commenced on the old site.	Plans are in place and the decommissioning sequence has commenced on the old site.

## Priorities for 2019/20

Our priorities for 2019/20 reflect the three domains of quality, patient safety, clinical effectiveness and patient experience. Our priorities are:

- Quality Improvement
- A safe Hospital Move
- Optimise Lorenzo
- Leadership and Culture

To determine the priorities for 2019/20, the Trust has reflected on the Quality Strategy refresh and what the Trust needs to achieve this year. With the backdrop of the financial pressures on the whole NHS, the Trust needs to continue to explore more efficient ways of working whilst maintaining and improving safety. With this as a principle, the next section describes the areas in which the Trust feels it must improve or initiatives that need to be completed in order to continue to be a relevant contributor to cardiothoracic treatment and care. We have reviewed clinical indicators, listened to the patients (through PALs concerns, complaints, patient experience feedback, support groups and listening events) who use our services and consulted with staff to ensure that the goals are specific and measurable.

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

## Priority 1: Quality Improvement / Patient Safety

Royal Papworth Hospital has made a commitment to embed and support Quality Improvement (QI) within the organisation. We recognise the value of continuous clinical quality improvement in supporting clinical effectiveness, improving patient safety and the patient experience. Although not the primary focus, supporting Quality Improvement also contributes to service improvement and cost improvement.

For 2019/20, we will continue to focus on the three QI projects identified in 2018/19 and further develop the goals for 2019/20. We will also continue to build capacity in the Quality Improvement team through 2019/20 to support the delivery of the Quality Account priorities. Our aim is to support operational leads with coaching support and support from the central QI team. Projects will be logged and monitored using the LIFEQI project management system. By starting small, we can test the systems that are in place to support QI and identify any additional resources that are needed to grow our capability and QI portfolio

**The following work streams will be continued in 2019/20**

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

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

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

In addition, the Trust is also set to launch the Culture and Leadership programme (King's Fund and NHSI) in 2019/20, which includes a baseline culture survey across the organisation, led by the Director of Workforce and Organisational Development.

**Aim for 2019/20**

**• Implement SCORE Culture Survey in selected clinical areas across the Trust**

EAHSN have confirmed that there is no regional support for the SCORE Culture Survey from April 2019. The survey is now considered part of the enabling themes of Culture and Human Factors which runs through all national key work streams being supported by the Patient Safety Collaborative. However, we have been advised that we can identify five areas to survey in 2019/20 and must have gone live with the surveys by July 2019.

**2. Deterioration and complications**

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

**Aim for 2019/20**

**100% of patients on Varrier Jones Ward with a MEWS of 4 or more will receive the correct actions according to RPH guidelines by 2020**

## Goals for 2019/20

- Improvement in timely observations using the electronic VitalPAC system (Mindray system when implemented)
- Improvement in the appropriate escalation of the deteriorating patient
- Spot checks of fluid balance charts against the urine output recordings on VitalPAC for patients who have urinary catheters in place.
- Improving the use of SBAR when verbally escalating a patient to the ALERT Team
- Improving appropriate use of saturation finger probes
- Explore and introduce the practice of a structured out of hours multidisciplinary Safety Huddles for Cardiology and Surgical wards. DN749 (hospital at night) guidelines policy implemented.
- Extend and establish Deteriorating Patient Study Days (band 4, 5 and 6)
- Establish competency assessment for completing patient observations for band 2/3
- Preparation for implementation of NEWS2 (launch 18 March 2019)
- Preparation for implementation of Mindray (launch 1 May 2019)

### 3. Falls Risk Reduction

Fall prevention and reduction remains a priority for the Trust, and we aim to build on the work achieved to date which will include the roll out and spread of change ideas which have demonstrated a reduction in falls. It is recognised that the primarily single rooms patient environment in the new hospital may impact on falls prevention and numbers of falls reported. We will therefore continue to focus on one ward area for the first six months after the move to consolidate actions, and demonstrate through PDSA cycles and data analysis the change ideas which translate into demonstrable falls prevention and reduction. We also aim to scrutinise further reported falls data to identify and better understand our falls in order to help focus further change ideas and actions.

#### Aim for 2019/20

**To reduce falls by 10% per 1000 bed days by April 2019 for Cardiac Surgery patients on Mallard Ward (New Papworth Hospital - 5 North)**

#### Goal for 2019/20

- Roll out and spread the good practice on Mallard Ward / 5 North
- Implement multi-disciplinary intentional-rounding forms hospital-wide
- Complete a re-audit of the use of bed-rails
- Audit the use of falls prevention care plans
- Review the quality and completeness of falls risk assessment
- Use reported Datix incident forms and mini RCA data reported from falls on 5 North to identify actions to prevent /minimise falls
- Monitor the impact of the new environment of single rooms on 5 North relating to falls prevention and number of falls

### 4. In House Urgent (IHU) Pathway – newly formed QI project during 2018/19

The IHU patient is a time-critical patient with unstable cardiac disease who is already in an acute hospital bed with significant red bed days. These patients require urgent intervention not only to restore homeostasis and improve cardiac function but also to reduce red bed days and improve patient flow and increase capacity within the system. The IHU pathway at Royal Papworth Hospital has been a challenge with inconsistent staff working within the pathway and inconsistent processes. Previous efforts to remedy the problem have not been successful.

Issues are multi-faceted and quite complex, with hospital processes, specialist services, patient cancellations, critical care / ward bed availability and staffing levels being daily obstacles in meeting the target of seven days from MDT to surgery. We must ensure that our referral system is robust and our capacity favourable when prioritising these patients for appropriate intervention. Once accepted by RPH, these patients need to be managed safely and according to national standards even in the face of potential risk of cancellation.

The In House Urgent quality improvement project was launched on 18 September 2018, the project lead recruited, and core team formed. Baseline data has been collected from June to October 2018. Monthly monitoring of IHU pathway, scheduling and cancellations is in place.

**Aims for 2019/20:**

- 100% of patients who are referred into the IHU pathway will be assessed appropriately at MDT
- 98% of patients on IHU pathway will have their surgery within ten days (start date = when fit for surgery)
- 98% of all cancelled surgery will be rescheduled within five days

**Goals for 2019/20**

- Develop pathway standards for referral, MDT, Cardiology and Surgery
- Agree ownership of IHU patients between Cardiology, Surgery and ANP
- ANP to attend twice-weekly bed meeting
- To engage with the Central Bookings team to ensure accurate and equitable allocation of IHU capacity
- Daily monitoring of IHU spreadsheet, referrals and waiting times for IHU surgical slots
- Operational Manager to assist with the scheduling and rescheduling of IHU patients
- Theatre Manager to assist in the allocation of IHU patients and procedure for rescheduling within five days
- Review IHU pathway staffing requirement
- Review the IHU / elective surgical waiting lists
- Update the PRIS Referral Form / System

**5. Build QI capability**

Royal Papworth Hospital has made a commitment to embed and support Quality Improvement within the organisation. We recognise the value of continuous clinical quality improvement in supporting clinical effectiveness, improving patient safety and the patient experience. Although not the primary focus, supporting Quality Improvement will benefit service improvement and cost improvement. 2018/19 has been challenging for the QI team due to unplanned staffing difficulties, and we have not yet managed to achieve full transition.

**Aim for 2019/20:**

- Build and develop QI capability within the QI team and across the organisation

**Goal for 2019/20**

- Develop a QI road map to articulate the direction of travel and in particular how national, mandatory and local clinical audits, other clinical effectiveness assurance and reporting on patient experience outcomes will be prioritised in addition to the Trust's quality improvement priorities
- Rebuild the QI team to full establishment, reviewing the team requirements to achieve the ambitions that will be set out in the road map and recruiting into vacant posts.
- Access local and national training to support and develop the QI capability within the QI support team
- Develop a QI faculty supported by the leadership team
- Development of QI training tools including access to online QI training, face to face training and development of training materials on individual elements of QI methodology to support staff who are embarking on QI projects
- Expand the membership of the QI Steering Group to include the project leads for the three main QI projects, operational engagement and strengthen the links with service improvement
- Launch the QI road map and priorities going forward at a Trust event during 2019/20

**Executive Lead:**

- Chief Nurse

**Implementation Lead:**

- Associate Medical Director, Clinical Lead for Clinical Governance

**Programme Leads:**

- Assistant Director for Quality and Risk
- Clinical Governance Manager
- Advanced Nurse Practitioner – ALERT
- Falls Prevention Lead
- Nurse Consultant Advanced Clinical Practice
- Leadership team

## Priority 2: A Safe Hospital Move

### Goal

To safely move the Royal Papworth Hospital from its existing site in Papworth Everard to the new hospital site on the Cambridge Biomedical Campus, with particular emphasis on preparing the staff for a safe move during the two-week cutover period in April / May 2019.

### Rationale

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

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

### Baseline

Staff have actively engaged in departmental readiness and the operational readiness part of the project is progressing well. All actions within the Hospital Cutover Group are being delivered on time and external engagement from stakeholders has been positive. Of note, is the East of England Ambulance and Amvale Ambulance Service's engagement in planning the patient transfer programme. Clinical Familiarisation has been completed and Command and Control training will be completed prior to the move period. All actions in the Cutover Plan are up to date with only the move process now to complete. The Trust hosted a successful CQC Registration Site Visit.

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

### Milestones so far:

- 75% of clinical staff will have undertaken Clinical Familiarisation prior to move - Achieved.
- 90% of on call managers/staff will have undergone emergency planning and command and control centre training – Achieved.
- To achieve and maintain staff vacancies of below 10% - Partly Achieved
- Rotas are completed in advance of the move, setting out operational centre staffing (new site and old site) and command and control centre staffing, as well as on-call out of hours support – Achieved
- Go No Go decision to be taken in March 2019 ready for the Board of Directors meeting – Achieved.

### Goals 2019/20

- Stakeholders will be informed and updated as to progress.
- The Command and Control centre is set up and run effectively and then day to day running handed to the operational team following cutover.
- The two week Hospital Cutover Programme is delivered and the patients and staff moved safely across to the new site.
- Decommissioning is completed on the old site.
- Evaluation written and lessons learnt shared inside and outside the organisation.

**Monitoring**

Action through the Hospital Cut over group reporting to:

Project Management Team and Strategic Projects Committee of the Board of Directors, overseeing the Master Commissioning Plan and the Delivery Programme.

**Executive Sponsor:**

Chief Nurse / Medical Director

**Operational lead:**

Deputy Chief Nurse

Deputy Project Director

Associate Director for Estates and Emergency planning lead

**Project lead:**

Deputy Chief Nurse

Deputy Project Director

Associate Director for Estates and Emergency planning lead

## Priority 3: Optimise Lorenzo

### Goals

#### 1. Delivery of the Lorenzo Digital Exemplar Programme

The core of the optimisation programme will be delivered through the Exemplar programme. Through the Lorenzo Exemplar programme pathway optimisation will deliver a reduction in clinical variance to aid in the reduction of avoidable patient harm. The programme will also aid in retiring old software, centralising patient information, reducing the clinicians' need to access different systems and releasing time for patient care.

#### 2. Deliver a safer and improved patient experience

We continue to face challenges in delivering meaningful user centred reporting to the clinical teams. The Digital Department is continuing to work closely with the clinical teams to address these issues to ensure a safer and improved patient experience.

#### 3. Improve our ability to utilise data for quality assurance, research and audit.

To unlock the system potential, the Trust needs to be able to extract data which can be utilised for quality assurance (dash boards), research and audit. This means that there needs to be a commitment to writing queries to enable questions to be answered without a systematic manual search of the system. An example may be how many patients received appropriate VTE prophylaxis following a VTE risk assessment or how many patients received smoking cessation intervention.

### Rationale

Lorenzo is an electronic patient record (EPR) system that went live within the Trust in June 2017. The new EPR is just one part of a multi-faceted programme to help revolutionise how patient care is delivered over the coming years at the Trust. The programme has five key areas: Communication and Engagement, System Functionality, Business Change, Training, and Benefits Realisation.

Since go live, the Operational Teams have been monitoring performance in terms of the data quality in a systematic way starting to standardise processes and performance across the Trust. The Lorenzo programme has transitioned from its implementation phase to business as usual (BAU) embedding and consolidation phase. The Trusts' ambition for 2019/20 is to deliver enhanced clinical safety with both EPMA part 4 closed loop medication distribution and haemonetics vein to vein blood administration, and improved user experience through Personas (Lorenzo web view) with voice recognition in clinics.

### Baseline Performance Data

KPI	Target /Position at March 2019
<b>GOAL 1: Delivery of the Lorenzo Digital Exemplar Programme</b>	
Maximise benefits from Lorenzo User Group	Identify Super Users Forum (target for competency based learning programme )  Identification prioritisation and resolution of issues  DXE digital road map – influence their system  User Champion to chair that group –  Supporting with communications
Delivery of competency based learning programmes	Number of Programmes Number of staff completing programmes Impact on incidents/data quality
	Digital Strategy Board
<b>GOAL 2: Deliver a safer and improved patient experience</b>	



Implementation of real-time bed management.	Lorenzo on the wall and the enabling of staffs' competence for real-time admission transfer and discharge
Reducing the average length of stay for elective patients	
	Outcome measures improvement in reporting and data quality impact on RTT/Finance/reduce adverse events
Closed loop medication distribution	Reduction in medication incidents
Vein to vein blood administration	Reducing the risk of transfusion incidents by having a digital chain from venepuncture to administration of blood products.
<b>Goal 3:</b> Improve our ability to utilise data for quality assurance, research and audit.	
Develop a ward and Trust wide dashboard	Ward and Trust dashboard developed
To convert free text into data that can be pulled	Increase in number of CDC forms to enable capture of structured clinical data

### **Monitoring**

KPIs reported to Board and Committees of the Board in PIPR and spotlight reports

### **Executive Lead:**

Andrew Raynes, Chief Information Officer

### **Implementation Leads:**

Eamonn Gorman Chief Nursing Information Officer/Chris Johnson Chief Medical Information Officer

### **Programme Leads:**

Eamonn Gorman Chief Nursing Information Officer

Chris Johnson Chief Medical Information Officer

## Priority 4: Leadership and Culture, including Recruitment and Retention

### Goals

To **retain, attract and recruit** a diverse workforce who share the values of Royal Papworth Hospital NHS Foundation Trust, providing them with a high-quality recruitment and onboarding process.

To **engage our workforce** in defining, developing and owning an organisational culture that embodies high-quality, compassionate care.

To **build leadership capability** at all levels of the organisation through a mixture of high-quality internal and external training interventions.

### Rationale

In 2019/20 the Trust will undergo the greatest organisational change in its 100 year history, namely the move to our new hospital on the Cambridge Biomedical Campus (CBC) site. The new facilities present an opportunity in terms of attracting staff locally, nationally and internationally to a brand new, purpose-built hospital. It also presents a wonderful opportunity to develop and implement a culture, or way of doing things, that champions a commitment to high-quality care.

2019/20's goals seek to maintain a focus on retaining and recruiting staff to enable the Trust to make best use of our new state of the art facilities to deliver excellent patient care. It sees the final year of the Trust's three-year recruitment and retention strategy where the Trust seeks to capitalise on its recruitment successes and develop the leadership and culture agenda.

Progress against Objective One will be measured by monitoring the Trust's Friends and Family, turnover and vacancy rates. These provide a high-level picture of progress across retention, attraction and recruitment performance.

The Trust's 2018 Staff Survey results highlighted the need to improve the experience of staff from BAME backgrounds in the organisation. The Trust began this journey in 2018/19 with the establishment of the BAME network and the Equality, Diversity and Inclusivity Steering Group. BAME participation in leadership and development training, the continued growth of the network, and celebrating the contribution of BAME staff form part of the goals of engaging our workforce and building leadership capacity.

Culture in organisations, often described as 'the way we do things round here', fundamentally affects the way staff treat patients and each other. The biggest influence on culture is the leadership in the organisation. Collective and compassionate leadership is the key to creating cultures that will give NHS staff the freedom and confidence to act in the interests of patients; and can support sustainable operational and financial performance. To this end, the Trust's goals for 2019/20 include goals to engage the workforce in creating the culture that the organisation wishes to embody.

Ensuring staff have an appraisal and that the appraisal is of good quality is important both to the engagement and leadership goals for 2019/20. Therefore, both the appraisal rate and staff's reported experience of appraisals are included as metrics.

The prompt publishing of rosters is an important part of helping staff to maintain a good work/life balance by providing clarity around working times. This element is monitored against the Trust's goal of engaging its workforce.

The culture of an organisation impacts behaviour at all levels within and across organisations. Staff performance and engagement are directly affected by organisation culture, which in turn impacts patient satisfaction, care quality, financial performance and patient experience.

Improving the capability and diversity of the Trust's leadership is also an important goal for 2019/20

## Baseline Performance Data

KPI	Position at March 2019
<b>GOAL 1: To retain, attract and recruit</b> a diverse workforce who share the values of Royal Papworth Hospital NHS Foundation Trust, providing them with a high-quality recruitment and onboarding process.	
Staff Friends and Family score (% strongly agree/agree)	Treatment: 73% Recommend to Work: 46%
Turnover of staff (annualised) %	19.42%
Vacancy rate	March 2019 11.01%
Nurse Vacancy Rate	Qualified staff 4.34% Unqualified staff 28.38%
Number of Associate/Assistant Practitioners in the organisation	Number
Number of Apprentices in the organisation	Number
<b>GOAL 2: To engage our workforce</b> in defining, developing and owning an organisational culture that embodies high-quality, compassionate care.	
BAME staff experience: i. Percentage of staff believing that the Trust provides equal opportunities for career progression or promotion ii. Percentage of staff experiencing discrimination at work from their manager/team leader or other colleague in last 12 months	Staff survey score 2019 vs 2018  i) 2018 score: 86.8% (higher better) ii) 2018 score: 19.9% (lower better)
Publishing rostering in a timely manner	Percentage compliance with our publication deadline March 2019: 16%
Papworth Discount App	Total Active users March 2019: 619
Appraisal Rate	90.29%
Appraisals are of a good quality	Staff survey score 2019 vs 2018  2018: 5.4 (higher better)
Achieving Equality Delivery System 3 2019	Completion of Assessment against EDS3 Standards
<b>Goal 3: To build leadership capability</b> at all levels of the organisation through a mixture of high-quality internal and external training interventions.	

Staff attending internal or external leadership development opportunities(YTD total)	2018/19 total: 315
Development and adoption of a formal talent management strategy	Strategy agreed and published by March 2020

### **Monitoring**

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

### **Executive Lead:**

Director of Workforce and Organisational Development

### **Implementation Leads:**

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

### **Programme Leads:**

Recruitment Services Manager  
Head of Leadership and Organisational Development  
Head of Employee Relations  
Recruitment and Retention Nurses

## 2.2 Statements of assurance from the Board

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

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

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

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

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

*During 2018/19 Royal Papworth Hospital NHS Foundation Trust provided and/or sub-contracted six relevant health services. Royal Papworth Hospital NHS Foundation Trust has reviewed all the data available to them on the quality of care in six of these relevant health services.*

*The income generated by the relevant health services reviewed in 2018/19 represents 100% of the total income generated from the provision of relevant health services by Royal Papworth Hospital NHS Foundation Trust for 2018/19.*

Full details of our services are available on the Trust web site: <https://royalpapworth.nhs.uk>

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

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

During 2018/19, 12 national clinical audits and 2 national confidential enquiries covered relevant health services that Royal Papworth Hospital NHS Foundation Trust provides. During 2018/19, Royal Papworth Hospital NHS Foundation Trust participated in 12 of the 12 (100%) national clinical audits and 2 of the 3 (50%) national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Royal Papworth Hospital NHS Foundation Trust participated in, and for which data collection was completed during 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 relevant to Royal Papworth Hospital Participation rate 14/14 (100%)		
Audit Title	Audit Source	Compliance with audit terms
Case Mix Programme (CMP)	Intensive Care National Audit and Research Centre (ICNARC)	100
Maternal, Newborn and Infant Clinical Outcome Review Programme	MBRRACE-UK, National Perinatal Epidemiology Unit, University of Oxford	100
Medical and Surgical Clinical Outcome Review Programme Perioperative diabetes	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	See breakdown
National Audit of Cardiac Rehabilitation	University of York	100
National Audit of Care at the End of Life (NACEL)	NHS Benchmarking Network	100
National Cardiac Arrest Audit (NCAA)	Intensive Care National Audit and Research Centre (ICNARC) / Resuscitation Council UK	100
National Audit of Cardiac Rhythm Management (CRM)	Barts Health NHS Trust	100
Myocardial Ischaemia National Audit Project (MINAP)	Barts Health NHS Trust	100
National Adult Cardiac Surgery Audit	Barts Health NHS Trust	100
National Audit of Percutaneous Coronary Interventions (PCI) (Coronary Angioplasty)	Barts Health NHS Trust	100
National Congenital Heart Disease (CHD)	Barts Health NHS Trust	100
National Lung Cancer Audit (NLCA)*	Royal College of Physicians	
Sentinel Stroke National Audit programme (SSNAP)	King's College London	100

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

## National Confidential Enquiry into Patient Outcome and Death (NCEPOD) - 50%

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

Title	Cases included	Cases excluded	Clinical Q returned	Case notes returned	Organisational questionnaire returned
Perioperative diabetes	6	0	5	5	0
Pulmonary embolism	0	0	N/A	N/A	0 Study still in progress
Long term ventilation	0	0	N/A	N/A	0 Study still in progress

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

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

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

Audit Title	Report Published
Case Mix Programme (CMP)	Yes
Maternal, Newborn and Infant Clinical Outcome Review Programme	Yes
Medical and Surgical Clinical Outcome Review Programme Perioperative diabetes	Yes
National Audit of Cardiac Rehabilitation	Yes
National Audit of Care at the End of Life (NACEL)	Yes
National Cardiac Arrest Audit (NCAA)	Yes
National Audit of Cardiac Rhythm Management (CRM)	No
Myocardial Ischaemia National Audit Project (MINAP)	Yes
National Adult Cardiac Surgery Audit	Yes
National Audit of Percutaneous Coronary Interventions (PCI) (Coronary Angioplasty)	Yes
National Congenital Heart Disease (CHD)	Yes
National Lung Cancer Audit (NLCA)*	Yes
Sentinel Stroke National Audit programme (SSNAP)	Yes

The reports of 52 local clinical audits were reviewed by the provider in 2018/19 and Royal Papworth Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided. A sample of actions is listed below:

### Critical Care Pain Observation Tool (CPOT)

Royal Papworth Hospital aims to ensure that pain assessment will be accomplished in 100% of CRU and ICU patients, both verbal and non-verbal. This target is fulfilled through the introduction of the Critical Care Pain Observation Tool (CPOT) as part of the routine pain management of ICU/CRU patients.

The use of the CPOT is expected to improve pain management in CRU and ICU patients. Actions taken as a result include:

- Ensure that all bedside nurses involved know how to perform the assessment (through the electronic dissemination of relevant documents and video resources)
- Involve the teaching team, to ensure that standards are maintained
- Explore the feasibility of an electronic CIS version of the CPOT in order to minimize workload/ ensure a smoother workflow during daily nursing
- Produce a pain management protocol based on CPOT

## Information on participation in clinical research

*The number of patients receiving relevant health services provided or sub-contracted by Royal Papworth Hospital NHS Foundation Trust in 2018/19 that were recruited during that period to participate in research approved by a research ethics committee was 3,038. See table below:*

Type of research project	No. of participants recruited per financial year			
	2015/16	2016/17	2017/18	2018/19
NIHR portfolio studies	1,065	1,376	1091	1018
Non-NIHR portfolio studies	542	334	243	33
Tissue bank studies*	2,361 (2,659)	2,369 (2,595)	2,110 (2,290)	1987
<b>Total</b>	<b>3,968</b>	<b>4,079</b>	<b>3,444</b>	<b>3,038</b>

NIHR = National Institute for Health Research

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

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

During 2018/19 the Trust recruited to 63 studies, of which 58 were portfolio studies (2017/18: 67 studies and 58 portfolio studies).

The Trust recruits to studies in a wide variety of disease groups, including cystic fibrosis, lung cancer, motor neurone disease, heart failure, atrial fibrillation, cardiac surgery and idiopathic pulmonary fibrosis. The Trust continues to sponsor a number of single and multi-centre studies. In September 2018 the Clinical Trials Unit gained full accreditation from the UKCRC.

Quality is at the heart of all our research activities. Royal Papworth ranked as the top recruiting site in the UK for over 20% and in the top three highest recruiters for over 50% of the multicentre NIHR portfolio studies we supported. The Trust remains committed to improving patient outcomes by undertaking clinical research that will lead to better treatments for patients undergoing care in the NHS. We would like to say thank you to all those who participated in our research over the past year.

## Commissioning for Quality and Innovation (CQUIN) framework

*A proportion of Royal Papworth Hospital NHS Foundation Trust's income in 2018/19 was conditional upon achieving quality improvement and innovation goals agreed between Royal Papworth Hospital NHS Foundation Trust and NHS Commissioners, through the Commissioning for Quality and Innovation payment framework*

*Further details of the 2017/18/19 national Specialised and non-specialised CQUINs are available electronically at <https://www.england.nhs.uk/nhs-standard-contract/cquin/>.*

At the time of writing 100% achievement had been reached to Quarter 3, Quarter 4 submission date is Friday 3 May 2019.

The amount of income available in 2018/19 conditional on achieving quality improvement and innovation goals was £2,650k. (2017/18: £2,569k). The amount expected to be achieved is £2,640k (2017/18: £2,544k [99%]).



For further information on CQUIN performance for 2018/19 see Part 3 of the Quality Report. *For further information on CQUIN priorities for 2019/20 see the Performance Report section of Annual Report.*

## Care Quality Commission (CQC) registration and reviews

*Royal Papworth Hospital NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is 'registered without conditions'. The Care Quality Commission has not taken enforcement action against Royal Papworth Hospital NHS Foundation Trust during 2018/19. Royal Papworth Hospital NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period.*

Royal Papworth Hospital welcomed the CQC to the new hospital in April 2019 to undertake their registration visits ahead of the move to the new hospital on the Cambridge Biomedical Campus. In April 2019 the CQC registration team confirmed that they would be recommending that the new site be registered without conditions.

Royal Papworth Hospital NHS Foundation Trust is subject to periodic review by the CQC and received an unannounced inspection in the first week of December 2014. See Part 3 – Other information. The report of this inspection is available on the CQC website at

[http://www.cqc.org.uk/sites/default/files/new\\_reports/AAAB8932.pdf](http://www.cqc.org.uk/sites/default/files/new_reports/AAAB8932.pdf)

The Trust has completed a Routine Provider Information Request at the CQC's request, so can expect an inspection of core services and well led within review the next six months.

## Data Quality

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

*Royal Papworth Hospital NHS Foundation Trust submitted records during 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 100% (national average 99.4%) for admitted patient care and 100% (national average 99.6%) for outpatient care;*
- *which included the patient's valid General Medical Practice Code (code of the GP with which the patient is registered) was 100% (national average 99.9%) for admitted patient care and 100% for outpatient care (national average 99.8%).*

## Governance Toolkit Attainment Levels

Good information governance means ensuring that the identifiable information we create, hold, store and share with regard to patients' and staff is done so safely and legally. The information governance toolkit is the way that we demonstrate our compliance with information governance standards. All NHS organisations are required to make annual submissions to NHS Digital in order to assess compliance.

*Royal Papworth Hospital NHS Foundation Trust's information governance assessment report is that the Trust has submitted Data Security and Protection (DS&P) Toolkit, which includes requirements relating to the Statement of Compliance and all standards were declared as met.*

The Information Governance Toolkit is available on the NHS Digital website: <https://www.igt.hscic.gov.uk/>

## Clinical Coding

*Royal Papworth Hospital was not subject to the Payment by Results clinical coding audit during 2018/19.*

Royal Papworth Hospital's annual independent clinical coding audit was carried out by Jane Wannacott Ltd during February 2019.

Royal Papworth Hospital has achieved the following Information Governance levels:

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

Royal Papworth Hospital NHS Foundation Trust will be taking the following actions further to recommendations aimed at continuing to improve data quality:

- Continue to attempt to recruit experienced substantive qualified staff;
- The existing training program initiated for the current trainees will continue but will move to a self-directed learning style in the six months leading to the September 2019 Accredited Clinical Coding exam in order to promote independence and to relieve the pressure on the experienced team
- A quarterly Information Governance tracking audit will be performed to identify and address themes in coding errors earlier.
- Actively seek to place the coding team in one geographical location to ensure that junior coders always have access to an experienced coder for day-to-day coding support and to address some of the feedback from Coders in other Trusts regarding split-site working, which is thought to be affecting recruitment.

## LEARNING FROM DEATHS

During April 2018 to March 2019, 163 of Royal Papworth Hospital patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period: 40 in the first quarter; 28 in the second quarter; 44 in the third quarter; 51 in the fourth quarter.

By 17/05/19, 61 case record reviews and 5 investigations have been carried out in relation to 163 of the deaths. In 1 case(s) a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

4 in the first quarter; 13 in the second quarter; 28 in the third quarter; 23 in the fourth quarter.

One representing 0.6% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. 0 representing 0% for the first quarter; 0 representing 0% for the second quarter; one representing 2% for the third quarter; 0 representing 0% for the fourth quarter.

### Mortality Case Record Review process

These numbers have been estimated using the Royal College of Physicians' Structured Judgement Review methodology which has been adopted as the agreed method for all case record reviews at Royal Papworth Hospital. Responsibility for case record reviews lies with the Clinical Directors, Clinical Leads and Mortality & Morbidity Leads overseen by the Clinical Governance Manager and Associate Medical Director

The case record review process sits alongside existing clinical governance processes including Serious Incident investigations and Mortality & Morbidity meeting case discussions. If a patient's death is considered more than 50% likely to have been potentially avoidable following case record review, this is reported as a patient safety incident triggering an investigation process. The local procedure is set out in DN682 Mortality Case Record Review Procedure.

Analysis of number of deaths by Clinical Directorate shows that most deaths in Royal Papworth Hospital occur in Cardiology and Surgery, with smaller numbers in Transplant, Thoracic Medicine and Respiratory ECMO.

### Lessons learnt & Actions taken in 2018-19

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

**Lesson learnt:** Following the introduction of the case record review process in April 2017 the Trust sought to review all inpatient deaths by case record review.

**Action taken:** In 2018-19 a more selective approach for case record reviews has been taken based on criteria recommended by the Independent Advisory Group to Royal College of Physicians' *National Mortality Case Record Review Programme*.

**Lesson learnt:** The need to record and discuss deaths on a regular basis was identified as well as linking deaths to case record reviews and incident investigations

**Action taken:** In 2018-19 the Serious Incident Executive Review Panel (SIERP) was set up to meet weekly to discuss deaths in the previous week and link to case record reviews and incident investigations. The Clinical Audit team and Patient Advice & Liaison Service team jointly administer the case record review database and ensure that all patient details are recorded on a weekly basis.

**Lesson learnt:** Following the introduction of the electronic health record in June 2017, some difficulties had been experienced in conducting case record reviews. A range of different sources currently need to be accessed to perform a case record review (Current Admission Folder, Lorenzo, Electronic Medical Record, Metavision) and it can be difficult to make clear judgements on the quality of care.

**Action taken:** In 2018-19 there have been improvements in access to the Current Admission Folder and there is ongoing work to ensure that Lorenzo clinical records are saved and uploaded contemporaneously.

**Lesson learnt:** The introduction of the case record review process has acted as an additional safety net to identify patient safety concerns in the Trust. It is important not to miss any patient safety concerns which have not been identified through the incident reporting system.

**Action taken:** In 2018-19 the case record review process did not reveal any patient safety concerns which had not already been reported as an incident indicating a strong patient safety reporting culture in the Trust.

**Lesson learnt:** Post-mortem reports may be needed to make a full judgement of the quality of care in patients who have died. The post-mortem reports for deaths which are referred to the Coroner and proceed to Coroner's investigation or inquest may be difficult to access.

**Action taken:** In 2018-19 agreement with HM Coroner for Cambridgeshire and Peterborough has been reached for post-mortem reports to be released earlier to the Trust when case record reviews or incident investigations are being conducted.

**Lesson learnt:** In addition to the case record review process deaths are also discussed at specialty Mortality & Morbidity meetings. The need to improve the standard of Mortality & morbidity meetings has been identified to ensure cases are discussed openly in a multidisciplinary forum, lessons are learnt and actions are taken.

**Action taken:** In 2018-19 specialty Mortality & Morbidity meetings the quality of case discussions has been improved through the additional collective judgement of the overall quality of care using the NCEPOD grading tool.

**Lesson Learnt:** In 2018-19 one patient's death was considered more than 50% likely to have been potentially avoidable. This case was identified and investigated through the Serious Incident investigation. Lessons learnt included the need to clearly assess and communicate the introduction of new clinical equipment into a clinical area.

**Actions taken:** New processes have been set up for the risk assessment of new clinical equipment, appropriate training, correct storage and labelling and communication to clinical teams.

## **Impact & Developments in 2019-20**

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

- Local training updates will be arranged for all case record reviewers in the *Structured Judgement Review* methodology

- A business case is being developed for funding to implement a system for case record reviews which links with the current *Datix Incident Reporting & Risk Management System*.
- The regional *East of England Learning from Deaths Forum* (chaired by the Associate Medical Director) which is supported by the supported by Eastern Academic Health Science Network and NHS Improvement will continue to meet providing a network to learn and share practice from other organisations in the region.
- Appointment of a Medical Examiner for Royal Papworth will support the *Learning from Deaths* agenda and the case record review process and incident investigation process by providing an initial rapid assessment of all deaths to identify patient safety concerns with staff and relatives.

3 case record reviews and 0 investigations were completed after 01/04/2018 which related to deaths which took place before the start of the reporting period.

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

1 representing 0.5% of the patient deaths during the previous reporting period 2017/18 are judged to be more likely than not to have been due to problems in the care provided to the patient.

## Performance against the national quality indicators

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

Indicator	2017/18 (or latest reporting period available)	2018/19 (or latest reporting period available)	Royal Papworth Hospital NHS Foundation Trust considers that this score or rate is as described for the following reasons...	Royal Papworth Hospital NHS Foundation Trust intends to take/has taken the following actions to improve this score or rate and so the quality of its services, by...
The percentage of patients aged 16 or over readmitted to the hospital within 28 days of discharge from the hospital <sup>Note1</sup> [this indicator was last updated in December 2013 and future releases have been temporarily suspended pending a methodology review]	Trust rate was 9.01% for 2011/12 placing the Trust in Band B1.  National average was 11.45%.  Highest rate for an acute specialist trust was 14.09%.  Lowest rate for an acute specialist trust was 0.00%.	Trust rate was 9.01% for 2011/12 placing the Trust in Band B1.  National average was 11.45%.  Highest rate for an acute specialist trust was 14.09%.  Lowest rate for an acute specialist trust was 0.00%.	Readmission rates are low due to the quality of care provided.	We will continue to monitor. Percentages could be distorted by readmissions following an inpatient stay for investigations in which there was no treatment intended for the underlying condition.
The trust's responsiveness to personal needs of its patients during the reporting period [Data from National Inpatient Survey]	Trust score was 76.1 in the 2016/17 survey.  National average score was 68.1.  National highest score was 85.2.  National lowest score was 60.0.	Trust score was 78.4 in the 2017/18 survey.  National average score was 68.6.  National highest score was 85.  National lowest score was 60.5.	Our staff pride themselves on providing patients with safe, high-quality, and well-coordinated care treating our patients with respect and dignity. This level of care is reflected in the Trust achieving results in the top 10% of trusts in the inpatient survey.	We will continue to use data from the inpatient survey to identify areas for improvement.

