



# Annual Report and Accounts 2018/19

Sheffield Children's  
NHS Foundation Trust





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## Section One: Performance Report

### Overview of performance

#### Chief Executive's Statement

*I am very pleased to introduce this year's Annual Report and Accounts. A great deal has happened in the last year and I'm proud to be able to highlight some of the strides forward we've made for the children and families we serve. As always, our staff have been key to the quality of our services. Their specialist skills, compassion and focus on excellence benefit children across Sheffield and beyond.*

Over the last year, we've continued to strengthen the links between physical and mental health services, making the holistic care we provide more seamless. This includes strengthening the support for mental health patients at the hospital site, while also providing dedicated physical health support at our Becton Centre. The new 0-19 Service, which opened last year, is also now well established and provides a valued service in schools and the community.

It has been a challenging year for us financially. We've developed an extensive Transformation Programme which is helping us to make our services more efficient, and will be delivering both improvements and savings longer term. Combined with support through our regional partnerships and national funding, we've ended the year with a small deficit of £2.6m after accounting for asset impairments of £6m.

In 2018/19, we've continued the improvement of our facilities. In April 2018 we opened our three new wards, new Outpatients department and new entrance. This spectacular new space is making a huge difference to the experience of patients and their families every day.

Shortly after, we opened our new PACT and Westfield Haematology and Oncology Clinic, providing bright and spacious surroundings for children and young people undergoing outpatient treatment for cancer, tumours and blood disorders.

Our next step is to refurbish some of the other wards and bring them to the same high standard as the new facilities. Ward 4 was the

first ward to benefit from this, moving into their new refurbished space later in 2018.

The work doesn't stop there. Work is currently underway on a new improved home for our Child Assessment Unit, which is moving to the bigger space previously held by our Haematology and Oncology Clinic. In partnership with The Children's Hospital Charity, we've also launched a fundraising appeal for Ward 6, the Emergency Department and for a helipad.

Our technology partnerships are also progressing rapidly. By working with other healthcare professionals, academia and private industry, we are leading the way in creating technology-based tools for supporting child health. We hope this will help families far beyond our region and for many years to come.

At the time of writing, we are part way through a CQC inspection, and are waiting to hear of the result having been rated Good in 2016. We've welcomed this opportunity to showcase all of the good work our teams have done, while also welcoming it as an opportunity to reflect and seek ways to continue to improve.

We have many people to thank for our successes. Our staff demonstrate both their expertise and their values every day, playing their part to improve children's health whatever their role.

We are incredibly fortunate to also have a huge supporting cast of fantastic people. We have our volunteers, numerous patient groups, our Council of Governors, our Youth Forum and our generous supporters through our charity partners – including The Children's

Hospital Charity, the Parent's Association for Children with Leukaemia and Tumours, the Friends of Sheffield Children's Hospital, the Sheffield Hospitals Charity and the Sick Children's Trust.

Everyone who supports us, whether giving their time, sharing their ideas or providing financial support, is playing a vital role in delivering the best possible care to children and young people across our region and beyond.



John Somers  
Chief Executive

24 May 2019

*The purpose of this overview section of our Annual Report is to provide a short summary of the Trust, our purpose, history, the key risks to the achievement of our objectives and to outline our performance during the year.*

### ***Our history and statutory background***

Sheffield Children's Hospital was first established in 1876. Since 1948 it has provided services under the NHS and, in 1992, it was established as an NHS trust.

On 1 August 2006, it became Sheffield Children's NHS Foundation Trust under the Health and Social Care (Community Health and Standards) Act 2003. Sheffield Children's NHS Foundation Trust is authorised to operate as a public benefit corporation under the National Health Service Act 2006.

The overall responsibility for running the Trust lies with the Board of Directors and the Council of Governors as the collective body through which directors explain and justify their actions.

## Purpose and principal activities of the Trust

*Sheffield Children's NHS Foundation Trust is one of only three dedicated children's hospital trusts in the UK. The Trust provides dedicated healthcare for children and young people, including community and mental health care as well as acute and specialist services. The Trust offers a comprehensive approach to supporting children and families, with the aim to be at the forefront of best practice in delivering high quality and integrated care to children and young people.*

Services are provided in a number of different locations. The majority of acute care is provided at the Sheffield Children's Hospital which is situated on Western Bank, a central location in the city. It is in close proximity to Sheffield's universities and to many of the facilities offered by Sheffield Teaching Hospitals. Sheffield Children's community and mental health services are provided from a number of locations.

The Ryegate Children's Centre is situated a mile away from Sheffield Children's Hospital, in the south west of the city and provides a focus for the delivery of services to children with disabilities, including those with complex neuro-disability.

Mental health services are provided from community sites across the city of Sheffield, including Flockton House, Centenary House and the Becton Centre for Children and Young People.

Sheffield Children's provides an exceptionally wide range of general and specialist services for children and young people across South Yorkshire and beyond, as summarised in the next column:

### Our services

- Secondary healthcare for the children and young people of Sheffield, including Emergency Department services.
- Highly specialised healthcare, including neurosurgery, oncology, endocrinology, specialist orthopaedics, neonatal surgery, metabolic disease, gastroenterology, respiratory diseases, intensive care, cystic fibrosis and neurology. These services meet the needs of children and young people living across South Yorkshire, Lincolnshire, and the Humber and in some cases from across the country.
- Community based services for the Sheffield population, including community paediatrics, child development, support for adoption and fostering, medical safeguarding advisory services, services for children with neuro-disability, health visiting, school nursing and speech and language therapy.
- Working closely with partner agencies in Sheffield, a full range of child and adolescent mental healthcare services including general mental healthcare and also specialist services, such as forensic services and services for vulnerable children. We also provide Tier 4 (day unit, highly specialised out-patient teams and in-patient units) services for the larger South Yorkshire/North Trent population.
- Embrace, our critical care transport service for children and infants, carries out transfers between hospitals across the Yorkshire and Humber region and beyond.
- A number of highly specialised pathology services, including new-born screening and genetics.
- National contracts for some specialised services, including Ehlers-Danlos Syndrome and Osteogenesis Imperfecta services.



## Key achievements 2018/19

### *Provide high quality patient experience and outcomes*

- Fully opened three new wards, bringing world class inpatient facilities to our hospital. A fourth ward was refurbished to bring more space, light and colour to the ward area.
- Opened our new PACT and Westfield Haematology and Oncology Clinic, providing bright and spacious surroundings for children and young people undergoing outpatient treatment for cancer, tumours and blood disorders.
- Started work on our new Child Assessment Unit, providing a big space and more privacy for our most vulnerable patients.
- Launched a state-of-the-art SPECT CT scanner which will allow doctors to diagnose young patients quicker than ever before, set in a child-friendly galaxy of stars.
- Launched a new EOS scanner which provides 2D and 3D images in just 15 seconds, and can be used while the child is either standing or sitting. In addition, it gives a much lower dose of radiation than a regular scanner.
- Increased our outreach in the community by launching a Roma Health café designed to reduce barriers to accessing health advice and signposting.
- Launched a new patient entertainment system for inpatients and secured an extensive library of DVDs from Disney.
- Our Youth Forum celebrated its second birthday in a year which saw young patients being involved in interviews, inspections, a takeover day, service reviews and providing input on key Trust campaigns and documents.
- Launched a new Patient Experience stall, which asks for family feedback on a monthly basis. This is usually based in the hospital's main entrance, but has also been hosted at the Becton Centre.
- Involved Chilypep (the Sheffield-based Children and Young People's Empowerment Project) in a range of activity, from supporting with clinician

interviews, to involvement in the Trust's Clinical Summit.

- Launched our new Patient Engagement Days, which encourage more feedback and involvement from families across both inpatient and outpatient areas.
- Improved patient experience by providing free WiFi for all patients and families.

### *Empower motivated and compassionate staff*

- This year we saw the highest response rate to the Staff Survey.
- We had the highest number of Star Award entries.
- Our nurse Julie Carr was named National Eczema Society Nurse of the Year by the British Dermatological Nursing Group.

### *Lead improvements in paediatric care*

- Awarded Centre of Clinical Excellence by Muscular Dystrophy UK. The accreditation recognises the outstanding care provided for people with muscle-wasting conditions.
- Our diabetes team's Quality Improvement initiative was runner up for a BMJ award in April 2019.
- Professor Nick Bishop was appointed as Vice President of the Royal College of Paediatrics.

### *Build clinical and financial sustainability*

- In a year of increased pressure for the NHS, Sheffield Children's had the best four hour performance figures for A&E waiting times in the country.
- We also provided care to patients with cancer within national target times.
- The Trust launched the 'Take My Place' initiative which aimed to reduce the number of missed appointments.

*Discover new ways to improve children's health*

- Our physiotherapists and play specialists worked with researchers from Sheffield Hallam University to develop two virtual reality (VR) computer games aimed at helping injured children through rehabilitation, as featured on BBC national news.
- We hosted a showcase in robotics for paediatrics and child health, in an event which was the first of its kind. Academic teams from the UK and Netherlands were involved in the event, organised in a partnership with Sheffield Children's hosted National Institute for Health Research (NIHR) Children and Young People MedTech Co-Operative and the University of Sheffield.
- The Sleep Team at Sheffield Children's was shortlisted to receive a Health Service Journal Award for a project that aims to improve sleep for children. The team were praised for their partnership approach as they developed a city-wide implementation of intensive behavioural intervention to improve sleep in vulnerable children.

## Overview of the Trust's Strategy

### Strategy refresh

*During 2018/19, considerable time was devoted to discussing our changing context and our refreshed strategy to ensure that we can respond to the demands of our local, regional and national environment. These meetings took place with the Trust Board, Executive Team, Trust Executive Group, Clinical Divisions, Research Division, Council of Governors and through open staff meetings*

Our refreshed Trust strategy aligns with the nationally driven approach to health and social care based upon collaborative partnerships. It dovetails with the work we are doing across the city of Sheffield as part of the Accountable Care Partnership and wider afield, as part of the South Yorkshire and Bassetlaw Integrated Care Partnership.

Coupled with an extremely challenging financial outlook for providers and commissioners nationally, it is essential we have focused aims and priorities for the next three years and beyond.

Our 'Caring Together' strategy for 2018-2021, launched in February 2018 has been thoroughly embedded in 2019/20. It reflects our strong position to take a leading role in children's healthcare across the system as an integrated, specialist, paediatric trust, providing physical and mental health in both acute and the community settings. It indicates a need to work together on many levels internally and externally.

Its title 'Caring Together' builds on our 'Together we care' values brand and will be used to support the continued transformation of care and the identification of opportunities for integrated care across our four clinical divisions.

The mission statement, purpose, aims and values provide organisational strategic direction for the next three years. These are supported by clear clinical and corporate priorities and annual objectives which outline the required delivery and accountability to achieve our aims.

#### **Our Mission Statement**

*Our aim is to provide care and treatment of the highest standard to the children and young people of Sheffield, South Yorkshire and beyond, working closely with children and their families, other partners, and our staff to improve the health, wellbeing and life chances of the younger population.*

#### **Our Purpose**

*Our purpose is to provide a healthier future for children and young people.*

#### **Our aims**

- **Provide** high quality patient experience and outcomes
- **Empower** motivated and compassionate staff
- **Lead** improvements in paediatric care
- **Build** clinical and financial sustainability
- **Discover** new ways of improving child health through research, innovation and technology

## Strategic partnerships

*It is recognised nationally that collaboration between organisations will be essential to tackle the challenges facing the NHS.*

*Sheffield Children's is actively involved in a number of strategic collaborations, the work of which has gained pace during 2019/20. Our partnership work with regional providers in South Yorkshire & Bassetlaw is regarded as being amongst the most advanced in the country.*

### **South Yorkshire and Bassetlaw Integrated Care System/ Sustainability and Transformation Plan**

In June 2017 the South Yorkshire and Bassetlaw Sustainability and Transformation Partnership (STP) was named as one of the first Integrated Care Systems (ICS) in the country. It is a partnership of 25 organisations responsible for looking after the health and care of the 1.5 million people living in Barnsley, Bassetlaw, Doncaster, Rotherham and Sheffield. More information about the ICS can be found on the ICS website: <https://www.healthandcaretogethersyb.co.uk/>

ICS partners join forces where it makes sense to do so and where it makes a positive difference to patients, staff and the public. The aim is to break down organisational barriers so that it can wrap support, care and services around people as individuals and positively change lives.

The governance of the ICS has been strengthened with interim arrangements in place from 1 April 2019. Whilst the ICS does not replace any legal, or statutory, responsibilities of any of the partner organisations, a number of groups discuss regional issues and agree how best to take things forward in collaboration.

The ICS Oversight and Assurance Group (OAG) is attended by chairs from clinical commissioning groups, hospital trusts and health and wellbeing boards. The OAG offers support and challenge to the ICS Collaborative Partnership Board which has continued in 2018/19 and is attended by chief executives and accountable officers from acute and mental health hospitals, primary care, commissioning groups, local authorities, umbrella voluntary action organisations, Healthwatch organisations, NHS England and other arm's length bodies. CCGs are also currently reviewing their terms of reference for the Joint Committee Clinical Commissioning

Groups (JCCC) with announcements regarding future working expected to be made in the coming year.

A number of workstreams have been identified as priorities for the ICS, they are:

- mental health and learning disabilities;
- urgent and emergency care;
- primary and community care;
- cancer;
- maternity and children's;
- elective and diagnostic;
- and population health management.

In 2018 -19 the workstreams have continued to work as networks, with key individuals from each partner organisation meeting on a regular basis to identify and develop opportunities to work together to improve health and care services.

In November 2017 the Treasury committed £3.5 billion of capital funding nationally for the period 2017/18 – 2022/2023 largely to support STP/ ICS transformation schemes which will help to bring real benefits to patients including those across South Yorkshire and Bassetlaw.

Ten million pounds had previously been set aside to support expansion of hyper-acute stroke services at Sheffield Teaching Hospitals and in February 2019 work began on the building of a £4.9m scanner facility at Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust.

Following capital funding being received by Barnsley Hospital NHS Foundation Trust plans have been put forward to co-locate and bring about close functional working of the Children's Assessment and Paediatrics Emergency Unit with a full business case expected to be completed by Barnsley in March 2019.

The ICS commissioned independent review of hospital services concluded in 2018. The

review looked at how hospital services are provided and what needs to happen to future proof them, taking into account local and national issues such as rising demand, workforce and resource challenges and the need to consistently meet quality standards.

Recommendations from the review, which were published in a report (including an easy read version) in May 2018, proposed that to continue providing high quality services, hospitals in Barnsley, Bassetlaw, Chesterfield, Doncaster, Rotherham and Sheffield must work together even more closely in a variety of different ways. This included ways for the hospitals to work together more effectively through the development of hosted networks. It also included transforming the way we allocate our workforce, to make the best use of the staff we have at the moment, and to ensure that people receive care as close to their own homes as possible. The report can be found here: <https://bit.ly/2Xgrmoi>

Following publication of the independent report the Integrated Care System produced the Strategic Outline Case, which was accepted by all partners in August 2018. Since then modelling has taken place, hosted networks have been established, and next steps will be decided shortly.

Some of the South Yorkshire and Bassetlaw system achievements in 2018/19 have included:

- Be Cancer SAFE social movement campaign creating over 12,000 cancer champions in the five Places (see later); raising awareness of signs and symptoms and encouraging conversations within communities.
- 1,300 additional patients accessing support through the Living With and Beyond Cancer programme.
- Meeting the 18-week waiting times target for elective and diagnostics across South Yorkshire and Bassetlaw.
- Improvements to the emergency out of hours ophthalmology service across the region to support a sustainable 7-day service.
- Becoming a national exemplar on reducing out of area placements in adult mental health services.
- Involvement in the national trial 'Working Win' which supports people with long term physical or mental health conditions into work, with over 2000 people already accessing the trial.
- Social prescribing support has been extended to mental health services.
- Mental health liaison services have been put in place in Rotherham and Sheffield Emergency Departments.
- Extended GP access at evenings and weekends has been available for 100% of patients since 1 October 2018.
- 21 clinical pharmacists - who are able to prescribe - have joined the workforce and are now working in general practice.
- Establishing and developing 36 primary care networks covering 100% of the population, ensuring more joined up services at a local level.
- A South Yorkshire and Bassetlaw Workforce and Training Hub has been established - recruiting local people into the NHS and helping them develop.
- Reducing extended length of stay and delayed transfers of care (helping patients get home quicker when they are medically fit for discharge).
- Implementation of NHS 111 online, including direct booking and clinical assessment service.
- Completed procurement for Integrated Urgent Care – due to start from March 2019.
- Saved £4.3m by working with NHS organisations across South Yorkshire and Bassetlaw to procure some surgical supplies as a group rather than as individual organisations.
- Set up and launched the first Allied Health Professional (AHP) Council in the country where a broad range of AHPs, including physiotherapists, dietitians and paramedics, come together to develop new ways of supporting health and care services.
- Gathered the views of over 14,000 people to help inform next steps for prescribing over the counter medicines.
- Introduced 135 trainee nursing associates into health and care services in Doncaster and Sheffield to undertake more routine tasks while better utilising the time of registered nurses in focusing on patients with more complex needs.
- Set up five "hosted networks" for the hospital services covered in the Hospital Services Review, with each one of our South Yorkshire and Bassetlaw acute trusts taking the lead for an individual service, co-ordinating its running and supporting the future planning in closer collaboration with partners.



- 825 non-clinical members of staff are now working as Care Navigators across the system, freeing up GP appointments by signposting patients to different services that might be more beneficial to them so they get the quickest and best care that is appropriate for their needs.
- Hospitals across the region have joined forces in a region-wide approach to support people to quit smoking. The initiative could see as much as a 40% reduction in smoking related deaths in two years.

### **Sheffield Accountable Care Partnership (ACP) and Place-based plan**

One of the ways that the system as a whole is looking to tackle the challenges of the future is by developing 'place-based' systems of care. This means organisations across health, social care and the voluntary sector working together across a geographical area and sharing resources to meet the health needs of their local population.

For our Trust, the place-based plan focuses on the Sheffield region and six priority areas were identified, one of these being Children and Maternity. The Trust is taking a leading role in its further development and delivery.

Priorities within the Children and Maternity workstream have been agreed and include:

- *Redesign of Children's Community Services* – working with Sheffield Clinical Commissioning Group (CCG) and Sheffield City Council on a redesign of children's community services. A redesign of health visiting and school nursing is underway, in order to form a new 0-19 Public Health Nursing Service which will particularly focus on the most vulnerable families. The new service will reflect the reduction in public health funding (£1.3m over three years). It is also likely to lead to the formation of locality-based integrated health and social care services being developed for children and families.
- *Urgent Care* – continued work with Sheffield CCG and local GPs to provide more care without admission to hospital for children with acute illness. We are doing this by reviewing the steps and processes patients go through across our health

services, also known as their care pathways. This also includes evaluation of a pilot of primary care streaming in our Emergency Department. Primary care streaming means we have based a primary care practitioner (a GP) within the Emergency Department, so that children with minor injuries and less serious conditions can be directed to (or 'streamed' to) the GP for care and treatment, without needing to involve the emergency team.

- *Reduction of waiting times in neuro-disability services.*
- *A joint review of short breaks (respite care).*
- *Child and Adolescent Mental Health Services (CAMHS) Transformation plans* – working with Sheffield CCG, Sheffield City Council and the voluntary sector on transforming mental health services in line with the national policy described within 'Future in Mind'. Funding has been allocated to redesign service, including:
  - services for those with eating disorders;
  - reducing waiting times;
  - the development of schools-based support;
  - and the extension of the Children's 'Improving Access to Psychological Therapies' (IAPT) programme.

### **Research and development**

2018/19 was hugely successful for research at the Trust and for the team in the Directorate of Research & Innovation and the Children's Clinical Research Facility. Our highly skilled team supports researchers looking to conduct the full spectrum of clinical research, from systematic reviews and qualitative research through to highly complex clinical trials. We recruited over 2,500 participants to over 300 research projects running in our Trust over the year. Some notable successes are given here with further details given in our Quality Report.

The 100,000 Genome Project, a national project launched in 2012 with the aim of sequencing 100,000 genomes by 2017, was extended to 2018. In addition to new diagnoses it is hoped that understanding an

individual's genome in more detail will enable doctors to predict how well a person will respond to a treatment or find one that will work best for them, so called personalised medicine. The focus of the project was on patients with cancer and rare diseases. Sheffield Children's and its patients were a major contributor to the project and by the time the project closed to recruitment late in 2018 we had recruited 1,955 patients with rare diseases.

One of our projects was to evaluate the outcomes of having sleep practitioner intervention in the community. In June 2018 the findings of this combined project with Sheffield City Council and the Children's Sleep Charity were presented to other professionals by Sheffield Children's Sleep Team at their conference "Wake up to Sleep". Vulnerable children with attention deficit disorder (ADHD) or in 'Looked After and Adoption Services' who were sleeping only 3 to 4 hours a night improved their sleep by an average of 2.4 hours a night. There were significant impacts on the wellbeing of parents and children's daytime behaviour. The partnership was shortlisted for a HSJ award and won the 2018 Children and Young People Now award.

We host a number of highly complex clinical trials in our Trust. In the last year we have run 44 clinical trials of investigational medicinal products (CTIMPs) and recruited 86 patients to these. Our commercial research portfolio continues to grow with 21 commercially sponsored CTIMPs running in the year and 30 patients participating. Over the last few years research in Dermatology has been particularly successful. We have recently run trials examining the use of Dupilumab for the

treatment of severe eczema in children. As a result of data from the trials conducted in our Trust and other centres, this drug is now available to a limited number of 12 to 16 year old patients via the Early Access to Medicines scheme. This medication has transformed the lives of children with severe atopic dermatitis.

In January 2018, the Trust launched and became the host for the first National Institute of Health Research Children and Young People MedTech Cooperative (NIHR CYP MedTech), bringing together seven NHS paediatric centres of expertise to focus on the development of child health technology in the following theme areas - Transition, epilepsy movement and muscle disorders, paediatric surgical technologies, children's cancer, respiratory and sleep disorders, ventilation, and rare diseases.

Over the last year, NIHR CYP MedTech has been active in driving the development of child health technology through collaboration with academics, designers and the commercial sector, working with teams that have secured grants from funders including Wellcome, Innovate UK, the MRC and NIHR.

NIHR CYP MedTech has hosted workshops, regional and national events to bring together clinicians, academics, designers and industry partners to work on the development of solutions to unmet needs in child health. The National TITCH (Technology Innovation Transforming Child Health) Network supported by NIHR CYP MedTech and NIHR Devices 4 Dignity continues to drive forward the development of child health technology in collaboration with key stakeholders, with a focus this year on prosthetics for children and young people.

## Trends and factors likely to affect the Trust's future development, performance and position

### *Financial stability and cash*

A challenging financial year saw the Trust miss its 2018/19 control total by approximately £1.5m.

The Trust has a control total for the coming year of £0.9m surplus (with Provider Sustainability Funding) with plans to deliver efficiencies of £7.9m. The scale of this financial challenge remains significant. A key factor in this savings target is under-delivery of our 2018/19 efficiency programme and the need to carry this forward to be delivered in the coming financial year.

The Trust has put in place a range of measures to help it get back to surplus including tighter financial management and accountability controls, increased senior capacity within the finance team and an ambitious transformational change programme which includes engagement work with managers and clinicians around ten programme work-streams, all with executive director lead responsibility.

Current forecasting and risk assessments show cash balances could also become a significant issue within the next financial year. Accordingly, the Trust has put in place a range of measures to control its cash and capital expenditure including exploration of other sources of funding.

The coming year will see greater emphasis around partnership working in respect of finance with the Trust signed up to a system-wide control total for South Yorkshire and Bassetlaw in addition to one at Trust level.

### *Maintaining quality of care*

Maintaining quality of care in the face of increased financial challenge, pressures on our workforce and a changing strategic environment will require focus on balancing risks to ensure that the quality of our patient care remains uncompromised.

Our quality governance and leadership structures support the Trust in ensuring that the quality of our care is being routinely monitored across all services; the quality governance arrangements to review and challenge performance and variation are described later in this report.

During 2018/19 we have continued to implement our CQC action plan to respond to the issues raised by the CQC following inspection of our services in 2016 and 2018. Delivery of this comprehensive action plan has been driven by Executive leads and monitored through divisional performance reviews with routine reports against progress presented to the Trust Board and Quality Committee.

A quality impact assessment process is in place overseen by our Director of Nursing and Quality and Medical Director and aligned to our transformation and recovery programme. This is to ensure that transformation plans do not carry any material risk to patient safety or quality of care.

In the coming year, the Trust will be taking forward the recommendations arising from the CQC's recent core service and Well Led inspections.

### *Leadership capacity and capability*

In order to drive forwards the NHS Long Term Plan, become a key player in the South Yorkshire and Bassetlaw Integrated Care System and deliver real transformation for the Trust, we require suitably skilled, experienced and knowledgeable leaders across our organisation.

In the past year, the Trust has invested in this area, both in terms of additional resources, and also in terms of putting in place the right structures, policies and processes, for example revised executive governance arrangements, the Shadow Board programme and the appointment of new executive and deputy directors.



Over the coming year, the Trust will strengthen its accountability framework for divisions and corporate staff and continue its work around senior management and wider organisational leadership development.

### *Clinical workforce shortages*

A key challenge for the Trust is recruiting sufficient numbers of appropriately qualified clinical staff, particularly Consultants and Junior Doctors, to be able to treat our growing number of patients.

The Trust, along with local, regional and national partners, has implemented a workforce strategy during 2018/19 to help address recognised shortages in some areas of the workforce and develop innovative solutions to appropriately fill these gaps. Progress is monitored against an action plan.

Other measures to make Sheffield Children's an attractive place to work include the introduction of People, Culture and Behaviours and Leadership Strategies, better appraisal rates and internal development opportunities and a renewed focus on the Trust's values. This has paid dividends with our latest staff survey results placing us in the best groups for some of the categories.

In relation to our nursing workforce, we continue to safely mitigate nurse vacancy levels through a proactive review of staffing to ensure that each ward area is staffed according to real-time need.

### *Partnership working*

Our external strategic landscape continues to be driven by government policy, focused on the importance of managing systems rather than organisations; recognising the need to integrate services around the needs of the patient and the importance of out-of-hospital care.

Sheffield Children's is fully engaged in regional partnership work and we have reviewed our own strategy to ensure that we can position ourselves to take a lead role in the priorities we identify across the system.

We will need to keep under review the financial risks and opportunities that arise from new collaborative working arrangements; in particular the implementation of shared governance and financial structures.

In the past year, the Trust has played an active role in the Sheffield Accountable Care Partnership, the South Yorkshire and Bassetlaw Integrated Care System (where we are leading the hosted network for the care of the acutely ill child work-stream), and local partnerships with Sheffield providers for corporate and clinical services.

### *Issues arising from the UK's planned departure from the European Union*

In preparation for the UK leaving the European Union, the Trust has made arrangements to ensure uninterrupted service provision in the event of a 'no-deal' scenario.

This has included meeting the requirements of NHS England guidance. The guidance highlighted key areas requiring additional 'readiness planning', these areas were supplies (medicines, medical devices, non-clinical of medicines, medical devices), reciprocal healthcare, research and clinical trials, workforce and data sharing.

At the Children's, a board report highlighted the key risks in each area, these were added to the Trust's risk register. A senior responsible officer was appointed and a task and finish group was established with subject matter experts from each key area. This group met regularly and assisted in the completion of daily situation reports and assurance to NHS England and CCG in preparation for the original exit date of 29 March.

The task and finish group also held a table-top exercise to test existing provisions and to establish any gaps. The Article 50 period has been extended until 31 October 2019 and NHS England has confirmed that preparations for a no deal outcome should continue with 'adjusted timescales'.

### *Going concern*

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

## Performance analysis

The Trust uses a comprehensive performance reporting framework to monitor and maintain focus on a wide range of indicators relating to quality, safe staffing, workforce and operational and financial performance.

Comprising of a suite of monthly reports presented to the Trust Board, its committees, and executive director-level groups, information is triangulated to ensure controls are put in place to manage risks to the delivery of high quality care for patients. Within these reports exceptions in performance against targets are highlighted, and action for improvement identified with supporting narrative.

Routine Board and Executive-review of delivery of agreed plans, together with the application of quality impact assessment tools, supports focus on the tension between quality, safety, financial efficiency and risks to ensure that patient care remains uncompromised.

Our performance framework has been further enhanced during 2018/19 through the embedding of an Integrated Performance Report. This reflects our Caring Together Strategy refresh.

## Operational performance report

### Patient activity

Demand for the Trust's services continues to include referrals from across the country, which highlights the Trust's role as an expert provider of healthcare for children.

The NHS care provided by Sheffield Children's NHS Foundation Trust across all settings in 2018/19 totalled almost 25,000 admissions and more than 58,000 emergency department attendances. The number of Outpatient attendances increased by 4 per cent from the previous year, with more than 194,000 attendances.

*Fig: Trust activity by activity type*

Activity type	2016/17	2017/18	2018/19	% change in last year
Total Elective Spells	18,857	18,196	18,622	2%
Total Non-Elective Spells	6,586	6,800	6,068	-11%
Total Outpatient Attendances	181,851	186,761	194,927	4%
Emergency Department Attendances	56,837	56,959	58,916	3%
Mental Health Community Contacts	20,589	20,094	21,366	6%
Mental Health Inpatients (Bed Nights)*	9,424	7,518	8,319	11%

## Performance against operational targets

### Performance against operational targets

Sheffield Children's NHS Foundation Trust delivered strong operational performance across a wide range of measures during 2018/19.

All key operational performance indicators monitored by our regulator NHS Improvement (NHSI) were met consistently throughout the year.

This included performance on waiting times in our Emergency Department, which remained very strong with the Trust achieving 97.49 per cent of our patients admitted, transferred or discharged within four hours of their arrival in the department, against a national target of 95 per cent. ***This made us the best performing A&E in the country.***

Against a target of 92 per cent, the Trust also met the key target for patients waiting less than 18 weeks on an incomplete pathway at 92.88 per cent. An 'incomplete pathway' in this context means the patient has been seen by a clinician, but will receive further treatment or has not yet been discharged.

All cancer waiting targets applicable to the Trust have been met, with all achieving 100 per cent.

During 2018/19 there were zero Trust attributable cases for C.difficile infection that were deemed as avoidable by the Clinical Commissioning Group. This is against a threshold of two for the year.

The table below summarises the Trust's performance in 2018/19 against key operational performance indicators used by NHS Improvement.

**Fig: 2018/19 Operational performance**

Performance Indicator	Target or Threshold	2017/18 Trust Performance	2018/19 Trust Performance
Maximum time of 18 weeks from point of referral to treatment for patients on an incomplete pathway	92%	93.20%	92.88%
A&E: maximum waiting time of four hours from arrival to admission, transfer or discharge	> 95%	97.23%	97.49%
Cancer: two-week maximum wait from referral to first seen - all urgent referrals (cancer suspected)	93%	100%	100%
All cancers: 31-day wait from diagnosis to first treatment	96%	100%	100%
All cancers: 31-day wait for second or subsequent treatment (surgery)	94%	100%	100%
All cancers: 31-day wait for second or subsequent treatment (anti-cancer drug treatments)	98%	100%	100%
C.difficile infection	2	2	0

## *Financial performance analysis*

The Trust commenced 2018/19 with a challenging financial plan, requiring delivery of the highest volumes of activity and efficiency savings the organisation has ever attempted to deliver (£8.6m or 4.6%). It was recognised that our plans contained a significant level of risk and it would be difficult to achieve them in full and without some potential additional support from the wider Integrated Care System.

The assessment at the start of the year proved to be accurate, and in fact the Trust was unable to deliver its financial plan in full. Whilst, for three quarters of the year the Trust delivered its financial position, the final quarter could not be achieved, and the year-end position reflects a £1.5m shortfall against the plan target.

The Trust's annual accounts report a deficit of £2.6m. This position is contributed to by £1.4m of charitable funding and £5.8m of Provider Sustainability Funding (PSF) and incorporates the impact of a £6m impairment loss. The Trust was allowed to retain receipt of all of the allocated PSF funding due to over-performance in other organisations within the wider ICS, which off-set the Trust's shortfall against its plan.

Whilst this is good news for the Trust, it clearly highlights the on-going and underlying challenges this Trust faces moving forwards as it looks to work with partners to develop and deliver a plan to return to financial balance over the coming years.

In addition, the Trust spent £7.49m on capital projects and assets during 2018/19.