Indicator	2017/18 (or latest reporting period available)	2018/19 (or latest reporting period available)	Royal Papworth Hospital NHS Foundation Trust considers that this score or rate is as described for the following reasons...	Royal Papworth Hospital NHS Foundation Trust intends to take/has taken the following actions to improve this score or rate and so the quality of its services, by...
<p>The percentage of staff employed by, or under contract to, the trust during the reporting period who would recommend the trust as a provider of care to their family or friends</p> <p>[Data from National Staff Survey]</p>	<p>85.8% of the staff employed by, or under contract to, the trust in the 2017 staff survey would recommend the trust as a provider of care to their family or friends.</p> <p>Average for acute specialist trusts was 88%.</p> <p>The Highest scoring specialist trust was 93%.</p> <p>The Lowest scoring specialist trust was 79%.</p>	<p>88.6% of the staff employed by, or under contract to, the trust in the 2018 staff survey would recommend the trust as a provider of care to their family or friends.</p> <p>Average for acute specialist trusts was 89.1%.</p> <p>The Highest scoring specialist trust was 94.8%.</p> <p>The Lowest scoring specialist trust was 77.5%.</p>	<p>Trust staff have experienced significant organisational change for an extended period with the changes to base for many support staff having an impact on how teams work across the Trust. In addition the impact of the delay in the move to our new hospital, with the need to remain on our old site for a prolonged period, with pressures on equipment and environment, had a negative impact on morale. We have also continued to progress optimisation of our new EPR system which presents further change for our staff. These factors have undoubtedly impacted negatively on staff satisfaction and engagement.</p>	<p>The Trust will continue to focus on retaining, attracting and recruiting a diverse workforce. We have made good progress in reducing vacancy rates in 2018/19.</p> <p>Quality priority 4 details the actions we will take to retain, attract and recruit staff. We have implemented an organisational change programme to ensure that there is effective communication and support for managers, teams and individual staff.</p> <p>We will continue to seek feedback on how we can improve staff engagement. We have established our BAME network and FTSU Guardian role and will work with these roles, our Staff Engagement Champions, Staff Governors and Staff Side representatives to disseminate key information.</p> <p>See Annual Report – Staff Report section for other information on the 2018 Staff Survey.</p>

Friends and Family Test – Patient  NOT STATUTORY REQUIREMENT	In 2017/18 97.4% of our patients would recommend our service.	In 2018/19 96.4% of our patients would recommend our service.	The Trust continues to promote the FFT test achieving a response rate of 47% in 2018/19. Responses are reviewed at the weekly Matrons meeting, and actions are monitored. Improvements made as a result of patient feedback are displayed on our 'you said we did boards'.	The Trust will continue to monitor Friends and Family scores. There are actions in place to improve the Friends and Family response rates for both inpatients and outpatients.
Indicator	2017/18 (or latest reporting period available)	2018/19 (or latest reporting period available)	Royal Papworth Hospital NHS Foundation Trust considers that this score or rate is as described for the following reasons...	Royal Papworth Hospital NHS Foundation Trust intends to take/has taken the following actions to improve this score or rate and so the quality of its services, by...
The percentage of patients who were admitted to hospital and were risk assessed for VTE during the reporting period  [Since April 2015 data published quarterly not monthly]	Trust achieved 95.8% for 2017/18.  Acute Trust average was 95.2% for Q1 to Q3 2017/18.  Highest acute provider 100%. (Q1-4)  Lowest acute provider Q1 51.38% Q2 71.88% Q3 76.08% Q4 67.04%	Trust achieved 92.64% for 2018/19.  RPH: Q1 94.33% Q2 93.44% Q3 90.56% Q4 92.22%  Acute Trust average was: Q1 95.62% Q2 95.44% Q3 95.60% Q1 to Q3 95.55% 2018/19.  Highest acute provider 100%. (Q1-3)  Lowest acute provider Q1 75.84 % Q2 68.67% Q3 54.86%	Concerns were identified following the falling level of compliance with the VTE standard. Trust wide education had continued to ensure VTE documentation on admission and reassessment during admission was complete. Auditing compliance since the introduction of Lorenzo has been time consuming.	A baseline review was undertaken in November 2018 and an action plan put in place to address the falling compliance against 95% target. Actions agreed are delivering improvements and support the optimisation of Lorenzo. NHS improvement are also working with us to monitor compliance and the improvement of risk assessment on admission. This metric is monitored through QRMG and the Q&R Committee.  VTE events of which we are notified and have occurred within 90 days of discharge from hospital are subject to RCA. A scrutiny panel has been set up to capture wider



					learning and actions.
The rate per 100,000 bed days of cases of C.difficile infection reported within the trust during the reporting period <small>Note 2</small>	Trust rate was 8.1 in 2017/18 for Trust apportioned patients aged 2 years and over (5 cases). [3 cases on Royal Papworth trajectory].	Trust rate was 3.9 in 2018/19 for Trust apportioned patients aged 2 years and over (2 cases).		The Trust rate is based on two cases attributed to the Trust in 2018/19.  Infection prevention and control is a key priority for the Trust.	See Part 3 of report – Other Information.
Indicator	2017/18 (or latest reporting period available)	2018/19 (or latest reporting period available)		Royal Papworth Hospital NHS Foundation Trust considers that this score or rate is as described for the following reasons...	Royal Papworth Hospital NHS Foundation Trust intends to take/has taken the following actions to improve this score or rate and so the quality of its services, by...
The number and, where applicable, rate of patient safety incidents reported within the trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death.	(i) Trust number for 2017/18 was 2298.  The Acute Specialist Trust highest total was 6396, the lowest was 649 and the average was 2902.  (ii) Rate per 100 admissions was not available.	(i) Trust number for Month 1 to Month 6 in 2018/19 was 1374.  The Acute Specialist Trust highest total was 3812, the lowest was 262 and the average was 1493.  (ii) Rate per 100 admissions was not available.		Data is submitted to the National Reporting and Learning System in accordance with national reporting requirements.	The Trust continues to demonstrate a strong incident reporting culture which is demonstrated by the majority of incidents graded as low or no harm.  All patient safety incidents are subject to a root cause analysis (RCA). Lessons learnt from incidents, complaints and claims are available on the Trust's intranet for all staff to read.
(i) Number (ii) Rate per 100 admissions (iii) Number and percentage resulting in severe harm/death <small>Note 3</small>	(iii) 5 resulted in severe harm/death equal to 0.22% of the number of patient safety incidents.  The highest Acute Specialist Trust % of incidents resulting in severe	(iii) 5 resulted in severe harm/death equal to 0.36% of the number of patient safety incidents. The highest Acute Specialist Trust % of incidents resulting in severe			



	harm/death was 0.92%, the lowest was 0% and the average was 0.24%.	harm/death was 0.38%, the lowest was 0% and the average was 0.12%.		
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Data Source: Health and Social Care Information Centre portal as at 10/04 2018 unless otherwise indicated

Note 1

Emergency re-admissions within 28 days of discharge from hospital. Percentage of emergency admissions to a hospital that forms part of the trust occurring within 28 days of the last, previous discharge from a hospital that forms part of the trust.

Note 2

The number of *Clostridium difficile* (C. difficile) infections, for patients aged two or over on the date the specimen was taken. A C. difficile infection is defined as a case where the patient shows clinical symptoms of C. difficile infection, and using the local trust C. difficile infections diagnostic algorithm (in line with Department of Health and Social Care guidance), is assessed as a positive case. Positive diagnosis on the same patient more than 28 days apart should be reported as separate infections, irrespective of the number of specimens taken in the intervening period, or where they were taken. Acute provider trusts are accountable for all C. difficile infection cases for which the trust is deemed responsible. Accountability is defined as a case where the sample was taken on the fourth day or later of an admission to that trust (where the day of admission is day one). The Quality Accounts Regulations requires the C. difficile indicator to be expressed as a rate per 100,000 bed days. If C. difficile is selected as one of the mandated indicators to be subject to a limited assurance report, the NHS foundation trust must also disclose the number of cases in the quality report, as it is only this element of the indicator that Monitor intends auditors to subject to testing.

Note 3

The indicator is expressed as a percentage of patient safety incidents reported to the National Reporting and Learning Service (NRLS) that have resulted in severe harm or death. A patient safety incident is defined as 'any unintended or unexpected incident(s) that could or did lead to harm for one or more person(s) receiving NHS funded healthcare'. The 'degree of harm' for patient safety incidents is defined as follows: 'severe' – the patient has been permanently harmed as a result of the incident; and 'death' – the incident has resulted in the death of the patient. As well as patient safety incidents causing long term/permanent harm being classed as severe, the Trust also reports 'Patient Events that affect a large number of patients' as 'severe' incidents to the NRLS.

## Part 3 Other Information

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### Review of quality performance 2018/19

2018/19 has been another busy year for Royal Papworth Hospital and its staff, with the Hospital treating 22,795 inpatient/day cases and 93,852 outpatient episodes from across the UK. For additional information see section 1.2 Performance Analysis of the Annual Report.

The following section provides a review of our quality performance in 2018/19. We have selected examples from the three domains of quality (clinical safety, patient experience and clinical effectiveness of care). These are not all the same as in the 2017/18 Quality Accounts but reflect issues raised by our patients and stakeholders, which also feature highly in the Department of Health and Social Care's agenda. They include information on key priorities for 2018/19 where these have not been carried forward as key priorities for 2019/20. Pulmonary endarterectomy is included as Royal Papworth is the only centre in the UK to provide this surgery. There is also an update on the Extra Corporeal Membrane Oxygenator (ECMO) service for which Royal Papworth Hospital is one of five centres nationally that provide this service for adults.

### Quality Strategy: Providing excellent care and treatment for every patient, every time

The Quality Strategy has been reviewed and refreshed in 2018 and builds on the foundations and achievements from the previous Quality Strategy. We have made excellent progress over the past three years. This report is our opportunity to reflect on our achievements and journey so far and refresh our Quality Ambitions and Objectives for the next three years. Our Strategy is aligned to and takes into account the National Quality Improvement (QI) agenda, current QI research and National QI leadership programmes. The Strategy includes the Trust Board endorsement to implement the Culture and Leadership Programme co-designed by NHS Improvement and the King's Fund, which will start in 2019 and support the delivery of our Quality Strategy.

We want quality to be our core philosophy and to be at the heart of every decision that we make. Our expertise, reputation and network places us in a unique position to lead the way in delivering excellence in care through our cardiothoracic, respiratory and transplant services with outstanding:

- Patient experience and engagement: developing and improving our services for and with the patients who need them
- Patient safety: with a focus on eliminating avoidable harm to patients.
- Effectiveness of care: using clear, consistent processes and standards to deliver successful treatment assessed by clinical outcome measures and the patient's experience.

In order to build on the foundations of the previous strategy, we have refreshed our three Quality Ambitions for the next three years. The work streams that have been identified to underpin the Quality Account and the Ambitions will be reviewed annually to allow the flexibility to encompass local, regional and national changes in the health economy.

Quality Strategy Ambitions:

1. Safe – Provide a safe system of care and thereby reduce avoidable harm
2. Effectiveness and Responsive Care – Achieve excellent patient outcomes and enable a culture of continuous improvement
3. Patient Experience and Engagement - We will further build on our reputation for putting patient care at the heart of everything we do

The quality improvement strategy continues to be enacted through the Quality Account priorities.

## Open and Transparent / Duty of Candour

Openness when things go wrong is fundamental to the partnership between patients and those who provide their care. There is strong evidence to show that when something goes wrong with healthcare, the patients who are harmed, their relatives or carers want to be given information about what has happened and would like an apology. Being open about what has gone wrong and discussing the problem promptly and compassionately can help patients come to terms with what has happened and can help prevent such incidents becoming formal complaints or clinical negligence claims. The Trust aims to promote a culture of openness and transparency, which it sees as a prerequisite to improving patient safety and the quality of a patient's experience. The three most important elements of being open are:

- Providing an apology and explanation of what has happened
- Undertaking a thorough investigation of the incident
- Providing support for the patients involved, their relatives/carers and support for the staff
- Offering feedback on the investigation to the patient and/or carer

We have a named family liaison member of staff who is responsible for sending the initial duty of candour letter and maintaining contact with the patient and or family throughout the investigation period. Family liaison contact details are provided in the letter. A copy of the duty of candour letter is attached to the Datix system for audit purposes.

In 2018/19, the Trust reported 14 serious Incidents and duty of candour was completed in 100% of cases. For incidents reported as Moderate Harm, duty of candour is completed once the investigation and/or clinical review confirm that acts or omissions in the incident resulted in actual harm to the patient.

Training on the principles of being open and duty of candour are provided as part of the Investigation Skills workshop training provided by the Trust.

The Trust monitors compliance against our requirements for duty of candour at the Serious Incident Executive Review Panel (SIERP) and the Quality and Risk Management Group (QRMG) reporting by exception to the Quality and Risk Committee of the Board of Directors.

# Patient safety domain

## Healthcare Associated Infections

Royal Papworth Hospital places infection control and a high standard of hygiene at the heart of good management and clinical practice. The prevention and control of infection was a key priority at Royal Papworth Hospital throughout 2018/19 and remains part of the Trust's overall risk management strategy. Evolving clinical practice presents new challenges in infection prevention and control, which needs continuous review. The Trust is committed to ensuring that appropriate resources are allocated for effective protection of patients, their relatives, staff and visiting members of the public. In this regard, emphasis is given to the prevention of healthcare-associated infection, the reduction of antibiotic resistance and ensuring excellent levels of cleanliness in the Hospital.

There are a number of important infection prevention and control measures in place to reduce the risk of spread of infection; these include hand hygiene, cleaning, adherence to infection control practices, screening of patients for various organisms and education – all of which were audited continuously in 2018/19 as part of the annual infection prevention and control audit programme, and the compliance figures were monitored through the Infection Control Pre and Peri-operative Care Committee (ICPPC).

During 2018/19 the total number of *Clostridium difficile* cases on our trajectory was two, against a ceiling of four, and the total number of MRSA bacteraemias attributable to the Trust was one, against a ceiling of zero. The MRSA bacteraemia rate has reduced from the previous year as detailed in the table below. All MRSA bacteraemias and cases of *C. difficile* are reported to our Commissioners. We perform root cause analysis (RCA)/post infection reviews (PIR) on each case of *C. difficile* or MRSA bacteraemia to review the events and enable continuous improvement of practice. Any subsequent lessons learned are shared with the Commissioners and discussed at scrutiny panels. If the RCA/PIR does not show any avoidable factors, i.e., there were no lapses in the care of the patient, the case will not be counted against the ceiling target.

### **Carbapenemase-producing Enterobacteriaceae (CPE)**

Carbapenemases are enzymes that destroy carbapenem antibiotics, conferring resistance. Predominantly, they are made by a small but growing number of Enterobacteriaceae strains. There are different types of carbapenemases, of which KPC, OXA-48, NDM and VIM enzymes are currently the most common. Many countries and regions now have a high reported prevalence of healthcare-associated CPE. The Trust has a robust procedure in place to ensure that screening and isolation of patients in relation to CPE is carried out to minimise the risk of spread. This procedure was produced using the Public Health England (PHE) Acute trust toolkit for the early detection, management and control of carbapenemase-producing Enterobacteriaceae (2013). There has not been any ongoing spread of CPE within the Trust in 2018/19.

### **Escherichia coli (E.coli)**

Data collection for *E.coli*, *Klebsiella* spp. and *Pseudomonas aeruginosa* BSI has been provided via the PHE Data Capture System. The rates of *E.coli* bacteraemia are available on the PHE Public Health Profile website.

Analysis of *E.coli* data from the year 2017/18 showed the following:

The total number of *E.coli* bacteraemias – 11 out of which 7 were hospital acquired and 4 – community acquired.

Out of 11 *E.coli* bacteraemias, the following sources of infection have been identified:

#### **Hospital acquired:**

- Sternal wound – 1
- Enteritis – 1
- Ischemic bowel – 1
- No source identified - 4

#### **Community acquired:**

- Cholecystitis – 2

- No source identified - 2

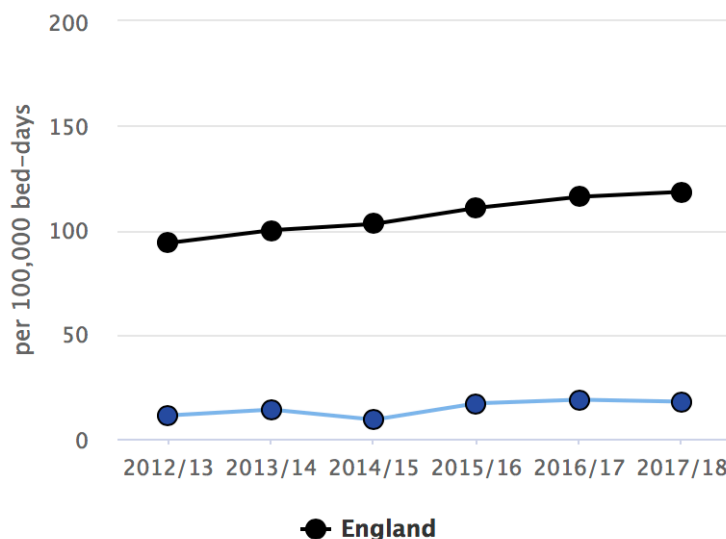
According to PHE Public Health Profile website, Papworth *E.coli* bacteraemia counts and rates are as follows:

Indicator	Period	England	Maldstone and Tunbridge Wells NHS...	Manchester University NHS Foundat...	Medway NHS Foundation Trust	Mid Cheshire Hospitals NHS Founda...	Mid Essex Hospital Services NHS T...	Mid Yorkshire Hospitals NHS Trust	Milton Keynes University Hospital...	Moorfields Eye Hospital NHS Found...	Norfolk and Norwich University Ho...	North Bristol NHS Trust	North Cumbria University Hospital...	North Middlesex University Hospit...	North Tees and Hartlepool NHS Fou...	North West Anglia NHS Foundation...	Northampton General Hospital NHS...	Northern Devon Healthcare NHS Tru...	Northern Lincolnshire and Goole N...	Northumbria Healthcare NHS Founda...	Nottingham University Hospitals N...	Oxford University Hospitals NHS F...	Papworth Hospital NHS Foundation...
E. coli bacteraemia all rates by reporting acute Trust and financial year	2017/18	118.3*	140.8	73.8*	159.8	125.2	112.6	118.0	115.0	0.0	117.0	90.5	133.3	160.5	176.8	134.7*	89.9	184.5	117.5	145.1	133.3	138.1	17.8
E. coli bacteraemia cases counts and 12-month rolling rates, by reporting acute trust and month	Dec 2018	122.4	135.5	86.4*	172.7	108.6	110.5	131.4	130.0	0.0	109.8	91.8	143.5	127.7	177.2	130.6*	95.0	169.0	128.9	156.8	133.8	132.5	16.1
E. coli bacteraemia hospital-onset counts and rates by NHS acute trust and financial year	2017/18	22.2*	23.0	18.0*	26.2	18.0	15.6	20.9	18.3	0.0	17.7	19.2	17.1	18.0	21.9	16.2*	14.5	30.0	11.9	27.8	35.2	28.1	12.9

Period	Count	Value	Lower CI	Upper CI	England	England
2012/13	8	11.2	-	-		93.8
2013/14	10	14.0	-	-		99.9
2014/15	6	9.2	-	-		102.9
2015/16	11	17.0	-	-		110.6
2016/17	12	18.7	-	-		115.9
2017/18	11	17.8	-	-		118.3*

As can be seen from the above tables, the rates of *E.coli* bacteraemia at Papworth remain low compared to those in England as a whole. The trend of *E.coli* bacteraemia is shown in the following graphs (Papworth – in blue dots)



To achieve a 10% reduction of *E.coli* bacteraemia on the previous year, the Trust's ceiling target would be 10 bacteraemias up to the end of March 2019.

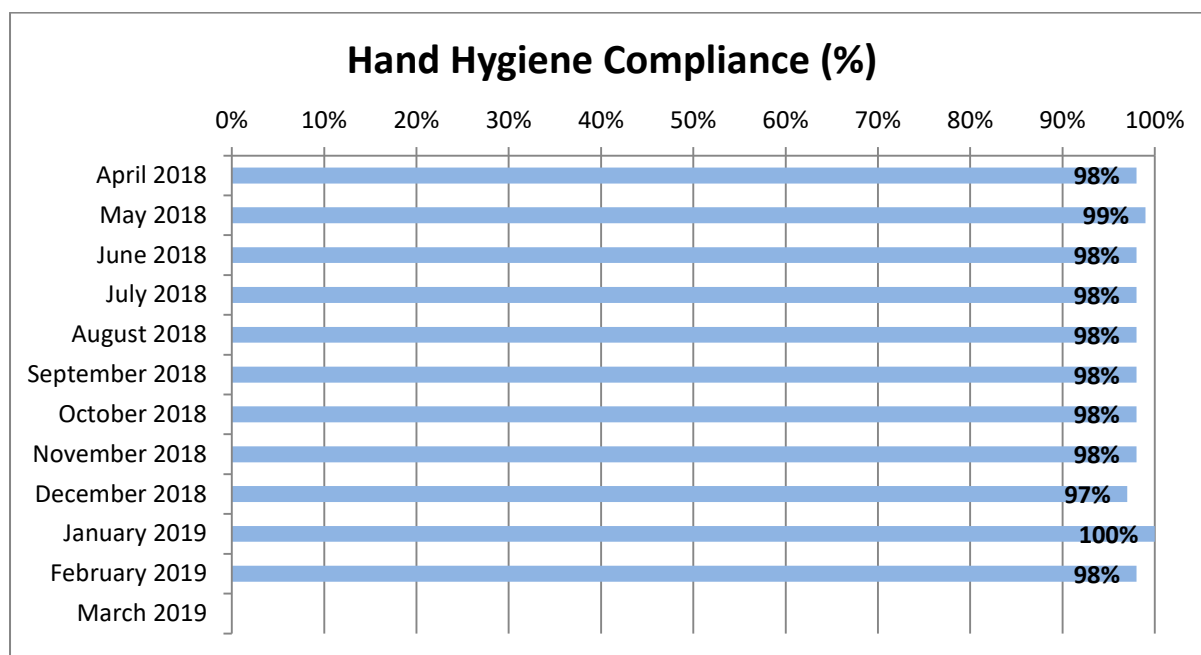
#### Heater- cooler units and M.chimaera infection

We continue to isolate M.chimaera from BAL in transplant and cardiac surgery patients from time to time. A meeting held by PHE six months ago could not find an answer to this fact. None of the patients had M.chimaera infection.

M.chimaera in BAL is not related to heater coolers because their new design prevents transmission via aerosols and regular testing showed no Mycobacteria in water tanks.

Currently the situation has been monitored and a further meeting with PHE is planned in April.

#### Trust Hand hygiene compliance figures 2018-19 (April-Mar)



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

Goals 2016/17	Outcome 2016/17	Goals 2017/18	Outcome 2017/18	Goals 2018/19	Outcome 2018/19	Goals 2019/20
No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia	3 MRSA bacteraemia	No MRSA bacteraemia	1 MRSA bacteraemia	No MRSA bacteraemia
No more than 5 C. difficile cases	Total for year = 0	No more than 5 C. difficile cases *	Total for the year= 3	No more than 4 C. difficile	Total for the year 2	No more than 11 C.difficile
Achieve 100% MRSA screening of patients according to agreed screening risk assessment	98%	Achieve 100% MRSA screening of patients according to agreed screening risk assessment	98.7%	Achieve 100% MRSA screening of patients according to agreed screening risk assessment	97% data collected between April 18 – February 19 Q4 data is not currently available	Achieve 100% MRSA screening of patients according to agreed screening risk

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

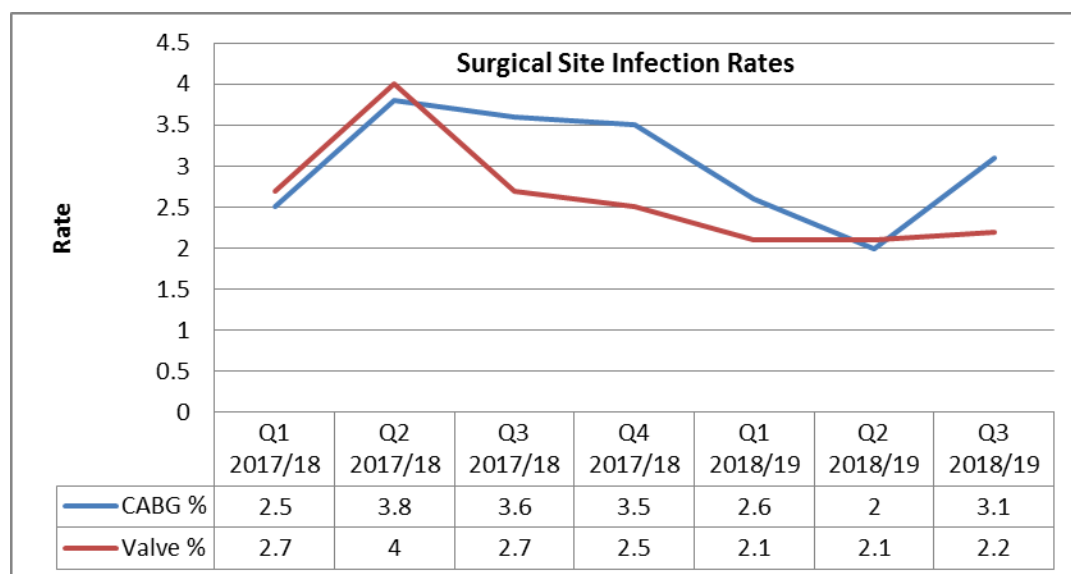
**\*Please note: The figures reported in the table are the number of C.difficile cases and MRSA bacteraemias attributed to the Trust and added to our trajectory ceiling targets.**

#### Surgical site surveillance

From April 2009, we have undertaken continuous surgical site surveillance of CABG patients to monitor infections post-surgery using the Public Health England (PHE) surveillance protocol. Following a bundle of interventions in pre-, intra- and post-operative care in line with NICE guidance CG74 and WHO recommendations, infection rates have fallen from 9.85% in 2009/10 to 3.5% for CABG in 2017/18 for inpatient and readmissions only. The current national benchmark for inpatient and readmissions for SSI in CABG is 3.5% (PHE 2018).



We are continuing with surveillance in both CABG and Valve patients. Our rates have remained consistent and within national benchmarks over the last 12 months. We continue to promote good pre-, intra- and post-operative care of our patients to reduce their risk of developing SSI, using a bundle of interventions. As we move to the new Royal Papworth site in the coming months, we will be monitoring our SSI rates as before to ensure that patient safety and quality of care is maintained.



## Influenza

The Trust continues to be committed to providing a comprehensive flu vaccination programme for staff. The uptake for “frontline” staff 2018/19 was 79% Trust wide.

In 2018/19, the Trust continued to receive flu-related ECMO patients into the Critical Care Unit.

In February there was a serious outbreak of flu which affected Hugh Fleming, Mallard and Varrier Jones Wards. The outbreak led to the closure of both Hugh Fleming and Mallard Wards, resulting in cancelled operations and admissions. Over this period 186 beds (in daily counts of beds closed) were empty and closed on Hugh Fleming from the 05/02/19-13/02/19. Once reopened on the 14/02/19 through to the 22/02/19, there were 87 beds which remained empty and closed as these were unable to be staffed safely. Mallard Ward had 219 beds closed between the 06/02/19 and the 22/02/19. Varrier Jones Ward was also affected with one bay closed and 10 beds closed and empty between the 15/02/19 and the 18/02/19. The outbreak was declared as a major incident on the 7 February. A full Serious Untoward Incident (SUI) Report was completed.

## Sepsis

Sepsis in patients is a potentially life threatening condition and without treatment can prove fatal. Care failings seem to occur mainly in the first few hours when rapid diagnosis and simple treatment can be critical to the chances of survival. Recent reports by the Surviving Sepsis Campaign (2013) and the Parliamentary Health Service Ombudsman (2013) and more recently the NCEDOD report in 2015 entitled ‘Just Say Sepsis’ have highlighted ongoing shortcomings in early recognition of potential sepsis leading to missed opportunities to save lives.

The Sepsis 6 care bundle was introduced in 2014 and had been adapted from the 2008 Surviving Sepsis Campaign (SSC) Guidelines for the Management of Severe Sepsis and Septic Shock (Daniels 2011). The purpose of using the bundle is to ensure a safe, standardised approach to the initial assessment of patients with potential sepsis and their subsequent management within the ward setting. It is also envisaged that by using the sepsis bundle, the medical and nursing teams will have the knowledge and understanding to recognise and promptly initiate treatment to patients and therefore reduce the complications associated with severe sepsis.

Sepsis management and treatment has also been on the National and Local agenda for CQUINs with current targets aimed at prevention of resistance whilst ensuring the early recognition and treatment of Sepsis continues.

An initial audit was undertaken at Royal Papworth Hospital in November 2015. The report focused on the use of the bundle on all patients who were identified and managed as having potential Systemic Inflammatory Response (SIRS) / SEPSIS. The following results were sourced from a retrospective audit undertaken in April 2018, covering the period April 2017 to March 2018. This follow up audit was delayed whilst waiting for the NICE national guidelines to be published in 2016. It should be noted that circumstances during 2017 could have had a significant effect on the results obtained in the audit. In June 2017 Royal Papworth Hospital implemented a transition from paper patient case notes to an electronic patient record system. The implementation was not as smooth as predicted and caused significant issues for staff regarding documentation and sourcing of information. As the following audit relies on determining compliance through the documentation of criteria, this should be taken into account when viewing the results.

As evidenced in the results and following confirmation from the staff on the wards, the introduction of the electronic system had a significant effect on the ability to locate the Sepsis 6 care bundle for this audit. Due to the low numbers of care bundles found, Standards 3 and 10 were not audited.

### Standards

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

### Results

	Aspect to be measured	Expected standard	Achieved standard 2015	Achieved Standard 2017/18
1	SIRS criteria to be met for all patients referred for Sepsis	100%	91%	100%
2	Sepsis 6 care bundle to be present in patient notes	100%	50%	41%
3	Sepsis 6 care bundle documentation to be complete	100%	79%	N/A
4	IV Abx to be commenced within one hour of referral	100%	89%	73%
5	ABG/Lactate measured within one hour of referral	100%	84%	57%
6	Blood cultures to be taken within one hour of referral	100%	91%	92%
7	Fluid challenge administered within one hour of referral	100%	76%	73%
8	High Flow Oxygen administered within one hour of referral	100%	62%	84%
9	FBC/Catheterisation commenced	100%	87%	89%
10	Care bundle used until resolved	100%	16%	N/A

The current guidance from SSC highlights the importance of implementation of all the components of the Sepsis bundle to ensure effective management of patients. The results of this audit have again highlighted failures in achieving 100% in the majority of the set standards. It should be noted that circumstances during 2017 could have had a significant effect on the results obtained in the audit. In June 2017 Royal Papworth Hospital implemented a transition from paper patient case notes to an



electronic patient record system. The implementation was not as smooth as predicted and caused significant issues for staff regarding documentation and sourcing of information and this should be taken into account when viewing the results.

The highlighted areas that need significant improvement are ensuring use of the Sepsis 6 Care Bundle and ensuring that within 1 hour Fluid Challenge is administered, ABG/Lactate is measured and IV antibiotics are given. Improvements were seen since the 2015 audit in regards to meeting the SIRS criteria and the undertaking of Blood Cultures, High Flow Oxygen and Urine Output measurement within 1 hour.

## Recommendations and Action Plan

Continue to deliver training and education on the management of patients with potential or confirmed sepsis on the Professional study day and induction programmes for all trained new staff.

To highlight to all staff during the deteriorating patient study days the importance of using the electronic sepsis bundle

To include in the guidelines (DN 598) the location (sign posting) of the bundle in Lorenzo

Sepsis link nurses on the wards to continue updating their teams on any new developments and also ensure that standards are being met

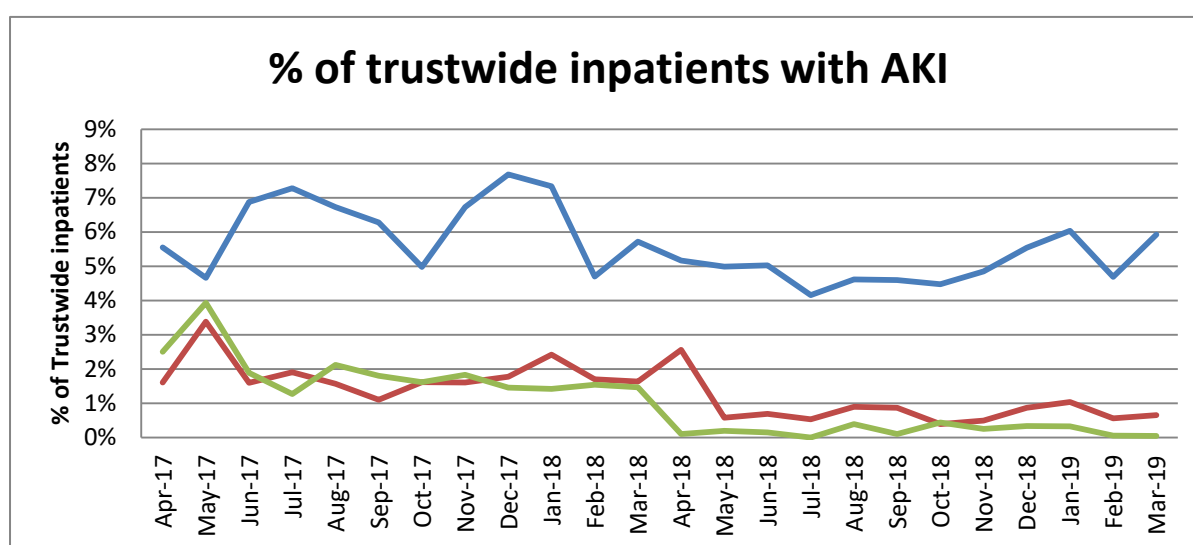
To conduct another audit in six months to a year to ensure that the set recommendations have been implemented

## Acute Kidney Injury (AKI)

Acute Kidney injury remains on the agenda at Royal Papworth Hospital. The numbers of patients who develop an Acute Kidney injury continues to fluctuate as one would expect as the incidence can be dependent of the acuity of the patient and also the type of procedure the patient is admitted for. We still see more patients developing stage 1 Acute Kidney injury. Guidelines remain in place for the management of Acute Kidney injury and Fluid management for patients in hospital and follow the up to date recommendations from NICE. The most recent inclusion to the guidelines is in relation to paediatric patients. Whilst Royal Papworth does not have many young children, we occasionally admit them for specific procedures.

We provide quarterly reports of our incidence of AKI to the National Renal Registry

The table below shows our current figures for the incidence of AKI at Royal Papworth Hospital.

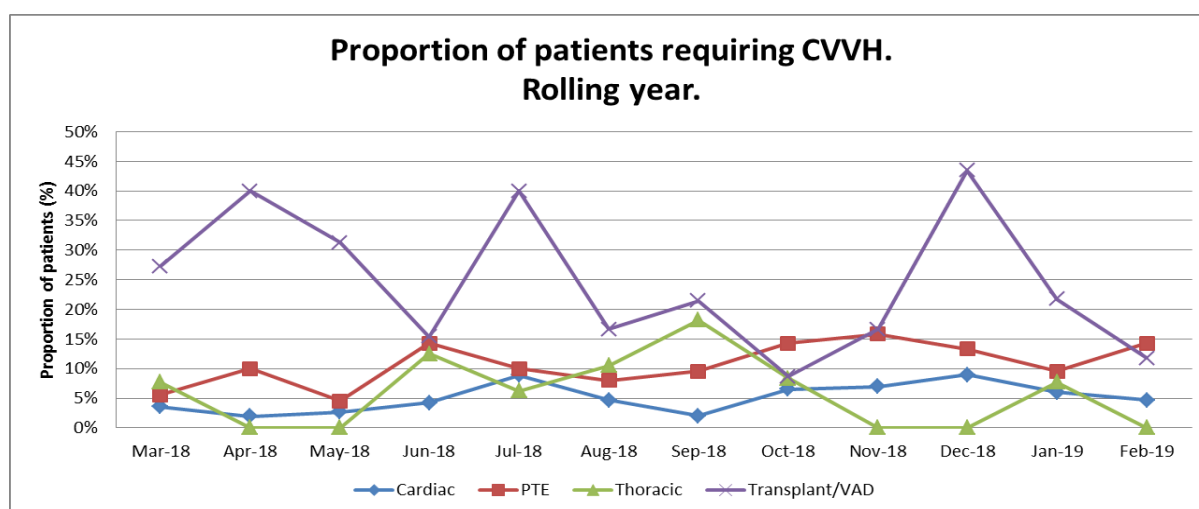


We continue to receive regular reports on the number of patients who require haemofiltration in Critical Care. The data below shows which speciality the patients are admitted under.