## *Financial Outlook*

The economic challenge set before the NHS is not diminishing. As each year passes, the challenge to deliver more and better care increases, but this is alongside the requirement for continued levels of efficiency savings to deliver that ambition. NHS providers and commissioners are increasingly working together to deliver new ways of working and transforming provision to release savings, but both providers and commissioners alike face significant challenges moving into 2019/20.

That position is mirrored within this Trust, with significant financial challenges to overcome in 2019/20. The impact of not delivering the

2018/19 plan in full, alongside new pressures such as further funding losses through the national tariff prices, mean the Trust will need to deliver savings of £7.9m (circa 4%) to achieve its plans.

Whilst the Trust reported delivery of savings of £7m in 2018/19, much of this was on a one-off basis and to repeat this level of savings, even on a one-off basis, will prove difficult. Accordingly, the Trust will be looking to work with partners in the wider Sheffield Accountable Care Partnership (ACP) and South Yorkshire and Bassetlaw Integrated Care System (ICS) to develop and deliver credible savings plans with the support of those partners to facilitate delivery of plans in year, and to look to develop longer term plans to return to sustainable financial balance in the coming years.

***The Trust is already a leading voice for children and young people within the system***, and will be looking to strengthen and enhance that position further during 2019/20. One area where this will be particularly evident is taking forward and leading on hosted network arrangements for children's services, which will seek to standardise, strengthen and enhance care for children and young people across the region.

The Trust remains committed to working with all system partners, recognising that only through continued and transparent joint working will the NHS as a whole, and this Trust individually, be able to deliver all of the service and financial challenges currently faced.

## *Key Financial Risks*

The Trust needs to deliver £7.9m (4%) savings to deliver its 2019/20 financial plan. Whilst significant progress has been made with regard to development of transformation schemes and governance structures to provide assurance, management and oversight of these schemes, the key challenge remains delivery of savings at pace. Key elements of this transformation programme, structured around ten work-streams, will be the increased productivity and throughput from our modernising Outpatients and Well Prepared Surgery programmes, alongside a review of our workforce structure and working hours required to deliver our increasing activity demand.

The Trust will also look to work together within the system to progress opportunities for savings, and continue to look to secure additional national funding support to cover the losses experienced by our and other Children's service providers through implementation of the latest iteration of the national tariff prices.

Given the Trust effectively made an underlying loss in both 2017/18 and 2018/19, one of the Trust's key concerns is ensuring tight management of the cash balances moving forward. Whilst sufficient cash is available to the Trust now and forecast within the plan, any deviations from delivering that plan could create additional pressures.

Enhanced monitoring and control of cash will be put into place, and already controls and prioritisation requirements have been put into place for careful management of proposed capital expenditure. This ensures that resource is allocated to the most appropriate areas. This will remain under close scrutiny and management during the coming year.

Other key risks with a financial consequence that the Trust is seeking to manage over the coming financial year include the following:

- Delivery of agreed activity plans and sustaining performance against required national targets.
- Managing delivery within the constraints on physical and human resources and providing alternative delivery methods where required.
- Delivery of the Commissioner Quality, Innovation, Productivity and Prevention (QIPP) targets without causing additional financial pressure on the Trust.
- Delivery of any additional activity requirements deriving from the implementation of Integrated Care System plans.
- Clarity and strategy for management of financial risks and opportunities arising through the implementation of the Integrated Care System governance and financial structures, particularly with regard to system-wide control totals.
- The impact of any financial pressures arising from the response to, and delivery

of, national CAMHS Tier 4 services commissioning requirements and the national genetic laboratory services reorganisation.

## Environmental matters

Sheffield Children's NHS Foundation Trust acknowledges the potential impact that its activities may have on the environment and is committed to ensuring that effective environmental management and sustainable development become integral parts of our service provision.

### Energy

Energy accounts for 24 per cent of the NHS England carbon footprint and the Trust acknowledges that this figure is representative of its own carbon footprint in this area. The Trust's total energy consumption was 22.3 million Kilowatt hours.

*Fig: energy consumption*

Resource		2014/15	2015/16	2016/17	2017/18	2018/19
Gas	Use (kWh)	9,626,242	12,195,746	10,608,351	11,328,325	14,228,791
	tCO <sub>2</sub> e	2,020	2,552	2,217	2,402	3,017
Oil	Use (kWh)	0	0	17,884	21,000	0
	tCO <sub>2</sub> e	0	0	6	7	0
Electricity	Use (kWh)	1,039,636	706,519	6,692,872	7,095,517	7,059,554
	tCO <sub>2</sub> e	644	406	3,459	3,163	3,147
Green Electricity	Use (kWh)	6,285,207	6,864,008	1,421,214	923,047	1,029,423
	tCO <sub>2</sub> e	3,893	3,946	734	411	458
Total Energy CO <sub>2</sub> e		6,556	6,905	6,416	5,983	6,622
Total Energy Spend		£1,226,085	£1,200,062	£1,068,950	£1,405,192	£1,472,262

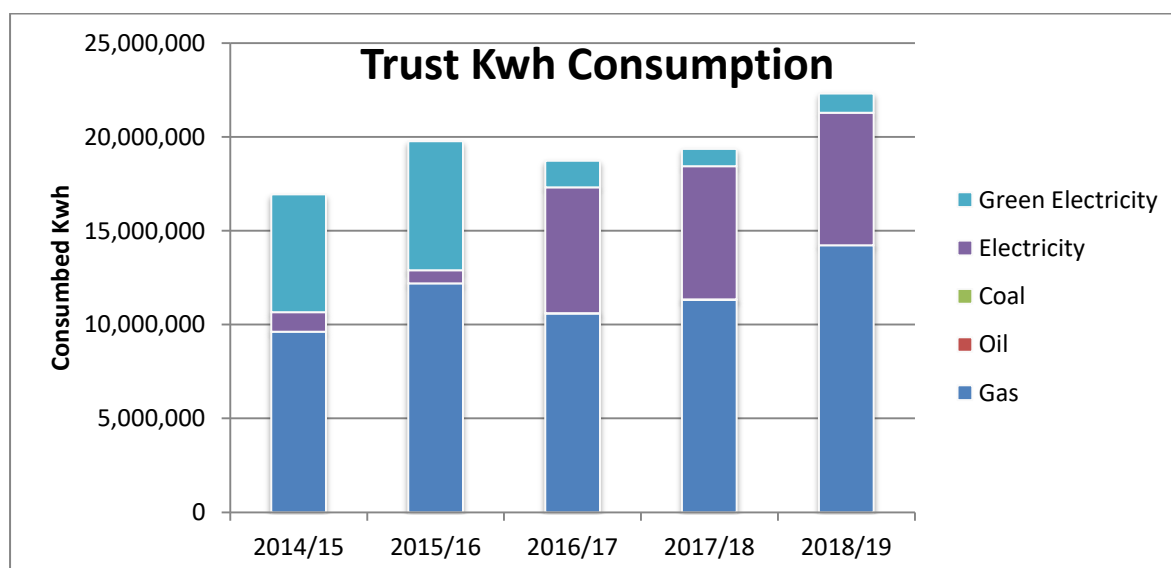
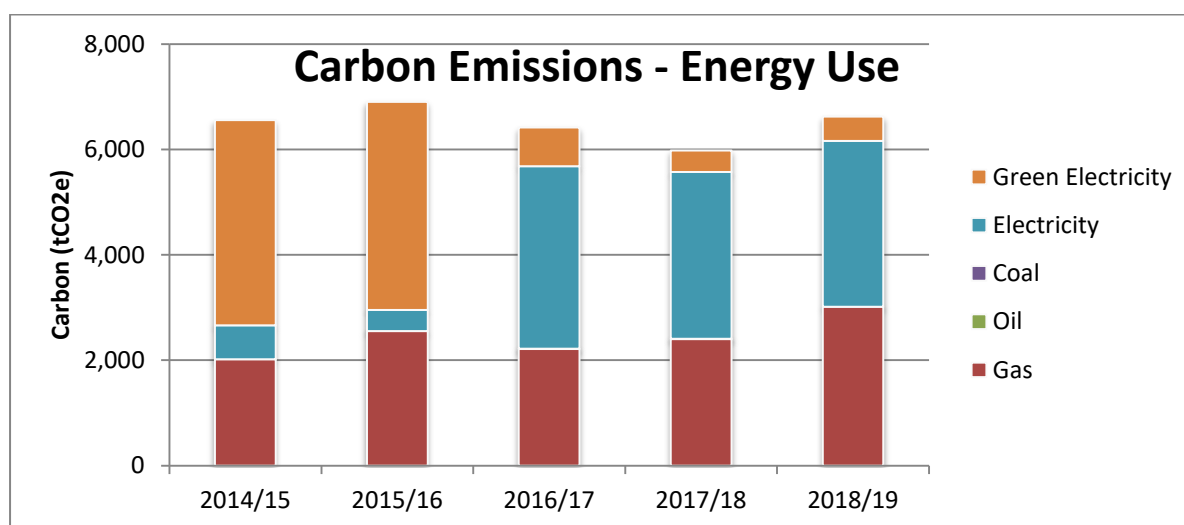
*\* Tonnes of carbon dioxide equivalent.*

There are two main factors that influence energy consumption: Seasonal temperature variations which influence demand for heating and cooling, and gross internal area that the Trust occupies.

The gross internal area (floor space) occupied by the Trust has not changed since last year.

The Trust is in contract with Crown Commercial Services to purchase its gas and electricity. The mix of green electricity to non-renewable electricity has changed on this contract and is reflected in the graph below.

**Fig: Carbon emissions**



## Sustainability

All public and private sector bodies have been set challenging targets to incrementally reduce carbon emissions by 80 per cent by 2050 from a baseline of emissions data from 1990. While the Trust has extended its property footprint in recent years, there has been no adjustment in our baseline target; increasing the challenge and requiring the Trust to accommodate increased emissions due to growth by reducing emissions across all areas.

The Trust's Estates Department is shortly to complete its £3.9m energy saving scheme for the Trust. This project is upgrading existing plant and equipment with new energy efficient technologies.

At our Becton site, all works are complete with new LED lighting throughout, 50kW of Solar PV, new boilers and a Micro-CHP (combined heat and power) installed and operational. On the acute hospital site, a new combined heat and power plant, together with new boilers, has been installed. Installation works are nearly complete with commissioning and operation expected in June 2019.

The combined heat and power approach will deliver energy savings over conventional gas boilers and grid supplied electricity. Other energy saving improvements have also been completed on the acute hospital site. 89% of the Trust estate now has energy efficient LED lighting.



The project is being realised via the Carbon and Energy Fund (CEF), which has facilitated £200m of infrastructure replacement and delivers £14m of annual energy savings for the public sector.

The Trust currently spends over £1m on gas and electricity annually, and the energy savings that will result from this project are significant. The project capital cost is entirely financed from projected savings and should deliver a modest overall saving to the Trust.

### *Progress towards Climate Change Act targets*

Further work is required to establish baseline and current year emissions data for both procurement (how we buy goods and transport them to the Trust) and travel. Current data recording systems are not structured to allow straightforward measurement of emissions from procurement.

The lack of accurate data makes it difficult to establish whether the Trust met its 2015 target of an overall 10 per cent emissions reduction on 2007 levels.

### *Waste*

#### ***None of the Trust's waste goes to landfill.***

It is transferred to an Energy Recovery Facility (ERF) and burned to generate energy for use in Sheffield.

The installation of the general waste compactor in the service yard has reduced our carbon footprint in relation to waste transportation by 52% and our incumbent contractor has nominated the Trust for a Green Apple award for environmental best practice.

Hotel Services are working with Theatres on the trial of mixed recycling which will begin on 23<sup>rd</sup> April. Food waste is collected separately and used to make compost.

### *Food*

The Trust is fully compliant with NHS England's Sugar Sweetened beverages reduction scheme (SSB).

In addition we hold the Soil Associations Food for Life Bronze award which we are externally audited on annually to provide assurance that the Trust uses sustainable and ethical food procurement, to comply with the Government Buying Standards for Food and Catering Services along with production of health food options.

### *Transport and Travel*

In Autumn 2018 we surveyed our staff on how they travelled to work and how much work-related travel they carried out. The survey was part of our information gathering as part of the development of a 'travel smarter/travel safely' behaviour change initiative. The survey helped us understand how staff can reduce travel time and expense and also support our objective to reduce our carbon footprint. Initial changes in 2018 were the introduction of a new hot desk facility adjacent to our acute site, increased laptop usage and conference facilities. We have improved our analysis of travel expenditure to better inform our future direction and our 'travel smarter/travel safely initiative' will be launched in 2019.

Our Staff Health and Wellbeing initiatives have included encouraging staff to 'move more' as part of their commute, including building in elements of walking into an otherwise sedentary commute to work. We are also working in partnership with South Yorkshire Passenger Transport Executive (SYPTe) to convert car drivers to public transport. SYPTe have provided free monthly public transport to all new starters and staff changing their working location so they can 'try before you buy'. SYPTe has also run sessions at the hospital to help staff plan public transport routes.

We have provided promotional literature to raise awareness of safer walking routes for staff. The Trust continues to provide pedal cycles to staff through a salary sacrifice monthly payment model and provides bike storage and changing facilities for staff who commute by pedal cycle and on foot.

## Social, community, anti-bribery and human rights issues

We are committed to ensuring that services are accessible, appropriate and sensitive to the needs of the whole community, with a workforce representative at all levels of the population it serves.

The Trust is working hard to deliver services to its patients and staff, which reflect equality and diversity in all areas and respect of human rights, in accordance with the requirements of the Equality Act 2010, and the Workforce Race Equality Scheme (WRES). An action plan to address issues related to the WRES is being monitored by the Board.

***We are committed to ensuring the advancement of equality of opportunity between different groups, whether they are employees or the patients and public we serve.*** As a public body we believe it is our duty to work towards eliminating discrimination and help foster positive relations between the different groups that make up society.

Our work within the Sheffield Accountable Care Partnership (ACP) is focused on partnership across the city to identify shared equality goals and reduce health inequalities.

The Trust does not tolerate any form of fraud, bribery or corruption by, or of, its employees, associates or any person or body acting on its behalf. Eradicating fraud ensures that more funds are available for patient care and services.

Throughout 2018/19, the Board has remained committed to maintaining an honest and open atmosphere, ensuring that all concerns involving potential fraud have been identified and rigorously investigated. In any such cases appropriate civil, disciplinary and/or criminal sanctions have been applied, where guilt has been proven.

The Trust engages 360 Assurance as its Local Counter Fraud Specialist (LCFS) to support its work in this area. This has helped to create an anti-fraud culture, which has enabled deterrence and prevention measures to be embedded in the organisation.

The Trust's Risk and Audit Committee agrees the annual work plan for the LCFS and receives routine reports on progress against its delivery. The Committee has agreed the Trust's policy for dealing with suspected fraud, bribery and corruption.

## Overseas operations

The Trust does not have any overseas operations.

## Slavery and Human Trafficking Statement

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

We expect that our supply chains have suitable anti-slavery and human trafficking policies and processes. Most of our purchases are against existing supply contracts or frameworks which have been negotiated under the NHS Standard Terms and Conditions of Contract which have the requirement for suppliers to have in place suitable anti-slavery and human trafficking policies and processes. We expect each element in the supply chain to, at least, adopt 'one-up' due diligence on the next link in the chain as it is not always possible for us (and every other participant in the chain) to have a direct relationship with all links in the supply chain.

Our standard invitation to tender (ITT) documentation includes a standard question asking whether suppliers are compliant with section 54 (Transparency in supply chains etc.) of the Modern Slavery Act 2015. If they are, they are required to provide evidence. If they are not, they are required to provide an explanation as to why not. In addition, our standard contract contains the following provisions:

*The Supplier warrants and undertakes that it will:*

*(i) comply with all relevant Law and Guidance and shall use Good Industry Practice to ensure that there is no slavery or human trafficking in its supply chains; and*

*(ii) Notify the Authority immediately if it becomes aware of any actual or suspected incidents of slavery or human trafficking in its supply chains;*

*(iii) At all times conduct its business in a manner that is consistent with any anti-slavery Policy of the Authority and shall provide to the Authority any reports or other information that the Authority may request as evidence of the Supplier's compliance with this Clause 10.1.29 and/or as may be requested or otherwise required by the Authority in accordance with its anti-slavery policy.*

We expect all those in our supply chain and contractors to comply with our values. The Trust will not support or deal with any business knowingly involved in slavery or human trafficking.