Speciality	Number of Patients /month	No CVVH	Received CVVH	CVVH (%)
All	176	151	25	14
Cardiac surgery	107	102	5	4.7
Cardiology (non-tx)	14	10	4	29
Heart failure	5	1	4	80
PTE	14	12	2	14.3
Respiratory ECMO	10	3	7	70
Transplant/VAD	17	15	2	12
Other	9	8	1	11

#### AKI scores for patients receiving CVVH

Speciality	AKI = 0	AKI = 1	AKI = 2	AKI = 3
All	112	33	24	7
Cardiac surgery	83	18	4	2
Cardiology (non-tx)	11	1	1	1
Heart failure	0	2	2	1
PTE	6	4	4	0
Respiratory ECMO	1	3	5	1
Transplant/ VAD	4	4	7	2
Other	7	1	1	0



As the data shows, our highest number of patients who require renal support has been with our Transplant/ heart failure and ECMO patients.

For our ward patients, we have our Alert teams and Ward Based ANP's who provide support to ensure our AKI pathway is completed for all patients who develop an AKI. Our ward pharmacists offer day to day guidance on safe prescribing to our medical teams for patients who have developed an AKI. Previous initiatives to ensure we provide our primary care teams with up to date information of Acute kidney injury when the patient is discharged home continues through the electronic discharge document which is sent directly to the patient's GP on discharge.

Acute Kidney injury remains on the mandatory training schedule for all qualified staff. We continue to report the incidence of Acute Kidney injury through our laboratory reporting system currently in place. The patient is identified as either Acute Kidney injury stage 1, 2 or 3. With the introduction of our Electronic

Patient record system; Lorenzo, in June in 2017, we now have the specific care pathway accessed electronically. There is ongoing training for all staff in accessing and completing these forms.

## Pressure Ulcers

Pressure ulcers (PU) have been defined as ulcers of the skin due to the effect of prolonged pressure in combination with a number of other variables including: patient co-morbidities; external factors such as shear and skin moisture. There are five categories of PUs, ranging from 1 to 4, with 3 and 4 being deep tissue injuries, plus deep tissue injury (DTI). In June 2018 NHS improvement (NHSI) dictated the re-introduction in NHS organisations of a further PU category of unstageable to be measured. This metric was to be included in data collection from October 2018. In addition, NHSI asked organisations no longer to use the terms avoidable or unavoidable, as all PUs are harm. This organisation is replacing avoidable with “acts/omissions in care” and unavoidable with “all care in place”. All PUs have a root cause analysis (RCA) investigation carried out, which is then scrutinised by the Trust PU Scrutiny Panel.

There is a continued national initiative to eliminate all Pus stemming from acts or omissions in care; there is a requirement that all NHS organisations carry out a Safety Thermometer Harm Free Care audit every month to collect point prevalence data on any new category 2, 3, 4 PUs in the Trust on census day. This audit has replaced the quarterly PU prevalence audit carried out within the Trust. However, the Safety Thermometer does not measure category 1 PUs, nor does it identify whether the PU has been acquired at the Trust. If the patient is long stay it will count PU in each month of the stay and so the PU is therefore counted twice (or more) as it is included in subsequent monthly audits. With this in mind we have reintroduced and will continue Trust-wide PU prevalence audits to run quarterly within the financial year.

### Actual numbers of Pressure Ulcers:

Category	2	3	4	DTIs	Unstageable
Number of reported 2018/19 figures up to end of February 2019	19 (13 all care in place, 6 acts/omissions in care)	2 (1 all care in place, 1 acts/omission in care)	1 (1 acts/omission in care)	10 (8 all care in place, 2 acts/omission in care)	0
Number of reported 2017/18 figures up to end of February 2018	16 (5 unavoidable, 11 avoidable)	1 (unavoidable)	0	23 (19 unavoidable, 4 avoidable)	Not counted till Oct 2018

All care in place (previously classed as unavoidable) PUs will not stay at a standard rate, and it is not appropriate to compare rates year on year. It is important to note that because all care in place PUs mainly occur in patients within this Trust who have had complex cardiothoracic surgery with long theatre times, and these critically unwell patients have restrictions on repositioning when they are physiologically unstable, alongside high doses of vasopressors (drugs to increase circulation to major organs, but restrict circulation to the peripheral areas such as heels). We continue to scrutinise the RCA investigation findings in this group of patients. These investigations did not identify any actions that could have prevented PUs in this critically unwell group of patients.

### Continued Initiatives for 2019/20 include:

- The Scrutiny Panel continue to scrutinise all category 2, 3, 4, DTI, or unstageable PUs developed within the Trust in order to identify lessons learnt and share good practice;
- Continue quarterly PU prevalence audits, to run alongside Safety Thermometer Harm Free Care monthly audits;
- Continue DATIX incident reporting for all category 2, 3, 4, DTI, and unstageable PUs developed within the Trust and all category 2, 3, 4, DTI, and unstageable PUs admitted/transferred into the Trust. In addition, the RCA has been incorporated into the DATIX reporting system which has streamlined the PU investigating process

- Ensure that the rates of PUs developed at Royal Papworth Hospital continue to be displayed in all clinical inpatient areas for patients, relatives and staff to see;
- Have a standing agenda item in the Quality and Risk Management meeting to report the PU rates;
- Continue education on PU prevention, identification, reporting and management in Trust-wide mandatory training days. These include tissue viability link and associate link nurses teaching on the sessions to facilitate their development in the specialty. We are exploring different ways of providing in house PU prevention training; we are planning to look at online quizzes that staff can complete as part of their PU prevention training.

Goal 2018/19	Outcome	Goal 2019/20	Outcome
Presently exploring putting in house PU training online; to include mattress training	On-going	To increase tissue viability link nurse involvement in PU prevention education within their ward areas; to supplement the mandatory PU training.	On-going
New National Guidance is coming re PU definitions and these will need to be disseminated and policies adapted as appropriate. This problem will run alongside the move to the new Royal Papworth Hospital.	Achieved	Continue to embed the new PU categorisations introduced by NHSI June 2018	On-going
To continue the PU prevalence audit and increase to quarterly, to run alongside Safety Thermometer monthly audits. This schedule was only partially achieved in 2017/18, i.e. prevalence audit carried times 3 per year unable to do 4 <sup>th</sup> quarter due to lack of staff to assist with the prevalence audit. Safety thermometer continues monthly.	Achieved	Continue quarterly Trust-wide PU prevalence audits.	Achieved and on-going
		Work with IT to get in house PU training online; to include mattress training	On-going

## Patient Safety Incidents – Severity

Severity	18/19 Q1	18/19 Q2	18/19 Q3*	18/19 Q4*	Total
Near Miss	82	101	95	72	350
No harm	399	379	465	402	1645
Low harm	106	119	118	108	451
Moderate harm	6	2	7	6	21
Severe harm	0	5	1	1	7
Death caused by the incident	0	0	1	0	1
Death UNRELATED to the incident	5	5	2	4	16
Under investigation, not yet graded	0	0	33	104	137
Total	598	611	722	697	2628

Table 3c – Incidents by Severity (Data source: DATIX 09/04/19). \*Incidents still under investigation have not yet been graded

Fluctuating numbers of patient safety incidents have been reported during the financial year. Those graded as near miss (13%), no/low harm over the last 12 months (80%) demonstrates a continuous readiness to report and learn from all types of incidents. There has been a request for staff to report incidents in order to demonstrate an open and fair culture of learning and no blame. This process also captures the clinical consideration given to all types of incidents, with moderate harm incidents and above being reviewed at the Trust's new Serious Incident Executive Review Panel (SIERP).

The level of investigation carried out after a patient safety incident is determined by its severity. All

moderate harm incidents and above have investigations and associated action plans, which are managed by the relevant business unit and monitored by the Quality and Risk Management Group (QRMG). All Serious Incidents (SIs) require a Root Cause Analysis (RCA) and are led by an appointed investigator and monitored by the QRMG. The (\*) signifies a discrepancy in the total number of incidents awarded a severity grading and the total number of patient incidents in the quarter; as at 09/04/2019 not all incidents have been finally approved and grading confirmed. Lessons learnt are shared across the organisation via the quarterly Lessons Learnt report on the intranet, Grand Round presentations and local dissemination via Business Units and specialist meetings.

## Never Events

Learning from what goes wrong in healthcare is crucial to preventing future harm; it requires a culture of openness and honesty to ensure staff, patients, families and carers feel supported to raise a concern and speak up in a constructive way.

Never Events are patient safety incidents that are wholly preventable and where guidance or safety recommendations that provide strong systemic protective barriers are available at a national level and have been implemented by healthcare providers. As with all serious incidents, these events need prompt reporting and detailed investigation to understand what went wrong and what actions need to be taken to prevent the incident from happening again.

During the financial year, the Trust has reported one Never Event. In March 2019, the Trust reported an incident relating to a misplaced naso-gastric (NG) tube. There was a failure in the processes relating to checking and confirming correct position of the NG tube prior to commencement of a small amount of liquid feed. There was low harm caused to the patient. Under our commitment to Duty of Candour a full disclosure was given to the patient and next of kin. A detailed investigation is underway at the time of this report and the outcome therefore is not available at this time. The incident will be subject to a full Root Cause Analysis investigation and consideration of human factors. Lessons learnt and recommendations will be translated into an action plan, which will be monitored for completion by the Quality and Risk Management Group.

## Reducing falls and reducing harm from falls

Falls prevention remains a top priority for the Trust and is monitored through incident reporting and the Safety Thermometer. Under Health and Safety law, the Trust has a responsibility to protect all patients from harm and “so far as is reasonably practicable” carry out “suitable and sufficient” risk assessments to that ensure they remain safe. In addition, the Trust has nominated the reduction in falls in Mallard Ward (5 North) as one of its Quality Improvement projects. Since February 2019, all falls are reviewed to ascertain if the patient fell due to a medical condition or because of failure to meet best practice in the management of health & safety, and to ensure that appropriate action is undertaken. All falls are reviewed by the Fall Prevention Lead.

During the calendar year there has been a regular occurrence of assisted falls to the ground, recorded as “near miss”; actual falls have been graded from no harm to moderate and severe harm. Falls resulting in moderate injury have Root Cause Analysis (RCA) performed and falls that result in severe harm have a full Serious Incident (SI) investigation. All RCA falls investigations are reviewed at QRMG and at the Band 7 Nurses meetings.

There were two RCA undertaken on moderate harm incidents and one SI investigation.

The first (27075) involved a patient who had an unwitnessed fall. The patient had a history of falls. Unfortunately the patient fell while mobilising. The patient had a pre-existing cardiac condition and had been confused but on this occasion mobilised independently and fell, resulting in a subdural haematoma. The patient was later discharged with a neurological community rehabilitation referral.

The second (27916) involved a patient who also had an unwitnessed fall, had a complex cardiac history, and had been transferred to Papworth for assessment. At times she was able to mobilise independently which was encouraged. It was confirmed that the fall had occurred due to the patient’s complex medical condition.

The third investigation (27608) was on a patient who sadly died. The patient was able to mobilise independently, got up but was known to furniture walk at home. She subsequently fell sustaining a hip fracture. The patient was transferred to another hospital for treatment, but was at risk of bleeding

due to the level of anticoagulation therapy required for her medical condition. Sadly, the patient died from her medical condition later that day. A number of contributory factors were identified through the review. The resulting action was to share the outcome of the report which highlighted the importance of recording all medical documentation in a timely manner to aid ongoing assessment of the patient and investigation.

Concerning the fall that required a serious incident investigation in 2018/19, a number of actions have been put in place as a result:

- Improve documentation relating to the Falls Policy and the assessments contained within it
- The Falls Prevention Nurse is to provide on-going training on falls prevention across all wards
- Increase use of falls alarms
- Increase the use of Intentional Rounding, Enhanced Care and the supporting documentation on Hemingford Ward.

The table below demonstrates the number of actual falls per quarter across the year. Falls are reviewed quarterly at the Falls Meeting, which now forms part of the Sisters Meeting. The learning from falls incidents is shared at QRMG and among various clinical and nursing forums.

Financial year by quarter	Q1	Q2	Q3	Q4	Total
2016/2017	54	37	54	28	173
2017/2018	46	28	56	36	166
2018/2019	43	27	37	49	156
Total	54	37	54	28	495

Data source: DATIX™ 11/4/2019

## Falls incident data by location 1/4/2018 – 31/3/2019

### Incidents by Directorate and Incident date (Quarter)

Directorate	18/19 Q1	18/19 Q2	18/19 Q3	18/19 Q4	Total
Ambulatory Care	3	0	2	1	6
Cardiology	10	12	9	14	45
Cath Labs	0	0	0	1	1
Facilities	1	0	0	0	1
Professional Support Services	4	1	2	5	12
Radiology	1	0	0	0	1
Surgery	11	7	17	6	41
Theatres, Critical Care and Anaesthesia	0	0	0	4	4
Thoracic	11	6	4	15	36
Transplant	2	1	3	3	9
Total	43	27	37	49	156

Data source: DATIX™ 11/04/2019

## Prevention of venous thromboembolism (VTE)

With an estimated incidence rate of 1-2 per 1,000 of the population, VTE is a significant cause of mortality and disability in England with thousands of deaths directly attributed to it each year. One in twenty people will have VTE during their lifetime and more than half of those events are associated with prior hospitalisation. At least two thirds of cases of hospital-associated thrombosis are preventable through VTE risk assessment and the administration of appropriate thromboprophylaxis, however currently VTE is one of the most common forms of hospital mortality. (All-Party Parliamentary Thrombosis Group Annual Survey Results, November 2018 [www.apptg.org.uk](http://www.apptg.org.uk)).

Best practice in VTE prevention is summarised in NICE Quality Standard 3 (Venous Thromboembolism Prevention Quality Standard (<https://www.nice.org.uk/guidance/qs3>) published in June 2010 and updated in March 2018 (<https://www.nice.org.uk/guidance/ng89>). VTE prevention remains a clinical priority at Royal Papworth Hospital and the updated recommendations in the revised NICE quality standard have been incorporated into the Trust procedure on VTE prevention. VTE prevention is well established in the daily clinical care of patients within the Trust. We are also auditing and monitoring omissions with prescribed prophylaxis doses of Tinzaparin and Enoxaparin.

Royal Papworth Hospital has previously been recognised with a National award from Lifeblood: The Thrombosis Charity, for best VTE Prevention Programme. Royal Papworth Hospital successfully revalidated as a VTE Exemplar Centre in 2017 and contributes to National Nurses and Midwives Network (NNMN) for VTE (<http://www.vteengland.org.uk/>).

The NHS Standard Contract for Acute Services introduced the requirement for a root cause analysis (RCA) on all VTE episodes identified in inpatients and patients discharged within 90 days. The Trust is compliant with this requirement and conducts RCAs on all VTE events known to the Trust. In 2018/19, 17 VTE events were subject to RCA (compared with 32 in 2017/18), of which all 17 were deemed to be unavoidable with no acts or omissions in care. Where the findings of the RCA conclude that more could have been done to reduce the risk of VTE, this is communicated to the patient by their Consultant in line with the statutory Duty of Candour in the NHS.

### VTE Action Plan

Following a recent review of VTE and falling compliance against 95% target of VTE risk assessment on admission a local action plan is in place. This involves key staff within the organisation to affect change and optimisation of Lorenzo to capture data for audit. NHS Improvement is also working with us to monitor compliance and the improvement of risk assessment on admission. This will be monitored through QRMG and shared with the Quality and Risk Committee.

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

#### Percentage of patients risk assessed for VTE Q1-Q4 2018/19

	% of In-Patients Risk Assessed for VTE (Unify)	Quarterly %
<b>Q1</b>		
April 2018	94	<b>94.33%</b>
May 2018	94	
June 2018	94.33	
<b>Q2</b>		
July 2018	94.33	<b>93.44%</b>
August 2018	94.5	
September 2018	94.24	
<b>Q3</b>		
October 2018	92.04	<b>90.56%</b>
November 2018	92	
December 2018	86.64	
<b>Q4</b>		
January 2019	86.66	<b>92.22%</b>
February 2019	96.66	
March 2019	93.33	

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

### Sharing lessons learnt and good practice

All hospital associated VTE events are reported on DATIX. Findings from the RCAs are reported back via email to the Consultant and teams involved in the care of the patient, Clinical Director and QRMG, together with a copy of the RCA report. We recently shared information of our VTE pharmacological prophylaxis omissions audit and an anonymised RCA at the National Nurses Midwives Network (NNMN) for VTE in April 2019.



### Number of patients receiving appropriate prophylaxis from quarterly prevalence audit

	No of patient records	% of patients receiving appropriate VTE prophylaxis
April 2018 <b>Q1</b>	n = 17	100%
May 2018	n = 19	100%
June 2018	n = 31	100%
July 2018 <b>Q2</b>	n= 20	100%
August 2018	n= 35	84%
September 2018	n=30	92%
October 2018 <b>Q3</b>	Prevalence audit on hold at present*	
November 2018		
December 2018		
January 2019 <b>Q4</b>		
February 2019		
March 2019		

Reported in Quality and Risk Management Group Report

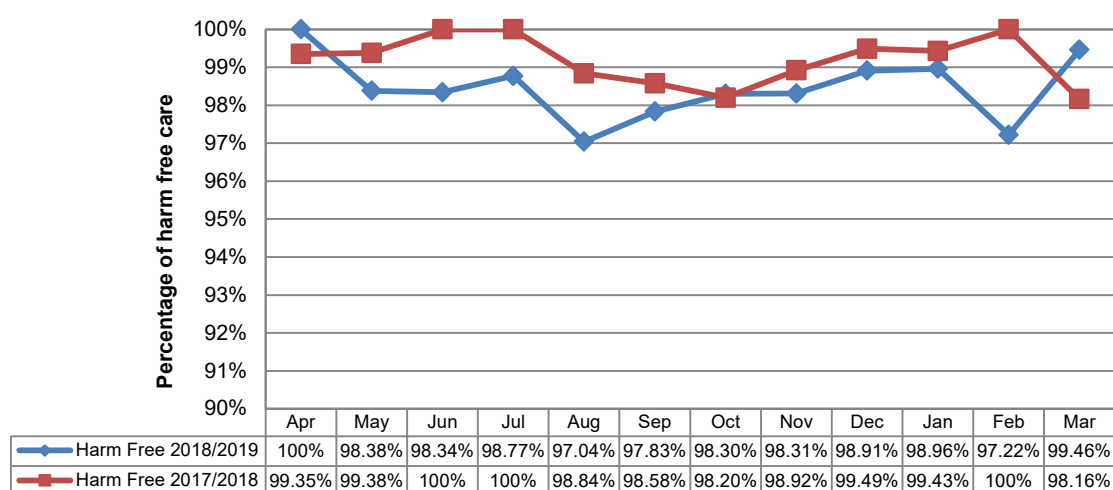
\*The monthly prevalence audit has been relaunched with the ward link nurses for VTE and the formic audit form has been updated. To ensure we have 10 patients per clinical area returned this has been shared with matrons, sisters and the clinical directorates. The Lorenzo team are working with clinical audit to ensure the data quality in this area is robust to ensure lessons are learnt and shared.

## Delivery of Harm-Free Care

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

The Table below demonstrates Royal Papworth Hospital's rolling two-year comparison data

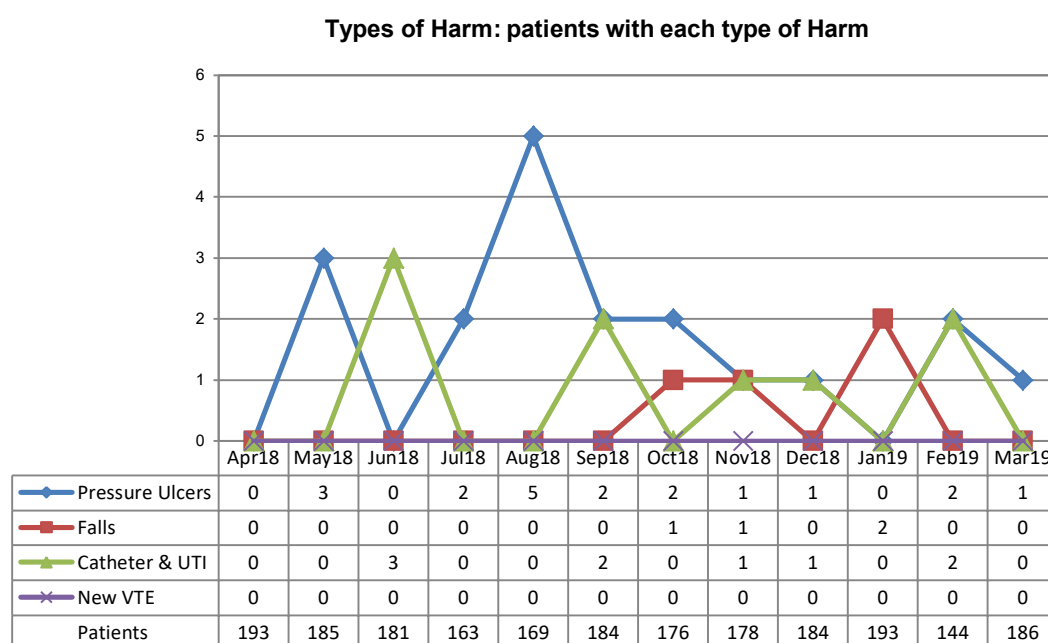
**Patient Safety Thermometer - Harm Free Care - 2017/18 - 2018/19**





## Safety Thermometer

The graph below provides a breakdown of the types of harm.



## Nurse Revalidation

Nurse Revalidation has been an on-going process since April 2016. Nurses and midwives are required to renew their registration every year and revalidate every three years. Nurses individually receive reminders of their impending revalidation or re-registration date through email and can access the document via NMC online web page.

Nurses at Royal Papworth Hospital NHS Foundation Trust will have had a meeting (prior to their revalidation date) with their line manager / senior nurse in their Department to show their portfolio of evidence and demonstrate they have met the requirements and compliance sits at 100%.

## Patient Safety Rounds (PSR)

Strong leadership is essential to build a safety-focused organisational culture. Patient Safety Rounds are a method of ensuring that leaders are informed first hand of the patient safety concerns of frontline staff as well as demonstrating visible commitment to safety by listening to staff and patients raising concerns. Patient Safety Rounds can act as a useful tool to:

- demonstrate organisational commitment to patient safety
- support open communication within the organisation
- identify opportunities for change and promote a culture of safety improvement
- encourage reporting of safety incidents, patient harm and near misses
- reassure patients and listen to their concerns

We have been running a programme of PSRs at Royal Papworth Hospital since 2015. Every year an annual programme of PSR is agreed at the Quality and Risk Management Group. It is the expectation that each visit is supported by a Head of Nursing or Matron, Consultant and Senior Manager, Executive Director, and when possible, a patient representative. There is always an invitation for a Non-Executive Director to join the PSR. Patient Safety Round participants introduce themselves to the local leadership team, who facilitate a brief tour of the area if appropriate. The PSR participants then approach staff and patients using a template of 10 questions to prompt and guide the discussion. The discussion focuses on the following 10 key areas:

- Past harm (patient safety incidents)
- Friends and family test
- Current barriers to safe care

- Communication
- Teamwork
- Leadership
- Incident reporting
- Key concerns of staff
- Key concerns of patients + relatives
- Good practice

During 2018/19 we included an invitation to the wider multi-disciplinary team (Pharmacists and other Allied Health Professionals) and undertook three PSRs up to December 2018. We paused our PSR programme from January 2018 to accommodate the work required to prepare for a safe move to the new hospital.

Date	Clinical Area	Speciality	Report to QRMG
May 2018	Thoracic outpatients	Thoracic Medicine	Yes
July 2018	Rescheduled to November 2018		
Sept 2018	Catheter Labs	Cardiology	Yes
November 2018	Higginson Discharge Lounge	Various	Yes

The philosophy is that the PSR prompts an immediate response and that on the spot actions are addressed at the time of the round, and taken forward by the relevant teams. However, if required, outstanding items can be taken to the relevant Business Unit (BU) and reported through the BU Quality and Risk Report.

#### **Patient Safety Rounds 2019/20**

A rolling programme of Patient Safety Rounds is currently being agreed to accommodate the clinical areas at the new Royal Papworth Hospital, and we aim to restart the programme from Quarter 2. We would like to encourage more patient and public involvement in the Patient Safety Round programme during 2019/20 and aim to do so through the Patient and Public Involvement Committee and the Patient and Carer Experience Group.

# Patient experience domain

## Patients and Carer Experience Strategy

Collecting Patient Stories is an important component in understanding how patients' perceive the care that they have received. Patient Stories involve interviewing patients directly to gather their insights on the service and the care provided. Throughout this year the Trust has continued to embed the regular capturing of patient stories. These are collated on a monthly basis with a summary of themes, identifying both the positive and the areas for improvement identified. Patient stories are read back at professional and business unit meetings on a regular basis and influence changes in practice and service improvement.

Always Events are aspects of the patient experience that are so important to patients and family members that health care providers must aim to perform them consistently for every individual, every time. The Institute for Healthcare Improvement (IHI) laid the foundation for the development of the IHI's Always Events framework. This framework provides a strategy to help health care providers identify, develop, and achieve reliability in person- and family-centred care delivery processes.

In 2017/18, 'Always Events were agreed, finalised and launched at Nurses Day.

- Privacy will always be maintained
- Patients will always be listened to
- Patient buzzers will always be answered within 2 minutes
- Always include patient, family and friends in planning of care if patient wishes
- Always be open and honest
- Always know that I can speak to a specialist about my plan of care
- Always communicate delays, postponements, cancellations in a timely way.

Further presentations have taken place at:

- patient and carer listening events
- departmental meetings
- Patient and Public Involvement Committee

Further work is required throughout 2019/20 to audit improve and embed 'Always events.

## Patient Stories at Board

Patient stories have continued to form an integral element of capturing the patient experience throughout 2018/19. Senior nurses and Matrons have presented at the Board of Directors and at professional meetings such as C-PAC, Sister's Forum, Management Executive and the Patient Experience and Safeguarding groups. Patient stories are also included in monthly Matron reports to directorates, this provides a valuable opportunity for discussion directly with the senior MDT and reports are circulated to teams for further learning. This practice will continue during 2019/20 and will be extended to more non-clinical meetings to assist in focussing all activity on ensuring the best possible patient experience.

## Patient Stories-Matrons

The Matrons liaise with the ward team to identify a patient who would be willing to spend some time reflecting on their experience with the Matron. Feedback is promptly provided to the care team and immediate action is taken if concerns are raised. Individual patient stories are recounted at the start of Trust meetings of all types, including at Trust Board, to help focus the attendees on our patients. The stories are reviewed by Heads of Nursing and the responses themed. A quarterly report is submitted to the Clinical Advisory Committee so the information can be shared with the wider Nursing and Allied Health professional teams.

What is the best thing about your stay?

- Kind, considerate staff
- Expert care
- Professionalism of staff

- Respect and courtesy afforded by staff
- Welcoming environment

What is the worst thing about your stay?

- Cancellation and delays of procedures
- Poor communication between medical teams
- Doctors not introducing themselves
- Having to be moved to different bed spaces

Having reflected on your experience of being a patient at Papworth, are you able to suggest areas we can improve on?

- Need to improve communication related to cancellations and delays

Actions taken from the patients stories:

- A standard operating procedure to manage communication related to late cancellations of procedures has been implemented and

What would you want us ALWAYS to do?

- Always keep me informed about what is happening
- Always treat me with respect
- Always ensure there is time for my questions
- Always ensure that the environment is clean
- Always be honest and open about things

## Dementia and Learning Disabilities

Research tells us that patients who have Learning Disabilities or who suffer with Dementia have significantly poorer health outcomes than the rest of the population. The inequalities evident in access to health care could potentially place many NHS trusts in contravention of their legal responsibilities as outlined in the Equalities Act 2010 and the Mental Capacity Act 2005, they are also likely to be in contravention of international obligations under the UN Convention on the Rights of Persons with Disabilities.

The Equality Act 2010 imposes a duty to make “reasonable adjustments” for disabled persons. Reasonable adjustments are defined as “changes to practice and processes which are implemented to prevent any disabled persons from being at a disadvantage, whether by virtue of a physical feature of the premises or a process that places people with a disability at a disadvantage.”

Patients who have Learning Disabilities or who suffer with Dementia are covered by the protected characteristics of the Equalities act and as an NHS trust we must ensure that care is personalised and is delivered in a way that recognises who the patient is and is driven by their needs. Our patients who have Learning Disabilities or Dementia will receive the essentials of care that are right first time every time

## Dementia

Dementia is a general term for a decline in mental ability severe enough to interfere with daily life. The condition has a significant impact on a person’s health, personal circumstances and family life.

It is well documented that inpatients with dementia are more likely to have adverse incidents, such as falls or poor nutrition, and have longer hospital stays than people with equivalent health needs who do not have dementia.

There is also increasing recognition that hospital staff and services need to understand the complexity of caring for and treating people living with dementia. The Alzheimer’s Society reported in 2016 only 2% of people living with dementia felt, in their experience, that all hospital staff understood their specific needs.

The aim for all people living with Dementia is set out in the Prime Minister’s challenge on dementia 2020 which states that:

'We want the person with dementia – with their carer and family – to be at the heart of everything we do. We want their wellbeing and quality of life to be first and foremost in the minds of those commissioning and providing services, recognising that each person with dementia and their carer is an individual with specific and often differing needs including co-morbidities'.

Going into hospital for a person with Dementia can be a difficult and distressing time. Someone with dementia may have to go into hospital for a planned procedure such as an operation, during a serious illness or if they have an accident or fall. This can be disorientating and frightening and may make them more confused than usual. Hospitals can be loud and unfamiliar, and the person may not understand where they are or why they are there.

Royal Papworth Hospital Dementia strategy was created in 2015 and was due to run until 2018 when we would have moved into our new hospital which has been constructed on the Cambridge Biomedical Campus. The move was delayed until April 2019. Mindful of the move delay, the Strategy document has been extended to take us through the 2019/20 year. The new Royal Papworth Hospital has enabled some great spaces and design that will really benefit our patients. Extending this Strategy through 2019 will enable us to better understand our new environment and how we can really use the amazing space for our Dementia patients and others. That knowledge will then help inform the new Strategy to be published in 2020.

Patients with dementia will have safe individualised care, be treated with respect, and be well informed whilst in our care. Care is set around what the person needs and who they are. Our patients with dementia will receive the essentials of care that are right first time every time. Patients who are vulnerable and those who require reasonable adjustments are identified daily in the site safety briefing and adjustments are made by senior nurses as necessary and this has become embedded during previous years.

### **Aims for Patients with Dementia**

1. To use Lorenzo (EPR) to ensure that Staff are able to access person centred care plans to address needs, that they are able to recognise patients who may have Dementia, respond accordingly and record reasonable adjustments, activity and outcomes for these patients.
  - Creation of alerts covering Dementia including suspected and confirmed diagnosis. These have been established – however they are not routinely used.
  - Smart lists to highlight presence of patient with an alert in hospital have been enabled.
  - Use of alerts is not yet embedded in service and an audit of their use needs to take place in next 3 months.
2. The safeguarding leads publish safeguarding newsletters and have put a range of resources on the hospital Intranet. This is to give staff resources to better understand this condition.
3. Lead nurse for Dementia routinely sees patients who are identified as having Dementia or those patients whose behaviour gives concern. She carries out a detailed assessment of their needs
4. The design of New Royal Papworth Hospital has given consideration measures to reduce disorientation and to promote a dementia friendly environment for our patients.
5. Having a knowledgeable and caring workforce is essential and there is a study day planned 30/10/2019 for Frailty, Falls and Dementia.
6. Work is progressing regarding the care and treatment of frail patients and increased understanding of frailty and the impact of hospitalisation has on this group. By nature many patients with Dementia are frail and will benefit this work should lead to better outcomes for patients.
7. A sample of the information from 2000 All about me booklets – given to all Elective Cardiology patients linking their frailty score with outcomes such as length of stay, professional input and discharge destination is being examined by Research.

## Learning Disabilities

Mencap defines a learning disability in the following way:

A learning disability is a reduced intellectual ability and difficulty with everyday activities – for example household tasks, socialising or managing money – which affects someone for their whole life.

People with learning disabilities have poorer health than their non-disabled peers, differences in health status that are, to an extent, avoidable, and therefore unjust and unfair. The health inequalities faced by people with learning disabilities in the UK start early in life, and result, to an extent, from barriers they face in accessing timely, appropriate and effective health care. People with a learning disability are four times more likely to die of something which could have been prevented than the general population (Disability Rights Commission, 2006).

The Equality Act 2010 imposes a duty to make “reasonable adjustments” for disabled persons. Reasonable adjustments are defined as “changes to practice and processes which are implemented to prevent any disabled persons from being at a disadvantage, whether by virtue of a physical feature of the premises or a process that places people with a disability at a disadvantage.”

The Department of Health and Social Care have continuously emphasised the importance of Primary, Acute and Specialist NHS Trusts in meeting the health care needs of people with learning disabilities (DoH, 2015). The Government's mandate to the NHS 2017-18 published by DOH makes it clear that it supports the principles of reducing health inequalities.

In 2018 Royal Papworth Hospital published its Learning Disability Strategy. The strategy recognised that “It is so important that even though the numbers are small (learning disability admissions equate to 0.3% of activity), that every person with learning disabilities receives the care they need and want and that this reasonable adjustment is recorded “

July 2018 saw the publication of the learning disability improvement standards for NHS trusts. In October and November 2018 Royal Papworth Hospital undertook a self-assessment as part of the the NHSI improvements Standards for Learning Disability to better understand the experience of our patients

As a trust we have committed to:

1. Produce a Learning Disability Policy by end of August 2019 covering the care and pathways for this patient group.
2. Identify a staff member to undertake LeDeR training.
3. Build on the leaflets produced 2017 for patients with learning disabilities and increasing the range of easy read information.
4. Increase knowledge through training, safeguarding Newsletters and resources on Hospital Intranet.
5. Hear voice of our patients with Learning disability through patient stories and to embed that learning within the trust.

## Frailty

The Trust has progressed work on identification of frailty throughout 2018/19. We are a part of the Specialised Clinical Frailty Network (SCFN) in wave one for TAVI and wave two for the Critical Care/Surgical Pathway. As a Trust we are ensuring frailty scores are done on every patient admitted to the hospital within all acute cardiology/surgical pathways. This has already been embedded within preadmission clinic for all pathways.

### Wave one TAVI network

NHS Elect were commissioned to support the development of six specialist frailty networks and we are one of five Trusts in the country invited to take part in the wave one TAVI frailty network. Its objective is to strengthen clinical assessment of clinically frail patients with Aortic Stenosis, reduce the number of inappropriate physician referrals for specialised commissioning interventions including transcatheter aortic valve implantation (TAVI), and enhance the shared decision making process with patients/family to ensure the most appropriate care package for those patients.

The Trust was the first site to be visited by the Specialised Clinical Frailty Network in September 2018 and we received very positive feedback from the network team on processes and tools already in place such as the “All about me” booklet. The team were supported to undertake a mapping process during the visit which has been used to identify points which could be strengthened to enhance our care of frail patients. A QI project team has been convened to lead the improvement work locally supported by NHS Elect.

### **Developments in 2018/19**

Wave 1 TAVI: All patients within the TAVI pathway are having frailty score checked prior to discussion at MDT. Questionnaires are also given to patients at follow-up clinics to assess quality of life post procedure.

Wave 2 Critical Care/Acute Surgical Pathway: We are implementing this within the IHU pathway. Every patient will have Rockwood Frailty Score undertaken. Any patient scoring five or more will be referred to the Anaesthetic lead and the team will undertake a Papworth Perioperative Assessment (form of Complex Geriatric Assessment). This will identify need for pre-optimisation and/or ensure appropriate decision making.

We have developed our ‘All about me’ booklets to include quality of life pre and post-surgery.

We have progressed Grant application to support research in the domain of frailty and cardiac surgery.

We continue to share good practice and initiatives at national and international conferences including members of the project team attending the Specialised Clinical Frailty Network Wave One first national event on the 26 September 2018.

### **Rapid Non-ST-elevation myocardial infarction (Rapid NSTEMI):**

We reported the improvements in our Acute Coronary Syndrome (ACS) pathway in our 2017/18 Quality Accounts and noted that these improvements would help us to prepare for the launch a new pathway for a high risk sub-group of ACS patients transferred directly to the Trust for treatment without needing to be first assessed at a local hospital.

In September 2018 the Trust introduced its new pathway for patients suffering from high-risk NSTEMI (non ST elevated myocardial infarct) - a type of heart attack caused by a severely narrowed artery. The new pathway means that patients identified as being high-risk are now transferred directly to Royal Papworth Hospital for treatment within 24 hours, rather than being admitted to an acute hospital first. This change in pathway offers huge benefits to patients; research and guidelines state that high-risk patients achieve better outcomes if they receive treatment to unblock the heart's blood supply within 24 hours. In the six months since the new ‘Rapid NSTEMI’ pathway was launched in September, 134 patients have been accepted onto the pathway with 87.3% patients receiving treatment within 24 hours of referral (and 91.8% receiving treatment within 24 hours of arrival at the Trust). As well as helping patients receive quicker, safer treatment, the pathway has also led to a wide range of efficiencies in the wider healthcare system. Transferring patients directly to Royal Papworth saves ambulance transfers, days spent in hospital, and has delivered system savings estimated at £240k in its first six months in A&E attendances alone – helping to ease pressure on the NHS across the region.

### **Theatre Cancellations**

Cancellation of scheduled activity has been an area of concern in 2018/19 with a total number of 636. The four main reasons for cancellations were: Insufficient CCA staff; All CCA beds full with CCA patients; No ward bed available to facilitate transfer of patient out of CCA; Emergency and transplant operations took theatre time.

Key actions undertaken include an active recruitment programme both locally and internationally has improved the vacancy picture on CCA with vacancies moving from a 5.5% of registered nurses at the start of the year to a position where we are fully recruited and have a waiting of staff wishing to join the unit. This picture looks likely to continue as we move toward the new hospital.

CCA occupancy averaged at 91.36% over the year (with a target figure of 85%). Impact on occupancy was multifactorial – but included periods of high acuity as well as delayed flow out of the



hospital due to pressures generally with the NHS. During the ECMO surge there were 50 theatre cancellations attributable to no critical care capacity.

Work with the wider hospital team to optimise patient flow and pathways outside of CCA continues to be a priority with the IHU Quality Improvement project underway as well as optimisation of clinical pathways at the new site.

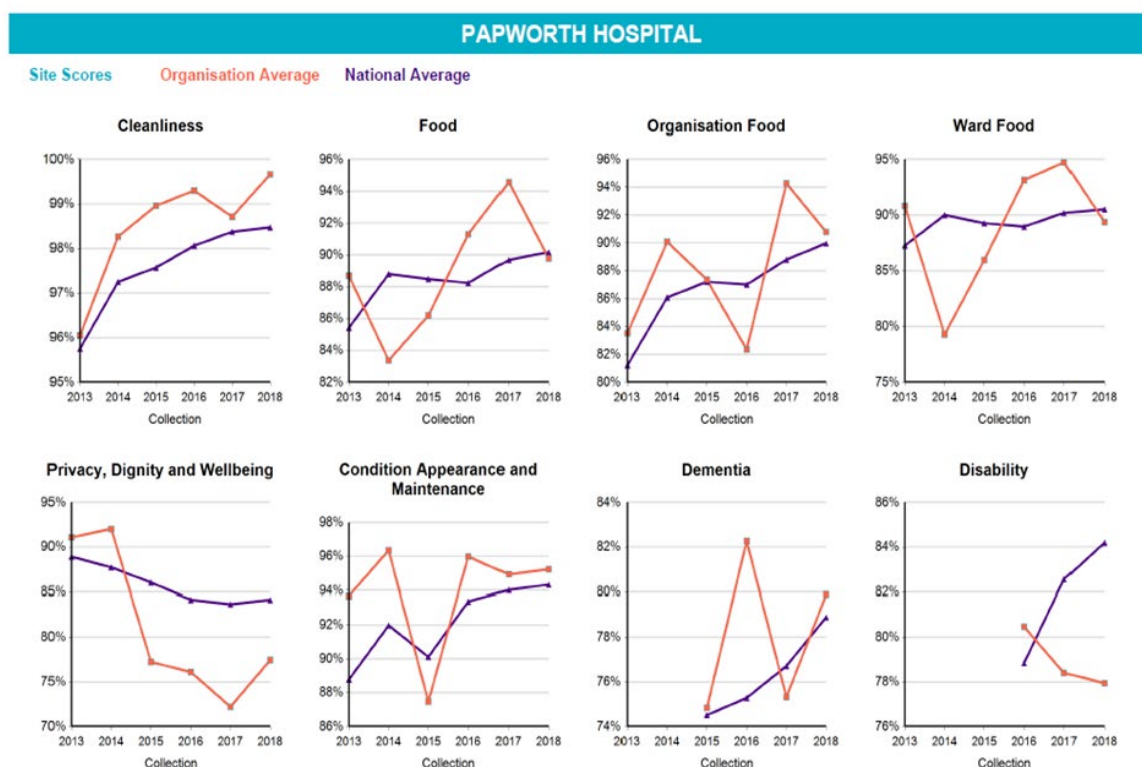
## Patient Led Assessments of the Care Environment (PLACE) Programme 2018

All healthcare providers are required to undertake part in the national Patient-Led Assessment of the Care Environment (PLACE) annual inspections. PLACE is a national self-assessment tool designed to measure standards of;

- Cleanliness,
- Food,
- Privacy, Dignity & Wellbeing,
- Building Condition, appearance & maintenance,
- Dementia friendly environment

The Health & Social Care Information Centre (HSCIC) provide comprehensive guidance on the organisation and conduct of assessments and separate guidance documents for staff assessors and patient assessors. PLACE assessments are carried out by internal and external assessors within inpatient facilities and the surrounding patients assessed environment. Assessors include Governors, Volunteers, Trust members and representatives from the Trust's facilities contractors. Staff areas and clinical treatments are excluded from this assessment.

The table below demonstrates the Trust performance against the national average, and over the preceding 6 years. The Trust has scored above the national average in the cleanliness and condition, appearance and maintenance categories, demonstrating that despite the age of the site and impending move, the site is still of an exceptional standard.





Area	2017 Site Scores	2018 Site Scores	2018 National Average	Comments
Cleanliness	98.72%	<b>99.66%</b>	98.47%	The Trust's cleaning service ISS are continuing with their recruitment initiatives as the turnover of staff increases due to the forthcoming move. They have maintained staff numbers throughout the year. The audit results show cleaning has again this year scored above the national average.
Food	94.56%	<b>89.78%</b>	90.17%	Food scores have seen a minor decrease this year. In efforts to improve the training/education/management of the Housekeepers, the Trust has employed a new Patient Catering Manager. The introduction of the Manager will help develop housekeeping staff skills such as presentation, allergen understanding and service times to maintain an effective housekeeping relationship, which in turn will allow us to deliver a more efficient food service to our patients.
Privacy, Dignity & Wellbeing	72.21%	<b>77.44%</b>	84.16%	We have seen an increase in the scores this year. We expect to see a further increase in the scores within this category when we move to New Royal Papworth Hospital, with the introduction of single en-suite rooms, enhanced patient entertainment systems and a more patient focused care environment.
Condition, Appearance & Maintenance	94.93%	<b>95.23%</b>	94.33%	The Trust has provided a focused investment in this area to maintain the condition and maintenance of the site particularly focusing on clinical areas. Significant progress has been made in addressing the impending backlog maintenance, this includes refreshing the site's road markings, new flooring, gardening, decorating and major critical plant works. It is essential and remains a priority for the estate and facilities directorate, that we continue to deliver a safe and well maintained environment for our patients and visitors.
Dementia	75.32%	<b>79.89%</b>	78.89%	The Trust has maintained similar scores within these categories this year, considering the age of the estate the Trust is not fully Dementia or Disability friendly. In some areas it is difficult to achieve fully, but where possible we aim to reach these standards. The shortfalls will be rectified with the move to New Royal Papworth Hospital.
Disability	78.40%	<b>77.94%</b>	84.19%	

### Action Plan

A few minor issues relating to cleaning and maintenance were brought up in the feedback session. Due to the regular Patient Environmental rounds the issues identified during the PLACE audit were successfully captured and completed.

## Summary

This is the sixth year the PLACE assessment programme that has run nationally following on from the successful PEAT audit process, allowing us to benchmark against the national average. We have continued to carry out the assessments with a greater number of smaller teams finding this less intrusive for the patients.

We're grateful for the continuing support of Governors, volunteers and past patients who have participated in the assessments.

Once again the outcome shows that while we have a diverse spread of inpatient environments, the quality of the cleanliness and condition, appearance and maintenance remains at a high standard across the whole Trust. This is reflected in the Trust score being above the national average in these categories.

## Patient Assessors Feedback

The Governors and staff assessors who spoke to patients reiterated the excellence in which the Hospital is being maintained, even with its imminent move.

In closing please find below two of the Patient Assessors comments:

- *It is showing signs of its age but there are no aspects which were worthy of criticism – all clean in all areas examined. Extremely ok!*
- *An overall view is that the hospital offers a welcoming environment. The ward areas were very clean but are showing their age. The New Papworth will correct these shortcomings. The patients spoke very highly of the treatment they were receiving and thought the staff were fantastic. Nothing was too much trouble.*

## Listening to Patient Experience and Complaints

Listening to the patient experience and taking action following investigation of complaints is an important part of our Quality Improvement framework. In 2018/19 Royal Papworth Hospital received 54 formal complaints from patients. Of the 54 complaints reported (24 inpatient and 30 outpatient complaints) 53 were relating to NHS provided services with 1 complaint relating to private patient services at Royal Papworth Hospital. The overall numbers of complaints received has decreased on the numbers received during the previous year when 70 complaints were received (23% decrease).

Where a patient/ family member wish to escalate their concerns in a more formal way but do not wish to register their concern as a formal complaint, we log these concerns as "Enquiries". Investigation of the issues raised follows the same robust process as a formal complaint and a written response, including any actions identified as a result of raising their concern, is provided. The Trust received 12 enquiries in 2018/19.

All formal complaints received have been subject to a full investigation, and throughout the year service improvements have been made as a result of analysing and responding to complaints. Not all complaints are upheld following investigation and the table below shows the number of complaints received per 1,000 patients and of those, the numbers upheld or part upheld. Figure below shows the trend of formal complaints and enquiries received by quarter.

	Number of Patient episodes (Includes In Patients, Outpatients and excluding private patients)	Number of complaints received (excluding private patients)	Complaints received per 1000 patient episodes	Complaints upheld/ Part upheld
Q1 17/18	27,390	13	0.5	6
Q2 17/18	29,016	21	0.7	12
Q3 17/18	31,009	10	0.3	8
Q4 17/18	31,368	26	0.8	20
Total 17/18	118,783	70	0.6	46
<b>Private Patients Only (In-patients and Outpatients)</b>				
Total 17/18	4,844	4	0.8	3
Q1 18/19	31259	11	0.4	8
Q2 18/19	30361	13	0.4	8
Q3 18/19	30505	15	0.5	14
Q4 18/19	31733	14	0.4	9*
Total 18/19	123,858	54	0.4	39
<b>Private Patients Only (In-patients and Outpatients)</b>				
Total 18/19	4,651	1	0.2	1

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

\* Some of the complaints received in Q4 18/19 were not resolved at the time of reporting - Data source DATIX™ as at 11/04/2019.

Out of the 70 complaints received in 2018/19 **70%** were upheld or partly upheld following investigation\* (2017/18: 61%). Communication / Information and Delay in Diagnosis/ Treatment or Referral categories are the highest reason for complaints. There has been a significant reduction in the number of complaints relating to communication. A comparison of complaints raised by primary subject by year is shown below.

Complaints received by primary subject	2018/19	2017/18	2016/17	2015/15	2014/15
Admission arrangements	0	0	0	0	1
Staff attitude	1	2	5	4	4
Clinical Care	12	8	17	21	20
Nursing Care	0	5	4	6	2
Catering	1	0	1	0	1
Patient charges	0	0	1	0	1
Communication/Information	28*	41	18	20	8
Delay in diagnosis/treatment or referral	10	9	6	4	6
Discharge Arrangements	1	2	2	2	0
Equipment Issues	0	1	1	0	0
Privacy and Dignity	0	1	0	0	0
Environment - Internal	0	0	1	0	0
Medication issues	1	0	0	2	0
Transport Issues	0	1	1	2	0
Totals	53	70	57	61	43

Complaints by primary subject (Data source DATIX™ as at 15/04/2019)

\*1 complaint under communication related to PP

	18/19 Q1	18/19 Q2	18/19 Q3	18/19 Q4	Total
Ambulatory Care (from 1.4.2017)	1	3	3	1	8
Cardiology	4	3	6	2	15
Radiology	1	0	1	1	3
Research & Development (inc Library)	0	0	1	0	1
Surgery	2	1	3	5	11
Thoracic	3	5	1	3	12
Transplant	0	1	0	2	3
Total	11	13	15	14	53

*Complaints by quarter by specialty (source Datix 15/04/2019)*

<b>Selection of actions taken as a result of upheld and part upheld complaints – 2018/19</b>
The Thoracic Surgery Patient Information booklet has been reviewed; in particular, the section on the risk of persistent pain following thoracotomy.
We have reviewed the training for the Booking team to ensure the process for scanning referrals onto the system is understood and that they seek advice if the request is not explicit or clear prior to entering onto the system
We have improved the handover of patients between surgeons undergoing thoracic surgery to identify any issues over work up prior to patient being admitted and ensure continuity of safe care.
We have added a section in patient letters explaining the possibility of cancellation of surgery in advance or on the day of surgery to better meet our patient expectation and experience.
We have ensured that patient information explaining the cancellation procedure at Royal Papworth Hospital is present on each ward and distributed to patients when their procedures are cancelled, to facilitate open and transparent communication
We have introduced a process whereby the Consultant surgeon provides follow up via telephone with their patients when they are unable to attend the ward to discuss cancellation of procedure on the day of surgery. This will enable reassurance to be given and any questions or concern to be addressed
We have improved our menu section available to patients and introduced a New process for delivery of restaurant meals for ward patients.
Two new housekeepers have been trained to work on CFU to achieve the standard required regarding support with patient meals.
We have shared the learning from complaints to improve the standard of documentation and communication
We have introduced the requirement for member of the medical team or Advanced Nurse Practitioner (ANP) to write the discharge summary for complex surgical patients. This will ensure that accurate and sufficient information is available for the GP or others healthcare provider.
Where transplants patients are admitted to local hospitals, we have introduced a weekly telephone contact for updates. This will; ensure we continue to support and communicate with patients and relatives appropriately. This has been added to the weekly Nursing allocation.
Where a long terms patient does not attend an outpatient appointment, the clinic co-ordinator will contact them to ascertain why they haven't attended.

All Complaints are detailed in the Quarterly Quality and Risk report available on our public website and reviewed at the relevant Business Units and speciality groups for shared learning. Further information is available in our quarterly Quality and Safety Reports which are on our web site at: <https://royalpapworth.nhs.uk/our-hospital/information-we-publish/clinical-governance>

### Care Quality Commission (CQC) Inspections

Royal Papworth Hospital has an excellent working relationship with the CQC Relationship Manager. The last CQC announced inspection was on the 3 and 4 December 2014 and following standard practice, an unannounced inspection followed on 14 December 2014. The CQC looked at all the inpatient services, including the Progressive Care Unit and the Outpatients Department. The CQC talked with patients and staff from all the ward areas and outpatients services. The CQC observed how people were being cared for, talked with carers and/or family members, and reviewed patients' records.

Overall the CQC found that the hospital provided highly-effective care with outcomes comparable with or above expected standards. The service was delivered by highly-skilled, committed, caring

staff, and patients were overwhelmingly positive about the care they received at the Hospital. The Trust received an overall rating of good with areas of outstanding practice. However, there were areas in which Royal Papworth could improve and action plans were put in place to address these. The full report is available on the CQC website at [http://www.cqc.org.uk/sites/default/files/new\\_reports/AAAB8933.pdf](http://www.cqc.org.uk/sites/default/files/new_reports/AAAB8933.pdf)

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

Ratings		
Overall rating for this trust		Good 
Are services at this trust safe?	Good	
Are services at this trust effective?	Outstanding	
Are services at this trust caring?	Outstanding	
Are services at this trust responsive?	Good	
Are services at this trust well-led?	Good	

### CQC Internal Mock Inspections

The Trust undertook a CQC Mock inspection on the 11/10/2018 which assessed against the CQC key lines of enquires (KLOE) for the whole organisation. This followed an unannounced format and brought in support from external assessors. The review team were asked to explore the Key Lines of Enquiry (KLOE) and look for good practice and those areas that need improvement. All the reports were collated. The overall rating for the organisation remained **Good** with caring rated as **Outstanding** overall.

The outcome of the inspection was shared with all departments, and they each developed action plans to address recommendations from the review. The Quality and Risk Management Group holds departments to account on delivery of agreed plans.

In 2018/19, recognising the work required to routinely self-assess against CQC standard regulations the Trust has increased its focus on the fundamental standards – the standards below which care must never fall. The Trust has established a Fundamentals of Care Board to support the development of our work on well led in keeping with the new style CQC inspection regime.

The Board agreed its latest self-assessment following the CQC RPIR request in March 2019 and the outcome is set out in the table below:

Service	Safe	Caring	Effective	Responsive	Well-led	Overall
<b>Surgery</b>	Outstanding	Outstanding	Outstanding	Good	Good	Outstanding
<b>Medicine</b>	Outstanding	Outstanding	Outstanding	Good	Good	Outstanding
<b>Critical Care</b>	Outstanding	Outstanding	Outstanding	Outstanding	Good	Outstanding
<b>Outpatients</b>	Good	Outstanding	Good	Good	Good	Good
<b>Diagnostics</b>	Good	Good	Good	Good	RI	Good
<b>End of Life Care</b>	Outstanding	Good	Good	Outstanding	Outstanding	Outstanding
<b>Trustwide</b>	Outstanding	Outstanding	Outstanding	Outstanding	Good	Outstanding

CQC Board Self-Assessment 28 March 2019

# Clinical effectiveness of care domain

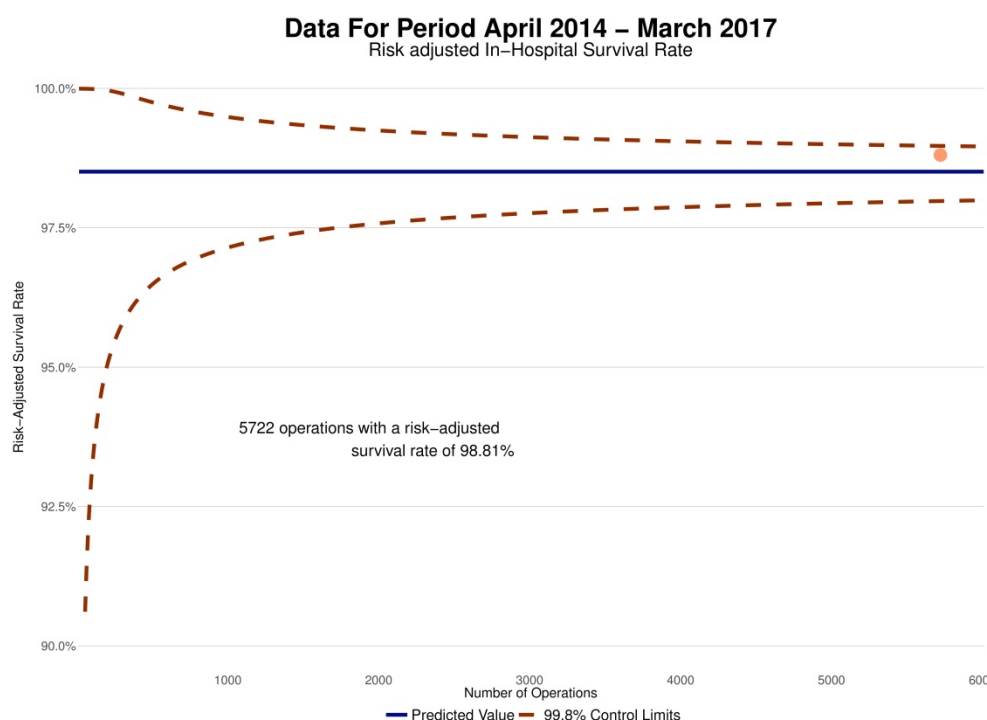
## Donation after Circulatory Death (DCD) procedure

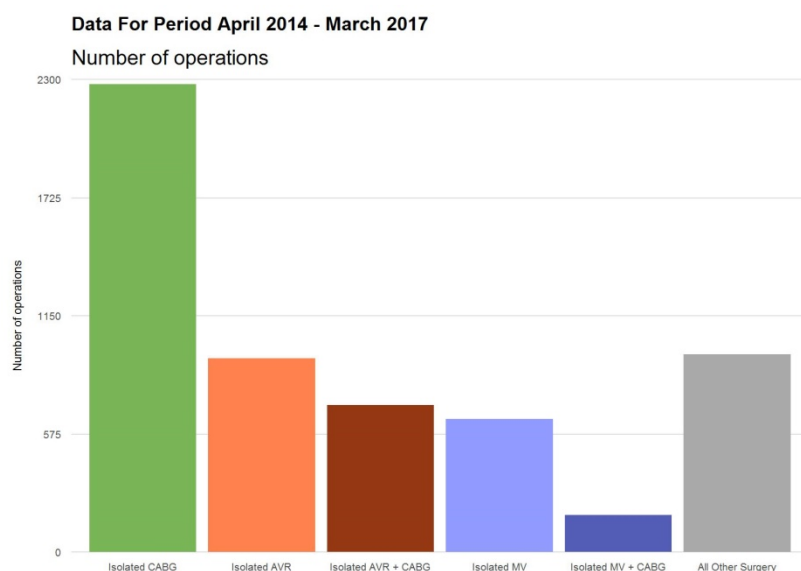
In response to the worldwide shortage of donor hearts for transplantation, the Transplant team at Royal Papworth Hospital has been at the forefront of a new technique that has significantly increased the number of hearts available for transplantation. The research shows that heart transplants from a new group of potential donors - known as DCD transplantation or 'Non-Beating Heart Transplantation' - will save hundreds of lives internationally as the heart transplant waiting list continues to grow and the availability of traditionally procured organs shrinks. This innovative technique has enabled surgeons at Royal Papworth to utilise donor hearts which were previously considered unsuitable to transplant. Historically, only hearts from donors who were brain-stem dead were transplanted following thorough assessment. Using the DCD method, hearts from patients where continued medical treatment has been deemed futile can also be used, potentially to save lives. This procedure is proving to be so successful at Royal Papworth, that the Hospital has been able to increase the number of people receiving a heart transplant by almost 40% - since the inception of the programme in 2015 there have been 64 DCD Heart Transplants. As a consequence of this increase Royal Papworth is performing 50 or more Heart Transplants per year which means we are the highest volume centre in the UK. Each DCD Heart Transplant undertaken also means that another patient will benefit from a traditionally-procured organ when it becomes available.

## Royal Papworth Hospital Adult Cardiac Surgical Outcomes – April 2014 – March 2017 (published 4 December 2018)

Royal Papworth Hospital is one of the largest specialist cardiothoracic (heart and lung) hospitals in Europe and includes the country's main heart and lung transplant centre. Over the last three years, it has performed the highest number of heart surgery procedures in the UK whilst achieving some of the best outcomes with one of the lowest cardiac surgery mortality rates. Over a three-year period, the hospital had a risk adjusted survival rate of 98.81%. The national survival rate for this group of patients is 98.16%. During that time, Royal Papworth also performed the most procedures, recording 5,722 cases, making it both the biggest and one of the best-performing cardiac surgery units in the UK. The data comes from the National Institute for Cardiovascular Outcomes Research (NICOR) report, which looked at hospital performance between 2014 and 2017.

This is an excellent result for and confirms the continuing high standards of care that are consistently delivered to our patients by our staff.





Source National Adult Cardiac Surgery Audit 2014-17 (NICOR)

## Cancer - 62-day wait for first treatment from urgent GP referral

### Background

This is the percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer. For the definition of this indicator see Annex 4.

Royal Papworth Hospital is the tertiary/specialist hospital for lung cancer in the west half of the Anglia region. Patients seen by their GP with suspected lung cancer are referred first to their local district general hospital (DGH), and then onto Royal Papworth for further investigation if lung cancer seems likely, and if the recommended treatment is likely to be potentially curative. The main treatment modality delivered at Royal Papworth is thoracic surgery. Patients who require chemotherapy, radiotherapy or other treatments are treated at Cambridge University Hospitals or at their referring trust.

Like all other hospital trusts, Royal Papworth is expected to treat 85% of patients referred on this pathway within 62 days of referral. For the purposes of cancer waiting times (CWT) where patients are seen at multiple hospitals, a patient is split between the 'first seeing' hospital and the treating hospital. The network pathway means that Royal Papworth is not the first Trust to see any patients and therefore Royal Papworth is usually only accountable for 50% of any pathway where the patient is treated here. This means the numbers of treatments Royal Papworth records is very small for the 62 day pathway, which is only a small percentage of the patients it has on its Patient tracking list at any one time. Where patients are referred to Royal Papworth late (after 16 days as agreed in accordance with the regional best practice Lung pathway) it has been agreed that these breaches can be negotiated to be reallocated to the referring hospital, although these are not reflected in the nationally reported figures.

However with the introduction of the 38 day Inter Provider Transfer Rule, which is the rule that defines the breach allocation for the individual patients when the information is loaded onto the NHS digital Cancer Waiting Times System. Inter-provider transfers (IPTs) should be recorded when the responsibility for care is formally transferred.

The date that a referral request is received by the provider will mark the point at which the IPT is made. Providers should review their pathways and agree when a patient transfers whether the responsibility of care remains with the referring provider or transfers to the receiving provider. Where a request is made just for a diagnostic or MDT discussion only and the responsibility for care is not formally transferred this would not be recorded as an IPT in the Cancer waiting Times system. ([“5.7.1 National Cancer Waiting Times Monitoring Dataset Guidance– Version 10.0”](#))



Data on patients treated are recorded on a national system, NHS Digital Cancer Waiting Times system records the hospital first seeing the patient (2 week wait) and the hospital treating the patient. The majority of patients that come through the service do not appear against Royal Papworth's figures because they are first seen for their 2 week wait appointment at their DGH, and after we are involved in their diagnostics are referred back to their original DGH or onward to a tertiary centre that provide non-surgical treatments that are not provided at Royal Papworth as mentioned above.

Example scenarios where IPTs should be recorded are included below:-

Scenario 1:-



Two IPTs would be recorded

- One from Trust A to Trust B as patient is discussed at MDT and followed up at Trust B (so transfer of care has taken place)
- One from Trust B to Trust C as patient has transferred to Trust C for treatment

Scenario 2:-



One IPT would be recorded

- One from Trust A to Trust C as patient has transferred to Trust C for treatment
- An IPT should not be recorded from Trust A to Trust B, as the patient just had a diagnostics at Trust B, and the patient was followed up with results at Trust A.

Scenario 3:-



No IPT would be recorded

- Transfer between Trust A and Trust B were just for diagnostics for which follow-up was at Trust A so no ITT recorded as no transfer of patients care.
- Transfer between Trust A and Trust C was just for a Specialist Multidisciplinary Team (SMDT) discussion, the outcome of which was for treatment to commence at Trust A so no ITT recorded as no transfer of patients care.

The rules which assign 62 day performance where at least one transfer of care as occurred prior to first treatment are set out below. ("[5.7.5 National Cancer Waiting Times Monitoring Dataset Guidance](#)") – Details of provider breach reallocation

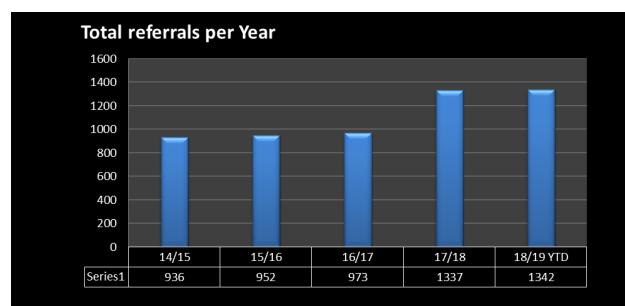
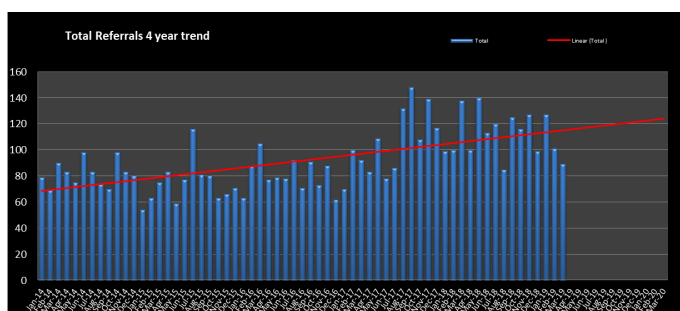
	Scenario					62 day standard						38 day wait report		24 day wait report	
						Investigating Provider (IP)			Treating provider (TP)			Investigating		Treating	
		62-day wait (overall pathway)	38-day wait (investigative phase)	24-day wait (treatment commencement phase)		Contribution to Numerator	Contribution to Denominator	Patient allocation	Contribution to Numerator	Contribution to Denominator	Patient allocation	Contribution to Numerator	Contribution to Denominator	Contribution to Numerator	Contribution to Denominator
Scenario															
1	IF:	SUCCESS	SUCCESS	SUCCESS	THEN:	0.5	0.5	0.5	0.5	0.5	0.5	1	1	1	1
2	IF:	SUCCESS	SUCCESS	BREACH	THEN:	0.5	0.5	0.5	0.5	0.5	0.5	1	1	0	1
3	IF:	SUCCESS	BREACH	SUCCESS	THEN:	0	0	0	1	1	1	0	1	1	1
4	IF:	BREACH	SUCCESS	BREACH	THEN:	0	0	0	0	1	1	1	1	0	1
5	IF:	BREACH	BREACH	SUCCESS	THEN:	0	1	1	0	0	0	0	1	1	1
6	IF:	BREACH	BREACH	BREACH	THEN:	0	0.5	0.5	0	0.5	0.5	0	1	0	1

**Performance against the 62-day target**

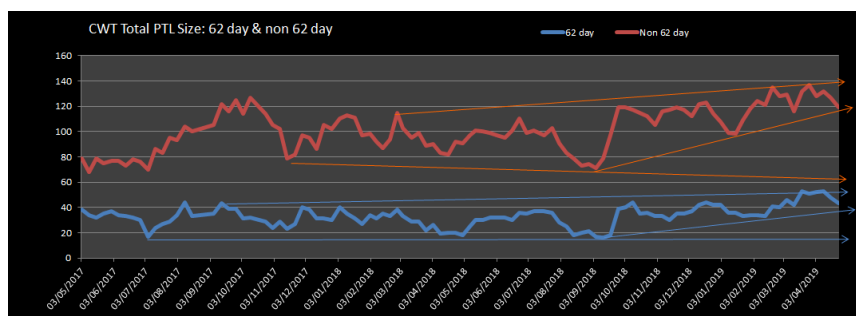


For 2018/19 Royal Papworth is looking likely to achieve its full year cancer waiting time target (CWT) for 62-day patients after reallocations using the 38 day IPT rules. With a performance of 88.3% full year effect vs the target of 85% subject to March data being confirmed (see figures for 2018/19 and comparative figures for 2017/18 below).

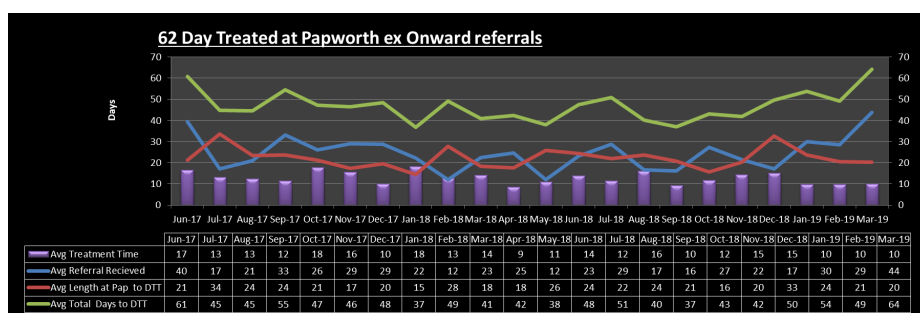
We have seen increased number of referrals coming into the system and the team have worked very hard to maintain the same level of service.



We have seen increase in the number of 31 day patients that have been treated and an increase in the size of our Patient tracking list PTL that shows the number of cancer and potential cancer patients the team are monitoring at any one time. Although we may only treat approximately 5 to 14 patients a month on a 62 day pathway (this is a score of 2.5 to 7.0 as patients are shared) but the graph below shows how many patients in total are being looked after diagnosed or seen on our MDTs at any one time.



Thoracic surgeons have been very responsive and flexible to achieve target dates, which has facilitated us in meeting the 31 day standard also for 2018/19, with the average time taken from decision to treat (DTT) at Royal Papworth for the full year is 12 days.



This has been delivered with the support of Thoracic Surgery with the implementation of the following:

- Updated multidisciplinary team (MDT) notes to include target dates;
- An enormous amount of work by the teams involved to progress pathways and achieve targets;
- Twice weekly surgical PTL run through and analysis leading to better booking management of patients.

## Royal Papworth Leads in Transplant Survival Rates

Royal Papworth Hospital has continued to measure extremely well against the other transplant centres in the U.K. These achievements have been highlighted by NHS Blood and Transplant's (NHSBT) Annual Report 2017/18. As in previous reports Royal Papworth Hospital has the lowest offer decline rate in the country, meaning that we are looking at every possible donor to assess if each donor can be converted to a successful Transplant. We are the only centre in the country that will send one of our DCPs to scout potential donors in an attempt to increase the donor pool by active donor management prior to the retrieval teams' arrival at the donor hospital. We are also by far the busiest Retrieval Team in the country.

Royal Papworth has the best risk adjusted 30 day, 1 year and 5 year survival post Heart Transplant and the best risk adjusted 90 day survival post Lung transplantation.

These results come against the backdrop of increasing clinical pressures and staff shortages. These achievements therefore, are even more remarkable and indicative of the dedication of the team.

## **Respiratory Extra Corporeal Membrane Oxygenator (ECMO)**

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

ECMO supports patients with severe potentially reversible respiratory failure by oxygenating the blood through an artificial lung machine. The extracorporeal life support is used to replace the function of failing lungs, usually due to severe inflammation or infection. ECMO is used to support patient groups with potentially reversible respiratory failure such as Acute Respiratory Distress Syndrome (ARDS) sometimes seen in patients with community-acquired pneumonia or seasonal flu. The aim of ECMO in respiratory failure is to allow the injured lung to recover whilst avoiding certain recognised complications associated with conventional ventilation. It is high risk and is only used as a matter of last resort. The procedure involves removing blood from the patient, taking steps to avoid clots forming in the blood, adding oxygen to the blood and removing carbon dioxide, then pumping the blood back into the patient.