Senior staff within our Procurement Team are duly qualified as Fellows of the Chartered Institute of Procurement and Supply and have passed the Ethical Procurement and Supply Final Test.

This statement is made pursuant to section 54 (1) of the Modern Slavery Act 2015 and constitutes the Trust's slavery and human trafficking statement for the current financial year.

#### **Important events since the end of the financial year affecting the Foundation Trust**

Steven Ned, former Deputy Chief Executive and Director of Human Resources and Organisational Development, was replaced on an interim basis by Jane Clawson with effect from 1 April 2019.

In early April, the Trust announced the appointment of Nick Parker to the substantive role of Executive Director of People and Organisational Development from 1 July 2019.

John Williams will also join the Trust as Executive Director of Finance in Summer 2019, replacing Chief Finance Officer, Mark Smith, who is moving to another role within the Trust.

Richard Chillery was appointed as a non-executive director by the Council of Governors on 14 May 2019. Richard is the operational director at Harrogate and District NHS Foundation Trust with a background in CAMHS.

The Trust underwent a series of CQC unannounced core service inspections and a Well Led inspection which completed at the beginning of April 2019. The draft report is anticipated at the beginning of June 2019.

*Performance Report signed by the Chief Executive in capacity as Accounting Officer*



John Somers  
Chief Executive  
24 May 2019

## Section Two: Accountability Report

### Directors' report

*The Board of Directors is led by the Chair and comprises five other non-executive directors and six executive directors, including the Chief Executive.*

*The Directors' report is presented in the name of the directors of the Board of Directors. The individuals occupying position on the Board during 2018/19, together with their attendance at Trust Board meetings is listed as:*

#### *Sarah Jones, Trust Chair*

Sarah was appointed as Trust Chair in September 2016, after holding a non-executive director role on the Board from August 2008.

Sarah is a trustee of The Children's Hospital Charity. As Trust Chair, Sarah also chairs the Council of Governors, Charities Committee and the Board Nominations and Remuneration Committee. Sarah's current term of office expires on 30 August 2019.

Outside the Trust, Sarah is Chair of Outreach Ltd, which supports the harder to reach in our communities with various campaigns. Previously Sarah was CEO and then Deputy Chair of Learndirect, the UK's largest provider of skills, training and employment services. She is an MBA graduate and joined Learndirect with experience from BAE Systems.

*Board Attendances in 2018/19: 11 of 11*

#### *Andy Baker, Non-executive Director*

Andy is currently the CEO of Plusnet and has worked for the BT Group for more than ten years in a number of senior roles. He is an Advisory Board Member for Sheffield City Growth Board.

Andy was appointed to the Board of Directors for a three-year term of office from 1 September 2016. During 2018/19, he was a member of the Finance and Resources Committee (taking on its chairmanship from 1 April 2018) and also a member of the Risk and Audit Committee and the Board Nominations and Remuneration Committee.

*Board Attendances in 2018/19: 9 of 11*

#### *John Cowling, Non-executive Director (and Senior Independent Director)*

John is a qualified chartered accountant. He was for many years a senior regional partner in the northern offices of PricewaterhouseCoopers and most recently, the partner in charge of the Sheffield office, until his retirement in June 2012. John is currently the Chair of the Board of Music in the Round, a chamber music charity based in Sheffield, the Chair of The Sheffield Museums and Galleries Trust and a non-executive director of The Sheffield Theatres Trust.

John was appointed to the Board of Directors on 1 October 2014. He is the current Chair of the Risk and Audit Committee and a member of the Finance and Resources Committee and the Board Nominations and Remuneration Committee. John's second term of office was approved by the Council of Governors in 2017 and will run to the end of September 2020.

*Board Attendances in 2018/19: 11 of 11*

#### *Scott Green, Non-executive Director*

Scott is a serving senior police officer and a graduate of the University of Sheffield and the University of Leicester. He is a Trustee of Bluebell Wood Children's Hospice, a Trustee of Sheffield Futures and a Member of the Chorus Education Trust. Scott was appointed as a Non-Executive Director in April 2018 and is a member of the Risk and Audit Committee, Charities Committee, Board Nominations and Remuneration Committee and Quality Committee.

*Board Attendances in 2018/19: 9 of 11*

*Peter Lauener, Non-executive Director*

Until November 2017, Peter was Chief Executive of the Education and Skills Funding Agency, Interim Chief Executive of the Institute for Apprenticeships and a Board member of the Department for Education. He was then appointed as Interim Chief Executive of the Student Loans Company until October 2018.

Earlier in his career, Peter was Chief Executive of the Young People's Learning Agency and had several director roles in the Department for Children, Schools and Families and the Department for Education and Skills.

Peter is Chair of the Construction Industry Training Board and of the Newcastle College Group. He is also a trustee of Educators International, an overseas development charity. He was made a Companion of the Order of the Bath (CB) in 2004.

Peter was appointed to the Board of Directors for a three-year term of office from 1 September 2016. During 2018/19, Peter was a member of the Quality Committee, the Finance and Resources Committee and the Board Nominations and Remuneration Committee.

*Board Attendances in 2018/19: 9 of 11*

*Patricia Mitchell, Non-executive Director and Deputy Chair*

Patricia left her legal practice as a commercial litigator and partner in private practice in 2005 after 25 years working in London and Bristol.

After completing a sponsored MBA, Patricia joined the charity sector as a result of her role as the carer for a family member with Alzheimer's. Patricia worked for four years as the income generation manager for Alzheimer's Support before coming back to her roots in 2010 as Chief Executive Officer of Sheffield-based charity Neurocare, a role she undertook until June 2015. Both these roles involved her working closely with many different health providers in the public sector. She also served as a trustee for Age UK.

Patricia was appointed to the Board in 2014 and her second term of office was approved by the Council of Governors in 2017 and will run the end of September 2020. From 1 April 2018 Patricia has been Deputy Trust Chair.

During 2018/19 Patricia was a member of the Risk and Audit Committee, is the current Chair of the Quality Committee and is a member of Board Nominations and Remuneration Committee and Charities Committee.

*Board Attendances in 2018/19: 8 of 11*

*John Somers, Chief Executive*

John was appointed as Chief Executive of Sheffield Children's NHS Foundation Trust in September 2016.

He has more than 20 years of Board-level experience in both the public and private sector. He joined the Trust as Chief Finance Officer in 2014 following senior NHS roles in Rotherham, Lincolnshire and Wakefield.

John is joint chair of the Children's Health and Well-Being Board in Sheffield and is the regional lead for the Children's Health Services work-stream of the Integrated Care System in South Yorkshire and Bassetlaw.

*Board Attendances in 2018/19: 11 of 11*

*Ruth Brown, Director of Strategy and Operations*

Ruth joined Sheffield Children's as an executive director in 2017, bringing 28 years NHS experience.

Ruth previously held roles as Operations Director at Sheffield Teaching Hospitals NHS Foundation Trust where she led the integration of community and acute services for adults. She is experienced in managing complex change and promoting improved patient experience and service delivery across organisations.

Ruth is responsible for the performance and activity of services as well as the development of the Trust's strategic direction. She works closely with colleagues on the Executive Team



and in partner organisations to develop the Trust's role in the Integrated Care System across the region and Accountable Care Partnership across the city.

*Board Attendances in 2018/19: 11 of 11*

#### *Jeff Perring, Medical Director (from 2 July 2018)*

Jeff is a consultant intensivist in the PCCU Department, a post he has held since 2002.

Recently Jeff was appointed as Deputy Medical Director. He was appointed into the role of Medical Director within the Trust in 2018. He is responsible for medical activity within the Trust and in particular the training and development of medical staff.

Jeff is central to the Trust's lead role for paediatric training in the area. Jeff works closely with the Director of Nursing and Quality on quality and patient safety.

*Board Attendances in 2018/19: 8 of 8*

#### *Sally Shearer, Director of Nursing and Quality*

Sally is a registered children's nurse and has worked in the NHS for 39 years. She joined the Trust in October 2015, having previously managed children's acute and community services in London and Nottingham.

Sally has a MA from the University of Nottingham and has previously worked with the Nursing and Midwifery Council. She has a background in the education of the children and young people's workforce.

Sally is responsible for patient experience, children's safeguarding, infection control, clinical governance and regulatory compliance. Sally is also the professional lead for the nurses, health visitors and allied health professionals that work within our hospital, transport and community services.

Sally is also a trustee of The Children's Hospital Charity.

*Board Attendances in 2018/19: 11 of 11*

#### *Mark Smith, Chief Finance Officer*

Mark was appointed as Chief Finance Officer in December 2017; having previously been the Deputy Director of Finance at the Trust.

He manages the financial performance of the Trust and is also responsible for estates, with overall responsibility for the New Build project.

*Board Attendances in 2017/18: 10 of 11*

#### *Directors who served during the year, but who had left office before year end*

#### *Steven Ned, Director of Human Resources and Organisational Development and Deputy Chief Executive (left 29 March 2019)*

Steven has worked in the NHS in South Yorkshire and Derbyshire for more than 20 years and joined Sheffield Children's in August 2008 from Sheffield Teaching Hospitals NHS Foundation Trust. He has been working in the foundation trust system since taking Barnsley through its FT application as Human Resources Director.

Steven is a member of the Chartered Institute of Personnel and Development and is responsible for all aspects of human resources, learning and development, communications, corporate governance and library service functions within the Trust.

Steven currently chairs the Yorkshire and Humber HR directors network, is a member of the National Social Partnership Forum and a member of the NHS Staff Council Executive.

Steve left the Trust on 29 March 2019 to take up a joint role as Director of Workforce across Barnsley and Rotherham NHS Foundation Trusts.

*Board Attendances in 2018/19: 11 of 11*

#### *Derek Burke, Medical Director (until 30 June 2018)*

Before his retirement, Derek was a consultant in the Emergency Department for much of his career.

He took on the role of Medical Director within the Trust in 2007, building on his previous experience as Trust Medical Director from 1998 to 2001.

He was responsible for medical activity within the Trust and in particular the training and development of medical staff. Derek was central to the Trust's lead role for paediatric training in the area. Derek worked closely with the Director of Nursing and Quality on quality and patient safety.

In September 2013 Derek was awarded with an honorary chair at Sheffield Hallam University as a result of collaborative work with the university.

*Board Attendances in 2018/19: 2 of 3*

### ***Board members Register of Interests and Gifts and Hospitality***

Company directorships and other declarations of interest or gifts and hospitality were declared by all Board members. The full register of interests is available on our website at <https://www.sheffieldchildrens.nhs.uk/about-us/publications/>

Taking into account the NHS Code of Governance, the Board considers the current Chair and all the non-executive directors to be 'independent'.

The Trust Chair, Ms Sarah Jones, is also Chair of Outreach Solutions Ltd and is a trustee of The Children's Hospital Charity.

There have been no significant changes to the Chair's commitments since appointment and the Chair is considered able to devote the appropriate time commitment to this role.

### ***Statement on the balance, completeness and appropriateness of the membership of the Board***

In year assessment of the composition of the Board, in the context of current and anticipated issues and challenges impacting the Trust and the skills and qualities needed on the Board, has been made by the Board Nominations and Remuneration Committee. This is undertaken routinely as part of the process of considering appointments and reappointments to the Board.

In 2018/19 the balance and completeness of the Board has been considered on recruitment to the position of the Executive Director of Finance and Executive Director of People and Organisational Development roles and in also recruiting to a new non-executive director vacancy.

As outlined within the above biographies of Board members, the executive directors and non-executive directors of the Board provide a balance and breadth of knowledge.

The Board comprises individuals with senior level experience in the public and private sectors, across a range of disciplines including clinical and patient care, finance, strategic and operational planning, commercial development, corporate and clinical governance, risk management, human resources and change management.

The Board is satisfied that its current membership enables it to function effectively whilst at the same time considering that the appointment of an additional non-executive director, ideally with clinical experience, will bring additional skills, knowledge and experience to the Board.

## ***Meetings of the Board of Directors and its committees***

*The Board of Directors is the decision-making body for the Trust's strategic direction and the overall allocation of resources. It delegates decision making for the operational running of the Trust to the Trust's executive directors. The Board take decisions consistent with the approved strategy.*

The Board set the Trust's strategic objectives for the year 2018/19, agreed the annual operating plan and provided active leadership for the Trust, ensuring that the Trust exercises its functions effectively and delivers agreed goals and targets.

The Board also acts as the body through which assurance is provided. It ensures the Trust's statutory obligations, as well as its overall performance (including safety and quality), is of the standard expected and that, where appropriate, action is taken to ensure compliance with those standards, either directly or through its committee structure.

It delegated decision-making for the operational running of the Trust to the Trust Executive Group in accordance with the scheme of delegation. This group has both clinical and management representation from across the Trust.

The Trust's scheme of delegation sets out matters which are reserved for the Board of Directors to decide. These relate to regulation and control, appointments, strategic and business planning and policy development, financial and performance reporting arrangements, audit arrangements and investment decisions.

In addition to holding 11 formal Board meetings during 2018/19, the Board was convened on a number of occasions to hold strategy workshops, one of which was a joint meeting with the Council of Governors.

Development of the Board takes place in response to ongoing review of the effectiveness of its meetings, to outcomes from assessment of performance (both collectively and individually) as part of an annual appraisal system and through the formal review and agreement of a Board annual work programme.

During 2018/19 emphasis has been placed on ensuring that the Board is appropriately supported to focus on key strategic challenges and opportunities. Review of the standing Board agenda, strengthening of formal delegation and reporting lines from its assurance committees and continuing the development of an integrated performance report are examples of in-year enhancement of Board effectiveness.

Each of the standing assurance committees of the Board is chaired by a non-executive director to enhance independent scrutiny and challenge and each committee chair reports formally to the Board; to confirm delivery of assurance or escalate matters as necessary.

The Board committee structure includes the statutory committees of Risk and Audit and Nominations and Remuneration, and also comprises Quality, Finance and Resources and Charities Committees.

These committees use mechanisms to report and refer matters between themselves. This integrated governance approach is also supported by arrangements for cross non-executive membership ensuring that an individual non-executive member is able to act as a conduit of information and assurance across two committees.

The Board keeps the performance of its committees under regular review and requires each committee to consider its performance and effectiveness during the year and sets development objectives for the year ahead.

In line with this, further work has taken place to embed committee exception reporting to the Trust Board, to formalise referral of matters arising between committees and introduce the routine review of work. This development reflects the Board's response to governance best practice and continued regard to the Well-led Governance Framework.



In its role of overseeing the system of internal control and overall assurance process associated with managing risk, the Risk and Audit Committee annually reviews the terms of reference of aligned Board committees.

In 2019 the Board established an additional formal committee of the Board known as the Charities Committee to provide oversight of the working relationships and steer coordination of charity support in line with the Trust's own strategic aims.

### *Risk and Audit Committee*

The Risk and Audit Committee comprises three independent non-executive directors and is chaired by Mr John Cowling, who has recent and relevant financial experience. It met six times during 2018/19.

*Fig: Member attendance at meetings of the Risk and Audit Committee 2018/19*

NED membership	Attendances
John Cowling, Chair	6 from 6
Andy Baker	5 from 6
Scott Green	6 from 6

The Committee provides the Board of Directors with an independent and objective review of the effectiveness of internal control and the underlying assurance processes associated with managing risk.

The Committee is responsible for commissioning and reviewing work from independent external and internal audit services, counter fraud services and other bodies as required.

The Trust's internal audit service is provided by 360 Assurance. Through detailed examination, evaluation and testing of Trust systems, this service plays a key role in the Trust's assurance processes.

Local counter fraud provision is commissioned from 360 Assurance. The local counter fraud service supports the Trust to create an anti-fraud culture: deterring, preventing and detecting fraud, investigating suspicions that arise.

The Committee is responsible for making a recommendation to the Council of Governors on the appointment and removal of the external auditors.

In November 2016, following a formal selection process overseen by a joint working group drawn from governors and members of the Risk and Audit Committee, KPMG were appointed by the Council of Governors as the Trust's external auditor for a three year period commencing with the 2016/17 audit cycle (subject to annual satisfactory evaluation) with an option to extend for two further one-year extensions.

On the basis of a positive assessment in September 2018, the Risk and Audit Committee presented a recommendation to governors that KPMG be reappointed as the Trust's external auditors for a further year. This reappointment was confirmed at the November 2018 Council of Governors meeting.