ECMO is a complex intervention and is only performed by highly-trained specialist teams including intensive care consultants, ECMO specialists, perfusionists together with ECMO-trained nurses. ECMO is a form of support rather than a treatment, and its aim is to maintain physiological homeostasis for as long as it takes to allow the lung injury or infection to heal. Support time is usually between five and 14 days but sometimes ECMO support is required for longer. ECMO support can also be used to support patients presenting with life-threatening conditions referred to a tertiary cardiothoracic centre, such as severe acute heart failure. This sort of ECMO support is not part of the nationally commissioned Respiratory ECMO Service but Royal Papworth Hospital has been offering it for a number of years to many patients. The Hospital is registered with the international Extracorporeal Life Support Organisation (ELSO) and is renowned for its experience using ECMO. This long experience in providing a high-quality ECMO service is recognised in the success of the residential Royal Papworth ECMO course, which attracts national and international delegates, with more than 500 delegates from five continents having attended so far. The multidisciplinary team has contributed to multiple scientific communications and articles published in the medical literature.

From December 2011, the service provided by Royal Papworth became part of the national network of services that provide a year-round ECMO service to all hospitals in the country. This includes the retrieval on ECMO of patients from the referring hospital by a dedicated highly-specialised team. Royal Papworth works very closely with the other four national ECMO centres and NHS England to ensure that all patients have immediate access, all week long and at any time of the day or night, irrespective of their location. Our Consultant Intensivists also provide specialist advice by phone to referring centres when patients are not deemed suitable for ECMO.

In 2014 the service expanded to include a follow up clinic. All patients are seen six months after discharge from Royal Papworth by a Consultant in respiratory medicine or intensive care, and an ECMO specialist nurse. The aim of the clinic is to provide ongoing support where required, evaluate their respiratory function to ensure that best treatment is offered and measure quality of life after ECMO to allow us to refine how we deliver the service.

To ensure best practice across many hospitals, Royal Papworth invites team members of all referring intensive care units to attend an annual meeting to review indications and outcomes, as

well as share areas of best practice. The last annual meeting was held in Bury St Edmunds in October 2018. The five centres providing ECMO in England meet at least twice a year to review practices and outcomes and have weekly phone conferences to ensure that access to the service is maintained.

#### Summary of ECMO activity at Hospital since December 2011 - March 2019

Year	Referrals	Accepted	Supported with ECMO	Survival to discharge* (ECMO)	Survival to discharge* (all accepted)	30 day survival (ECMO)	30 day survival (all accepted)
Dec 2011/12	25	15	10	50%	66%	50%	66%
2012/13	111	28	22	68%	75%	64%	71%
2013/14	116	35	32	75%	77%	71%	71%
2014/15	152	40	37	76%	75%	76%	75%
2015/16	202	54	50	70%	70%	68%	68%
2016/17	149	36	35	86%	83%	83%	80%
2017/18	177	50	46	78%	78%	68%	62%
2018/19	201	54	54	76%	76%	76%	76%

\*discharge from Royal Papworth

Whilst difficult to compare due to the multiple conditions treated and the absence of risk stratification, survival rates are in keeping with international figures. The Extra Corporeal Life Support Organisation (ELSO) registry shows in January 2019 a survival of 59% for patients supported with respiratory ECMO.

## Pulmonary Endarterectomy

Pulmonary Hypertension is a rare lung disorder in which the arteries called pulmonary arteries that carry blood from the right side of the heart to the lungs become narrowed, making it difficult for blood to flow through the blood vessels. As a result, the blood pressure in these arteries rises far above normal levels. It is a serious disease that leads to right heart failure and premature death. Patients usually present with symptoms of exertional breathlessness and as there are no specific features, the diagnosis is usually made late in the disease process. There is medical treatment available for some forms of Pulmonary Hypertension.

Chronic Thromboembolic Pulmonary Hypertension (CTEPH) is one type of PH and is important to recognise as it is the type of PH that is most treatable. The disease begins with blood clots, usually from the deep veins of the legs or pelvis moving in the circulation and lodging in the pulmonary arteries (this is known as a pulmonary embolism). In most people these blood clots dissolve and cause no further problems. In a small proportion of people the blood clots partially dissolve or do not dissolve at all and leave a permanent blockage/scarring in the pulmonary arteries leading to CTEPH. There are now three treatments for CTEPH and all are available at Royal Papworth: licensed drug therapy for inoperable patients, balloon pulmonary angioplasty for inoperable patients and the guideline recommended treatment, pulmonary endarterectomy surgery. The pulmonary endarterectomy (PEA) operation removes the inner lining of the pulmonary arteries to clear the obstructions and reduce the pulmonary artery pressure back to normal levels. This procedure allows recovery of the right side of the heart with a dramatic improvement in symptoms and prognosis for the patient.

Since 2000 Royal Papworth Hospital was commissioned to provide this surgery for the UK, and since 2001 has also been designated as one of the seven adult specialist PH medical centres. With better understanding of the disease, CTEPH is increasingly recognised in the UK but still probably remains under diagnosed. Over the last few years there has been a large increase in pulmonary endarterectomy surgery at Royal Papworth and the Hospital has been at the forefront of international developments in this field.

## Lorenzo

Lorenzo is an electronic patient record (EPR) system that went live within the Trust in June 2017. The new EPR is just one part of a multi-faceted programme to help revolutionise how patient care is delivered over the coming years at the Trust. Through the introduction of the new system we have demonstrated how good use of IT can help improve safety and care for patients; for example, as a Trust, we have improved our digital maturity creating over one million clinical documents and with Electronic Prescriptions and Medicines Administration (EPMA) for all patient episodes, with early evidence of improving medicines safety. Our technology transformation programme is now fully underway.

## Seven Day Services

The Seven Day Hospital Services Programme (7DS) introduced a new measurement system based on board assurance of the four priority clinical standards to replace the 7DSAT online survey tool from the Autumn of 2018. The intention is to ensure trust board oversight of 7DS and to reduce the administrative burden on trusts. This work is built on 10 clinical standards developed by the NHS Services, Seven Days a Week Forum in 2013. Four of these clinical standards were made priorities for delivery to ensure patients admitted in an emergency receive the same high-quality initial consultant review, access to diagnostics and interventions and ongoing consultant-directed review at any time on any day of the week.

Standard 2: Time to initial consultant review

Standard 5: Access to diagnostics

Standard 6: Access to Consultant-led interventions

Standard 8: Ongoing daily Consultant-directed review

The Trust undertook its self-assessment against standards in Autumn/Winter 2019 which was reported to the Board in February 2019. Implementation and Board reporting against the assurance framework will be implemented in Summer 2019.

## Freedom to Speak Up/Whistleblowing

The Trust has established the role of the Freedom to Speak Up Guardian (FTSUG) working alongside Trust leadership teams to support the organisation in becoming a more open and transparent place to work, where all staff are actively encouraged and enabled to speak up safely.

The role includes:

- Signposting staff to options for raising their concerns in line with the Trust Raising Concerns Policy
- Recording and monitoring concerns raised so as to identify themes
- Promoting the importance of staff raising concerns
- Independently reporting to the Board on themes of concerns being raised and the “temperature” of the organisation
- Networking with other FTSUGs to share good practice
- Reporting quarterly to the FTSU National Office

Our Quality Strategy ambition to provide a safe system of care and reduce avoidable harm means that we encourage a culture of transparency where patient safety incidents are reported and reviewed to identify learning and improvements needed to promote the safest care.

The Trust has also committed to undertake a Culture and Leadership Programme that provides a series of practical resources to diagnose cultural issues, develop collective leadership strategies to address them and implement any necessary changes. This programme was co-designed by NHS Improvement, the King’s Fund and a number of NHS organisations to help trusts develop a culture that enables and sustains safe, high-quality, compassionate care.

The Director of Workforce and Organisational Development is the responsible executive director for raising concerns, and we have an identified Non-Executive Director lead.



## Quality Performance against NHS Improvement selected metrics

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

### Operational performance Metrics

Indicator	Target pa	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-17	Jan-19	Feb-19	Mar-19	YTD actual
18 weeks Referral to Treatment (RTT)*	>92%	83.38%	83.62%	83.82%	84.52%	85.65%	87.31%	88.45%	89.49%	90.49%	90.91%	90.35%	90.30%	87.41%
62 day cancer wait *	>85%	100.00%	100.00%	92.90%	78.6%	71.4%	100.00%	100.00%	71.4%	71.4%	100.00%	100.00%	80.00%	88.3%
31 day cancer wait	>96%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	93.1%	100.00%	100.00%	100.00%	100.00%	99.3%
6 week wait for diagnostic	>99%	99.59%	99.14%	99.55%	99.60%	99.50%	99.23%	99.08%	99.18%	99.36%	99.42%	99.28%	99.31%	99.35%
C. difficile (sanctioned)	Less than 5	1	1	0	0	0	0	0	0	0	0	0	0	2
Number of patients assessed for VTE on admission	>95%	94.00%	94.00%	94.33%	94.33%	94.50%	94.24%	92.04%	92.00%	86.64%	86.66%	96.66%	93.33%	92.64%

\*This indicator has been subject to independent assurance. KPMG's assurance report can be found in Annex3 to the Quality Report. The definition of this indicator can be found in Annex 4 to the Quality Report.

## A listening organisation

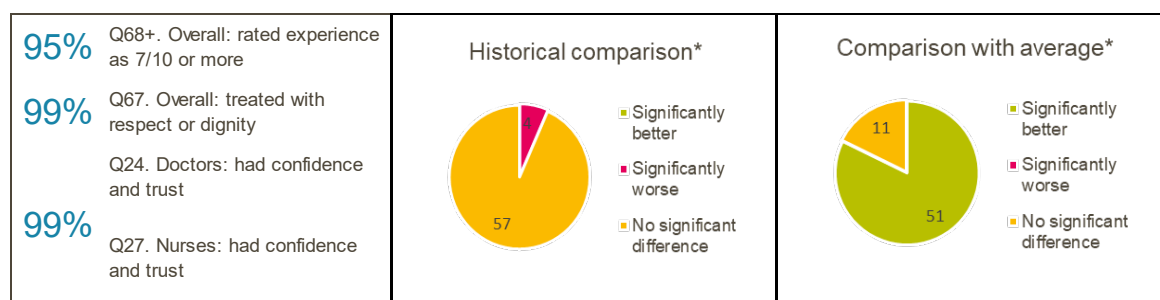
### What our patients say about us

#### 2018 National Adult Inpatient Survey

The inpatient survey was carried out by Picker on behalf of the Care Quality Commission.

The Trust improved its overall response rate achieving a 63% response rate (59% 2017). This compares to an average 43% response rate for similar organisations (Picker 2018\*).

A total of 62 questions from the survey could be positively scored and of these 61 could be compared historically between the 2017 and 2018 surveys. The results include every question where the Trust had the minimum required 30 respondents.



\*Picker was commissioned by 77 Inpatient organisations to run their survey this report presents our results in comparison to those organisations.

Overall in the 2018 survey the Trust performed significantly better than the Picker average for 51 indicators and there was no statistical change against historic performance for 57 indications.

There were four indicators where the Trust performed significantly worse than in 2017:

Three questions were better than the average but were worse than last year

	The hospital and wards	2017	2018	Average
Q 19	Food was very good or good	77%	71%	60%
Q22	Got enough to Drink	98%	96%	91%
	Overall	2017	2018	Average
Q71	Received information on how to complain	34%	28%	20%

One question was below average and worse than last year

	Planned admission	2017	2018	Average
Q7	Admission date not changed by hospital	86%	78%	79%

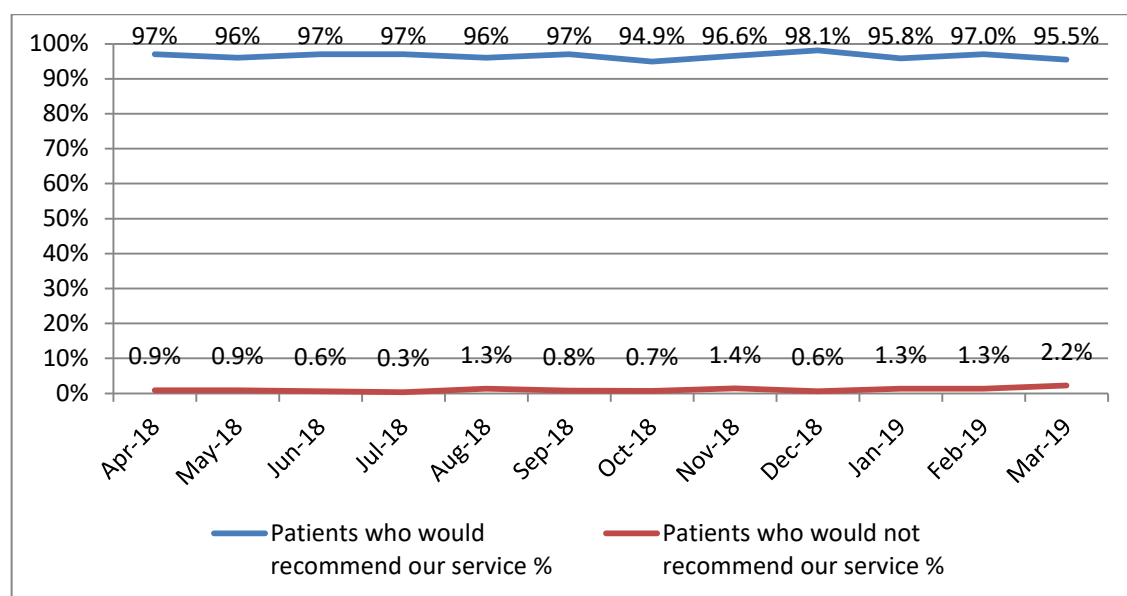
Each of these questions will be explored and an action plan formulated where necessary. The one area where our score was below average had been identified by our operational teams and is being addressed through work to improve and unify the operation of the booking function and teams at Royal Papworth House. This work looked at cultural change and a movement towards a responsive and professional business support function.

## NHS “friends and family” test to improve patient experience and care in hospital

From 1 April 2012, a new question was added to the patient experience survey that is conducted amongst a sample of patients admitted to Royal Papworth Hospital. The question is "how likely are you to recommend our service to friends and family if they needed similar care or treatment?" using an "extremely likely" to "not at all likely" scale. The question is used in other organisations and industries and is believed by the Department of Health and Social Care to give a real-time reflection of standards within a hospital. It allows hospitals to compare themselves and learn from the best performing trusts. Hospitals are required to ask the question to a minimum of 10% of their inpatients and the responses are fed back to the Board. Scores are publicly available, alongside other measures of clinical quality.

In this Trust, the responses are reviewed at the weekly Matrons' Meeting, led by the Chief Nurse, and actions monitored. These are reported to every meeting of the Board.

### Friends and Family inpatient results 2018/19



“No reply” or “don’t know” excluded from numerator

[www.england.nhs.uk/statistics/statistical-work-areas/friends-and-family-test/](http://www.england.nhs.uk/statistics/statistical-work-areas/friends-and-family-test/)

## Patient Support Groups

Royal Papworth has several patient support groups, which include:

**The Mesothelioma Social Group – PMSG** ([www.papworthmesosocial.com](http://www.papworthmesosocial.com)) meets monthly. Mesothelioma is a rare type of lung cancer caused by exposure to asbestos. Each year, around 2,500 people in the UK are diagnosed with the condition. Unfortunately at present, there is no cure. The group is for patients and their carers to get together with others experiencing similar concerns and issues. There is opportunity to share ideas and talk freely with supportive people. Some meetings will involve a presentation from an expert about an issue of interest such as breathlessness, exercise, clinical trials and treatments, recent developments with Mesothelioma UK. At other times, the group will go out for a social event such as cream tea at Anglesey Abbey or a cruise along the River Cam. There is also ample opportunity at the meeting for participants to chat



over refreshments. Later in the afternoon there is a chance for carers only to meet to discuss their experiences and share their worries with support from a clinical nurse specialist.

Royal Papworth Hospital is one of the few hospitals fortunate to have secured further funding from Mesothelioma UK to support the input of a clinical nurse specialist. Kate Slaven undertakes this role and is currently chair of the social group. The group has a Facebook page and Twitter accounts as well as a website. Social media is helping members to access support remotely when they may not be able to attend the meetings in person.

The DVD developed and funded by the group, "Mesothelioma – the journey", was adopted by Mesothelioma UK and is now offered to all new mesothelioma patients nationwide at the time of their diagnosis. It includes interviews with specialist doctors and nurses talking about the disease, treatment options and help available. The DVD also includes inspirational patients and carers talking about their personal experience of living with this condition.

Friday, 6 July 2018 was the annual Mesothelioma Day, and Royal Papworth Hospital marked the occasion with an event at Papworth Village Hall, organised by specialist nurse Kate Slaven and the Papworth Mesothelioma Social Group, which was set up 10 years ago to provide support to patients, relatives and carers.

At the event, guests were welcomed by Royal Papworth Chief Executive, Stephen Posey, and listened to a presentation from Dr Robert Rintoul about the progress that had been made in Mesothelioma treatment and research over the last 10 years.

Later, guests received a blessing from Hospital chaplain Rev'd. Eddie Turner, who released a group of doves in memory of people who have lost their lives as a result of the disease.

Members of PMSG state that on first coming to the group they were "welcomed with warmth; the general atmosphere of the group being so welcoming and fun". The group is vibrant and fun and members have been surprised at how much they "look forward to attending" each month. Another member commented that "what helped was knowing we were not alone and that so many others had been and were going through what we were going through".

### **Royal Papworth Pulmonary Hypertension Patient Support Group**

The Royal Papworth Pulmonary Hypertension Patient Support Group is a friendly, welcoming group run by patients for patients with Pulmonary Hypertension.

The group is well supported by the Pulmonary Hypertension staff at Royal Papworth Hospital. They welcome members of all ages and not just from Royal Papworth Hospital but other pulmonary centres as well.

The group meets three times a year and has guest speakers for the meetings who talk about various aspects of Pulmonary Hypertension, including research into new therapies. Presentations are given by the PH specialist nurses, PEA nurses, pharmacists, physiotherapists and others.

In November, the group hold a very popular Christmas party, where members bring their wider families, if they wish, including children and grandchildren.

The group meetings are well attended with 35-40 members at most meetings and twice as many at the Christmas party in November. Young adults transitioning their care from Great Ormond Street Hospital are encouraged to attend the support group as a way of finding out about the Pulmonary Vascular Diseases Unit prior to attending the hospital for the first time.

The group is advertised in several ways; members produce a four page quarterly newsletter and information on the support group can be found on the Pulmonary Hypertension Association UK forum website and social media Facebook page. A small number of patients from other specialist centres such as Sheffield and London also attend the support group.

The group is friendly and sociable and offers support to individuals and their families; members have reported that meeting other patients with the same condition has helped them enormously, for example patients considering PTE surgery have had the opportunity to meet members and their families who have already gone through this procedure. One of the members still comes to the meetings following their transplant surgery and has shared their experience of this aspect as well.

What various patients have said about the support group:-

*"I have been attending the Royal Papworth Pulmonary Hypertension Support Group as a patient for over 10 years. The PVDU team lead by Dr Joanna Peke-Zaba continues to support the patient Pulmonary Hypertension support group. The staff are dedicated to educating members of the support group in this rare life threatening lung condition. They show through their presentations to the group their expertise in treating both new and old patients. They educate patients on the types of treatment available for Pulmonary Hypertension, including medications, and PTE surgery".*

*"The PVDU teams' knowledge of this condition is unsurpassed and it is that knowledge that enables them to look after all their patients as individuals and tailor their treatments to the individual patients needs".*

*"The team give people hope when all seems so bleak at times. They ensure that all patients get the best treatment that is available".*

*"The Royal Papworth Pulmonary Hypertension support group run by patients for patients with the support of the PVDU team, allows new members to meet other patients and their families with Pulmonary Hypertension, it encourages them to learn about their condition through education and patient experience at the group meetings. It allows them to understand they are not alone in this rare illness. This support can be invaluable as a newly diagnosed patient in my experience. They are given an insight into research and development and future trials and treatments available".*

*"The support group membership has continued to grow every year by at least 10 members a year. In November each year we have a Christmas party for the patients and their families over 90 members attend these parties, Also members of the PVDU team attend these parties with their families. We have a children's activity table run by patients for the children at the party, the children really enjoy making Christmas crafts to take home with them. It is a lovely social event enjoyed by all".*

### **The Royal Papworth Pulmonary Fibrosis Support Group**

The PFS group was established in 2010 to provide information for individuals with Pulmonary Fibrosis, to give them support and to establish regular opportunities for the patients and their carers to meet.

Meetings are held every other month at The Hub in Cambourne and are regularly attended by an average of 60-70 participants. The meetings are planned and managed by a small committee who organise speakers and refreshments and give participants plenty of time to socialise.

An annual picnic is now part of the programme and has been successful in bringing together the families of the members as a way to thank them for their support. Recently communication with Idiopathic Pulmonary Fibrosis (IPF) sufferers has been widened with the development of a website accessed through the Trust's public homepage and a regular newsletter.

Many of the members are regular attenders and find the meetings invaluable. What various patients have said about the Pulmonary Fibrosis Support Group:

*"Speaking to others with IPF has been extremely helpful"*

*"Attending the support group meetings has helped my understanding of IPF"*

*"Going to the meetings has helped me to feel less isolated and alone"*

*"May I thank you and the team for a wonderful first meeting for us both, we came into the meeting not knowing what to expect, we were both so weighed down with the diagnosis, but after the very enjoyable afternoon, we both felt a great load had been lifted off our shoulders, we came out feeling much more positive."*

### **The Transplant Patient Support Group**

The Transplant Patient Support Group is a patient-led body open to all pre- and post- heart and/or lung transplant patients.

As well as providing a focal point for links into the Transplant team on any current issues, it holds four Social and Support group meetings for patients each year, funded by donations. These well-attended meetings have regular guest speakers and allow patients and their families to meet in a friendly, non-clinic environment and share any experiences or concerns that they may have. The group produces its own Newsletter and has a very active Facebook page. They hold an annual patient get together to showcase some of the innovations and changes in Transplantation and to allow patients an opportunity to chat with staff in a more informal setting and to network with others.

## Compliments from patients and families

The Patient Advice and Liaison service (PALs) records compliments received by patients and their family's relating to their experience

There were 1,922 Compliments received across the Trust during Q4 2018/19. We now include the positive comments taken from the Friends and Family Surveys, which are completed by our patients.

Compliments are received verbally, by letters, thank you cards, e-mails, suggestion cards, and Friends and Family Surveys.

The top three themes for compliments for Q4 in 2018/19 were:

- General Thank You
- Care/Support
- Kindness/Compassion/Courtesy

Compliment Themes	2017/18				2018/19			
	Q1	Q1	Q1	Q1	Q1	Q2	Q3	Q4
Care/Support	64	64	64	64	49	89	82	71
High Quality of Professional Care/Team Work	30	30	30	30	16	12	30	26
Kindness/Compassion/Courtesy	44	44	44	44	41	16	40	32
General Thank You	132	132	132	132	160	108	146	311
Improved quality of life/Recovery/Making a Difference	17	17	17	17	6	0	7	6
Friendliness	31	31	31	31	16	20	9	4
Dedication/Hard Work	33	33	33	33	23	12	6	10
Excellence of Treatment	25	25	25	25	3	10	5	8
Dignity and Respect	8	8	8	8	0	5	1	2
Friends and Family Survey Compliments					0	1796	2178	1452
<b>Total</b>	<b>384</b>	<b>384</b>	<b>384</b>	<b>384</b>	<b>314</b>	<b>2,068</b>	<b>2,492</b>	<b>1,922</b>

## What our staff say about us

### Staff Survey 2018

NHSI's requirements for disclosing the results of the NHS staff survey have been updated to reflect changes in the survey output from 2018 and these are included in the Staff Report section of the Annual Report.

### Royal Papworth Staff Awards

On Thursday 14 March 2019, we held our annual staff awards ceremony in our new hospital, just a few weeks before it opened to patients. We received more than 350 nominations, a significant increase, on 2018 and so the judging panel faced the difficult decision of choosing winners across the 15 awards categories from the most caring and compassionate staff member to the team and leaders of the year. We were able to put on a fantastic evening of celebration for around 160 staff members.

## Valuing Volunteers

We continue to be indebted to our volunteers. They give their time, energy and experience to aid patients and staff and contribute greatly to the 'patient experience'. Volunteers enrich the lives of patients and their families, contributing significantly to the overall success of patient care. All the staff and patients at Royal Papworth are extremely grateful for the hard work and commitment which our volunteers provide. In 2018/19 we have launched our Volunteers Strategy. Our strategy aims to:

- Create and support a volunteer service at Royal Papworth Hospital that brings added value to our patients.
- Promotes and gives opportunities for people to volunteer.
- Develops partnership and networking with national, charitable and third sector organisations including volunteer support groups

Our strategy will deliver the following benefits:

For patients and their families/carers

- Enhanced experience of services.
- Peer support and social interaction.
- Increased self-esteem and confidence.

For staff

- Additional help and support.
- Improved patient experience.
- More diverse and inclusive working environment.
- Learning from people with different expertise, giving opportunities to enhance skills/experience.
- Frees up capacity to concentrate on specialist care and clinical roles, which can improve productivity and reduce stress.
- Opportunities to develop people management skills.

And for the Trust

- Provision of better services.
- Improved patient experience.
- Greater involvement of local community whilst promoting the Trust's values and achievements within the community
- Provides support to achieve strategic and organisational objectives.
- Better two-way communication with patients.

For more information, see the Foundation Trust section of our Annual Report.

## Summary of CQUIN performance 2018/19

	Scheme	Total Available 18/19		YTD Available	Achievement				Comments	RAG Status
		£'k	%		Q1	Q2	Q3	YTD		
		£'k	%	£'k	£'k	£'k	£'k	£'k	Final	%
NHSE	GE3: Medicines Optimisation	88.50	4.7%	29.21	0.00	29.21	0.00	29.21	33%	No Q1 or Q3 indicator, Q2 100%
	IM2: CF Patient Adherence	221.25	11.7%	165.94	55.31	55.31	55.31	165.94	75%	Q1, Q2 & Q3 100%
	NSTEMI Pathway	177.00	9.4%	123.90	17.70	53.10	53.10	123.90	70%	Q1, Q2 & Q3 100%
	NSTEAC pilot	177.00	9.4%	53.10	17.70	17.70	17.70	53.10	30%	Q1, Q2 & Q3 100%
	Cardiac Clinical Network	221.25	11.7%	0.00	0.00	0.00	0.00	0.00	0%	No Q1-Q3 indicators
	New Papworth Hospital	1000.00	53.1%	750.00	250.00	250.00	250.00	750.00	75%	Q1, Q2 & Q3 100%
	NHSE	1885.00	100%	1122.14	340.71	405.32	376.11	1122.14	60%	
C&P CCG (& Associates)	1a Improvement of health and wellbeing of NHS staff	54.39	7.1%	10.88	10.88	0.00	0.00	10.88	20%	Q1 100%, no Q2 or Q3 indicator
	1b Healthy food for NHS staff, visitors and patients	54.39	7.1%	0.00	0.00	0.00	0.00	0.00	0%	No Q1-Q3 indicators
	1c Improving uptake of flu vaccinations	54.39	7.1%	0.00	0.00	0.00	0.00	0.00	0%	No Q1-Q3 indicators
	2a Timely identification of sepsis in acute inpatient settings	40.83	5.3%	30.63	10.21	10.21	10.21	30.63	75%	Q1, Q2 & Q3 100%
	2b Timely treatment of sepsis in acute inpatient settings	40.83	5.3%	30.63	10.21	10.21	10.21	30.63	75%	Q1, Q2 & Q3 100%
	2c Antibiotic Review	40.83	5.3%	30.63	10.21	10.21	10.21	30.63	75%	Q1, Q2 & Q3 100%
	2d Reduction in antibiotic consumption	40.83	5.3%	30.63	10.21	10.21	10.21	30.63	75%	Q1, Q2 & Q3 100%
	6 Offering advice and guidance	163.34	21.3%	73.50	24.50	24.50	24.50	73.50	45%	Q1, Q2 & Q3 100%
	9a Tobacco screening	8.17	1.1%	6.13	2.04	2.04	2.04	6.13	75%	Q1, Q2 & Q3 100%
	9b Tobacco brief advice	32.67	4.3%	24.50	8.17	8.17	8.17	24.50	75%	Q1, Q2 & Q3 100%
	9d Alcohol screening	40.83	5.3%	30.63	10.21	10.21	10.21	30.63	75%	Q1, Q2 & Q3 100%
	9e Alcohol brief advice or referral	40.83	5.3%	30.63	10.21	10.21	10.21	30.63	75%	Q1, Q2 & Q3 100%
	Engagement in STP process	153.09	20.0%	114.82	38.27	38.27	38.27	114.82	75%	Q1, Q2 & Q3 100%
	C&P CCG (& Associates)	765.43	100%	413.58	145.11	134.24	134.24	413.58	54%	
	Trust Total	2650.43		1535.72	485.83	539.55	510.35	1535.72	58%	

Q4 indicators for 2018/19 are forecast to be achieved apart from CCG scheme 2d Reduction in Antibiotic Consumption

The CQUIN (Commissioning for Quality and Innovation) payment framework enables commissioners to reward excellence, by linking a proportion of English healthcare providers' income to the achievement of quality improvement goals. Since the first year of the CQUIN framework (2009/10), many CQUIN schemes have been developed and agreed.

The two main commissioning contracts at Royal Papworth have different CQUIN targets in place. Nationally determined CQUINs cover both contracts, with the remainder down to local negotiation between the Trust and commissioner. The individual CQUIN targets are weighted resulting in the final financial value paid for achievement of each area. Non-achievement of a particular CQUIN results in a reduction of income equivalent to the CQUIN weighting multiplied by the overall CQUIN value. The 2019/20 CQUINs have been agreed and are listed in this year's Annual Report.

## Annex 1: What others say about us

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### NHS Specialised Commissioning East of England Hub Statement Response 2018/19

[Draft issued for comment – response awaited]

### Cambridgeshire and Peterborough Clinical Commissioning Group

[Draft issued for comment – response awaited]

## Healthwatch Cambridgeshire and Peterborough

### Royal Papworth Hospital Quality Account Statement 2018/19

#### ***Summary and comment on relationship***

Healthwatch Cambridgeshire and Peterborough welcomes the opportunity to comment on the Trust's draft Quality Account.

Healthwatch is pleased to have a positive relationship with the Trust. The Trust is always responsive to feedback. We welcome the Trust's commitment to learning and improving which is highly evident within this Account.

It has understandably been a challenging year for the Trust with the move to the new site at the Cambridge Biomedical Campus, it is very pleasing to see that this has not impacted on the high standards of care and we continue to receive very positive feedback from patients regarding the care provided by the Royal Papworth Hospital.

#### ***Highlighting improvements***

The Trust is to be commended for meeting so many of its improvement objectives in 2018/19.

Healthwatch is particularly pleased to see:

- The commitment to learning from complaints
- That hearing, and acting upon, patient stories is being embedded at all levels of the organisation
- Identification of 'Always Events'
- The commitment to openness and the Duty of Candour
- The establishment of the Freedom to Speak Up Guardian.

#### ***Challenges noted***

We observe the challenges inherent in moving to the new site and the increased retirement and staff vacancy rate. The cost of living within Cambridge and difficulties travelling into the city will make recruitment harder. It is good to see that the Trust are very well sighted on this and have feasible plans to improve recruitment.

Healthwatch receives overwhelmingly positive feedback from patients and their families regarding the Royal Papworth Hospital. The negative points relate to the cost and ease of parking at the new Cambridge site.

#### ***Looking to the future***

Healthwatch welcomes the number of patient experience quality improvements identified for 2019/20. We wish the Trust well in settling into the new hospital and achieving all of their identified priorities.

## Cambridgeshire County Council, Health Committee

The Health Committee within its scrutiny capacity has welcomed the opportunity to comment on the Royal Papworth NHS Trust Quality Account.

The Committee has received a very clear and well formulated quality account on the whole, making it easy to read and digest. In particular, it is frank and open in relation to priority areas where progress has been slower than hoped for or where there has been a slippage in performance. For example, page 6 flags concerns about ward incidents relating to deteriorating patients, where targets have not been achieved for 2018-19. This is discussed in more detail in Part 3 and it is highlighted as a continued priority for 2019-20 (page 15).

In areas where progress has been made, for example in falls reduction, it is acknowledged that further progress is possible although it is not entirely clear what the challenges are in the new hospital setting. The challenge of moving a whole hospital to an entirely new site is dealt with through various priority targets having been set and monitored throughout the planning and moving period. Achieving a 'safe hospital move' remains a priority for 2019-20 with strong evidence of robust 'go-no go' points set down and achieved.

Two major areas are discussed in some depth: the shift in 2017 and operationalising of Lorenzo and the importance of leadership and culture. Lorenzo, with its electronic patient record system, is clearly taking quite a while to become embedded beyond the user champions and exemplar groups. The positive outcomes in terms of recording a range of data which can then be used to optimise bed management, throughput and reduced stay for example, is still a work in progress. There are also ambitions to provide better data for quality assurance, research and audit. It appears that the team understands the importance of staff training and support but still have a lot of work to do to change the approach. The comment on page 42 about sepsis is an interesting one, as it is seen as an area where there remain significant issues about documentation related to the EPRS.

The Health Committee has taken a particular interest in workforce development, recruitment and retention issues across the whole health care sector and continues to scrutinise this under the Sustainable Transformation programme (expecting an update report in July 2019). It has been helpful to see that Royal Papworth has a strong record of recruiting and retaining staff and the staff survey indicates that a high percentage of staff agree that the organization provides equal opportunities for

staff to develop and get promotion, while a declining percentage report that they experience bullying and harassment; both indicators moving in the right direction.

The Quality Account features training and support for the workforce but more evidence on how the 2018-19 Priority 3 on workforce was being carried forward into 2019-20 would have been useful in the priority set for leadership and culture.

It is useful to see the preparation and progress that Papworth has made in preparing for a CQC inspection and the results of the mock inspection (page 62). There is only one 'requires improvement' (for diagnostics well-led category). The 2019-20 quality focus on 'leadership and culture' makes good sense in relation to the mock CQC outcomes, with page 22 and 23 earlier in the report flagging the work to be done on equality and diversity and on building leadership capability. It is noted that there are still targets to be added to this section.

The Health Committee looks forward to inviting representatives from the Royal Papworth NHS Trust later this year to attend committee to discuss issues relating to the relocation and to review the outcomes from the CQC inspection.

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

During 2018/19 the Council of Governors continued to work with the Board of Directors to ensure that the Trust continues to deliver services which meet the needs of patients, carers, staff and local communities. During the year five new Non-Executive directors were appointed following approval by the Council. The move to the new hospital was a challenging time for everyone and Governors were able to offer their support throughout and congratulate all those involved on a very successful outcome. As well as chairing committees Governors have sat as members or observers on others and have been encouraged to attend the monthly Board meetings. Other areas where Governors have been involved are 15 steps, PLACE, Patient Safety Rounds and mock CQC inspections. A number of Governors also undertake voluntary positions which gives them the opportunity to spend time talking to patients, carers and staff thereby providing valuable feedback.

Quality Priorities are selected each year by the Governors and the 2019/20 priorities are :-

1. Quality improvement -Staff training and projects
2. A safe hospital move.
3. Optimise Lorenzo.
4. Leadership and culture including recruitment and retention.

The move to the new hospital will enable the Governors to continue to contribute to the excellent track record of Royal Papworth and it's staff.

At the quarterly Council of Governor meetings in addition to the executive reports two innovations to reflect that we are in a clinical environment have been included. In the last year three clinicians have given presentations on cardiology topics, pulmonary endarterectomy and how IT is involved in patient care. Secondly a 'Patient Story' has been related by one of the Matrons or Senior Sisters which has provided an extra insight into the patient experience. Further speakers have been identified for both items for 2019/20.

Dr Richard Hodder, Lead Governor.