The Committee routinely receives progress reports from KPMG, including updates on key emerging national issues / developments. The statutory audit fee for the 2018/19 audit was £52k plus VAT and a further £14k plus VAT for the audit of the Trust's Quality Report.

KPMG provides its services within the code of audit practice issued by the National Audit Office. The Risk and Audit Committee has delegated authority to commission additional investigative and advisory services outside this code. Where services would fall outside this code, the Committee is advised of the objectives of the work to ensure the integrity, independence and objectivity of the auditors.

During 2018/19, the Committee approved a revised policy for the engagement of external auditors in non-audit work. In the year, KPMG carried out additional non-audit work to support preparation for the Trust's CQC inspection. This work was within the thresholds set by the policy.

Meetings of the Risk and Audit Committee are attended by internal and external auditors, local counter fraud, Chief Finance Officer, Director of Nursing and Quality, Head of Legal and Governance and Corporate Affairs.

Other directors and senior managers attend when invited by the Committee. The Chief Executive and the Trust Chair are invited to attend the meeting at which the annual accounts are presented. The Associate Director of Corporate Affairs is the Committee Secretary.

Both the internal and external auditors have the opportunity to meet with Risk and Audit Committee members in private (without Executives present) to discuss any concerns relating to the performance of management.

Copies of the terms of reference of the Risk and Audit Committee can be obtained from the Corporate Affairs Office and are published on the Trust's website.

The following outlines the principal areas of review and significant issues considered by the Committee during 2018/19, reflecting the key objectives set out in its terms of reference.

#### *Internal control and risk management*

- Reviewing the Board Assurance Framework (BAF) prior to presentation to the Board and overseeing its ongoing development through its alignment with the Risk Appetite Statement agreed by the Board.
- Supporting the Board's focus on strategic risk by rotating consideration of the key strategic risks featured on the BAF. Over its annual work cycle the Committee has discussed the majority of BAF risks by inviting Executive risk owners to present risks and mitigations for the Committee to assess whether the Board, through its own schedule of business and that of its committees, receives satisfactory, routine assurance around the mitigations in place.
- Reviewing the annual financial statements, with particular focus given to major areas of judgement and changes in accounting policies, and the basis of the Board's determination that the Trust remains a going concern.

- Receiving assurance from the Executive Risk Management Committee on all serious incidents and high rated risks, together with routine and exception-based reports from aligned Board committees, including the Quality Committee and Finance and Resources Committee. This allows the Committee to discharge its responsibility for providing assurance to the Trust Board in relation to all aspects of governance, risk management and internal control, forming the basis for the Annual Governance Statement.

#### *Internal audit*

- Agreeing at the start of the financial year the internal audit work plan for 2018/19 focused on providing assurance against identified risks which could impact on the achievement of the Trust's strategic objectives.
- Reviewing the findings of internal audit's work against this work plan which encompassed reviews across a range of areas including General Data Protection Regulation compliance, absence management, Timeliness of Recruitment and Compliance with NHS Employment Check Standards and divisional risk management.
- Oversight of implementation of follow up recommendations to drive improvements in completion rates.

#### *Local counter fraud*

- Overseeing the annual counter fraud work plan and progress against identified areas for improvement through consideration of both routine progress reports and an annual report.

#### *External audit*

- Agreeing the external audit plan for 2018/19. This included an analysis of the External Auditor's assessment of significant audit risks, the proposed elements of the financial statements audit and its reporting timetable and other matters.

- Considering the key risks highlighted within the ISA 260, around valuations of buildings, revenue recognition, management override of control and expenditure recognition.

The Chief Executive, as the Accounting Officer, is responsible for the preparation of the financial statements prior to them being audited by the External Auditors. These responsibilities are detailed within the statement of Accounting Officer's responsibilities and in the Independent Auditor's report.

The Risk and Audit Committee gives full consideration to any significant risks and areas of audit focus raised in the external audit plan.

### *Quality Committee*

The Quality Committee of the Board has been established to enable the Board of Directors to obtain assurance that high standards of care are provided by the Trust and it obtains assurance, in particular, that:

- adequate and appropriate clinical governance structures, processes and controls are in place throughout the Trust to promote safety and excellence in patient care; and
- there is effective and efficient use of resources through evidence-based clinical practice.

The Committee is chaired by Patricia Mitchell, a non-executive director, and met 13 times during the year.

Its core membership includes two further non-executive directors, the Director of Nursing and Quality, the Medical Director and the Head of Legal of Governance.

The Committee's work plan ensures routine attendance by sub-group representatives including infection control, clinical governance and safeguarding and also mandatory attendance by divisional management teams. This supports a planned programme of quarterly deep-dive reviews, which provide

greater focus and assurance on quality and safety within clinical divisions.

The Committee has spent a large part of 2018/19 supporting the Trust's impending CQC inspection through monitoring of the 2016 and 2018 action plans.

Other areas of focus have included enhancing the Trust's approach towards discharge summaries and transition plans as well as overseeing development of a central database for patients transitioning from children's to adult services.

The Committee has been active in ensuring that the Trust's suite of quality-related policies and clinical guidelines are up-to-date and fit for purpose. It has also met with colleagues from Sheffield CCG to provide assurance on improvements to community mental health service (CAHMS) provision.

A new sub-committee which will aim to continue to drive forward improvements in CAMHS has been established and will be chaired by a non-executive director. It will have a direct reporting line into the Quality Committee.

The Committee is also responsible for overseeing the development of the Quality Report and monitoring progress on agreed quality priorities set out within it. It approves the Trust's Clinical Audit plan and has during the course of 2018/19 used clinical audit activity to seek assurance on exception reports.

### *Finance and Resources Committee*

The Finance and Resources Committee has been established to provide the Board of Directors with in-year assurance concerning the development and delivery of the Trust's annual business plan.

This Committee undertakes a strategic advisory role in ensuring that the Trust develops effective long-term strategy in relation to workforce, information management and technology and capital. It ensures that financial plans address all identified business risks and opportunities and supports the

provision of care and services whilst getting the best value for money and use of resources.

The Committee provides oversight of the Trust's Transformation and Recovery programme and has approved revised governance arrangements in this area.

The Committee met 11 times during 2018/19 and is chaired by Andy Baker, a non-executive director.

Membership includes two additional non-executive directors, the Chief Executive, Chief Finance Officer, Director of Strategy and Operations and the Director of Human Resources and Organisational Development.

In addition to its focus on developing and overseeing robust financial strategy and delivery of efficiency savings, the Committee has kept a close eye on Trust performance using a new integrated performance report.

It has also been instrumental in the development of supporting strategies for people, culture and behaviours, leadership, estates and information management and technology.

### *Board Nominations and Remuneration Committee*

The Board of Directors Nominations and Remuneration Committee met six times during 2018/19.

It comprises the six non-executive members of the Board with the Chief Executive and Director of Human Resources and Organisational Development in attendance. The Associate Director of Corporate Affairs is the Committee Secretary.

The Committee is responsible for setting the remuneration and conditions of service for the Chief Executive and other executive directors (and, where applicable, senior managers on locally determined pay). In this respect its key objective is to ensure that the remuneration packages are sufficient to recruit and retain executive directors of the quality required for

the successful operation of the Trust, while avoiding paying excessively for this purpose.

Across the reporting year the Committee met to discuss and approve an executive pay policy, agreed executive remuneration for 2018/19 and progressed the setting of executive directors' annual objectives. Further details are contained within the Remuneration Report.

This Committee also leads the process for executive Board appointments, non-executive and executive succession planning and evaluating whether the Board has the right skills and experience to effectively lead the organisation.

During 2018/19 the Committee oversaw the process to recruit to the posts of Executive Director of Finance and Executive Director of People and Organisational Development and appointed John Williams and Nick Parker respectively who will take up their roles in summer 2019.

The Committee also considered the balance of the Board and made a recommendation to the Council of Governors Remuneration and Recruitment Committee to appoint an additional non-executive director.

### *Committee in Common*

Sheffield Children's NHS Foundation Trust Committee in Common is a formal committee of the Board. The Committee's terms of reference were agreed by the Board in September 2017 and it meets each month.

It meets concurrently with the other NHS foundation trust committees in common in the Working Together Partnership to receive updates in relation to the Hospital Services Review and other matters affecting the Partnership.

Each committee comprises the respective chair and chief executive of that trust and has a scheme of matters delegated by the Board. Each committee may only make decisions in respect of the Trust of which it is part.

### ***Non-executive membership of other Trust project working groups and committees***

The Trust established a CAMHS improvement sub-committee at the end of March 2019 to drive forward the CAMHS improvement work for the Trust. The sub-committee reports formally into the Quality Committee and is chaired by Mr Scott Green, non-executive director.

### ***Arrangements in place to ensure that the Trust's services are well led***

The Board has undertaken routine annual self-assessments using Well-led guidance<sup>1</sup> and has used this to inform the continued development of its governance arrangements.

It has been one of the key instruments in informing review of the Board committee structure and supporting the development of quality governance arrangements to provide increased focus on quality.

It has helped to strengthen the underpinning quality assurance / reporting infrastructure at operational and executive levels through which the Trust is embedding ward to board arrangements in the quality agenda.

Our most recent Well-led self-assessment took place in December 2018. The Board's open and honest reflection brought into focus clear priorities for development action to further strengthen and evidence the arrangements we have to ensure services are well led.

### ***Material inconsistencies***

There are no material inconsistencies to report between the annual governance statement, declarations to NHS Improvement, quality report, this annual report and reports by the CQC.

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<sup>1</sup> Developmental reviews of leadership and governance using the well-led framework: guidance for NHS trusts and NHS foundation trusts, NHSI (June 2017)



## Governors' report

*As an NHS foundation trust, the Council of Governors has responsibility to represent the views and interests of the membership and partnership organisations, to hold the non-executive directors to account for the performance of the Board of Directors and to ensure that it is acting in a way that will not breach its provider licence.*

It consists of elected and nominated governors who provide an important link between the Trust, the population it draws its patients from and key stakeholder organisations, by sharing information and views that can be used to develop and improve Trust services.

The Council of Governors works with the Board of Directors to shape the future strategy of the organisation and is responsible for providing feedback from the membership and stakeholders on strategic developments at the Trust. It also should keep members and stakeholders informed about any developments at the Trust. At each council meeting governors receive a summary of key Trust communication messages for use in any dialogue they have with members of their constituencies.

The Trust keeps the Council of Governors fully informed on all aspects of the Trust's performance and seeks their advice on key service developments. This is done through formal council meetings, where a summary of the Board's business agenda remains a standing item on the agenda, and through working groups set up by the Council of Governors. Governors are also invited to sit on a number of Trust working groups.

The Council of Governors comprises elected and nominated Governors as shown below and has decision-making powers defined by statute. These powers are described in the Trust's Constitution and principally refer to:

- the appointment, removal and remuneration of the Trust Chair and non-executive directors on the Board;
- the appointment and removal of the Trust's external auditors;
- the approval of the appointment of the Chief Executive;

- and receiving the foundation trust's annual accounts, any report of the auditor on the accounts, and the Annual Report.

In line with additional statutory duties introduced by the Health and Social Care Act 2012 and the abolition of the 'private patient cap', the Council of Governors votes on whether it is satisfied that plans to generate income from activities other than the provision of goods and services for the Health Service in England will not significantly interfere with the Trust's ability to undertake its principal purpose (the provision of goods and services for the Health Service in England). Information was provided to the Council of Governors at its meeting in November 2018 which demonstrated that the planned proportion of total income earned from non-principal purpose activities did not constitute an increase of five per cent or more from the previous year.

While the Council of Governors is responsible for holding the Board and, in particular, the non-executive directors, to account and ensuring that it is acting in a way that means that the Trust will meet its obligations, it continues to remain the Board's responsibility to oversee the running of the Trust.

The Council of Governors met formally three times during 2018/19 to discuss a wide range of subjects, including a CQC update, the Children's Hospital Charity's plans for the future and a review of the Constitution. A further meeting was not quorate. A record is kept of the number of meetings attended by individual governors.

Governors are required to declare any interests which are relevant and material to the business of the Trust. These are then entered onto the publicly available register of interests which can be accessed from the Trust's website.

## Composition of the Council of Governors 2018/19

During 2018/19, a review of the constituencies and classes of constituency was undertaken which resulted in the abolition of the patient/carer constituency, the consolidation of the public constituency, the creation of a new area within the public constituency and a change to the make-up of partner governors.

As at 31 March 2019 there remained 32 seats on the Council of Governors: 18 to represent public members, seven to represent staff members and seven appointed by partner organisations.

The table below sets out attendance by governors at Council of Governors meetings in 2018/19. All governors are shown in the new constituencies.

*Fig: Public Governors (elected)*

Name	Constituency	Term of office	Elected from	Attendance
Katie Anderson*	Sheffield	2 <sup>nd</sup>	Sept 2015	1 from 1
Erminia Armentano*	Sheffield	1 <sup>st</sup>	Sept 2015	0 from 1
Heather Bellamy	Sheffield	1 <sup>st</sup>	Sept 2018	1 from 2
Steve Bell**	Sheffield	1 <sup>st</sup>	Sept 2017	1 from 2
Sam Broadbent	Sheffield	1 <sup>st</sup>	Sept 2018	0 from 2
Matt Dixon*	Sheffield	1 <sup>st</sup>	Sept 2015	1 from 1
Jacqueline Griffin*	Sheffield	2 <sup>nd</sup>	Sept 2015	1 from 1
Luke Jenkinson*	Sheffield	2 <sup>nd</sup>	Sept 2015	1 from 1
Vince Keddle	Sheffield	1 <sup>st</sup>	Sept 2018	2 from 2
Rebecca Kent	Rest of South Yorkshire	2 <sup>nd</sup>	Sept 2017	2 from 3
Sophie Lewis	Rest of England and Wales	1 <sup>st</sup>	Sept 2015	0 from 1
Debbie Mander	Sheffield	1 <sup>st</sup>	Sept 2017	0 from 3
Ismail Mir	Rest of England and Wales	1 <sup>st</sup>	Sept 2018	0 from 2
Emma Packham	Sheffield	1 <sup>st</sup>	Sept 2018	2 from 2
Phil Parkes	Sheffield	1 <sup>st</sup>	Sept 2017	0 from 3
Robert Peace	Rest of England and Wales	1 <sup>st</sup>	Sept 2017	3 from 3
Isobel Robson	Rest of South Yorkshire	1 <sup>st</sup>	Sept 2018	0 from 2
Ayman Salman*	Sheffield	1 <sup>st</sup>	Sept 2015	0 from 1
Helen Smith	Sheffield	2 <sup>nd</sup>	Sept 2017	3 from 3
Nicola Strafford*	Sheffield	1 <sup>st</sup>	Sept 2015	1 from 1
Sarah West*	Rest of England and Wales	1 <sup>st</sup>	Sept 2015	0 from 1

*Fig: Staff Governors (elected)*

Name	Constituency	Term of office	Elected from	Attendance
Samantha Burns	Nursing/midwifery	1 <sup>st</sup>	Sept 2018	1 from 2
Andrew Garner	Nursing/midwifery	1 <sup>st</sup>	Sept 2018	2 from 2
Jack Hiscock	Non-clinical	1 <sup>st</sup>	Sept 2018	2 from 2
Kathryn Holden	Other clinical	2 <sup>nd</sup>	Sept 2017	2 from 3
Carrie MacKenzie	Medical/dental	2 <sup>nd</sup>	Sept 2017	3 from 3
Nicholas Roe*	Nursing/midwifery	2 <sup>nd</sup>	Sept 2015	0 from 1

*Fig: Partner Governors (appointed)*

Name	Partner Organisation	Appointed from	Attendance
Ruth Barley	Sheffield Hallam University	Sept 2015	2 from 3
Nikki Bates	Sheffield CCG	Jun 2014	2 from 3
Jackie Cole	Yorkshire Ambulance Service	Feb 2019	1 from 1
Charlotte Elder	University of Sheffield	July 2018	1 from 2
Amaka Offiah**	University of Sheffield	Oct 2009	0 from 1
Bethan Plant	Sheffield City Council	Sept 2017	3 from 3

KEY:

\* stood down at 2018 Annual Meeting

\*\* resigned during the year

### ***Elections held within the reporting period***

Council of Governors' elections took place during summer 2018 with the results declared on 3 May 2017. Nominations were sought for 15 seats across 10 areas.