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

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*The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.*

*NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the Quality Report.*

*In preparing the Quality Report, directors are required to take steps to satisfy themselves that:*

- *The content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19 and supporting guidance Detailed requirements for quality reports 2018/19.*
- *The content of the Quality Report is not inconsistent with internal and external sources of information including:*
  - Board minutes and papers for the period April 2018 to 24 May 2019
  - Papers relating to quality reported to the Board over the period April 2018 to 24 May 2019
  - Feedback from Cambridge and Peterborough Clinical Commissioning Group has not been received to date.
  - Feedback from NHS Specialised Commissioning East of England has not been received to date.
  - Feedback from the Patient and Public Involvement Committee (PPI) Committee and Council of Governors dated 17 May 2019
  - Feedback from Healthwatch Cambridgeshire dated 17 May 2019;
  - Feedback from Cambridgeshire Health Committee dated 15 May 2019
  - The Trust's "Quality and Risk Report: Quarter 4 and annual Summary 2019";
  - The Trust's complaints report published under Regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009
  - The 2018 National Inpatient Survey
  - The 2018 National Staff Survey
  - The Trust's Annual Governance Statement 2018/19
  - The Head of Internal Audit's annual opinion of the Trust's control environment dated May 2019
  - CQC Inspection Reports published 27 March 2015
- *The Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered.*
- *The performance information reported in the Quality Report is reliable and accurate.*
- *There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice.*
- *The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and*
- *The Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report*


The Directors confirm to the best of their knowledge and belief that 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 "John Wallwood". The signature is written in a cursive style with a large initial 'J'.

Date: 23 May 2019

Chairman

A handwritten signature in black ink that reads "S. Rosey". The signature is written in a cursive style with a large initial 'S'.

Date: 23 May 2019

Chief Executive

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

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

We have been engaged by the Council of Governors of Royal Papworth Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Royal Papworth 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:

- maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers;
- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period;

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 governors, dated 17 May 2019;**
- **feedback from local Healthwatch organisations, dated 17 May 2019;**
- **feedback from Overview and Scrutiny Committee, dated 17 May 2019;**
- **the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;**
- **the 2018 national patient survey, dated February 2019;**
- **the 2017 national staff survey, dated June 2018;**
- **Care Quality Commission Inspection, dated 14 December 2014;**

- the 2018/19 Head of Internal Audit's annual opinion over the trust's control environment, dated 26 February 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 Royal Papworth 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 Royal Papworth Hospital NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

### **Limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Royal Papworth Hospital NHS Foundation Trust.

### **Conclusion**

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 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  
Botanic House  
100 Hills Road  
Cambridge  
CB2 1AR

23 May 2019

## Annex 4: Mandatory performance indicator definitions

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### Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways

#### *Source of indicator definition and detailed guidance*

The indicator is defined within the technical definitions that accompany *Everyone counts: planning for patients 2014/15 - 2018/19* and can be found at [www.england.nhs.uk/wp-content/uploads/2014/01/ec-tech-def-1415-1819.pdf](http://www.england.nhs.uk/wp-content/uploads/2014/01/ec-tech-def-1415-1819.pdf)

Detailed rules and guidance for measuring referral to treatment (RTT) standards can be found at <http://www.england.nhs.uk/statistics/statistical-work-areas/rtt-waiting-times/rtt-guidance/>

#### *Detailed descriptor*

E.B.3: The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the period

#### *Numerator*

The number of patients on an incomplete pathway at the end of the reporting period who have been waiting no more than 18 weeks

#### *Denominator*

The total number of patients on an incomplete pathway at the end of the reporting period

#### *Accountability*

Performance is to be sustained at or above the published operational standard. Details of current operational standards are available at: [www.england.nhs.uk/wp-content/uploads/2013/12/5yr-strat-plann-guid-wa.pdf](http://www.england.nhs.uk/wp-content/uploads/2013/12/5yr-strat-plann-guid-wa.pdf) (see Annex B: NHS Constitution Measures).

#### *Indicator format*

Reported as a percentage

## Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers

### *Detailed descriptor<sup>1</sup>*

PHQ03: Percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer

### *Data definition*

All cancer two-month urgent referral to treatment wait

### *Numerator*

Number of patients receiving first definitive treatment for cancer within 62 days following an urgent GP (GDP or GMP) referral for suspected cancer within a given period for all cancers (ICD-10 C00 to C97 and D05)

### *Denominator*

Total number of patients receiving first definitive treatment for cancer following an urgent GP (GDP or GMP) referral for suspected cancer within a given period for all cancers (ICD-10 C00 to C97 and D05)

### *Accountability*

Performance is to be sustained at or above the published operational standard. Details of current operational standards are available at: [/www.england.nhs.uk/wp-content/uploads/2013/12/5yr-strat-plann-guid-wa.pdf](http://www.england.nhs.uk/wp-content/uploads/2013/12/5yr-strat-plann-guid-wa.pdf) (see Annex B: NHS Constitution Measures).

<sup>1</sup> Cancer referral to treatment period start date is the date the acute provider receives an urgent (two week wait priority) referral for suspected cancer from a GP and treatment start date is the date first definitive treatment commences if the patient is subsequently diagnosed. For further detail refer to technical guidance at [www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_131880](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_131880)

## ANNEX 5 Glossary

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### C

CABG	Coronary artery bypass graft
Cardiac surgery	Cardiovascular surgery is surgery on the heart or great vessels performed by cardiac surgeons. Frequently, it is done to treat complications of ischemic heart disease (for example, coronary artery bypass grafting), correct congenital heart disease, or treat valvular heart disease from various causes including endocarditis, rheumatic heart disease and atherosclerosis.
Care Quality Commission (CQC)	The independent regulator of health and social care in England. The CQC monitor, inspect and regulate services to make sure they meet fundamental standards of quality and safety. The CQC publish what it finds, including performance ratings to help people choose care. <a href="http://www.cqc.org.uk">www.cqc.org.uk</a>
CCA	Critical Care Area.
Clinical audit	A quality improvement process that seeks to improve patient care and outcomes by measuring the quality of care and services against agreed standards and making improvements where necessary.
Clostridium difficile (C. difficile or C. diff)	<p>Clostridium difficile (C. difficile) are bacteria that are present naturally in the gut of around two-thirds of children and 3% of adults. C. difficile does not cause any problems in healthy people. However, some antibiotics that are used to treat other health conditions can interfere with the balance of 'good' bacteria in the gut. When this happens, C. difficile bacteria can multiply and produce toxins (poisons), which cause illness such as diarrhoea and fever.</p> <p>There are ceiling targets to measure the number of C. difficile infections which occur in hospital.</p>
Coding	An internationally-agreed system of analysing clinical notes and assigning clinical classification codes
Commissioning for Quality Innovation (CQUIN)	A payment framework that enables commissioners to reward excellence by linking a proportion of the Trust's income to the achievement of national and local quality improvement goals.
CSTF	Core Skills Training Framework

### D

Data Quality	The process of assessing how accurately the information we gather is held.
DATIX	Incident reporting system and adverse events reporting.
DCD	Transplant using a non-beating heart from a circulatory determined dead donor.
Dementia	Dementia is a general term for a decline in mental ability severe enough to interfere with daily life.



Department of Health and Social Care (DHSC formerly DH or DoH)

The Government department that provides strategic leadership to the NHS and social care organisations in England.  
[www.dh.gov.uk/](http://www.dh.gov.uk/)

## E

EDS

Equality Delivery System

EPR

Electronic Patient Record

Extracorporeal membrane oxygenation (ECMO)

ECMO is a technique that oxygenates blood outside the body (extracorporeal). It can be used in potentially reversible severe respiratory failure when conventional artificial ventilation is unable to oxygenate the blood adequately. The aim of ECMO in respiratory failure is to allow the injured lung to recover whilst avoiding certain recognised complications associated with conventional artificial ventilation. The procedure involves removing blood from the patient, taking steps to avoid clots forming in the blood, adding oxygen to the blood and pumping it artificially to support the lungs.

## F

Foundation Trust (FT)

NHS foundation trusts were created to devolve decision making from central government to local organisations and communities. They still provide and develop healthcare according to core NHS principles - free care, based on need and not ability to pay. Royal Papworth Hospital became a Foundation Trust on 1 July 2004.

## G

Governors

Foundation trusts have a Council of Governors. For Royal Papworth the Council consists of 18 Public Governors elected by public members, seven Staff Governors elected by the staff membership and four Governors nominated by associated organisations.

## H

Health and Social Care Information Centre

The Health and Social Care Information Centre is a data, information and technology resource for the health and care system.

Healthwatch

Healthwatch is the consumer champion for health and social care, gathering knowledge, information and opinion, influencing policy and commissioning decisions, monitoring quality, and reporting problems to inspectors and regulators.

Hospital standardised mortality ratio (HSMR)

A national indicator that compares the actual number of deaths against the expected number of deaths in each hospital and then compares trusts against a national average. Neither it nor the Summary Hospital-level Mortality Indicator (SHMI), are applicable to Royal Papworth Hospital as a specialist Trust due to case mix.

## I

Indicator

A measure that determines whether the goal or an element of the goal has been achieved.

Information Governance Toolkit

Information governance ensures necessary safeguards for, and appropriate use of, patient and personal information. The toolkit provides NHS organisations with a set of standards against which compliance is declared annually.

Inpatient survey	An annual, national survey of the experiences of patients who have stayed in hospital. All NHS Trusts are required to participate.
<b>L</b>	
Local clinical audit	A type of quality improvement project that involves individual healthcare professionals evaluating aspects of care that they themselves have selected as being important to them and/or their team
<b>M</b>	
Methicillin-resistant Staphylococcus aureus (MRSA)	<i>Staphylococcus aureus</i> ( <i>S. aureus</i> ) is a member of the Staphylococcus family of bacteria. It is estimated that one in three healthy people harmlessly carry <i>S. aureus</i> on their skin, in their nose or in their mouth, described as colonised or a carrier. Most people who are colonised with <i>S. aureus</i> do not go on to develop an infection. However, if the immune system becomes weakened or there is a wound, these bacteria can cause an infection. Infections caused by <i>S. aureus</i> bacteria can usually be treated with meticillin-type antibiotics. However, infections caused by MRSA bacteria are resistant to these antibiotics. MRSA is no more infectious than other types of <i>S. aureus</i> , but because of its resistance to many types of antibiotics, it is more difficult to treat.
MOU	A memorandum of understanding (MOU) is a formal document describing the broad outlines of an agreement that two or more parties have reached through negotiations.
Multi-disciplinary team meeting (MDT)	A meeting involving health-care professionals with different areas of expertise to discuss and plan the care and treatment of specific patients.
<b>N</b>	
National clinical audit	A clinical audit that engages healthcare professionals across England and Wales in the systematic evaluation of their clinical practice against standards and to support and encourage improvement and deliver better outcomes in the quality of treatment and care. The priorities for national audits are set centrally by the Department of Health and Social Care. All NHS trusts are expected to participate in the national audit programme.
National Institute for Health and Care Excellence (NICE)	NICE is an independent organisation responsible for providing national guidance on promoting good health and preventing and treating ill health <a href="http://www.nice.org.uk/">http://www.nice.org.uk/</a>
National Institute for Health Research (NIHR)	The National Institute for Health Research (NIHR) is a UK government body that coordinates and funds research for the National Health Service. It supports individuals, facilities and research projects, in order to help deliver government responsibilities in public health and personal social services. It does not fund clinical services.
National Institute for Health Research (NIHR) Portfolio research	The National Institute for Health Research Clinical Research Network (NIHR CRN) Portfolio is a database of high-quality clinical research studies that are eligible for support from the NIHR Clinical Research Network in England.
Never events	Never events are serious, largely preventable patient safety incidents that should not occur if the relevant preventative measures have been implemented. Trusts are required to report if a never event does occur.
NHS Improvement	NHS Improvement is responsible for overseeing foundation trusts and

(NHSI)	<p>NHS trusts, as well as independent providers that provide NHS-funded care. NHSI offers the support these providers need to give patients consistently safe, high-quality, compassionate care within local health systems that are financially sustainable. By holding providers to account and, where necessary, intervening, NHSI help the NHS to meet its short-term challenges and secure its future. From 1 April 2016, NHS Improvement is the operational name for an organisation that brings together:</p> <ul style="list-style-type: none"> <li>• Monitor</li> <li>• NHS Trust Development Authority</li> <li>• Patient Safety, including the National Reporting and Learning System</li> <li>• Advancing Change Team</li> <li>• Intensive Support Teams</li> </ul> <p>NHSI builds on the best of what these organisations did, but with a change of emphasis. Its priority is to offer support to providers and local health systems to help them improve.</p>
NHS Safety Thermometer	The NHS Safety Thermometer is a local improvement tool for measuring, monitoring and analysing patient harms and 'harm free' care. From July 2012 data collected using the NHS Safety Thermometer is part of the Commissioning for Quality and Innovation (CQUIN) payment programme.
NHS number	A 10 digit number that is unique to an individual. It can be used to track NHS patients between organisations and different areas of the country. Use of the NHS number should ensure continuity of care.
NMC	Nursing and Midwifery Council
NSTEMI	Non-ST-elevation myocardial infarction
<b>P</b>	
PALs	The Patient Advice and Liaison Service (PALS) offer confidential advice, support and information on health-related matters. They provide a point of contact for patients, their families and their carers.
Patient and Public Involvement Committee (PPI)	A Committee of the Council of Governors that provides oversight and assurance on patient and public involvement.
PEA (formally PTE)	Pulmonary Thromboendarterectomy or Pulmonary Endarterectomy.
PHE	Public Health England
PLACE	Patient-led assessments of the care environment (PLACE) is the system for assessing the quality of the hospital environment, which replaced Patient Environment Action Team (PEAT) inspections from April 2013.
Pressure ulcer (PU)	A pressure ulcer is localized injury to the skin and/or underlying tissue usually over a bony prominence, as a result of pressure, or pressure in combination with shear and/or friction.
Percutaneous coronary intervention (PCI)	The term percutaneous coronary intervention (sometimes called angioplasty or stenting) describes a range of procedures that treat narrowing or blockages in coronary arteries supplying blood to the heart.
Primary percutaneous coronary intervention (PPCI)	As above, but the procedure is urgent and the patient is admitted to hospital by ambulance as an emergency.

Priorities for improvement	There is a national requirement for trusts to select three to five priorities for quality improvement each year. These must reflect the three key areas of patient safety, patient experience and clinical effectiveness.
<b>Q</b>	
Quality Account	A Quality Account is a report about the quality of services by an NHS healthcare provider. The reports are published annually by each provider, including the independent sector, and are available to the public. The Department of Health and Social Care requires providers to submit their final Quality Account to the Secretary of State by uploading it to the NHS Choices website by June 30 each year. The requirement is set out in <a href="#">the Health Act 2009</a> . Amendments were made in 2012, such as the inclusion of quality indicators according to <a href="#">the Health and Social Care Act 2012</a> . NHS England or Clinical Commissioning Groups (CCGs) cannot make changes to the reporting requirements.
Quality Report	Foundation trusts are required to include a Quality Report as part of their Annual Report. This Quality Report has to be prepared in accordance with NHSI annual reporting guidance, which also incorporates the Quality Accounts regulations. All trusts have to publish Quality Accounts each year, as set out in the regulations which came into force on 1 April 2010. The Quality Account for each foundation trust (and all other types of trust) is published each year on NHS Choices.
<b>R</b>	
Root Cause Analysis (RCA)	Root Cause Analysis is a structured approach to identify the factors that have resulted in an accident, incident or near-miss in order to examine what behavior, actions, inactions, or conditions need to change, if any, to prevent a recurrence of a similar outcome. Action plans following RCAs are disseminated to the relevant managers.
Royal Papworth Hospital or Royal Papworth	Royal Papworth Hospital NHS Foundation Trust.
<b>S</b>	
Safeguarding	Safeguarding means protecting people's health, wellbeing and human rights, and enabling them to live free from harm, abuse and neglect. It is fundamental to creating high-quality health and social care.
SDTIs	Suspected deep tissue injuries
Serious incidents (SIs)	There is no definitive list of events/incidents that constitute a serious incident but they are incidents requiring investigation. <a href="https://www.england.nhs.uk/wp-content/uploads/2015/04/serious-incident-framwrk-upd.pdf">https://www.england.nhs.uk/wp-content/uploads/2015/04/serious-incident-framwrk-upd.pdf</a>
Sign up to Safety	A national initiative to help NHS organisations and their staff achieve their patient safety aspirations and care for their patients in the safest way possible. At the heart of Sign up to Safety is the philosophy of locally-led, self-directed safety improvement.
Systematic Inflammatory Response Syndrome (SIRS)	An inflammatory state affecting the whole body, frequently a response of the immune system to ischemia, inflammation, trauma, infection, or several insults combined.
<b>U</b>	
UNIFY	NHS England data collection, analysis & reporting system.

## V

VAD	Ventricular Assist Device.
Venous thromboembolism (VTE)	VTE is the term used to describe a blood clot that can either be a deep vein thrombus (DVT), which usually occurs in the deep veins of the lower limbs, or a blood clot in the lung known as a pulmonary embolus (PE). There is a national indicator to monitor the number of patients who have been risk assessed for VTE on admission to hospital.

## W

WRES	Workforce Race Equality Standard
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**Royal Papworth Hospital  
NHS Foundation Trust**

**Group accounts for the  
year ended  
31 March 2019**

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



# Independent auditor's report

## to the Council of Governors of Royal Papworth Hospital NHS Foundation Trust

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### 1. Our opinion is unmodified

We have audited the financial statements of Royal Papworth NHS Foundation Trust ("the Trust") for the year ended 31 March 2019 which comprise the Group and Trust Statements 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:** £3.1m (2017-18:£2.9m)  
Group financial statements as a whole 2.0% (2017-18: 1.9%) of total operating income

**Coverage** 100% (2017-18:100%) of group total operating income

#### Risks of material misstatement vs 2017 - 18

<b>Recurring risks</b>	Valuation of land and buildings	◀▶
	Revenue recognition	◀▶
	<b>New:</b> Non-pay expenditure recognition	◀▶

## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

All of these key audit matters relate to the Group and the parent Trust.

	The risk	Our response
<b>Valuation of Land and buildings</b>  Land and buildings (£144 million, including £119 million of buildings in Assets under Construction; 2017/18: £147 million)  <i>Refer to pages 17 to 21 (accounting policy) and pages 42 to 43 (financial disclosures).</i>	<b>Subjective valuation:</b>  At 31 March 2019 the Trust was still operating from its existing site in Papworth Everard. Subsequent to the year end the Trust moved to the new PFI hospital at the Cambridge Biomedical Campus.  The Trust's existing buildings continues to be valued as an operational asset at 31 March 2019. The carrying value of the buildings is immaterial due to the imminent move.  The Trust's new PFI hospital was valued by an external valuer in the prior period and management have asserted that there is no material movement in the 12 months since that valuation. This is because the building was substantially complete at the last valuation date.  The value of the new hospital is held in Assets Under Construction due to it not being operational as at 31 March 2019.  The valuation of land and buildings relies on the assumption that no material movements in the value of the new hospital have occurred during the 12 months since the 31 March 2018 valuation.	Our procedures included:  — <b>Challenging assumptions:</b> challenging management's assumption that the value of the PFI hospital had not materially changed in the past twelve months. We considered appropriate BCIS property indices to assess whether values had moved materially;  — <b>Physical inspection:</b> we physically inspected the PFI hospital to verify that the building design had not materially changed from the prior year, when the full valuation was performed.  — <b>Challenging valuation methodology:</b> challenging management's basis for valuing the existing Papworth Everard site as an operational asset, by verifying and evaluating the status of its use and referencing the appropriate valuation methodology against accounting standards.



## 2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
<b>Revenue recognition</b>  Operating Income (£168 million; 2017/18: £149 million)  <i>Refer to pages 15 to 16 (accounting policy) and page 30 to 33 (financial disclosures)</i>	<p><b>Subjective estimate:</b></p> <p>The main source of income for the Trust is the provision of healthcare services to the public under contracts with NHS commissioners.</p> <p>The Trust participates in the national Agreement of Balances (AoB) exercise for the purpose of ensuring that intra-NHS balances are eliminated on the consolidation of the Department of Health's resource accounts. The AoB exercise identifies mismatches between income and expenditure and receivables and payable balances recognised by the Trust and its commissioners, which will be resolved after the date of approval of these financial statements.</p> <p>Mis-matches can occur for a number of reasons, but the most significant are due to the Trust and Commissioners recording different accruals for completed periods of healthcare which have not yet been invoiced.</p> <p>Where there is an ongoing lack of agreement between the Trust and its commissioners, mis-matches can also be classified as formal disputes as set out in the relevant contract.</p> <p>The Trust reports patient care revenue of £8.1 million from private and overseas patients and £25.4 million of other operating income. Other operating income includes, amongst others, education and training of £3.5 million and £6.9 million of transitional funding.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>— <b>Test of detail:</b> obtaining the outcome of the agreement of balances exercise with other NHS bodies. Where there were mismatches over £300,000 we sought explanations and supporting evidence to verify the Trust's entitlement to the receivable;</li> <li>— <b>Test of detail:</b> obtaining copies of the Trust's most significant contracts by value. Where there were significant variances we sought explanations and supporting evidence to verify the Trust's income balance;</li> <li>— <b>Test of detail:</b> testing a sample of NHS and non-NHS revenue transactions before and after year end to supporting documentation to agree the items were correctly recorded at year end;</li> <li>— <b>Test of detail:</b> Assess the assumptions behind the Trust's bad debt provision for non-NHS receivables and compare those assumptions against our own broader knowledge of the NHS sector, and against the Trust's specific bad debt history.</li> </ul>

## 2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
<b>Non-pay expenditure recognition</b>  Accruals (£11.5 million; 2017/18: £8.7 million)  <i>Refer to pages 23 - 24 (accounting policy) and page 48 (financial disclosures)</i>  Provisions (£2.4 million; 2017/18: £1.4 million)  <i>Refer to pages 25 - 26 (accounting policy) and page 49 (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 accrued non-pay expenditure and provisions at year-end.	Our procedures included: <ul style="list-style-type: none"> <li>– <b>Segregation of duties:</b> we considered the application of appropriate segregation of duties in the accounts payable process (i.e. the approval of purchase orders and invoices for payment) between those responsible for delivering services and those preparing the financial statements which helps to prevent fraudulent manipulation of expenditure.</li> <li>– <b>Test of detail:</b> we tested payments made and invoices received in April 2019 to identify whether they indicate that an accrual or provision should have been recognised at the balance sheet date. We agreed a sample test of accruals and provisions to supporting evidence to ensure these are accurate and valued appropriately. We critically appraised the basis on which provisions were made and considered the appropriateness of significant estimates supporting the provisions.</li> <li>– <b>Test of detail:</b> we compared provisions and accruals recognised at the previous year-end against actual outturn, to evaluate management's ability to accurately estimate year-end liabilities and performed a year-on-year review of accruals and provisions, and sought explanation for significant movements;</li> </ul>

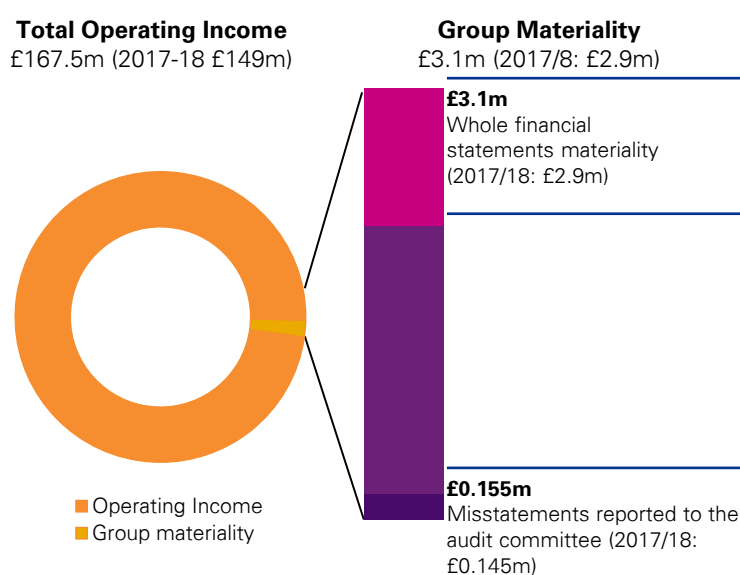
## 3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £3.1 million (2018: £2.9 million), determined with reference to a benchmark of operating income of which it represents approximately 1.9% (2017/18: 1.9%). 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 £3 million (2017/18: £2.8 million), determined with reference to a benchmark of operating income of which it represents approximately 1.8% (2017-18: 1.9%).

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.155 million (2017/18: £0.145 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

The Group comprises the Trust and its charity, the Royal Papworth Hospital Charity. In auditing the Group financial statements we have performed procedures on the Charity's financial information based on a component materiality of £3.0 million (2017/2018: £2.9 million)



#### 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 in Note 1 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 88, 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 2018/19, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

### **Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources**

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements to secure economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risks identified during our risk assessment are set out below together with the findings from the work we carried out on each area.

Significant Risk	Description	Work carried out and judgements
<b>Financial sustainability</b>	Due to a combination of regulatory scrutiny and significant financial challenge in the sector and locally across the health economy, we undertook a detailed review of the Trust's arrangements for planning its finances effectively to support the sustainable delivery of strategic priorities and the maintenance of its statutory functions.	<p>Our work included:</p> <ul style="list-style-type: none"> <li>— Performing an analysis of the Trust's outturn position against plan;</li> <li>— Considering the core assumptions in the Trust's 2019/20 Annual Plan submission;</li> <li>— Considering the extent to which recurrent cost improvement schemes were achieved in 2018/19 and identified for 2019/20;</li> </ul> <p><b>Our findings on this risk area:</b></p> <p>The Trust's 2018/19 outturn position shows a deficit of £11.5m which is a favourable variance to plan of £4.3m.</p> <p>The 2019/20 Operational Plan shows that the Trust is planning to deliver a breakeven position.</p> <p>We concluded that the Trust had adequate arrangements in place for planning its finances effectively to support the sustainable delivery of its strategic priorities and the maintenance of its statutory functions.</p>

#### THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

#### CERTIFICATE OF COMPLETION OF THE AUDIT

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

*S Beavis*

**Stephanie Beavis**

**for and on behalf of KPMG LLP (Statutory Auditor)**

*Chartered Accountants*

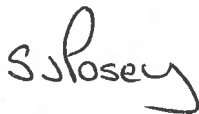
Botanic House  
100 Hills Road  
Cambridge  
CB2 1AR  
23 May 2019

## **FOREWORD TO THE ACCOUNTS**

### **ROYAL PAPWORTH HOSPITAL NHS FOUNDATION TRUST**

These accounts for the year ended 31<sup>st</sup> March 2019 have been prepared by the Royal Papworth Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

Signed:



Stephen Posey  
Chief Executive  
Date: 23 May 2019

# CONSOLIDATED AND TRUST STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

		Group 2018/19	Trust 2018/19	Group 2017/18	Trust 2017/18
	NOTE	£000	£000	£000	£000
<b>OPERATING INCOME</b>					
Operating income from patient care activities	2	142,117	142,117	134,191	134,191
Other operating income	3	25,425	25,776	14,628	14,578
<b>TOTAL OPERATING INCOME FROM CONTINUING OPERATIONS</b>		<b>167,542</b>	<b>167,893</b>	148,819	148,769
Operating expenses	4-6	(172,655)	(171,343)	(199,858)	(198,635)
<b>OPERATING SURPLUS/(DEFICIT) FROM CONTINUING OPERATIONS</b>		<b>(5,113)</b>	<b>(3,450)</b>	(51,039)	(49,866)
Finance income	7	402	207	246	58
Finance expenses	8	(5,362)	(5,362)	(904)	(904)
Public Dividend Capital dividends payable	23	(1,640)	(1,640)	(2,305)	(2,305)
<b>NET FINANCE COSTS</b>		<b>(6,600)</b>	<b>(6,795)</b>	(2,963)	(3,151)
Gains/(losses) on disposal of non-current assets		(4)	-	(26)	(85)
Movement in fair value of investments	11	267	10	210	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(11,450)</b>	<b>(10,235)</b>	(53,818)	(53,102)
<b>OTHER COMPREHENSIVE INCOME</b>					
Impairments	10.1	(1,033)	(1,033)	-	-
Gain on revaluations	10.2	-	-	269	269
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR</b>		<b>(12,483)</b>	<b>(11,268)</b>	(53,549)	(52,833)

The notes on pages 13 to 59 form part of these accounts.

## CONSOLIDATED AND TRUST STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

		Group 31 March 2019	Trust 31 March 2019	Group 31 March 2018	Trust 31 March 2018
	NOTE	£000	£000	£000	£000
<b>NON-CURRENT ASSETS</b>					
Intangible assets	9	1,700	1,700	611	611
Property, plant and equipment	10	176,613	176,393	161,966	161,742
Investments	11	7,710	-	9,263	-
Trade and other receivables	13	114	114	38	38
<b>Total non-current assets</b>		<b>186,137</b>	<b>178,207</b>	<b>171,878</b>	<b>162,391</b>
<b>CURRENT ASSETS</b>					
Inventories	12	4,531	4,505	3,880	3,862
Trade and other receivables	13	9,473	9,214	9,759	10,714
Cash and cash equivalents	14	23,321	22,719	51,627	50,224
<b>Total current assets</b>		<b>37,325</b>	<b>36,438</b>	<b>65,266</b>	<b>64,800</b>
<b>TOTAL ASSETS</b>		<b>223,462</b>	<b>214,645</b>	<b>237,144</b>	<b>227,191</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	15	(35,256)	(35,163)	(36,272)	(36,258)
Other liabilities	16	(248)	(248)	(47)	(47)
Borrowings	17	(2,112)	(2,112)	(2,006)	(2,006)
Provisions	18	(1,568)	(1,568)	(631)	(631)
<b>Total current liabilities</b>		<b>(39,184)</b>	<b>(39,091)</b>	<b>(38,956)</b>	<b>(38,942)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>184,278</b>	<b>175,554</b>	<b>198,188</b>	<b>188,249</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	17	(94,334)	(94,334)	(96,444)	(96,444)
Provisions	18	(835)	(835)	(742)	(742)
<b>Total non-current liabilities</b>		<b>(95,169)</b>	<b>(95,169)</b>	<b>(97,186)</b>	<b>(97,186)</b>
<b>TOTAL ASSETS EMPLOYED</b>		<b>89,109</b>	<b>80,385</b>	<b>101,002</b>	<b>91,063</b>
<b>FINANCED BY:</b>					
<b>TAXPAYERS' EQUITY</b>					
Public dividend capital	23	122,053	122,053	121,910	121,910
Revaluation reserve		8,080	8,080	9,113	9,113
Income and expenditure reserve		(49,748)	(49,748)	(39,960)	(39,960)
<b>OTHERS' EQUITY</b>					
Charitable fund reserves	32	8,724	-	9,939	-
<b>TOTAL TAX PAYERS' AND OTHER'S EQUITY</b>		<b>89,109</b>	<b>80,385</b>	<b>101,002</b>	<b>91,063</b>

The financial accounts on pages 9 to 59 were approved by the Board on 23 May 2019 and signed on its behalf by:

Signed:

  
Stephen Posey  
Chief Executive  
Date: 23 May 2019



# CONSOLIDATED AND TRUST STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Trust				Charitable	Group
	Public	Income and		Total	Fund	Total
	Dividend	Expenditure	Revaluation	Reserves	Reserves	Reserves
	Capital	Reserve	Reserve	Reserves	Reserves	Reserves
	£000	£000	£000	£000	£000	£000
<b>Taxpayers' and others' equity at 1 April 2017</b>	76,410	13,142	8,844	98,396	10,655	<b>109,051</b>
<b>Changes in taxpayers' equity for 2017/18</b>						
Total Comprehensive Expense for the year	-	(53,102)	-	(53,102)	(716)	<b>(53,818)</b>
Revaluation - Property, Plant and Equipment	-	-	269	269	-	<b>269</b>
Public dividend capital received	45,500	-	-	45,500	-	<b>45,500</b>
<b>Taxpayers' and others' equity at 31 March 2018</b>	<b>121,910</b>	<b>(39,960)</b>	<b>9,113</b>	<b>91,063</b>	<b>9,939</b>	<b>101,002</b>
<b>Taxpayers' and others' equity at 1 April 2018</b>	<b>121,910</b>	<b>(39,960)</b>	<b>9,113</b>	<b>91,063</b>	<b>9,939</b>	<b>101,002</b>
<b>Changes in taxpayers' equity for 2018/19</b>						
Impact of implementing IFRS 9 on opening reserves	-	447	-	447	-	<b>447</b>
<b>Taxpayers' and others' equity at 1 April 2018 after impact of IFRS 9</b>	<b>121,910</b>	<b>(39,513)</b>	<b>9,113</b>	<b>91,510</b>	<b>9,939</b>	<b>101,449</b>
Total Comprehensive Income for the year	-	(10,235)	-	(10,235)	(1,215)	<b>(11,450)</b>
Impairment - Property, Plant and Equipment	-	-	(1,033)	(1,033)	-	<b>(1,033)</b>
Public dividend capital received	143	-	-	143	-	<b>143</b>
<b>Taxpayers' and others' equity at 31 March 2019</b>	<b>122,053</b>	<b>(49,748)</b>	<b>8,080</b>	<b>80,385</b>	<b>8,724</b>	<b>89,109</b>

The notes on pages 13 to 59 form part of these accounts.

## CONSOLIDATED AND TRUST STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 MARCH 2019

		Group 2018/19	Group 2017/18	Trust 2018/19	Trust 2017/18
	NOTE	£000	£000	£000	£000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating surplus/(deficit)		(5,113)	(51,039)	(3,450)	(49,866)
<b>NON CASH INCOME AND EXPENSE:</b>					
Depreciation and amortisation	9/10	2,417	3,662	2,413	3,658
Net Impairments	5	1,557	44,698	1,557	44,698
Income recognised in respect of capital donations		-	-	(1,891)	(949)
(Increase)/decrease in inventories		(643)	100	(643)	100
Increase in receivables and other assets		1,570	1,762	2,492	1,039
Increase in trade and other payables		2,987	10,054	2,987	10,054
Increase/(decrease) and other liabilities		201	28	201	28
Increase/(decrease) in provisions		1,030	919	1,030	919
NHS Charitable fund – net movements in working capital, non-cash transactions, non operating cash flows		(111)	(1,095)	-	-
<b>Net cash generated from / (used in) operating activities</b>		<b>3,895</b>	<b>9,089</b>	<b>4,696</b>	<b>9,681</b>
<b>Cash flows from investing activities</b>					
Interest received		202	50	202	50
Payments for land, property, plant and equipment		(20,810)	(16,364)	(20,810)	(16,364)
Proceeds from disposal of property, plant and equipment		10	-	10	-
Payments for intangible assets		(1,225)	(287)	(1,225)	(287)
Prepayment PFI capital contribution cash		-	(20,569)	-	(20,569)
<b>Net cash used in investing activities</b>		<b>(21,823)</b>	<b>(37,170)</b>	<b>(21,823)</b>	<b>(37,170)</b>
<b>Net cash outflow before financing</b>		<b>(17,928)</b>	<b>(28,081)</b>	<b>(17,127)</b>	<b>(27,489)</b>
<b>Cash flows from financing activities</b>					
Public dividend capital received		143	45,500	143	45,500
Other loans received		-	8,250	-	8,250
Other loans repaid		-	(8,250)	-	(8,250)
Capital element of PFI payments		(2,006)	(450)	(2,006)	(450)
Interest paid		(57)	(90)	(57)	(90)
Interest paid on PFI obligations		(5,305)	(812)	(5,305)	(812)
PDC dividends paid		(3,153)	(1,156)	(3,153)	(1,156)
<b>Net cash generated from financing activities</b>		<b>(10,378)</b>	<b>42,992</b>	<b>(10,378)</b>	<b>42,992</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>(28,306)</b>	<b>14,911</b>	<b>(27,505)</b>	<b>15,503</b>
<b>Cash and cash equivalents at 1 April</b>		<b>51,627</b>	<b>36,716</b>	<b>50,224</b>	<b>34,721</b>
<b>Cash and cash equivalents at 31 March</b>	14	<b>23,321</b>	<b>51,627</b>	<b>22,719</b>	<b>50,224</b>

The notes on page 13 to 59 form part of these accounts.