Eleven nominations were received from people who wished to stand for election. Two constituencies were contested: the former areas of Public – Doncaster and Public – Sheffield South West.

Six seats received no nominations leaving these unfilled through this round of governor elections.

Nine new governors began their terms of office immediately after the annual members' meeting on 11 September 2017.

The overall turnout rate across all contested seats was 7.75 per cent.

Full details of the composition of the Council of Governors and of previous election results are posted on our website at:

<http://www.sheffieldchildrens.nhs.uk/about-us/council-of-governors/>.

All elections are held in accordance with the election rules set out in our constitution.

In the event of an elected governor's seat falling vacant for any reason before the end of a term of office, it shall be filled by the second placed candidate in the last election held for that seat provided that this candidate achieved at least five per cent of the vote.

Governor vacancies were carried forward until the next scheduled round of annual elections; nominations for which will run from 10 May 2019.

There is currently one vacancy for governor positions appointed to represent partner organisations.



## Lead Governor

The Council of Governors elects one of the governors to be 'Lead Governor'. This is to act as the point of contact for NHSI should the regulator wish to contact the Council on an issue for which the normal channels of communication are not appropriate.

Following Jacqueline Griffin stepping down as Lead Governor in September 2018 a formal nomination process for the position was held, through which public governor Robert Peace was appointed for a one year term.

The Lead Governor receives from governors any comments, observations and concerns expressed by governors regarding the performance of the Trust or its business, other than those expressed directly by governors at meetings of the Council of Governors. The Lead Governor regularly meets with the Chair.

In addition, the Lead Governor communicates with other governors by way of regular email correspondence and also meets on an ad-hoc basis with small groups of governors to discuss relevant matters.

## Strengthening links between the Board and Governors and members

The Board of Directors continues to demonstrate a strong commitment to working in partnership with the Council of Governors, acknowledging the role of governors in encouraging openness and accountability between the Trust, patients, carers and the public.

Executive and non-executive directors are not members of the Council of Governors but have a standing invitation to attend all council meetings to listen to the views of governors. The Chair of the Trust Board also chairs the Council of Governors and provides a link between the two, supported by the Trust Secretary.

Non-executive directors lead on the presentation and facilitation of relevant agenda items, providing the opportunity for governors to question the non-executive directors on the performance of the Board.

*Fig: Attendance by directors at Council of Governors meetings in 2018/19*

Name		Attendance
Andy Baker	Non-executive Director	3 from 3
Ruth Brown	Director of Strategy and Operations	3 from 3
Derek Burke	Medical Director (to 30 June 2018)	1 from 1
John Cowling	Non-executive Director & Senior Independent Director	3 from 3
Scott Green	Non-executive Director	3 from 3
Sarah Jones	Chair	2 from 3
Peter Lauener	Non-executive Director	3 from 3
Patricia Mitchell	Non-executive Director and Deputy Chair	3 from 3
Jeff Perring	Medical Director (from 2 July 2018)	2 from 2
Steven Ned	Director of Human Resources & OD (to 29 March 2019)	3 from 3
Sally Shearer	Director of Nursing and Quality	3 from 3
Mark Smith	Chief Finance Officer	3 from 3
John Somers	Chief Executive	3 from 3

Board Directors attend the Annual Members' Meeting to liaise with members. This was held on 11 September 2018. The Board and Governors also meet jointly at least annually, most recently in February 2019, as part of enabling governors to input into discussion relating to the Trust's strategic environment and direction.

Trust Board meetings are held in public and there is an open invitation for public governor observers to attend Board committees to widen opportunities for Governors to observe Trust Board business, supporting them in fulfilling their statutory duty of holding the Board of Directors to account and to inform their assessment of the performance of non-executive directors.

Governors are invited to take part in the Board's Back to the Floor programme by accompanying directors on visits to areas of the hospital. Feedback from these activities is shared at Council of Governor meetings and focus has been placed on more formally capturing learning points to feed into patient experience work streams.

There has also been continued focus on involving the Council of Governors in key developments and issues impacting the Trust. A summary of the involvement of governors in the activities of the Trust during 2018/19 includes:

- Involvement in a review of the Trust's constitution.
- Involvement in hospital cleanliness inspections and audits.
- Participation in a session with the Board of Directors to discuss forward plans and the Trust's external strategic environment;

- Reappointment process of the Chair and non-executive directors.
- Reappointment of the Trust's external auditors.
- Attendance at the Trust Board's committees.
- Involvement in the promotion of governor elections.
- Review of the Trust's financial plans in respect of non-principal purpose income.
- Consultation on the development of the Trust's quality priorities.
- Participation in the Staff Awards judging panel.
- Attendance at the Staff Awards event and presentation of the governor staff award.
- Holding an Annual Members' meeting to formally receive the Trust's Annual Report and report of the auditor.
- Attending back to the floor visits to services with non-executive directors.
- Participation in a mock security exercise to test the Trust's security controls.
- Receiving regular updates on the Care Quality Commission action plan following inspection in 2016 and 2018.
- Maintaining close working relationship with the Trust Youth Forum.
- Invitation to formally input into the appraisal of the performance of the Trust Chair and the non-executive directors.

## Membership report

*The Trust is accountable to the population it serves and members of the public can be Members of the Trust. Members share their views and influence the way in which the Trust runs and develops its services. The Trust considers its membership to be a valuable asset, which helps guide its work and the decisions it makes, whilst also holding the organisation to account and ensuring we adhere to NHS values. It is one of the ways the Trust communicates with the public and staff.*

Following a review in February 2019, the Trust now has two membership categories:

- **Public:** residents over 14 years of age and living in the areas the Trust has specified as a public constituency (Sheffield, rest of South Yorkshire, rest of England and Wales and North Derbyshire). This is notwithstanding those that are individual members of one of the classes of the staff constituency

- **Staff:** employees whose contract means that they can work for the Trust for longer than 12 months. Staff that are employed by other organisations and exercising functions on behalf of the Trust are also eligible to become members, such as university staff employed on an honorary contract.

Members are able to vote and stand for election to the Council of Governors and receive other incentives including invitation to the Annual Members' Meeting and regular communication from the Trust on its activities.

### Membership strategy

The Trust's membership numbers stayed roughly static this year. In order to ensure that our membership is current, a routine data cleansing exercise of our membership database was conducted in each quarter during 2018/19.

Our membership strategy centres on delivering a membership that is fully representative of the

diverse communities the Trust provides services to, regardless of gender, race, disability, ethnicity, religion or any other groups covered under the Equality Act 2012. Our current membership broadly reflects the local and regional populations we serve. We continue to note the effectiveness of social media as a recruitment strategy and will continue to capitalise on this as a means to increase the coverage of our engagement activities in as cost effective a manner as possible.

Governors are regularly encouraged to participate in a varied Back to the Floor programme joining members of the Board in their visits to areas of the Trust. This provides an opportunity for engagement with patients and staff. Governors are also invited to be part of regional events attended by the Trust, allowing governors to engage with members and local people and hear their views first hand.

Our Board and Council of Governors will work together to ensure we can support ways to ensure the views of members and the public are taken into account in the reshaping of services to ensure that patients and local communities have access to appropriate, safe and high quality care. As in previous years, all members are invited to our Annual Members' Meeting (AMM).

*Fig: Membership breakdown at 31 March 2019*

constituency	sub-constituency	number of members
<b>public membership</b>	<i>in Sheffield</i>	
	Sheffield	5,282
	<i>out of Sheffield</i>	
	rest of South Yorkshire	1,304
	North Derbyshire	411
	rest of England & Wales	562
	<b>sub-total</b>	<b>7,559</b>
<b>staff membership</b>	medical and dental	386
	other clinical	1,041
	nursing	953
	non clinical	964
	<b>sub-total</b>	<b>3,344</b>
	<b>grand total</b>	<b>10,903</b>

## Financial and other public interest disclosures

### Cost allocation and charging requirements

Sheffield Children's NHS Foundation Trust has complied with the cost allocation and charging guidance issued by HM Treasury. There is no additional charge for material made available to meet the needs of particular groups of people, e.g. in braille or other languages. The Trust does not charge a standard fee to comply with subject access requests, however where a request is manifestly unfounded or excessive, a reasonable fee to cover administrative costs is considered for the initial request and any subsequent copies as per guidance set by the Information Commissioner's Office. The Trust does not impose any fees for responding to requests under the Freedom of Information Act unless the amount of information exceeds the appropriate limit as defined in section 12 of the Freedom of Information Act.

### Political donations

There are no political donations to disclose.

### Employee benefits

Accounting policies for pensions and other retirement benefits are set out in note 10 of the accounts. Details of senior employee's remuneration can be found in the remuneration report.

### Payment of creditors

The Trust aims to comply with the Better Payment Practice Code. Performance for the financial year is set out in the table below.

**Fig: Better payment practice code table**

	Expected Sign	Actual	Actual
		31/03/19	31/03/19
		YTD	YTD
		Number	£'000
Non NHS			
Total bills paid in year	+	43,608	79,980
Total bills paid within target	+	26,644	58,993
Percentage of bills paid within target	%	61.1%	73.8%

### NHS

Total bills paid in year	+	3,253	17,590
Total bills paid within target	+	1,514	6,844
Percentage of bills paid within target	%	46.5%	38.9%
<b>Total</b>		-	-
Total bills paid in year	+	<b>46,861</b>	<b>97,570</b>
Total bills paid within target	+	<b>28,158</b>	<b>65,837</b>
Percentage of bills paid within target	%	<b>60.1%</b>	<b>67.5%</b>

### Non-NHS income

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the Trust's income from the provision of goods and services for the purpose of the health service in England must be greater than its income from the provision of goods and services for any other purposes. In 2018/19, the Trust met this requirement, with 97 per cent (£185,841,000) of the Trust's income generated by activities for the purpose of the health service in England.

This information is annually presented to the Council of Governors to satisfy them that, as the vast majority of Trust income is categorised as generated by activities for the purpose of the health service in England, carrying on with the activities to generate non-principal purpose income would not to any significant extent interfere with fulfillment by the Trust of its principal purpose.

### Serious incidents involving data loss or confidentiality breach

The Trust takes its responsibility to keep personal data safe very seriously. Annual information governance training is mandated for all staff, in addition to role-specific training mandated for staff responsible for key data processing functions. The Trust is also required to annually certify the Trust's compliance with NHS information governance standards.

There was one serious incident relating to inappropriate disclosure of personal data during 2018/19. This was reported to the Information Commissioners Office and a formal action plan was confirmed following a thorough review of the incident.

The Trust continues to monitor and assess its information and data security risks in order to identify and address any weaknesses and ensure continuous improvement of its systems.

### *Directors' Disclosure to Auditors*

The Directors of Sheffield Children's NHS Foundation Trust confirm that, as far as they are aware, there is no relevant audit information of which the Trust's auditors are unaware. The Directors have taken all steps they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The Directors consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

## Remuneration report

*The Remuneration Report outlines appointments and payments made to Trust Executive and Non-executive Directors in-year.*

The Board of Directors delegates responsibility to a Board Nominations and Remuneration Committee to make decisions regarding the nomination, appointment, remuneration and conditions of service for executive directors including the Chief Executive.

This Committee only determines the reward package of executive directors and senior managers on locally-determined pay.

The vast majority of staff remuneration, including the first layer of management below board level, is determined in accordance with the national NHS pay framework, Agenda for Change. It is not currently anticipated that this will change.

Medical and dental staff employed by the Trust are covered by separate national terms and conditions of service set by the Doctors and Dentists Review Body.

The setting of non-executive directors' remuneration is the responsibility of the Council of Governors own Remuneration and Recruitment Committee.

The membership of the Board Nominations and Remuneration Committee comprises the Chair and all the non-executive directors.

During 2018/19, the Committee met six times and attendance at the meetings is set out in the figure below.

*Fig: Board Nominations and Remuneration Committee membership attendance*

Name	31-Jul-18	25-Sep-18	29-Jan-19	4 Mar-19	12-Mar-19	28-Mar-19
Sarah Jones, Chair	✓	✓	✓	✓	✓	✓
Andy Baker, Non-executive Director	A	A	✓	N/a	N/a	A
John Cowling, Non-executive Director	✓	✓	✓	✓	✓	✓
Scott Green, Non-executive Director	✓	✓	✓	N/a	N/a	A
Peter Lauener, Non-executive Director	✓	✓	✓	✓	✓	✓
Patricia Mitchell, Non-executive Director	✓	✓	✓	N/a	✓	✓

*Key: A – apologies; N/A –not required to attend.*

### **Annual statement from the Chair of the Board Nominations and Remuneration Committee**

In July 2018 the Board's Nominations and Remuneration Committee considered executive director remuneration for 2018/19.

In the context of pay awards for other groups of Trust staff and the broader public sector, the Committee agreed the executive director pay award for 2018/19 with the exception of the Medical Director whose salary had been agreed earlier in 2018/19, and cost of living had been considered in setting this salary.

In addition, the Committee approved that the Chief Executive's pay be aligned to the median pay nationally in recognition of his work. This amount included the cost of living increase.

The executive pay policy agreed in November 2017 is based on the following principles:

- Where appropriate to set specific objectives linked to executive remuneration for monitoring and measurement of performance against these objectives.
- When setting salary on appointment to executive director roles to adopt latest NHSI median salary indicator guidance for the relevant role.
- Where market conditions dictate, and the candidate demonstrates the relevant knowledge, skill and experience, to consider appointment to the upper quartile of the recommended salary range, agreeing stretching objectives commensurate with level of experience and the salary to which they are appointed.



- In cases where it is a candidate's first executive director post, to consider appointment on the lower quartile of the recommended salary range, setting appropriate development objectives with the expectation of progression to the median recommended salary point within a determined period.

This new policy has been used to make in-year adjustments to individual executive director remuneration.

In line with guidance around pay for very senior managers, the opinion of NHSI has been sought in the specific case of the adjustment of the remuneration of the Chief Executive, while noting the broader review of all executive remuneration.

As noted, the agreed pay strategy provides a framework within which stretch and development objectives can be agreed to motivate, reward and retain executive directors.

Monitoring and measurement of performance against objectives is undertaken through the annual performance review process undertaken by the Chair (where the objectives relate to the Chief Executive) or the Chief Executive (where the objectives relate to an executive director).



**Sarah Jones**

**Chair of the Board Nominations and Remuneration Committee**

### *Senior managers' remuneration policy*

The Trust is required to set out what constitutes the senior managers' remuneration policy in tabular format:

*Fig: Senior manager's remuneration policy*

Element	policy
Base pay	Base pay is determined by using annual benchmarked data in order to attract and reward the right calibre of leaders to deliver the Trust's aims and priorities
Pension	Executive directors are able to join the standard pension scheme that is available to all staff

Remuneration related to performance	Specific objectives aligned to Trust aims and priorities are set where appropriate, linked to executive remuneration for monitoring and measurement of performance against these objectives.
On call payment	Board members receive on call payments in line with on call responsibilities
Benefits	The Trust operates a number of salary sacrifice schemes including childcare vouchers and a car lease scheme. These are open to all members of staff.
Travel expenses	Appropriate travel expenses are paid for business mileage
Declaration of gifts	As with all employees executive and non-executive directors must declare any gifts or hospitality according to Trust policy

The Trust has paid certain senior managers more than £150,000<sup>2</sup> and believes that this is appropriate given the market conditions both at the time of appointment and at present.

### *Executive director appointments*

Two appointments were made to the Board in 2018/19. These have been overseen by the Board Nominations and Remuneration Committee who put in place arrangements for processes to identify and nominate candidates for appointment to the post of Executive Director of Finance and Executive Director of People and Organisational Development. Both recruitment processes were supported by executive search consultants, who are not connected to the Trust.

John Williams and Nick Parker will take up their roles as Executive Director of Finance and Executive Director of People and Organisational Development respectively in Summer 2019.

In order to attract executive directors of sufficient calibre, contracts are permanent with appropriate notice periods in line with employment law rather than fixed term. This is consistent with similar contracts in the marketplace.

Planned and progressive refreshing of the Board of Directors is achieved through turnover of non-executive directors as terms expire and natural turnover of executive directors in the progression of their careers.

<sup>2</sup> The threshold set out in NHSI guidance above which NHS Foundation Trusts should make a disclosure.

### *The Council of Governors' Remuneration and Recruitment Committee*

The Council of Governors has previously taken the decision to combine two committees to form a single Remuneration and Recruitment Committee.

Membership of the Committee during 2018/19 comprised of the Trust Chair and seven governors. The Chief Executive, Director of Human Resources and Organisational Development and the Associate Director – Corporate Affairs are invited to attend to provide advice to the Committee.

It meets annually, or as required, to recommend to the Council of Governors the nomination of appropriate candidates for the posts of non-executive director, including the Chair. The Committee also has responsibility for making recommendations to the Council of Governors with regard to the remuneration, and other terms and conditions of office for non-executive directors. The Committee is also responsible for recommending their remuneration and overseeing Chair and non-executive appraisals.

The Committee's work plan for 2018/19 focused on the recruitment to a new non-executive director position on the Board, ideally someone with clinical experience. This process was ongoing at the time of writing.

Additionally, a meeting was held in March 2019 to recommend to the Council of Governors second terms for Sarah Jones (as chair), Andy Baker and Peter Lauener (as non-executive directors) in addition to consideration of Chair and Non-executive appraisals and remuneration.

### *Remuneration of non-executive directors*

The Council of Governors did not change the amount of remuneration paid to non-executive directors during 2018/19.

The Committee uses externally sourced data to satisfy the Code of Governance requirement to undertake an independent market review exercise of non-executive director remuneration. The context for determining whether there was a need to make an annual uplift to non-executive director remuneration levels also includes consideration of pay awards given to other groups of NHS staff.

## Annual Report on Remuneration

Current Remuneration and Pensions		Financial Year 1 April 18 - 31 March 19		
		Salary and Fees inc on-call	Pension Related Benefits	Total
		Bands of £5,000	Bands of £2,500	Bands of £5,000
Name	Title	£'000	£'000	£'000
John Somers	Chief Executive	165 – 170	95 – 100	265 – 270
Ruth Brown	Director of Strategy and Operations	115 – 120	70 – 75	185 – 190
Sally Shearer	Director of Nursing & Quality	110 – 115	85 – 90	195 – 200
Derek Burke (1)	Medical Director	30 – 35	55 – 60	90 – 95
Jeff Perring (2)	Medical Director	110 – 115	10 – 15	120 – 125
Mark Smith	Chief Finance Officer	105 – 110	60 – 65	170 – 175
Steven Ned	Director of HR and OD / Deputy Chief Executive	115 – 120	70 – 75	185 – 190
Sarah Jones	Chair	45 – 50		45 – 50
John Cowling	Non-executive Director	10 – 15		10 – 15
Patricia Mitchell	Non-executive Director	10 – 15		10 – 15
Peter Lauener	Non-executive Director	10 – 15		10 – 15
Andy Baker	Non-executive Director	10 – 15		10 – 15
Scott Green (3)	Non-executive Director	10 – 15		10 – 15

No directors received benefits in kind and the Foundation Trust has made no contributions to stakeholder pensions.

(1) Derek Burke was employed as the Trust's Medical Director until 30 June 2018

(2) Jeff Perring commenced as Medical Director on 2 July 2018

(3) Scott Green commenced in post 1st April 2018

2018/19		Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2019	Lump sum at pension age related to accrued pension at 31 March 2019	Cash Equivalent Transfer Value at 1 April 2018 (or start date if later)	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2019
Name	Title	Bands of £2,500		Bands of £5,000			Nearest £000	
John Somers	Chief Executive	2.5 – 5	0	30 – 35	0	343	114	456
Ruth Brown	Director of Strategy & Operations	2.5 – 5	2.5 – 5	20 – 25	40 – 45	258	84	342
Derek Burke	Medical Director	2.5 – 5	7.5 – 10	65 – 70	205 – 210	1556	N/A	N/A
Steven Ned	Director of HR & OD	2.5 – 5	2.5 – 5	45 – 50	120 – 125	814	148	962
Sally Shearer	Director of Nursing & Quality	2.5 – 5	10 – 12.5	50 – 55	150 – 155	981	186	1167
Mark Smith	Chief Finance Officer	2.5 – 5	2.5 – 5	25 – 30	60 – 65	333	143	476
Jeff Perring	Medical Director	0 – 2.5	0	45 – 50	125 – 130	901	93	993

In relation to Directors, 6 were reimbursed a total of £4,657 for out of pocket expenses during the year. (2017/18: 4 Directors reimbursed a total of £2,355). In relation to Governors, none claimed for out of pocket expenses during the year. (2017/18: None).

<b>Band of Highest Paid Director's Total Remuneration</b>	<b>165 - 170</b>
<b>Median Total Remuneration Ratio</b>	<b>29,608</b>
	<b>5.70</b>

## 2017/18 Comparatives

Current Remuneration and Pensions		Financial Year 1 April 17 - 31 March 18		
		Salary and Fees inc. on-call	Pension Related Benefits	Total
		Bands of £5,000	Bands of £2,500	Bands of £5,000
Name	Title	£'000	£'000	£'000
John Somers	Chief Executive	160 – 165	105 – 107.5	265 – 270
Ruth Brown (1)	Director of Strategy and Operations	75 – 80	37.5 – 40	115 – 120
Sally Shearer	Director of Nursing & Quality	100 – 105	57.5 – 60	160 – 165
Derek Burke (2)	Medical Director	160 – 165	70 – 72.5	230 – 235
Mark Smith	Chief Finance Officer	105 – 110	125 – 127.5	230 – 235
Steven Ned	Director of HR and OD / Deputy Chief Executive	115 – 120	125 – 127.5	240 – 245
Matt Powls (3)	Interim Chief Operating Officer	50 – 55		50 – 55
Sarah Jones	Chair	45 – 50		45 – 50
Neil MacDonald (4)	Non-executive Director	10 – 15		10 – 15
John Cowling	Non-executive Director	10 – 15		10 – 15
Patricia Mitchell	Non-executive Director	10 – 15		10 – 15
Peter Lauener	Non-executive Director	10 – 15		10 – 15
Andy Baker	Non-executive Director	10 – 15		10 – 15

No directors received benefits in kind and the Foundation Trust has made no contributions to stakeholder pensions.

(1) Ruth Brown commenced in post 01 August 2017

(2) Derek Burke spends a proportion of time performing clinical duties, as well as those of an executive director. The salary, including on-call, of these duties is in the £75-80k banding. Derek also holds a national bronze clinical excellent award.

(3) Matt Powls joined the Board on 16 May 2017 and covered the vacant post of Chief Operating Officer on an interim basis until 31 July 2017. Costs relate to amounts paid to the employment agency, including VAT.

(4) Neil MacDonald stepped down from the Board in 31 March 2018 at the end his second term of office.

2017/18		Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2018	Lump sum at pension age related to accrued pension at 31 March 2018	Cash Equivalent Transfer Value at 1 April 2017 (or start date if later)	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2018
Name	Title	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	Nearest £000		
John Somers	Chief Executive	5.0 – 7.5	0	25 – 30	0	260	80	343
Ruth Brown *	Director of Strategy & Operations	0 – 2.5	-2.5 - 0	15 – 20	30 - 35	204	20	227
Derek Burke	Medical Director	0 – 2.5	5.0 – 7.5	65 – 70	200 - 205	1417	125	1556
Steven Ned	Director of HR & OD	5.0 – 7.5	7.5 – 10	45 – 50	115 - 120	680	126	812
Sally Shearer	Director of Nursing & Quality	0 – 2.5	5.0 - 7.5	45 – 50	140 - 145	881	91	981
Mark Smith	Chief Finance Officer	5.0 – 7.5	10 – 12.5	25 – 30	60 - 65	280	95	378

\* Figures relate to time employed by the Trust

M Powls not included as interim appointment was via an agency, hence no pension contributions

Four Directors were reimbursed a total of £2,355 for out of pocket expenses during the year (2016/17: Eight Directors were reimbursed a total of £2,778). No Governor claimed for out of pocket expenses during the year. (2016/17: Again no Governors claimed).

<b>Band of Highest Paid Director's Total Remuneration</b>	<b>160 - 165</b>
<b>Median Total Remuneration Ratio</b>	<b>28,746</b>
	<b>5.65</b>

*The multiple has decreased slightly from 2016/17 as the basis for the comparator in terms of the highest paid director was a different individual director in 2017/18.*

The banded remuneration of the highest-paid director in Sheffield Children's NHS FT in the financial year 2018/19 was £165k - £170k (2017/18, £160k - £165k). This was 5.7 times (2017/18, 5.65 times) the median remuneration of the workforce, which was £29,608 (2017/18, £28,746).

In 2018/19, no employees received remuneration in excess of the highest-paid director and in 2017/18, no employees were paid more.

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

There are no performance related bonuses in either 2018/19 or 2017/18.

There are no service contract obligations for the Trust with regards to senior managers.

The Trust has entered into no 'off-payroll engagements' in relation to a member of staff, as set out by reporting requirements published by HM Treasury in PES(2012)17. The Trust has a risk based assessment as to whether assurance is required that the individuals are paying the right amount of tax, and, where necessary, that assurance has been sought. All individuals identified above, as with all off-payroll individuals do not hold any financial responsibility within the Trust. As a result of IR35 regulations which came into effect on 6<sup>th</sup> April 2017, the Trust has done a review of all such arrangements and is satisfied that it will remain compliant in the future.

### ***Pension Scheme***

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.



*Remuneration report signed by the Chief Executive  
John Somers,*

*24 May 2019*

## Staff report

*The staff and volunteers of Sheffield Children's NHS Foundation Trust are the reason for our continued success. Our 3400-plus workforce is vital to ensuring we continue to deliver high quality care. Without them we would not be able to deliver high quality patient care or offer the range of clinical services that we do.*

### Our values

Throughout this year we have continued the work to develop and embed our organisational values.

<i>'Together we care'</i>				
<i>Excellence</i>	<i>Accountability</i>	<i>Compassion</i>	<i>Teamwork</i>	<i>Integrity</i>
We will seek to improve the way we work and deliver a high quality standard of care	We will create a supportive working environment where everyone take responsibilities for their own actions	We will show empathy and understanding, treating everyone with dignity and courtesy	We will work together with and for our patients and their families	We will value differences and treat everyone with a fair and consistent approach
We will be open to new ideas, through innovation, research, education – nationally and internationally		We will respect each other and those we care for	We will work to the best of our ability and take pride in our achievements	We will take an open, honest and ethical approach

### Staff numbers

At the end of the year we had 3433 employees in the organisation. This equated to 2828 whole time equivalents. A breakdown of whole time equivalents by staff group is listed below.

*Fig: Average number of employees (whole time equivalent basis)*

	2018/19		2017/18	
	Permanent	Other	Total	Total
Medical and dental	342	6	<b>348</b>	411
Ambulance staff	-	-	-	-
Administration and estates	777	30	<b>807</b>	766
Healthcare assistants and other support staff	391	-	<b>391</b>	218
Nursing, midwifery and health visiting staff	832	28	<b>860</b>	882
Nursing, midwifery and health visiting learners	15	-	<b>15</b>	6
Scientific, therapeutic and technical staff	249	1	<b>250</b>	428
Healthcare science staff	157	0	<b>157</b>	147
Social care staff	-	-	-	-
Other	-	-	-	-
<b>Total average numbers</b>	<b>2,763</b>	<b>65</b>	<b>2,828</b>	<b>2,856</b>
<b>Of which</b>				
Number of employees (WTE) engaged on capital projects	23	0	<b>23</b>	13

*Fig: Breakdown of total employees by gender*

as at 31 Mar 2019	Female		Male	
Directors	4	31%	9	69%
All employees (including the above)	2862	83%	571	17%

Average annual sick days per full time employee for the year January to December 2018 was 13.8 days (compared to 16.7 days in the previous year).

For the same period the Trust has reported a sickness absence rate of 3.9 per cent compared to 4.6 per cent in the previous year. The national average is 4.3 per cent.

We are working with staff and trade union representatives to ensure that we maintain fair and robust policies to support our staff to remain healthy at work. We continue to be one of the better performing trusts in the region in respect of managing sickness absence.

### *Staff costs.*

*Fig: Analysis of staff costs*

	2018/19			2017/18
	Permanent £000	Other £000	Total £000	Total £000
Salaries and wages	104,290	6,046	<b>110,336</b>	106,902
Social security costs	10,462	-	<b>10,462</b>	9,108
Apprenticeship levy	507	-	<b>507</b>	534
Employer's contributions to NHS Pensions	13,247	-	<b>13,247</b>	12,574
Pension cost – others	34	-	<b>34</b>	66
Other post-employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	7	-	<b>7</b>	5
Temporary staff	-	2,414	<b>2,414</b>	3,751
<b>Total gross staff costs</b>	<b>128,547</b>	<b>8,460</b>	<b>137,007</b>	<b>132,940</b>
Recoveries in respect of seconded staff	-	-	-	-
<b>Total staff costs</b>	<b>128,547</b>	<b>8,460</b>	<b>137,007</b>	<b>132,940</b>
<b>Of which</b>				
Costs capitalised as part of assets	748		<b>748</b>	729



## *Working with our staff*

In 2018 we developed our new people strategy. The strategy has five key areas of focus to support our aim to empower compassionate and motivated staff. The five themes are:

- *workforce planning and development;*
- *health and wellbeing;*
- *education and development;*
- *equality diversity and inclusion; and*
- *staff engagement.*

The people strategy will be launched in 2019.

In late 2018 we developed a new culture and behaviour strategy, where our four key cultural ambitions are to '*Feel Safe, Team Up, Keep Learning, and Lead Together*'. In 2019 we will develop this work alongside our people strategy and our Trust values.

### *Statement of approach to staff engagement*

Staff engagement is a priority for the Trust. It is a vital part of our ability to deliver consistently high quality clinical services; and is a key theme of our underpinning people strategy whose aim is to *empower motivated and compassionate staff*.

Our organisational values were launched five years ago and while these have become embedded in many of our policies, practices and behaviours, they underwent a refresh in 2018 as part of our new organisational strategy, and to ensure that we continue to make decisions and behave in a way that reflects our values.

The Trust has a well-established Joint Negotiating and Consultative Committee where policies and procedures are formally agreed in addition to seeking wider staff views on a broad range of subjects that may affect them through their representatives.

Another forum for consultation and feedback is our Council of Governors, membership of which includes staff representatives and this annual report outlines the involvement of governors in the review of our corporate

objectives, plans for embedding our Trust values and the development of our quality priorities.

The Trust's communication strategy supports effective communication with staff and patients, developing our brand as a Trust and supporting our strategy for improved staff engagement. One of its three objectives is to develop more effective internal communications channels and focus has been placed on the development of more effective use of email bulletins and investment made in our intranet site.

### *Staff awards*

Each year the hard work, commitment and dedication of our staff is recognised through our annual Staff Awards ceremony. This year we received a record number 700 nominations and moved our award ceremony to The Octagon Centre to accommodate a larger number of staff attendees with all 500 tickets taken.

The sell-out event was hosted by BBC Look North presenter Amy Garcia and Rahul Mandal, winner of the 2018 Great British Bake Off, attended to celebrate with staff.

### *Back to the Floor programme*

Throughout this year we have continued with our programme which sees members of the Trust Board experience the services we deliver from the 'sharp end'. The programme enables executive and non-executive directors to experience the services we provide rather than just hearing about them in the boardroom.

The programme also enables staff to communicate directly with Board members about the challenges and opportunities of delivering front line services. Regular feedback from these visits is provided to the Council of Governors, members of which have also taken the opportunity to undertake visits to service areas, including visits to ward areas.

The executive directors have delivered a series of open sessions on how we are doing,

to which all staff are invited and these continue in 2018/19.

### *National staff survey*

We recently received the results of our 2018 staff survey. Our response rate increased to 53.5 per cent (from 48.4 per cent in 2017). Our overall staff engagement score increased to 7.07 out of 10 (compared with 7.04 in 2017). Our results are similar to the previous year, with improvements in some areas, particularly staff feeling they have a safe working environment, and some areas for improvement, such as the quality of appraisals. We are reviewing the feedback to identify themes. Our full survey results are available at [www.nhsstaffsurvey.co.uk](http://www.nhsstaffsurvey.co.uk)

### *Supporting our staff*

The Trust continues to provide education, learning and development opportunities for all staff. In 2018 we have refreshed our corporate welcome for new staff and introduced a new managers' induction. We are aligning our mandatory training with the Health Skills Framework along with other NHS trusts so we can streamline our mandatory training requirement and passport this between health care organisations. We ended the year at 87% compliance against our stretch target of 90%.