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

With effect from 1 January 2018, the name of the Trust was changed from Papworth Hospital NHS Foundation Trust to Royal Papworth Hospital NHS Foundation Trust.

#### **Basis of preparation**

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (DHSC GAM) which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DHSC GAM 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to NHS foundation trusts, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the DHSC GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS foundation trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

#### **Accounting convention**

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

#### **Going concern**

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

International Accounting Standard (IAS) 1 requires management to assess, as part of the accounts preparation process, the NHS Foundation Trust's ability to continue as a going concern. The financial statements should be prepared on a going concern basis unless management intends, or has no alternative but, to apply to the Secretary of State for the NHS Foundation Trust's dissolution without the transfer of its services to another entity.

Key matters relating to the Trust's financial position are:

- The Trust reported a financial deficit of £10.23m for the 2018/19 financial year;
- The Trust's Operational Plan for 2019/20 indicates a bottom line surplus of £11.58m this is after profit on asset disposal and receipt of Financial Recovery Funding and Provider Sustainability Funding. Adjusting for these items the Trust is planning a £15.45m deficit;
- To achieve the deficit positions highlighted above the Trust will be required to achieve CIP of £5.0m and achieve its control total in 2019/20;
- The Trust is planning to have cash balances of £9.80m at the end of 2019/20;
- The contract with NHS England has been signed, at 15 May 2019 the CCG contract had not been signed but the Trust had received a letter of comfort, which gives a level of assurance for the expectations of continued service delivery and appropriate cash flows for the Trust during 2019/20;
- The Trust is planning to dispose of the current Papworth Everard site in 2019/20.

Royal Papworth Hospital NHS Foundation Trust's Board of Directors has carefully considered the principle of 'Going Concern', after making enquiries, and considering the uncertainties that are described in the preceding paragraphs, the Directors have a reasonable expectation that the Trust will have access to adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

## 1.1 Consolidation of Subsidiary

The NHS Foundation Trust is the Corporate Trustee of the Royal Papworth Hospital Charitable Fund, a registered charity. The NHS Foundation Trust has assessed its relationship to the Charitable Fund and determined it to be a subsidiary because the NHS Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the Charitable Fund and has the ability to affect those returns and other benefits through its power over the fund.

The Charitable Fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the NHS Foundation Trust's accounting policies; and
- eliminate intra-group transactions, balances, gains and losses.

The Charitable Fund includes all incoming resources in full in the Statement of Financial Activities as soon as the following three factors are met: entitlement, probable receipt and measurement.

Legacy income is accounted for as incoming resources once the receipt of the legacy becomes probable. Receipt is normally probable when:

- there has been a grant of probate;
- the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
- any conditions attached to the legacy are either within the control of the charity or have been met.

The Charitable Fund financial statements are prepared in accordance with the accruals concept. A liability (and consequently, expenditure) is recognised in the financial statements when there is a legal or constructive obligation, capable of reliable measurement, arising from a past event.

Investment comprises of shares traded on a daily basis where the valuation is based on the market value at the date of the Statement of Financial Position and also cash held with the investment managers for future investment in equity.

All gains and losses on investment are taken to the Statement of Comprehensive Income as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (or date of purchase if later).

## 1.2 Associate entities

Associate entities are those over which the NHS Foundation Trust has the power to exercise a significant influence. Associate entities are recognised in the NHS Foundation Trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the NHS Foundation Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution e.g. share dividends are received by the NHS Foundation Trust from the associate. However, where the NHS Foundation Trust's proportion of an associate's cumulative profits or losses at year end are less than £50,000; no adjustment is made to the cost of the investment on the basis of immateriality. The NHS Foundation Trust does not have any material associates.

## 1.3 Revenue recognition

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The DHSC 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 DHSC GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the standards: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

Revenue in respect of services provided is recognised when performance obligations are satisfied by transferring promised services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end the NHS Foundation Trust accrues income relating to performance obligations satisfied in that year. Where the NHS Foundation Trust's entitlement to consideration for those services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than a 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.

The main source of income for the NHS Foundation Trust is under contracts from NHS commissioners in respect of healthcare 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 NHS foundation 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 services that are substantially the same and have a similar pattern of transfer. At the financial year end, the NHS Foundation Trust accrues income relating to activity delivered in that year, where patient care spell is incomplete.

The NHS Foundation Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The NHS Foundation Trust agrees schemes with its commissioner but they affect how care is provided to the 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.

Where research contracts fall under IFRS15, revenue is recognised as and when performance obligations are satisfied. At contract inception, the Trust assesses the outputs promised in the research contract to identify as a performance obligation each promise to transfer either a good or service that is distinct or a series of distinct goods or services that

are substantially the same and that have the same pattern of transfer. The NHS Foundation Trust recognises revenue as these performance obligations are met, which may be at a point in time or over time depending upon the terms of the contract.

Income from the sale of non-current assets is recognised only when all of the following conditions of the sale have been met, and is measured as the sums due under the sale contract:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the asset;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the assets sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.4 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.

#### **1.5 Pension costs**

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

Employer's pension cost contributions are charged to the operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the NHS Foundation Trust commits itself to the retirement, regardless of the method of payment.

#### **1.6 Expenditure on other goods and services**

Expenditure on goods and services is recognised when and to the extent that they have been received and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

## 1.7 Property, Plant and Equipment

### ***Capitalisation Recognition***

Property, plant and equipment assets are capitalised if they are capable of being used for a period which exceeds one year and:

- are held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to or service potential be provided to the NHS Foundation Trust;
- the cost of the item can be measured reliably;
- individually have a cost of at least £5,000; or
- form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control;
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own economic lives.

### **Measurement**

#### ***Valuation***

All property, plant and equipment assets are initially measured at cost (for leased assets, fair value) including any costs directly attributable to acquiring or constructing the asset and bringing them to a location and condition necessary for them to be capable of operating in the manner intended by the NHS Foundation Trust.

All assets are measured subsequently at fair value.

#### ***Property***

All land and buildings used for the NHS Foundation Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Valuations are carried out by professionally qualified valuers in accordance with the Valuation Standards published by the Royal Institute of Chartered Surveyors (previously the RICS Appraisal and Valuations Standards). Revaluations are performed on at least a 5 yearly basis, with an interim valuation every 3 years; to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. The timing of these valuations will be adjusted, to become more frequent or less frequent, depending on the situation in the market. Fair values are determined as follows:

- Land - existing use value
- Non-specialised buildings - existing use value (see below)
- Specialised buildings - depreciated replacement cost based on a modern equivalent basis

For non-operational properties including surplus land, the valuations are carried out at fair value based on alternative use.



The latest asset valuation for the existing Royal Papworth Hospital and off-site dwellings in Papworth Everard was undertaken in 2014/15 at the prospective valuation date of 1 April 2015. The valuation at that date was accounted for on 31 March 2015. See Note 10.

A valuation of the New Royal Papworth Hospital PFI site was carried out in 2017/18 by the NHS Foundation Trust's externally appointed independent valuer, Boshiers and Company, Chartered Surveyors. The effective date of valuation was the 31st March 2018 and was accounted for in the 2017/18 accounts. See Note 10.

Non-specialist assets on the existing Royal Papworth Hospital site have been valued at Existing Use Value (EUV), with the economic life of these buildings beyond the date of the move to the new site. This is due to unconfirmed status of the existing site disposal at this time. The NHS Foundation Trust's intention is to dispose of the site at a future date; however, this is not certain at this stage and not resolved at the balance sheet date, therefore, the NHS Foundation Trust considers EUV to be the appropriate valuation method.

#### *Assets in the Course of Construction*

Assets in the course of construction for service or administration purposes are valued at cost and are valued by professional valuers as part of the 5 or 3 yearly valuations or when they are brought into use. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS23 for assets held at fair value. Depreciation on these assets commences when the asset is brought into use.

#### *Equipment*

For non-IT operational equipment depreciated historical cost is considered to be a satisfactory proxy for current value but this will be kept under review and advice on fair value sought from external sources if considered appropriate. For operational IT equipment, in view of its generally short life nature, depreciated historical cost is considered to be a satisfactory proxy for current value. Equipment surplus to requirements is valued at net recoverable amount.

#### **Subsequent expenditure**

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

#### **Depreciation**

Items of property, plant and equipment assets are depreciated on a straight line basis over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have infinite life and is not depreciated.

The estimated useful life of an asset is the period over which the NHS Foundation Trust expects to obtain economic benefits or service potential from it.



Property, plant and equipment assets which have been reclassified as 'Held for sale' cease to be depreciated upon reclassification.

Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the NHS Foundation Trust, respectively.

### **Revaluation gains and losses**

Revaluation gains are recognised in the revaluation reserve, except where and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'Other Comprehensive Income'.

### **Impairments**

In accordance with the DHSC GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses: and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

The carrying values of property, plant and equipment assets are reviewed for impairments in periods if events or changes in circumstances indicate carrying values may not be recoverable.

### **De-recognition**

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- i. The asset is available for immediate sale in its present condition subject only to the terms which are usual and customary for such sales;
- ii. The sale must be highly probable i.e.:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;

- the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amounts. Assets are de-recognised when all material sale contract conditions have been met.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount less cost of sale and is recognised in operating income or operating expenses respectively. On disposal, the balance for the asset in the revaluation reserve is transferred to the income and expenditure reserve.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

### **Donated, government grant and other grant funded assets**

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the economic benefits embodied in the donation/grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

### **Private Finance Initiative (PFI) transactions**

PFI transactions which meet the IFRIC12 definition of service concession, as interpreted in HM Treasury's FREM, are accounted for as 'on Statement Financial Position' by the NHS Foundation Trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment when it is brought into use, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

### **Useful economic life**

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the NHS Foundation Trust's professional valuers.

The current ranges of estimated lives being used are:

	<b>Min Life</b>	<b>Max Life</b>
	<b>Years</b>	<b>Years</b>
Buildings	0	80
Dwellings	0	0

Leaseholds are depreciated over primary lease term.

Finance-leased assets (including land) are depreciated over the shorter of the useful economic life or the lease term, unless the NHS Foundation Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

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

	<b>Min Life</b>	<b>Max Life</b>
	<b>Months</b>	<b>Months</b>
Medical Equipment and Engineering Plant and Equipment	2	180
Furniture	2	180
Soft Furnishings	2	84
Office and Information Technology Equipment	2	60
Set-up Costs in New Buildings	2	60
Vehicles	60	60

At the end of each reporting period a transfer is made from the revaluation reserve to the income and expenditure reserve in respect of the difference between the depreciation expense on the revalued asset and the depreciation expense based on the asset's historic cost carrying value.

## 1.8 Intangible assets

### ***Recognition***

Intangible assets are non-monetary assets without a physical substance which are capable of being sold separately from the rest of the NHS Foundation Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential is provided to the NHS Foundation Trust for more than one year; their cost can be reliably measured; and they have a cost of at least £5,000. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

### ***Internally generated intangible assets***

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the NHS Foundation Trust intends to complete the asset and sell or use it
- the NHS Foundation Trust has the ability to sell or use the asset

- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset
- adequate financial, technical and other resources are available to the NHS Foundation Trust to complete the development and sell or use the asset and
- the NHS Foundation Trust can measure reliably the expenses attributable to the asset during development.

### Software

Purchased computer software, where expenditure of at least £5,000 is incurred, which is integral to the operation of hardware e.g. an operating system is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

### Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by the NHS Foundation Trust.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use valued at fair value under IFRS 13, if it does not meet the requirement of IAS 40 or IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or “fair value less costs to sell”.

### Amortisation

Intangible assets are amortised over their expected useful economic lives on a straight line basis or in the case of software the shorter of the term of the licence or the expected useful economic life using the following lives:

	<b>Min Life Months</b>	<b>Max Life Months</b>
Software	2	60

## 1.9 Revenue government and other grants

Government grants are grants from government bodies other than income from commissioners or NHS Trusts for the provision of services. Grants from the Department of Health and Social Care are accounted for as government grants, as are grants from the Big Lottery Fund.

Government grants for capital purposes are credited directly to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

Where the government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

## 1.10 Inventories

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

## 1.11 Financial Instruments and financial liabilities

### ***Recognition***

Financial assets and financial liabilities arise where the NHS Foundation 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 DHSC GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other aspects 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 NHS Foundation Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or service is made.

Financial assets and financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with accounting policy for leases described below at note 1.13.

All other financial assets and financial liabilities are recognised when the NHS Foundation Trust becomes a party to the contractual provisions of the instrument.

### ***De-recognition***

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the NHS Foundation Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

### ***Classification and Measurement***

Financial assets 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 are classified as subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortised cost.

### ***Financial assets and financial liabilities at amortised cost***

Financial assets and financial liabilities at amortised costs 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 revenue 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).

Expected credit losses for private patient activity are determined through a review of existing outstanding debt. For all other categories of debt the expected credit losses are determined using historic debt write off data.

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.

A receivable will be written off when either all avenues of collection have been exhausted or it is no longer economically viable to pursue the outstanding amount.

## **1.12 Cash and cash equivalents**

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

These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see note 28). Account balances are only off set where a formal agreement has been made with the bank to do so.

## **1.13 Leases**

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

## **Finance Leases**

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property, plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

## **Operating Leases**

Other leases are regarded as operating leases and the rentals charged to operating expenses on a straight line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the term of the lease.

Income received by the NHS Foundation Trust from operating leases is recognised in other operating income on a straight line basis over the term of the lease.

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

## **Leases of Land and Buildings**

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

### **1.14 Provisions**

The NHS Foundation Trust recognises a provision where it has a present legal or constructive obligations that is of uncertain timing or amount for which it is probable that there will be a future outflow of cash or other resource and that a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resource required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published by HM Treasury.

#### **Clinical negligence costs**

NHS Resolution operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHS Resolution, which, in return, settles all clinical negligence claims. The contribution is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHS Resolution on behalf of the NHS Foundation Trust is disclosed at note 18, but is not recognised in the NHS Foundation Trust's accounts.



## Non-clinical risk pooling

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS Foundation Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The NHS Foundation Trust does not include any amounts in its financial statements relating to these cases. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

### 1.15 Contingent assets and liabilities

Contingent assets (that is, assets arising from past events and whose existence will only be confirmed by one or more future events not wholly within NHS Foundation Trust's control) are not recognised as assets but disclosed in a note to the financial statements where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 19 unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficiently reliability.

### 1.16 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the NHS Foundation Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable.

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

The actual dividend figure is included in the Statement of Comprehensive Income and the receivable/payable arising is included in the Statement of Financial Position.



### 1.17 Value added tax (VAT)

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

### 1.18 Corporation tax

An NHS Foundation Trust is a Health Service Body within the meaning of s519A of the Income and Corporation Tax Act 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for HM Treasury to dis-apply the exemption in relation to specified activities of a Foundation Trust (s519A (3) to (8) of the Income and Corporation Taxes Act 1988). Accordingly, a Foundation Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits from these activities exceed £50k per annum. There are no such profits and therefore no liability for corporation tax in relation to the year ended 31 March 2019 or prior periods.

### 1.19 Foreign exchange

The functional and presentational currency of the NHS Foundation Trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the NHS Foundation Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at “fair value through income and expenditure”) are translated at the spot exchange rate at 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

### 1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirement of the HM Treasury Financial reporting Manual (FReM). See note 28.

### 1.21 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures

compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their own risks (with insurance premiums then being incurred as normal revenue expenditure). See note 29.

However, the losses and special payments note is compiled directly from the losses and compensation register which reports on an accrual basis with the exception of provisions for future losses.

## **1.22 Gifts**

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

## **1.23 Segmental reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, who are responsible for making strategic decisions.

## **1.24 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

## **1.25 Accounting standards that have been issued but have not yet been adopted**

The following accounting standards or interpretations have been issued by the International Accounting Standards Board, but have not yet been implemented. The NHS Foundation Trust cannot adopt new standards unless they have been adopted in the DHSC GAM issued by Department of Health and Social Care, which in turn only adopts them once adopted in HM Treasury FReM. The HMT FReM generally does not adopt an international standard until it has been endorsed by the European Union for use by listed companies. In some cases, the standards may be interpreted in the HMT FReM and therefore may not be adopted in their original form. The standards listed below are not expected to have an impact on the NHS Foundation Trust's accounts except where indicated.

*Standards issued or amended but not yet adopted in HMT FReM*

- IFRS 14 Regulatory deferral accounts – Not yet EU endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.
  - IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
  - IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.
  - IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.
- IFRS 16 Leases – Expected to be effective from 2019/20.

## 1.26 Critical judgements and key sources of estimation uncertainty

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

### **Property valuation**

The NHS Foundation Trust's estate has been valued as explained at note 1.7.

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 reported 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 10.1.

### **Intangible assets**

The intangible assets balance is composed entirely of software under development and software licences. These are stated at historic depreciated cost on the basis that this is not materially different from their fair value.

### **Allowances for impaired receivables**

Allowances are made for impaired receivables for estimated losses arising from the subsequent inability or refusal of patients or commissioners to make the required payment. Further detail is given at notes 13.2 and 13.3.

### **Private Finance Initiative**

An assessment of the NHS Foundation Trust's Private Finance Initiative (PFI) scheme has been made, and it has been determined that the PFI scheme in respect of the new hospital building should be accounted for as an on-Statement of Financial Position asset under IFRIC 12. This requires a judgement to be made around how to model the scheme in order to determine the required accounting entries. The key judgements were to initially value the hospital at the cost of construction, to attribute asset lives up to 80 years on certain components and to identify the components of the hospital subject to lifecycle maintenance, which should be accounted for separately.

An estimate has also been used to determine total future obligations under PFI contracts as disclosed in note 21, in relation to future rates of inflation. The estimate does not affect the carrying value of liabilities in the Statement of Financial Position at 31 March 2018, or the amounts charged through the Statement of Comprehensive Income.

## 2. OPERATING INCOME FROM PATIENT CARE ACTIVITIES

### 2.1 Income from patient care activities (by nature)

	2018/19 £000	2017/18 £000
Elective income	62,370	59,053
Non-elective income	34,329	31,795
First outpatient income	7,254	7,111
Follow up outpatient income	8,762	8,104
High cost drugs income from commissioners	5,203	5,445
Other NHS clinical income	14,919	14,463
Private patient income	8,115	8,151
AfC pay award central funding	1,153	-
Other clinical income	12	69
	<b>142,117</b>	<b>134,191</b>

### 2.2 Patient income by source

	2018/19 £000	2017/18 £000
NHS Foundation Trusts	-	9
NHS Trusts	-	11
NHS England	98,473	93,590
Clinical Commissioning Groups	32,032	30,298
Department of Health and Social Care*	1,154	25
NHS Other	2,331	2,058
Non NHS:		
- Private patients	8,115	8,151
- Overseas chargeable patients	12	49
<b>Total revenue from patient care activities</b>	<b>142,117</b>	<b>134,191</b>

\* Includes £1,153k of centrally funded Agenda for Change (AfC) pay award for 2018/19 paid directly to the NHS Foundation Trust. This was not included in the 2018/19 tariff prices due to the late agreement of AfC pay awards payable in 2018/19.

Income of £571k relating to patient treatment spells which were partially complete at 31 March 2019 (£561k – 31 March 2018) has been recognised in the 2018/19 accounts under the accounting policy described in note 1.3.

### 2.3 Operating segments

IFRS8 requires income and expenditure to be broken down into the operating segments reported to the chief operating decision maker. The NHS Foundation Trust considers the Board to be the chief operating decision maker because it is responsible for approving its budgets and hence responsible for allocating resources to operating segments and assessing their performance. The Foundation Trust has seven clinical directorates: cardiology; cardiac surgery, thoracic surgery; thoracic medicine; respiratory support and sleep centre; transplant; and clinical diagnostics (which includes theatres, critical care, anaesthetics, radiology, ambulatory and pathology). The clinical and diagnostics directorate largely supports the services provided by the first six. The Foundation Trust's operating segments reflect the service that it provides. Income is reported to the Board on a regular basis by service:

## Patient income by service

	2018/19			2017/18		
	Inpatients £000	Outpatients £000	Total £000	Inpatients £000	Outpatients £000	Total £000
Cardiology	31,594	5,362	<b>36,956</b>	31,364	5,090	36,454
Cardiac surgery	24,488	635	<b>25,123</b>	24,758	706	25,464
Thoracic surgery	11,399	212	<b>11,611</b>	10,474	220	10,694
Respiratory support and sleep centre	7,070	3,898	<b>10,968</b>	6,797	3,987	10,784
Thoracic medicine	11,749	2,876	<b>14,625</b>	11,843	2,588	14,431
Transplant/Ventricular assist devices	18,387	-	<b>18,387</b>	16,322	-	16,322
Clinical and diagnostics	15,171	2,404	<b>17,575</b>	14,627	-	14,627
Total of income from reporting segments	<b>119,858</b>	<b>15,387</b>	<b>135,245</b>	116,185	12,591	128,776
Other patient related activity			-			20
2018/19 Agenda for Change pay award funding			<b>1,153</b>			-
Market Forces Factor (inpatients and outpatients)			<b>5,719</b>			5,395
<b>Total revenue from patient care activities per note 2.1</b>			<b><u>142,117</u></b>			<b><u>134,191</u></b>

Cardiology (heart) deals with all aspects of the diagnosis, management and treatment of heart condition in adults. Cardiac surgery includes coronary artery bypass grafting and valve repair and replacement. Thoracic surgery (lungs) provides a 24 hour thoracic surgery service, including surgery for lung cancer. The respiratory support and sleep centre provides ventilator support and sleep medicine. Transplant/Ventricular Assist Devices relates to the transplantation of cardiothoracic organs, and bridging therapy before transplantation. Thoracic medicine includes the treatment of pulmonary vascular diseases and cystic fibrosis. Further explanation of the activity of each segment can be found in the Directors' report.

Expenditure is not analysed into these segments as part of reporting to the Board because the cost of developing such analysis would be excessive and the NHS Foundation Trust is not presenting an analysis of the surplus for the year on a segmental basis. An analysis of assets and liabilities by operating segment is also not reported to the Board or otherwise available.

All income for each patient service above is received from external commissioners as follows:

	2018/19 £000	2017/18 £000
NHS England	98,473	93,590
Cambridgeshire and Peterborough CCG*	13,070	12,234
West Suffolk CCG	4,149	4,124
West Norfolk CCG	2,841	2,856
Bedfordshire CCG	2,194	1,937
Ipswich & East Suffolk CCG	1,606	1,754
South Lincolnshire CCG	1,348	1,153
West Essex CCG	1,223	1,035
East and North Hertfordshire CCG	1,165	1,171
Department of Health and Social Care	1,154	-
South Norfolk CCG	597	498
North East Essex CCG	419	338
Great Yarmouth and Waveney CCG	268	358
North Norfolk CCG	247	216
Other CCGs	2,906	2,623
Other NHS	1,165	1,208
<b>Subtotal</b>	<b>132,825</b>	<b>125,095</b>
Welsh Health Boards	881	714
Scottish Health Board	94	75
Northern Ireland Health Boards	190	87
Private patients	8,115	8,151
Other non-NHS	12	49
<b>Total patient service income</b>	<b>142,117</b>	<b>134,171</b>
Other patient related activity	-	20
<b>Total revenue from patient care activities per note 2.1</b>	<b>142,117</b>	<b>134,191</b>

\* Includes funding for treatment of overseas patient where a reciprocal agreement is in place.

Under the terms of its license, the NHS Foundation Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the trust license and are services that commissioners believe would need to be protected in the event of trust failure. This information is provided in the table below:

	2018/19 £000	2017/18 £000
Income from services designated (or grandfathered) as commissioner requested services	142,117	134,191

## 2.4 Overseas visitors (relating to patients charged directly by the NHS Foundation Trust)

	2018/19 £000	2017/18 £000
Income recognised this year	12	49
Cash payments received in-year	18	3
Amounts added to provision for impairment of receivables	6	35
Amounts written off in-year	44	13

## 2.5 Private patient income

As a result of the Health and Social Care Act 2012 changes to the way the cap on private patient income of NHS Foundation Trusts is enforced came into effect during 2012/13.

As from 1 October 2012 Foundation Trusts are obliged to make sure that the income they receive from providing goods and services for the NHS (their principle purpose) is greater than their income from other sources (e.g. private patient work).

This effectively means that the former private patient cap has been removed.

## 3. OTHER OPERATING INCOME

	Group		Trust	
	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
Research and development NHS Levy	1,757	680	1,757	680
Education and training	3,515	2,988	3,515	2,988
Charitable and other contributions to expenditure	-	-	2,613	1,416
Merit award funding	1,297	1,204	1,297	1,204
Staff lodging	667	565	667	565
Staff recharges*	2,659	2,562	2,659	2,882
Research and development gross up**	2,167	2,897	2,167	2,897
NHS Charitable income:				
Incoming resource excluding investment income	2,262	1,786	-	-
Transitional funding ***	6,900	-	6,900	-
Other income	4,201	1,946	4,201	1,946
	<b>25,425</b>	<b>14,628</b>	<b>25,776</b>	<b>14,578</b>

\* Staff recharges have been shown gross in income and expenditure.

\*\* Funding received to cover costs of research and development incurred in the year.

\*\*\* As part of the business case for the new hospital the NHS Foundation Trust will receive £15m of transitional funding over the next 3 years. The NHS Foundation Trust received £6.9m of this funding in 2018/19 and will receive a further £4.05m in each of the next two years.



#### 4. OPERATING EXPENSES

##### 4.1 Operating expenses comprise:

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Executive Directors' costs*	1,071	1,272	1,071	1,272
Non-Executive Directors' costs	121	141	121	141
Staff costs	93,941	86,382	93,941	86,382
Drug costs	5,875	5,700	5,875	5,700
Supplies and services - clinical	36,552	36,066	36,552	36,066
Supplies and services - general	3,879	4,786	3,879	4,786
Establishment	1,613	1,301	1,613	1,301
Research & Development	1,291	1,193	1,291	1,193
Transport	810	726	810	726
Premises	7,575	5,367	7,575	5,367
Increase/(decrease) in provision for impairments of receivables	(32)	464	(32)	464
Depreciation of property, plant and equipment	2,242	3,412	2,238	3,408
Amortisation of intangible assets	175	250	175	250
Impairments of property, plant and equipment	1,556	44,698	1,556	44,698
Impairments of intangibles	1	-	1	-
Audit services - statutory audit	47	52	47	52
Other auditors remuneration - other assurance services	7	7	7	7
NHS Charitable Funds - statutory audit services	4	4	-	-
Consultancy	1,750	1,225	1,750	1,225
Internal audit and counter fraud services	54	58	54	58
Clinical negligence	845	680	845	680
Charges to operating expenditure for on-SoFP IFRIC 12 PFI schemes on IFRS basis	6,088	702	6,088	702
Other	5,874	4,145	5,886	4,157
NHS Charitable Funds - other resources expended	1,316	1,227	-	-
	<b>172,655</b>	<b>199,858</b>	<b>171,343</b>	<b>198,635</b>

##### 4.2 Audit services

The Council of Governors has appointed KPMG LLP (KPMG) as external auditors of the NHS Foundation Trust from 1 April 2015. The audit fee for the statutory audit is £47,500 (2017/18: £52,100), excluding VAT. This is the fee for an audit in accordance with the Audit Code issued by Monitor in March 2011. A further £7,400 has been paid for other services in relation to the Quality Report opinion (2017/18: £7,400 for the Quality Report opinion).

The engagement letter signed on 27 November 2015 states that the liability of KPMG, its members, partners and staff (whether in contract, negligence or otherwise) in respect of services provided in connection with or arising out of the audit shall in no circumstances exceed £1 million in the aggregate in respect of all such services.

External auditors will also receive remuneration of £4,450 (2017/18: £4,450), excluding VAT, for the statutory audit of the NHS Charity.



### 4.3 Operating leases

#### 4.3.1 As lessee

##### Payments recognised as an expense

	2018/19 £000	2017/18 £000
Minimum lease payments	<b>1,403</b>	1,106

##### Total future minimum lease payments

	2018/19 £000	2017/18 £000
Payable:		
Not later than one year	<b>1,479</b>	1,028
Between one and five years	<b>3,964</b>	1,014
After five years	<b>16,432</b>	-
	<b>21,875</b>	2,042

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

There are 2 (2017/18: 2) leases where the capital value of the equipment (including VAT) exceeded £250k. All other leases are for equipment with a capital value (including VAT) under this amount. The lease rental is fixed at the outset of the leases.

The NHS Foundation Trust has 4 (2017/18: 6) leases relating to land used for the purpose of car parking. The leases are all for a period of 10 years or less. Two leases include an early termination clause; two of 6 months' notice if the NHS Foundation Trust ceases to operate on its current site, and one of 12 months' notice if the NHS Foundation Trust ceases occupation of its current site.

The NHS Foundation Trust leases two buildings used as office space. One lease had an original lease period of 15 years. A variation to the lease was entered into in April 2013 extending the terms of the lease to April 2019 and agreeing a fixed annual rental charge. The lease will come to an end in April 2019. The second lease (offices in Huntingdon) has a lease period of 5 years and will expire in December 2022.

The NHS Foundation Trust has a lease for residential accommodation in Waterbeach. The lease period is for 25 years and will expire in July 2043. There is annual indexation of a minimum of 1.25% on this lease.

The Trust has given notice on the leases where the lease end date is later than the move date to the new hospital. A provision has been made in these accounts for the costs of the leases the Trust will no longer require following the move to the new hospital in May 2019.

#### 4.3.2 As lessor

##### Rental revenue

	2018/19 £000	2017/18 £000
Other	-	19
<b>Total rental revenue</b>	<b>-</b>	<b>19</b>

##### Total future minimum lease payments

	2018/19 £000	2017/18 £000
Receivable:		
Not later than one year	-	6

The NHS Foundation Trust had an agreement to rent out office and laboratory space to an organisation involved in medical research. This agreement which was a short term lease agreement was terminated in June 2018.

## 5 IMPAIRMENT OF ASSETS

	2018/19 £000	2017/18 £000
Net impairments charged to operating surplus/(deficit) resulting from:		
Impairment of New Papworth Hospital	-	44,698
Impairment of existing Papworth site buildings, plant and equipment	1,556	-
Impairment of intangibles	1	-
	<b>1,557</b>	<b>44,698</b>

During the year the NHS Foundation Trust has considered the carrying value of capital assets not previously impaired in use on its Papworth Everard site. This has resulted in an impairment of £2,635k, being the difference between the previous carrying value of £6,013k and its depreciated replacement cost of £3,378k when considering the move to the New Hospital in May 2019. The net impairment charged to the revaluation reserve is £1,033k with the balance (£1,603k) being charged to income and expenditure. There was a part reversal (£46k) of the 2017/18 impairment of New Papworth Hospital charged to income and expenditure due to actual costs relating to fees being lower than anticipated.

## 6 EMPLOYEE COSTS AND NUMBERS

### 6.1 Employee costs

		Group		Trust	
		2018/19	2017/18	2018/19	2017/18
		£000	£000	£000	£000
Salaries and wages	*	72,634	69,586	72,634	69,586
Social security costs	*	7,159	6,753	7,159	6,753
Apprenticeship levy		347	325	347	325
Employer contributions to NHS Pensions Agency		8,274	7,902	8,274	7,902
Temporary staff (including agency)		6,598	3,088	6,598	3,088
<b>Employee benefit expenses</b>	*	<b>95,012</b>	87,654	<b>95,012</b>	87,654

All employee benefit expenses have been charged to revenue. The total employer pension contributions paid for the year is £8,288k (2017/18: £7,978k).

\* Excludes Non-Executive Directors' salary costs. These salary costs are included in note 4.1.

## **Pension Costs**

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

### ***a) Accounting valuation***

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 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.

### ***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

### ***c) Scheme provisions***

The NHS Pension Scheme provided defined benefits, which are summarised below. The list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

#### *Annual Pensions*

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80<sup>th</sup> for the 1995 section and of the best of the last three years' pensionable pay for each year of service, and 1/60<sup>th</sup> for the 2008 section of reckonable pay per year of membership. Members who are practitioners as

defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as 'pension commutation'.

#### *Pensions Indexation*

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in Retail Prices in the 12 months ending 30<sup>th</sup> September in the previous calendar year. From 2011/12, the Consumer Price Index (CPI) has been used to replace the Retail Prices Index (RPI).

#### *Ill-health Retirement*

Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity.

#### *Death Benefits*

A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

#### *Early Retirement*

For early retirements other than those due to ill-health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

#### *Additional Voluntary Contributions (AVC's)*

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

NEST is a Workplace Pension Scheme operated by the Government; it is an alternative pension scheme (to the Superannuation Scheme) which is not NHS specific. It is a defined contribution, off statement of financial position scheme (as it is not exclusively NHS). The number of employees opting in and the value of contributions have been negligible. The cost in 2018/19 was £7k (2017/18 £3k).

## **6.2 Staff Exit Packages**

	2018/19		2017/18	
	Number of other departures agreed	Total number of exit packages by cost band	Number of other departures agreed	Total number of exit packages by cost band
£25,001-£50,000	-	-	1	1
£50,001-£100,000	-	-	1	1
Total number of exit packages by type	-	-	2	2
		£000		£000
Total resource cost		-		97

Exit packages are agreed with due regards to national terms and conditions, adherence to local policies and procedures and a risk assessment.

### 6.3 Average number of persons employed

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	Total	Total	Total	Total
	Number	Number	Number	Number
<b>Permanently Employed</b>				
Medical and dental	211	206	211	206
Administration and estates	371	374	371	375
Healthcare assistants and other support staff	350	340	350	340
Nursing, midwifery and health visiting staff	576	561	576	561
Scientific, therapeutic and technical staff	147	141	147	141
Health care science staff	75	74	75	73
<b>Other</b>				
Bank staff	55	53	55	53
Agency/contract staff	59	59	59	59
Other	10	2	10	2
<b>Total</b>	<b>1,854</b>	<b>1,810</b>	<b>1,854</b>	<b>1,810</b>

### 6.4 Retirements due to ill-health

In the year to 31 March 2019, there was 1 early retirement agreed on the grounds of ill-health (31 March 2018: nil). The estimated additional pension liability in respect of early retirements agreed on the grounds of ill-health is £57k (31 March 2018: £nil); the cost of which is borne by the NHS Business Services Authority – Pensions Division. This information has been supplied by NHS Pensions.

### 6.5 Directors' remuneration

The aggregate amounts payable to directors were:

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	Total	Total	Total	Total
	£000	£000	£000	£000
Salary	992	1,151	992	1,153
Taxable benefits	20	9	20	9
Employer's pension contributions	79	119	79	119
<b>Total</b>	<b>1,091</b>	<b>1,279</b>	<b>1,091</b>	<b>1,281</b>

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

## 7 FINANCE INCOME

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Interest revenue:				
Investments in listed equities	191	188	-	-
Short term investments and deposits	4	17	-	17
Bank accounts	207	41	207	41
	<b>402</b>	<b>246</b>	<b>207</b>	<b>58</b>

## 8 FINANCE EXPENSES

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Loans from the Department of Health and Social Care	57	92	57	92
Main finance costs on PFI scheme obligations	4,919	711	4,919	711
Contingent finance costs on PFI scheme obligations	386	101	386	101
	<b>5,362</b>	<b>904</b>	<b>5,362</b>	<b>904</b>

## 9 INTANGIBLE ASSETS

2018/19	Computer Software Purchased £000	Intangible Assets Under Construction £000	Total Intangible Assets £000
Gross cost at 1 April 2018	3,396	292	3,688
Additions purchased - Trust	-	1,265	1,265
<b>Gross cost at 31 March 2019</b>	<b>3,396</b>	<b>1,557</b>	<b>4,953</b>
Accumulated amortisation at 1 April 2018	3,077	-	3,077
Provided during the year	175	-	175
Impairments charged to operating expenses	1	-	1
<b>Accumulated amortisation at 31 March 2019</b>	<b>3,253</b>	<b>-</b>	<b>3,253</b>
<b>Net book value</b>			
- Purchased at 31 March 2019	120	1,557	1,677
- Donated at 31 March 2019	23	-	23
<b>Total at 31 March 2019</b>	<b>143</b>	<b>1,557</b>	<b>1,700</b>

<b>2017/18</b>	<b>Computer Software Purchased £000</b>	<b>Intangible Assets Under Construction £000</b>	<b>Total Intangible Assets £000</b>
Gross cost at 1 April 2017	3,502	-	<b>3,502</b>
Additions purchased - Trust	(5)	292	<b>287</b>
Impairment charged to operating expenses	(101)	-	<b>(101)</b>
<b>Gross cost at 31 March 2018</b>	<b>3,396</b>	<b>292</b>	<b>3,688</b>
Accumulated amortisation at 1 April 2017	2,881	-	<b>2,881</b>
Provided during the year	250	-	<b>250</b>
Disposals	(54)	-	<b>(54)</b>
<b>Accumulated amortisation at 31 March 2018</b>	<b>3,077</b>	<b>-</b>	<b>3,077</b>
<b>Net book value</b>			
- Purchased at 31 March 2018	281	292	<b>573</b>
- Donated at 31 March 2018	38	-	<b>38</b>
<b>Total at 31 March 2018</b>	<b>319</b>	<b>292</b>	<b>611</b>

## 10 PROPERTY, PLANT AND EQUIPMENT

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

2018/19	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost/valuation at 1 April 2018	24,421	9,738	928	131,036	29,488	135	4,534	261	200,541
Additions purchased - Trust	-	17	-	16,252	1,004	-	-	314	17,587
Additions purchased - cash donations	-	-	-	1,750	141	-	-	-	1,891
Impairments charged to operating expenses	-	-	-	46	-	-	-	-	46
Reversal of impairments credited to operating income	-	-	-	-	-	-	-	-	0
Revaluations	-	-	-	-	-	-	-	-	0
Reclassifications	-	10	-	(261)	32	-	-	219	-
Transfer to assets held for sale	-	-	-	-	(333)	-	-	-	0
Disposals	-	-	-	-	-	-	-	-	(333)
<b>At 31 March 2019</b>	<b>24,421</b>	<b>9,765</b>	<b>928</b>	<b>148,823</b>	<b>30,332</b>	<b>135</b>	<b>4,534</b>	<b>794</b>	<b>219,732</b>
Accumulated depreciation at 1 April 2018	-	6,916	213	-	27,305	119	3,796	226	38,575
Provided during the year	-	872	42	-	1,017	6	239	66	2,242
Revaluations	-	-	-	-	-	-	-	-	0
Impairments charged to operating expenses	-	1,148	183	-	147	-	109	15	1,602
Impairments charged to the revaluation reserve	-	684	349	-	-	-	-	-	1,033
Disposals	-	-	-	-	(333)	-	-	-	(333)
<b>Accumulated depreciation at 31 March 2019</b>	<b>-</b>	<b>9,620</b>	<b>787</b>	<b>-</b>	<b>28,136</b>	<b>125</b>	<b>4,144</b>	<b>307</b>	<b>43,119</b>
<b>Net book value</b>									
- Purchased at 31 March 2019 - Trust	23,537	125	4	27,232	1,912	4	387	483	53,684
- Purchased at 31 March 2019 - NHS Charity	85	-	135	-	-	-	-	-	220
- On-SoFP PFI contract at 31 March 2019	-	-	-	118,900	-	-	-	-	118,900
- Government granted at 31 March 2019	-	11	-	-	-	-	-	-	11
- Donated at 31 March 2019	799	9	2	2,691	284	6	3	4	3,798
<b>Total at 31 March 2019</b>	<b>24,421</b>	<b>145</b>	<b>141</b>	<b>148,823</b>	<b>2,196</b>	<b>10</b>	<b>390</b>	<b>487</b>	<b>176,613</b>



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

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>2017/18</b>									
Cost/valuation at 1 April 2017	24,421	9,756	928	3,592	29,245	126	4,175	257	72,500
Additions purchased - Trust	-	(18)	-	24,301	194	-	359	4	24,840
Additions leased - Trust	-	-	-	146,901	-	-	-	-	146,901
Additions purchased - cash donations	-	-	-	940	-	9	-	-	949
Impairments charged to operating expenses	-	-	-	(44,698)	-	-	-	-	(44,698)
Revaluations	-	-	-	-	75	-	-	-	75
Disposals	-	-	-	-	(26)	-	-	-	(26)
<b>At 31 March 2018</b>	<b>24,421</b>	<b>9,738</b>	<b>928</b>	<b>131,036</b>	<b>29,488</b>	<b>135</b>	<b>4,534</b>	<b>261</b>	<b>200,541</b>
Accumulated depreciation at 1 April 2017	-	5,063	152	-	26,345	111	3,478	215	35,364
Provided during the year	-	1,853	61	-	1,161	8	318	11	3,412
Impairments charged to operating expenses	-	-	-	-	(194)	-	-	-	(194)
Disposals	-	-	-	-	(7)	-	-	-	(7)
<b>Accumulated depreciation at 31 March 2018</b>	<b>-</b>	<b>6,916</b>	<b>213</b>	<b>-</b>	<b>27,305</b>	<b>119</b>	<b>3,796</b>	<b>226</b>	<b>38,575</b>
<b>Net book value</b>									
- Purchased at 31 March 2018 - Trust	23,537	1,704	506	11,196	1,930	9	701	29	39,612
- Purchased at 31 March 2018 - NHS Charity	85	-	139	-	-	-	-	-	224
- On-SoFP PFI contract at 31 March TRUE	-	-	-	118,900	-	-	-	-	118,900
- Government granted at 31 March 2018	-	883	-	-	-	-	-	-	883
- Donated at 31 March 2018	799	235	70	940	253	7	37	6	2,347
<b>Total at 31 March 2018</b>	<b>24,421</b>	<b>2,822</b>	<b>715</b>	<b>131,036</b>	<b>2,183</b>	<b>16</b>	<b>738</b>	<b>35</b>	<b>161,966</b>

In March 2015 the NHS Foundation Trust achieved financial closure on the plans to go ahead with the construction of the New Royal Papworth Hospital on the Cambridge Biomedical Campus.

The finalisation of the contract has led to the NHS Foundation Trust considering the fair value of the existing site, the remaining economic use to be derived from the site assets and the appropriate value of the existing site at 31 March 2019.

During the year the NHS Foundation Trust secured an agreement to sell the site and contracts were exchanged on 27<sup>th</sup> March 2019. Completion of the sale is anticipated to take place by September 2019.

A valuation of the existing site at 31 March 2015 was carried out by external organisation, Boshiers and Company, Chartered Surveyors, in accordance with the requirements of the HM Treasury Financial Reporting Manual, Department of Health and Social Care Foundation Trust Annual Reporting Manual and International Financial Reporting Standards (IFRS).

The buildings and dwellings not expected to be of value to the NHS Foundation Trust following its relocation to the new site, or any expected existing use value, were valued to reflect their remaining economic life. Land, buildings and dwellings expected to have continued existing use value after the relocation were valued on that basis.

The existing site and off-site dwellings are still operational property and will be until 9 May 2019 when the Hospital has fully relocated.

The NHS Foundation Trust is of the opinion that the fair value of its land, buildings and dwellings has not changed from the 31 March 2015 valuation. The NHS Foundation Trust's land, buildings and dwellings have therefore not been revalued in year.

Valuations are carried out by professionally qualified individuals in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. A valuation of the New Royal Papworth Hospital PFI site was carried out in the 2017/18 financial year, by the NHS Foundation Trust's externally appointed independent organisation, Boshiers and Company, Chartered Surveyors. The effective date of valuation was the 31 March 2018. More detail about the valuation process is contained in the accounting policies, note 1.7 and impairment of assets, note 5.

## 11 INVESTMENTS

The investments relate to the NHS Charity and comprise of shares, and also cash held with the investment managers for future investment in equity.

	<b>31 March 2019 £000</b>	31 March 2018 £000
<b>Investment Managers</b>		
Market value at 1 April	<b>6,627</b>	6,362
Add: Additions of shares	<b>880</b>	552
Less: Disposals at carrying value	<b>(1,150)</b>	(498)
Net gain on revaluation	<b>257</b>	210
<b>Market value at 31 March (shares only)</b>	<b>6,614</b>	6,626
Cash held with Investment Managers at 31 March	<b>1,096</b>	2,637
<b>Total value of investments</b>	<b>7,710</b>	9,263
Historic cost at 31 March (shares only)	<b>4,615</b>	4,832

The valuation of the investments is at 31 March 2019 and may not be realised at the date the investments are disposed of.

At 31 March 2019 5,000 (31 March 2018: 5,000) shares were held with a market value of £462,052 (31 March 2018: £382,806) in Findlay Park Funds American USD Dis., which represents 7.8% of the total market value of shares held.

Shares were purchased and sold during the year by the NHS Foundation Trust's Investment Managers. The historic cost represents the value of shares after purchases and sales at 31 March 2019 before the shares were revalued.

Cash held with the NHS Foundation Trust's Investment Managers is for future investment. The majority of cash held is the balance of the sale proceeds from the sale of shares, less the purchase of shares, with some additional cash as a result of dividend income received. Cash held by the NHS Foundation Trust's Investment managers for re-investment is all held within the UK.

## 12 INVENTORIES

	Group		Trust	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Drugs	534	453	534	453
Consumables	3,971	3,409	3,971	3,409
NHS Charity - gift shop	26	18	-	-
<b>TOTAL</b>	<b>4,531</b>	<b>3,880</b>	<b>4,505</b>	<b>3,862</b>

The cost of inventories recognised as an expense and included in 'operating expenses' amounted to £25,603k (2017/18: £25,749k).

An additional £5k (2017/18: £20k) was recognised as a write-down expense.

## 13 TRADE AND OTHER RECEIVABLES

	Group		Trust	
Current	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Contract receivables: invoiced NHS	1,538	2,169	1,538	2,169
Contract receivables: invoiced other	2,881	3,101	3,084	4,226
VAT receivables	1,349	1,485	1,349	1,485
Contract receivables: not yet invoiced	1,278	2,450	816	2,280
Allowance for the impaired contract receivables	(680)	(1,175)	(680)	(1,175)
PDC dividend receivable	540	-	540	-
Prepayments other	2,512	1,726	2,512	1,726
Other receivables	55	3	55	3
<b>TOTAL</b>	<b>9,473</b>	<b>9,759</b>	<b>9,214</b>	<b>10,714</b>
<b>Non-current</b>				
PFI lifecycle prepayments	114	38	114	38
<b>TOTAL</b>	<b>114</b>	<b>38</b>	<b>114</b>	<b>38</b>

### 13.1 Provision for impairment of receivables

	<b>Total trade receivables</b>	<b>Other trade receivables</b>
	<b>£000</b>	<b>£000</b>
At 1 April 2018	1,175	1,175
Impact of IFRS 9 implementation on 1 April 2018 balance	(447)	(447)
New allowance arising	54	54
Changes in the calculation of existing allowances	(1)	(1)
Receivables written off during the year as uncollectable	(16)	(16)
Reversals of allowances	(85)	(85)
<b>At 31 March 2019</b>	<b>680</b>	<b>680</b>

	<b>Total trade receivables</b>	<b>Other trade receivables</b>
	<b>£000</b>	<b>£000</b>
At 1 April 2017	746	746
New allowance arising	714	714
Receivables written off during the year as uncollectable	(35)	(35)
Reversals of allowances	(250)	(250)
<b>At 31 March 2018</b>	<b>1,175</b>	<b>1,175</b>

### 13.2 Analysis of impaired receivables

	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>£000</b>	<b>£000</b>
<b>Ageing of impaired receivables</b>		
Current	8	183
0 - 30 days	7	-
30 - 60 days	2	-
60 - 90 days	3	-
90 - 180 days	137	124
Over 180 days	523	868
<b>TOTAL</b>	<b>680</b>	<b>1,175</b>

### 13.3 Analysis of non-impaired receivables

	31 March 2019 £000	31 March 2018 £000
<b>Ageing of non-impaired receivables</b>		
Current	2,931	4,215
0 - 30 days	210	535
30 - 60 days	(22)	351
60 - 90 days	411	180
90 - 180 days	173	69
Over 180 days	239	(127)
<b>TOTAL</b>	<b>3,942</b>	<b>5,223</b>

### 14 CASH AND CASH EQUIVALENTS

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
At 1 April	51,627	36,716	50,224	34,721
Net change in year	(28,306)	14,911	(27,505)	15,503
<b>Balance at 31 March</b>	<b>23,321</b>	<b>51,627</b>	<b>22,719</b>	<b>50,224</b>
<b>Made up of:</b>				
Government Banking Services	21,754	49,697	21,754	49,697
Cash at commercial banks and in hand	1,567	1,930	965	527
<b>Cash and cash equivalents as in statement of cash flows</b>	<b>23,321</b>	<b>51,627</b>	<b>22,719</b>	<b>50,224</b>

The change to the calculation of net cash balances used when calculating the PDC dividend restricts the NHS Foundation Trust's investment options. The NHS Foundation Trust's surplus cash is invested in short term deposits with the National Loans Fund where applicable. The reduction in interest earned by keeping cash surplus in government banking is less than the impact of not including them in the PDC dividend calculation.

Interest earned on these deposits is accrued in the financial statements and is disclosed on the face of the Statement of Comprehensive Income.

Surplus cash balances held by the NHS Charity are either invested in a notice account or invested in short term deposits with a small range of approved commercial banks.

As at 31 March 2019 £nil was held on short term deposit (31 March 2018: £nil) by the NHS Foundation Trust and £0.2m (31 March 2018: £0.2m) was held on short term deposit by the NHS Charity.

## 15 TRADE AND OTHER PAYABLES

Current	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
NHS Payables - revenue	5,032	7,211	5,032	7,211
Other trade payables - revenue	6,453	3,892	6,453	3,892
Other trade payables - capital	5,952	9,059	5,952	9,059
Receipts in advance	2,972	3,385	2,972	3,385
Other taxes payable	2,058	1,860	2,058	1,860
Accruals	11,489	8,744	11,396	8,730
PDC dividend payable	-	973	-	973
Other payables	1,300	1,148	1,300	1,148
<b>TOTAL</b>	<b>35,256</b>	<b>36,272</b>	<b>35,163</b>	<b>36,258</b>

### Non-current

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

Outstanding pension contributions of £1,242k falling within one year are included within 'Other payables' for the year to 31 March 2019 (31 March 2018: £1,114k).

## 16 OTHER LIABILITIES

	Current	
	31 March 2019 £000	31 March 2018 £000
Deferred Income	248	47

## 17 BORROWINGS

	Current		Non-current	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Loans from Department of Health	2	-	10,000	10,000
Obligations under PFI contract	2,110	2,006	84,334	86,444
	<b>2,112</b>	<b>2,006</b>	<b>94,334</b>	<b>96,444</b>

## 17.1 Reconciliation of liabilities arising from financing activities

	Loans from DHSC £000	PFI and LIFT schemes £000	Total £000
<b>Carrying value at 1 April 2018</b>	10,000	88,450	<b>98,450</b>
<b>Cash movements:</b>			
Financing cash flows - payments and receipts of principal	-	(2,006)	<b>(2,006)</b>
Financing cash flows - payments of interest	(57)	(4,919)	<b>(4,976)</b>
<b>Non-cash movements:</b>			<b>-</b>
Impact of implementing IFRS 9 on 1 April 2018	2	-	<b>2</b>
Application of effective interest rate	57	4,919	<b>4,976</b>
<b>Carrying value at 31 March 2019</b>	<b>10,002</b>	<b>86,444</b>	<b>96,446</b>

The loan from Department of Health and Social Care represents a bridging loan from the Secretary of State for Health against the sale of land at the existing Royal Papworth hospital site at Papworth Everard to support working capital. The repayment date of the loan is 18 March 2022. Interest on the loan is charged at 0.59%.

## 18 PROVISIONS

	31 March 2019		
	Pensions relating to other staff £000	Other £000	Total £000
<b>At 1 April 2018</b>	<b>506</b>	<b>867</b>	<b>1,373</b>
Change in the discount rate	56	-	<b>56</b>
Arising during the year	-	1,184	<b>1,184</b>
Utilised during the year	(31)	(179)	<b>(210)</b>
<b>At 31 March 2019</b>	<b>531</b>	<b>1,872</b>	<b>2,403</b>
<b>Expected timing of cash flows:</b>			
- not later than one year;	48	1,520	<b>1,568</b>
- later than one year and not later than five years;	139	352	<b>491</b>
- later than five years.	344	-	<b>344</b>
<b>Total</b>	<b>531</b>	<b>1,872</b>	<b>2,403</b>

31 March 2018

	Pensions relating to other		
	staff	Other	Total
	£000	£000	£000
<b>At 1 April 2017</b>	454	-	454
Change in the discount rate	86	-	86
Arising during the year	-	867	867
Utilised during the year	(34)	-	(34)
<b>At 31 March 2018</b>	<b>506</b>	<b>867</b>	<b>1,373</b>
<b>Expected timing of cash flows:</b>			
- not later than one year;	43	588	631
- later than one year and not later than five years;	145	279	424
- later than five years.	318	-	318
<b>Total</b>	<b>506</b>	<b>867</b>	<b>1,373</b>

The lease dilapidations provision relates to costs the NHS Foundation Trust is likely to incur carrying out remedial and/or dilapidation works at the end of some of its land and building leases. The majority of the costs are likely to be incurred during 2019/20 once services have been transferred to the new Royal Papworth Hospital in May 2019.

Other provisions relate to payments due on 1 July 2019 or if earlier, the date upon which the NHS Foundation Trust is planning to dispose of the existing Papworth Everard hospital site, to release pre-emption rights and restrictive covenant on the site. It also relates to payments due to be made by the NHS Foundation Trust under two land and two equipment operating leases from 9 May 2019 until their termination dates, as the NHS Foundation Trust will no longer require the associated assets once it relocates to the new Royal Papworth Hospital in May 2019. In addition other provisions include a provision for four employment tribunal claims that are currently ongoing.

The balance on provisions relates to staff pension costs for staff who took early retirement, before 6 March 1995 and staff entitled to injury benefit. This is settled by a quarterly charge from the NHS Pensions Agency.

The amount included in the provision of NHS Resolution at 31 March 2019 in respect of clinical negligence liabilities of the NHS Foundation Trust is £13,444k (31 March 2018: £10,298k).

## 19 CONTINGENT ASSETS AND LIABILITIES

The value of contingent liabilities in respect of NHS Resolution legal claims at 31 March 2019 is £17k (31 March 2018: £5k).

There are no contingent assets.

## 20 CAPITAL AND CONTRACTUAL COMMITMENTS

The value of commitments under capital expenditure contracts at the end of the financial year was £1.3m (31 March 2018: £8.9m). There were no commitments under finance leases at the end of the financial year (31 March 2018: £nil).

These commitments relate to orders that had been raised for equipment and intangibles relating to the new hospital which were not delivered to site at the year end. These will be funded from Trust resources in 2018/19 as part of the new hospital equipping programme.

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



## 21 ON SOFP PFI ARRANGEMENTS

On 12 March 2015 the NHS Foundation Trust concluded contracts under the Private Finance Initiative (PFI) with NPH Healthcare Ltd for the construction of a new 310 bed hospital and the provision of hospital related services.

The PFI scheme was approved by the NHS Executive and HM Treasury as being better value for money than the public sector comparator. Under IFRIC 12, the PFI scheme is deemed to be on-Statement of Financial Position, meaning that the hospital is treated as an asset of the NHS Foundation Trust, being acquired through a finance lease. The payments to NPH Healthcare Ltd in respect of the facility (New Royal Papworth Hospital) have therefore been analysed into finance lease charges and service charges. The accounting treatment of the PFI scheme is detailed in the accounting policies note.

The service element of the contract was £6.09m (2017/18 £0.70m). The hospital was handed over to the NHS Foundation Trust in February 2018 and will be fully operational in May 2019. Payments under the scheme commenced in February 2018. The agreement is due to end in March 2048.

The value of the scheme at inception was £163.60m, but was subsequently re-valued to £118.90m on 19 February 2018 to depreciated replacement cost on a modern equivalent asset basis.

Finance charges include both interest payable and contingent rent payable. Contingent rent is variable dependent of the future rate of inflation using the Retail Price Index (RPI).

### 21.1 PFI finance lease obligations

	Group		Trust	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
<b>Gross PFI finance lease liabilities</b>	<b>86,444</b>	88,450	<b>86,444</b>	88,450
<b>Of which liabilities are due</b>				
- not later than one year;	<b>2,110</b>	2,006	<b>2,110</b>	2,006
- later than one year and not later than five years;	<b>8,578</b>	8,403	<b>8,578</b>	8,403
- later than five years.	<b>75,756</b>	78,041	<b>75,756</b>	78,041
Finance charges allocated to future periods	-	-	-	-
<b>Net PFI liabilities</b>	<b>86,444</b>	88,450	<b>86,444</b>	88,450
- not later than one year;	<b>2,110</b>	2,006	<b>2,110</b>	2,006
- later than one year and not later than five years;	<b>8,578</b>	8,403	<b>8,578</b>	8,403
- later than five years.	<b>75,756</b>	78,041	<b>75,756</b>	78,041

## 21.2 PFI total unitary payments obligations

	Group		Trust	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Total future payments committed in respect of the PFI arrangement	<b>531,488</b>	541,827	<b>531,488</b>	541,827
<b>Of which liabilities are due</b>				
- not later than one year;	<b>14,184</b>	14,127	<b>14,184</b>	14,127
- later than one year and not later than five years;	<b>60,093</b>	58,748	<b>60,093</b>	58,748
- later than five years.	<b>457,211</b>	468,952	<b>457,211</b>	468,952

## 21.3 Analysis of amounts payable to service concession operator

	Group		Trust	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Unitary payment payable to service concession operator	<b>13,475</b>	2,002	<b>13,475</b>	2,002
<b>Consisting of:</b>				
- Interest charge	<b>4,919</b>	711	<b>4,919</b>	711
- Repayment of finance lease liability	<b>2,006</b>	450	<b>2,006</b>	450
- Service element and other charges to operating expenditure	<b>6,088</b>	702	<b>6,088</b>	702
- Contingent rent	<b>386</b>	101	<b>386</b>	101
- Addition to lifecycle prepayment	<b>76</b>	38	<b>76</b>	38
	<b>13,475</b>	2,002	<b>13,475</b>	2,002

## 22 EVENTS AFTER THE REPORTING YEAR

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

## 23 PUBLIC DIVIDEND CAPITAL

The dividend payable on public dividend capital (PDC) is based on the pre-audit actual (rather than forecast) average relevant net assets at an annual rate of 3.5% (see note 1.16).

The NHS Foundation Trust received £0.14m of PDC funding in 2018/19 to fund the implementation of 2020 secondary care WiFi and a pharmacy system upgrade. In 2017/18, the NHS Foundation Trust received £45.5m structural debt re-financing in the form of PDC funding.

## 24 RELATED PARTY TRANSACTIONS

Royal Papworth Hospital NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

The key management personnel of the NHS Foundation Trust are the Executive and Non-Executive Directors of the NHS Foundation Trust. The total number of Directors to whom benefits are accruing under a defined benefit scheme is 6 (2017/18: 7).

	2018/19 £000	2017/18 £000
Remuneration payment	975	1,151
Employer contribution to the NHS Pension Scheme	79	119
	<b>1,054</b>	<b>1,270</b>

\* Includes third party agency fees for interim services of Director of HR 2017/18 (value is gross of VAT)

The remuneration payment relating to the highest paid director is £169k (2017/18: £168k). The highest paid director opted out of the pension scheme in March 2018. Further information is available in the Remuneration Report, which is included within the NHS Foundation Trust's Annual Report.

During the year none of the senior managers of the NHS Foundation Trust or parties related to them has undertaken any material transactions with the NHS Foundation Trust.

Dr S Lintott, a Non-Executive Director of the NHS Foundation Trust, held various positions within the University of Cambridge, particularly in relation to fundraising. During the year the NHS Foundation Trust made payments to the University of Cambridge of £385k (2017/18: £407k) for staff recharges relating to medical staff. At the 31 March 2019 the NHS Foundation Trust has £202k (31 March 2018: £nil) owing to the University of Cambridge relating to staff recharges.

Mr M Millar, a Non-Executive Director of the NHS Foundation Trust, held the position as Independent Chair of the Finance, Planning and Performance Group for the Cambridge and Peterborough Sustainability and Transformation Programme, which is hosted by Cambridge and Peterborough NHS Foundation Trust until 31 March 2018. Mr M Millar left the Trust on 31 October 2018. During the year the NHS Foundation Trust made payments to the Cambridge and Peterborough NHS Foundation Trust of £137k (2017/18: £329k). At the 31 March 2019 the NHS Foundation Trust has £26k (31 March 2018: £58k) owing to Cambridge and Peterborough NHS Foundation Trust.

In partnership with the University of Cambridge, Cambridge University Hospitals NHS Foundation Trust and Cambridgeshire and Peterborough NHS Foundation Trust, the NHS Foundation Trust set up an Academic Health Science Centre. The partnership vehicle, called Cambridge University Health Partners (CUHP) is a company limited by guarantee. The objects of CUHP are to improve patient care, patient outcomes and population health through innovation and the integration of service delivery, health research and clinical education.

The CUHP is regarded as a related party of the NHS Foundation Trust. During the year the NHS Foundation Trust made a payment of £103k (2017/18: £103k) to the CUHP for its share of the CUHP running costs. At 31 March 2019 there was £26k owing by the NHS Foundation Trust to CUHP (31 March 2018: £26k). There were no amounts written off during the year and there are no provisions for doubtful debts at 31 March 2019 in respect of CUHP (31 March 2018: £nil). The Chief Executive, Chairman and the Non-Executive Director University nominee, nominated by the University of Cambridge, are 3 out of 12 Directors of the CUHP.

The NHS Foundation Trust is also a member of the Eastern Academic Health Science Network (EAHSN) which is involved with the local Health Education and Innovation Cluster (HIEC) and hosts the national Small Business Research Initiative (SBRI) Healthcare.

The Department of Health and Social Care is regarded as a related party. During the year Royal Papworth Hospital NHS Foundation Trust has had a significant number of material transactions

with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

	Income		Current Receivables	
	2018/19	2017/18	At 31 March	At 31 March
			2019	2018
	£000	£000	£000	£000
NHS England	106,686	94,805	817	643
NHS Cambridgeshire and Peterborough CCG	13,070	12,233	-	-
NHS West Suffolk CCG	4,126	4,160	-	251
Health Education England	3,288	2,989	-	838
NHS West Norfolk CCG	2,841	2,861	-	-
NHS Bedfordshire CCG	2,194	1,941	-	-
Department of Health and Social Care	1,825	2,252	1	17
NHS Ipswich and East Suffolk CCG	1,606	1,760	-	111
NHS South Lincolnshire CCG	1,348	1,156	26	108
NHS Blood and Transplant	1,298	1,183	147	71
NHS West Essex CCG	1,223	1,035	-	-
NHS East and North Hertfordshire CCG	1,165	1,172	-	-

The figures above differ from those in note 2.2 due to the inclusion of sundry income.

The related party organisations listed above are those where income for the year to 31 March 2019 is greater than £1,000k.

Under the new reforms, the NHS Foundation Trust's lead commissioner from 2013/14 is NHS England – Specialised Commissioning Midlands and East (East of England). The NHS Foundation Trust has reached an agreement on a contract to provide healthcare services of £122.4m for 2019/20.

	Expenditure		Current Payables	
	2018/19	2017/18	At 31 March	At 31 March
			2019	2018
	£000	£000	£000	£000
NHS Pension Scheme	8,274	7,902	1,242	1,114
HM Revenue & Customs - NI Contributions	7,506	7,078	2,058	1,860
Cambridge University Hospitals NHS Foundation Trust - medical, staffing, pathology and other services	4,617	3,757	1,319	1,315
NHS Resolution (formerly NHS Litigation Authority)	843	663	-	3
Public Health England (was Health Protection Agency)	579	524	176	3
NHS England	411	1,303	4,952	5,787
Cambridgeshire and Peterborough NHS Foundation Trust	307	533	268	86

The related party organisations listed above are those where expenditure for the year to 31 March 2019 is greater than £500k.

The NHS Foundation Trust is the Corporate Trustee of the Royal Papworth Hospital Charitable Fund, a registered Charity. The NHS Foundation Trust has assessed its relationship to the Charitable Fund and determined it to be a key related party of the NHS Foundation Trust. The

NHS Foundation Trust has consolidated the NHS Charity into the NHS Foundation Trust's accounts (see note 1.1).

## **25 FINANCIAL RISK MANAGEMENT**

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

### **Market risk**

Market risk is the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements. A significant proportion of the NHS Foundation Trust's transactions are undertaken in sterling and so its exposure to foreign exchange risk is minimal. It holds no significant investments other than short-term bank interest and the NHS Foundation Trust's income and operating cash flows are subsequently independent of changes in market interest rates.

### **Credit risk**

Credit risk is the possibility that other parties might fail to pay amounts due to the NHS Foundation Trust. Credit risk arises from deposits with banks and financial institutions as well as credit exposures to the NHS Foundation Trust's commissioners and other receivables. Surplus operating cash is only invested with banks and financial institutions that are rated independently with a minimum score of A1 (Standard and Poor's), P-1 (Moody's) or F1 (Fitch). The NHS Foundation Trust's net operating costs are incurred largely under annual service agreements with NHS commissioning bodies, which are financed from resources voted annually by Parliament. As NHS commissioning bodies are funded by government to buy NHS patient care services, no credit scoring of these is considered necessary. An analysis of the ageing of receivables and provision for impairments can be found at note 13 'Trade and other receivables'.

### **Liquidity risk**

Liquidity risk is the possibility that the NHS Foundation Trust might not have funds available to meet its commitments to make payments. Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. NHS Foundation Trusts are required to assess liquidity as one of the two measures in the Continuity of Services Risk rating set out in Monitor's Risk Assessment Framework.

## 26 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

### Financial assets

	Group		Trust	
	Total	Financial assets at amortised cost	Total	Financial assets at amortised cost
	£000	£000	£000	£000
Receivables with DHSC group bodies	1,263	1,263	1,263	1,263
Receivables not yet invoiced	1,300	1,300	838	838
Other receivables (net provision for impaired debts)	2,509	2,509	2,509	2,509
Other investments	7,710	7,710	-	-
Cash at bank and in hand	23,321	23,321	22,719	22,719
<b>Total at 31 March 2019</b>	<b>36,103</b>	<b>36,103</b>	<b>27,329</b>	<b>27,329</b>
Receivables with DHSC group bodies	2,032	2,032	2,032	3,493
Receivables not yet invoiced	2,440	2,440	2,270	1,836
Other receivables (net provision for impaired debts)	2,076	2,076	3,201	3,612
Other investments	9,263	9,263	-	-
Cash at bank and in hand	51,627	51,627	50,224	34,721
<b>Total at 31 March 2018</b>	<b>67,438</b>	<b>67,438</b>	<b>57,727</b>	<b>43,662</b>

### Financial liabilities

	Group		Trust	
	Total	Other financial liabilities	Total	Other financial liabilities
	£000	£000	£000	£000
Payables with DHSC group bodies	5,028	5,028	5,028	5,028
Other payables	13,709	13,709	13,709	13,709
Accruals	11,489	11,489	11,396	11,396
Provisions under contract	2,403	2,403	2,403	2,403
DHSC loans	10,002	10,002	10,002	10,002
Finance leases and PFI liabilities	86,444	86,444	86,444	86,444
<b>Total at 31 March 2019</b>	<b>129,075</b>	<b>129,075</b>	<b>128,982</b>	<b>128,982</b>
NHS payables	7,211	7,211	7,211	7,211
Other payables	16,932	16,932	16,932	16,932
Accruals	8,744	8,744	8,730	8,730
Provisions under contract	867	867	867	867
DHSC Loans	10,000	10,000	10,000	10,000
Finance leases and PFI liabilities	88,450	88,450	88,450	88,450
<b>Total at 31 March 2018</b>	<b>132,204</b>	<b>132,204</b>	<b>132,190</b>	<b>132,190</b>

Notes:

In accordance with IFRS 9, the fair value of the financial assets and liabilities (held at amortised cost) are not considered significantly different to book value.

## 27 MATURITY OF FINANCIAL LIABILITIES

	Group		Trust	
	At 31 March 2019	At 31 March 2018	At 31 March 2019	At 31 March 2018
	£000	£000	£000	£000
Less than one year	33,906	35,482	33,813	35,468
In more than one year but not more than two years	2,497	2,388	2,497	2,388
In more than two years but not more than five years	16,572	16,293	16,572	16,293
Greater than five years	76,100	78,041	76,100	78,041
	<b>129,075</b>	132,204	<b>128,982</b>	132,190

## 28 THIRD PARTY ASSETS

The NHS Foundation Trust held £786k cash at bank at 31 March 2019 (31 March 2018: £2,329k) relating to Health Enterprise East, a research and development company limited by guarantee for which the NHS Foundation Trust is the host organisation. This amount is held to offset any possible liabilities that might fall to be settled on behalf of Health Enterprise East. These balances are excluded from the cash and cash equivalents figure reported in the NHS Foundation Trust's Statement of Financial Position. £nil cash at bank and in hand at 31 March 2019 (31 March 2018: £nil) was held by the NHS Foundation Trust on behalf of patients.

## 29 LOSSES AND SPECIAL PAYMENTS

	2018/19		2017/18	
	No. of cases	Value of cases £000	No. of cases	Value of cases £000
<b>Losses:</b>				
Overpayment of salaries	1	-	9	9
Fruitless payments	-	-	1	-
Private patients	4	58	1	12
Overseas visitors	3	44	1	13
Other	4	1	272	21
<b>Total losses</b>	<b>12</b>	<b>103</b>	<b>284</b>	<b>55</b>
<b>Special payments:</b>				
Loss of personal effects	4	1	8	2
Other	-	-	1	-
<b>Total special payments</b>	<b>4</b>	<b>1</b>	<b>9</b>	<b>2</b>
<b>Total</b>	<b>16</b>	<b>104</b>	<b>293</b>	<b>57</b>

These payments are calculated on an accruals basis but exclude provisions for future losses. There were no individual cases in 2018/19 (2017/18: nil) where a debt write off exceeded £100k.



## 30 INITIAL APPLICATION OF NEW STANDARDS

### 30.1 Initial application of IFRS 9

IFRS 9 Financial Instruments as interpreted and adapted by the DHSC GAM has been applied by the NHS Foundation Trust from 1 April 2018. The standard is applied retrospectively with any 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 liabilities, a 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 £2k and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £477k increase in the carrying value of receivables.

### 30.2 Initial application of IFRS 15

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the DHSC GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with any 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 DHSC 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 accounts of the NHS Foundation Trust.

## 31 FOREIGN CURRENCY

During the year income with a value of £nil was received in foreign currency (2017/18: £nil) and expenditure with a value of £564k was paid to suppliers in foreign currency (2017/18: £751k).

## 32 CHARITABLE FUND RESERVE

	Balance 1 April 2018 £000	Incoming Resources £000	Resources Expenses £000	Balance 31 March 2019 £000
Restricted Fund Balance	4,424	2,647	(3,544)	3,527
Unrestricted Fund Balance	5,515	4,328	(4,646)	5,197
<b>Total</b>	<b>9,939</b>	<b>6,976</b>	<b>(8,190)</b>	<b>8,724</b>



The main purpose of the charitable funds held on trust is to apply income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by the Royal Papworth Hospital NHS Foundation Trust.

Where there is a legal restriction on the purpose to which a fund may be used the fund is classified as a restricted fund. The major funds in this category are for the purpose of research, the transplant service and the treatment of heart patients.

Other funds are classified as unrestricted, which are not legally restricted but which the Trustees of the Charity have chosen to earmark for set purposes. These funds are classified as 'designated' within unrestricted funds and are earmarked for the payment of medical equipment leases contracted for by the NHS Foundation Trust and future payments for the direct benefit of the staff and patients within the NHS Foundation Trust.



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