We have focussed our training on having the skills to lead a difficult conversation and on team and individual resilience. We continue to focus resources on building leadership capacity and capability to support our staff.

Our performance management review process provides for all staff to have an annual personal development review (PDR) and personal development plan (PDP). This framework provides the opportunity for staff to discuss their training needs and career development and have clear objectives for the coming year.

We have increased our level of training on how to conduct an effective PDR and have increased awareness of the benefits and importance of the PDR. PDR compliance was 73% just below our target of 90%, and whilst

we continue to identify ways to improve this, our focus will include improving the quality of PDRs in 2019.

Maintaining an environment that is safe for staff, patients and visitors is of the utmost importance to us. We place a strong focus on providing a safe and healthy working environment for staff. In 2018 we refreshed our bullying and harassment policy, and increased conflict resolution awareness and training. Our 2018 staff survey results reflect this positive work with an improved response in staff feeling they work in a safer environment than last year.

In 2018 we increased our focus on raising awareness of mental health issues amongst our workforce. We had a number of successful events and our enthusiastic Health and Wellbeing Group continued their attention on stress prevention, as well as promoting healthy bodies and healthy minds and encouraging self-management and self-help through a range of literature. Our free and confidential counselling service continues to be available to staff, and our first cohort of Mental Health First Aiders underwent their training for roll out in 2019.

We continue to provide a free to staff fast-track physiotherapy service and a confidential staff counselling service.

Through our occupational health service provider we offer a confidential service for employees to discuss health related matters and the impact of this on their work.

### *Speaking Up*

Following the Francis Review in 2015, all trusts are required to have a Freedom to Speak Up Guardian (FTSU) in post from 2017, to encourage staff to raise concerns and speak up around patient safety and quality of care concerns. Sheffield Children's has had a FTSU Guardian working across the Trust since March 2017. The FTSU Guardian builds on the Raising Concerns Policy, assists staff to speak up, encouraging local resolution, cultural change and wider learning around the Trust. Staff can contact the FTSU Guardian at any point before, during or after the process of 'speaking up'.

Activity in 2018/19 included:

- Supporting 72 members of staff to raise their concerns and speak up.
- Induction sessions with all new Band 5 Nursing Staff.
- Launching the *'Everyone Deserves to be Heard'* poster campaign.
- Awareness raising sessions with 25+ teams/departments.
- Regular 'Drop In' sessions held at Becton, with FTSU Information Packs created for each Lodge.
- Attending House of Commons FTSU reception plus National Development Day for '50 Leaders' within FTSU.
- Refresh of Trust 'Raising Concerns' Policy approved, meeting national exemplar standards.
- Speaking Up Month held throughout October: Information stalls held, poster campaign, sign up to 'Staff Champion' team role.
- FTSU *'Self Evaluation'* completed by Board.
- Paediatric Trust Guardian Network idea formulated by SCH and approved by National Guardians Office – launch in 2019.
- Board approval given for the *FTSU Strategy and Vision: To embrace an everyday culture of openness and transparency that enables staff to feel safe, free and encouraged to speak up and raise concerns: "Everyone Deserves to be Heard"*.

A total of 72 concerns were raised via the FTSU Guardian during 2018/19. The staff group reporting the most concerns were Nursing, aged 35-45 and of White British ethnicity - this cohort reflects the Trusts largest employee group.

*Fig. FTSU Concern Totals by Directorate.*

	Total
MEDicine	25
Surgery & Critical Care	15
PDG	6
CWAMH	13
Other (if applicable)	13
<b>Trust Total</b>	<b>72</b>

The majority of concerns raised were 'preventative' and not reactive to patient safety incidents per se. Three full investigations have occurred following intervention from a concern raised via the FTSU Guardian. Themes from concerns have included communication, safe staffing and medicines management.

### *Volunteering*

We continue with our successful volunteer service and in 2018 we aligned management of our service more closely with our PALS service. Some of our volunteers have been with us for many years; others come for one year and transfer their valuable experience to university, back into employment or onto other volunteering opportunities. Our volunteers work across all areas, including patient-facing and corporate roles and at any one time we have more than one hundred volunteers actively working within the Trust. Our volunteers are subject to the same stringent recruitment process and safeguarding checks as our employees and are easily identified by their red t-shirt uniform.

We recognise the valuable work of our volunteers through a specific volunteering category in our annual Star Awards. We also host an annual event where Trust executive directors meet our volunteers to thank them for their support to the Trust. We are one of a few NHS foundation trusts who have been accredited with the Investing in Volunteers (IIV) award.

### *Apprenticeships*

Our apprenticeship programme enables the Trust to 'grow our own' talent, traditionally through attracting young people to the NHS including those who are looking for a career change. Our apprenticeship programme has been a real success in 2018. **We have doubled the number of apprentices from 25 to 50 and expanded the range of apprenticeships from two to 15.** Apprenticeships now include existing staff developing in their role and enabling the Trust to succession plan and have an in-house solution to roles that are difficult to recruit in. We offer a variety of apprenticeships including administration, customer care, healthcare,

pharmacy, health and social care (mental health and wellbeing), healthcare science in laboratory services and allied healthcare, theatres and our new nursing associate apprenticeship. We are continuing to review and expand the type of apprenticeships offered by the Trust to meet the demands of our services, and to take advantage of the opportunities provided by the apprenticeship levy.

### *Work placements*

The Trust recognises the need for young people to gain an overview of the behaviours, skills and values that are required when joining the NHS as an employee. We offer work placements and workshops, where suitable, to students aged 16 to 24 (and occasionally people outside of this age group seeking a career change) to help them make informed career choices. We continue with our partnership with the Master Cutler's scheme which enables groups of sixth-form students to engage with a variety of Trust staff to gain an insight into working life in the NHS.

### *Equality, Diversity and Human Rights*

Equality, Diversity and Inclusion is a key theme of our new people strategy. The Board receives regular updates on our work in this area and is keen to support our continued progress. In 2018 we reviewed our commitment to equality, diversity and inclusion of our workforce as well as our service provision.

In 2018 The Trust refreshed its Equality Delivery Statement (EDS2) toolkit that supports NHS employers to review their policies, practices and services and, working with stakeholder involvement, identify areas of good practice and areas for development.

Our Workforce Race Equality Scheme (WRES) action plan is a live document that addresses a number of issues raised through our staff survey results and other workforce data. In 2018 we launched a BME network, creating opportunity for informal networking for our BME staff to share ideas and concerns. Whilst still in its first year, this has been a positive and welcome opportunity and has led to provision of mentoring opportunities and attendance at BME conferences by our staff. The WRES action plan will receive a refresh in

2019 with input from our BME network and as part of our people strategy development.

Our policy training and corporate induction incorporates unconscious bias, an understanding of the purpose and our responsibilities under the Equality Act 2010 and the Human Rights Act, and the benefits of a diverse workforce.

### *Charitable support*

The Trust continues to receive support from The Children's Hospital Charity, whose fundraising efforts support and enhance the Trust's services.

The charity funds four key areas: specialist medical equipment, research into the prevention and cure of childhood illnesses, new facilities to extend the range of treatment provided and improvements to the hospital environment.

Artfelt, The Children's Hospital Charity's arts programme, continues to support the hospital through workshops and improving the hospital environment.

Charity highlights over the last year have included:

- Launching the Build a Better Future Appeal to fund the redevelopment of the Emergency Department; Cancer & Leukaemia Ward and build a new Helipad. The charity has committed to raising £14.5 million to complete the projects over the next 5 years.
- Funding the relocation, expansion and development of a new Child Assessment Unit, creating an environment built with children in mind. This funding has enabled building work to commence in April 2019.
- The launch of a SPECT CT Scanner complete with a galaxy of stars. The scanner incorporates both nuclear medicine gamma scanning with an inbuilt CT scanning function. This allows radiologists to get the benefit of both types of imaging in one session and improves diagnostic confidence - meaning faster access to tailored

treatment and avoiding unnecessary medicines and therapies.

- Launching an EOS ultra-low dose 2D and 3D X-ray system which allows sitting and weight-bearing images of the entire body, including importantly the lower limbs and the spine. The extremely low radiation makes it suitable for multiple scans in very small children and the 3D images allow rapid in-built calculation of several length and angular abnormalities.
- Funding recliner armchairs for the Haematology and Oncology department, creating comfort for patients during treatment which can result in long periods of time in hospital.
- Manometry Stacker System which identifies problems with the movement and pressure in the oesophagus. Manometry measures the strength and muscle coordination of your oesophagus when you swallow. This procedure was only available for children at Great Ormond Street Hospital but is now also available in Sheffield Children's Hospital.
- The charity has partnered with Sheffield Hallam University's Advanced Wellbeing Research Centre (AWRC) with a commitment to invest £50,000 into a Feasibility and Proof of Concept Fund. The purpose of the scheme is to fund technical concepts in aspects of children and young people's treatment that are:
  - Designed to improve child health outcomes;
  - Able to be developed into a product or service with commercial potential;
  - Able to secure future funding.

Artfelt, transforms the hospital's walls and spaces with bright art, helping children recover in an environment tailored to them. In 2018/19, they delivered numerous projects across the Trust, including:

- The Consulting Rooms in the Outpatients Department have been developed by asking visitors to draw and write what Sheffield Children's Hospital means to

them. Their images and words were transformed into shapes by design studio, Eleven. Our Workshop Coordinator worked with patients on the layouts for each room, which were made into durable wooden pieces for all 25 of our Consulting Rooms.

- Treatment Room, Artfelt and Megavers collaborated on an innovative project which uses technology to distract young patients from pain, stress and anxiety whilst undergoing different treatments. Some Treatment Rooms in the new wing have been transformed into interactive arctic and woodland worlds, using augmented reality and 3D sound, combined with visual wall graphics to create an immersive environment.
- The hospital's Pain Management Services provides comprehensive pain management for patients with acute, procedural and chronic pain. Artfelt worked with the team to transform their consultation room and create a space that allows innovative ways of working as well as a calming environment. New furnishings and restful designs by local agency Lyon & Lyon, let patients focus and learn to manage their pain in a comfortable setting.
- **Workshops** – 205 Sessions took place with 1,118 active participants joining in with the workshops. Workshops currently take place in Outpatients, Oncology Clinic, Medical Daycare, TAU, Ward 1, 2, 3 and 6 and The Becton Centre.

Workshops and activities included Arts and Crafts, Visual Arts, Live Music Sessions, Theatre Performance, Circus Skills, Pottery, Poetry and Cinema Screenings.

- **The Long Gallery** hosted two exhibitions, Circus 250 and Collective which saw over 20 leading artists and creatives from around the world display their work, including Quentin Blake, to raise much needed funds for the project.

## Consultancy

The Trust expenditure on consultancy services was £516k. This was for a range of activities including recruitment searches, advice and benchmarking.

## Off payroll engagements

The Trust has no off-payroll engagements in relation to members of staff as a result of IR35

regulations which came into effect on 6 April 2017. The Trust has done a review of all such arrangements and is satisfied that it will remain in this position.

## Exit packages

One staff exit package was used within the year.

**Fig: Compensation scheme - exit packages**

Exit package cost band (including any special payment element)	Staff exit packages					
	2018/19			2017/18		
	Compulsory redundancies	Other departures agreed	Total exit packages	Compulsory redundancies	Other departures agreed	Total exit packages
< £10,000	1	0	0	0	1	1
£10,001 - £25,000	0	0	0	0	0	0
£25,001 - £50,000	0	0	0	0	0	0
£50,001 - £100,000	0	0	0	0	0	0
<b>Total number by type</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>Total resource cost (£000)</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>5</b>

**Fig: Exit packages: other (non-compulsory) departure payments**

	2018/19		2017/18	
	Payment agreed	Total value of	Payment agreed	Total value of
Voluntary redundancies including early retirement contractual costs		£000		£000
Mutually agreed resignation (MARS) contractual costs	-	-	1	5
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	-	-
Exit payment following Employment Tribunals or court orders	-	-	-	-
Non contractual payments requiring HMT approval				
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>5</b>
<b>Of which:</b>				
Non-contractual payments requiring HMT approval made to individuals where payment value was more than 12 months' of their annual salary	-	-	-	-



### Trade union facilities time

The Trust reports annually on its facilities time for trade union representatives in accordance with The Trade Union (Facility Time Publication Requirements) Regulations 2017

*Table 1 - Relevant union officials*

What was the total number of your employees who were relevant union officials during the relevant period?

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
15	2775.74

*Table 2 - Percentage of time spent on facility time*

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

<i>Percentage of time</i>	<i>Number of employees</i>
0%	2
1-50%	12
51%-99%	0
100%	1

*Table 3 - Percentage of pay bill spent on facility time*

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

<i>First Column</i>	<i>Figures</i>
Provide the total cost of facility time	£41,313
Provide the total pay bill	£128,057,279
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.03%

*Table 4 - Paid trade union activities*

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?



*Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:*  
*(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100*

100.00%

## Compliance with NHS Foundation Trust Code of Governance

*Sheffield Children's NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply and explain' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.*

The Board continues to seek to comply with the new code and through the Risk and Audit Committee has reviewed compliance against provisions of the code.

The Board made the required disclosures within this Annual Report and considers it is compliant with the NHS Code of Governance with the exception of paragraphs B1.2, B6.2 and B.6.5.

Further details of how the Trust has applied the code principles and complied with its provisions are set out here.

The responsibilities of both the Trust Board and the Council of Governors are also laid out in the Trust's Constitution which can be downloaded from: <https://www.sheffieldchildrens.nhs.uk/about-us/publications/>

Provision	Description	How the Trust complies	Assurance
A1.1	The board of directors should meet sufficiently regularly to discharge its duties effectively.	The board of directors holds part one and two board meetings each month. 'Part three' strategy sessions are held two months out of every three.	Board timetable Board agenda
	There should be a schedule of matters specifically reserved for its decision.	The scheme of delegation details the matters reserved for the board of directors.	Scheme of delegation
	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 (as described in section B).	A clear statement of the roles and responsibilities of the board of directors and the council of governors is included in the scheme of delegation and is based on legislation, the constitution, terms of authorisation and the latest guidance published by NHS Improvement.	Scheme of delegation
	This statement should also describe how disagreements between the council of governors and the board of directors will be resolved.	A clear statement explaining how disagreements between the council of governors and the board of directors will be resolved is included in the constitution.	Constitution
	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 by the board of directors. These arrangements are to be kept under review at least annually.	The annual report details how the board of directors and the council of governors operate and includes a high-level statement of which types of decisions are taken by each of the bodies. The scheme of delegation details the decisions delegated by the board of directors to the executive management of the Trust.	Annual report Scheme of delegation
A1.2	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.	The annual report identifies the chair, deputy chair, chief executive, senior independent director and the chair and members of the relevant committees.	Annual report

	It should also set out the number of meetings of the board and those committees and the individual attendance by directors.	A record is kept of the number and attendance of directors at board of directors meetings; it is included in the annual report. A record is also kept of the attendance of non-executive directors' at committee and board meetings.	Annual report
A5.3	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. A record should be kept of the number of meetings of the board and the attendance of individual governors and it should be made available to members on request.	The annual report identifies the governors and the lead governor and includes a description of the constituency/organisation they all represent.	Annual report

B1.1	<p>The board of directors should identify in the annual report each non-executive director it considers to be independent. The board should determine whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. The board of directors should state its reasons if it determines that a director is independent despite the existence of relationships or circumstances which may appear relevant to its determination, including if the director:</p> <ul style="list-style-type: none"> <li>• has been an employee of the NHS foundation trust within the last five years;</li> <li>• has, or has had within the last three years, a material business relationship with the NHS foundation trust either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the NHS foundation trust;</li> <li>• has received or receives additional remuneration from the NHS foundation trust apart from a director's fee, participates in the NHS foundation trust's performance-related pay scheme, or is a member of the NHS foundation trust's pension scheme;</li> <li>• has close family ties with any of the NHS foundation trust's advisers, directors or senior employees;</li> <li>• holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;</li> <li>• has served on the board of the NHS foundation trust for more than six years from the date of their first appointment; or</li> <li>• is an appointed representative of the NHS foundation trust's university medical or dental school.</li> </ul>	<p>The non-executive directors are identified in the annual report. The board considers that all of its non-executive directors are independent.</p> <p>In considering Sarah Jones' re-appointment as Chair, the Board confirmed that she continues to be independent based on the following evidence:</p> <ul style="list-style-type: none"> <li>• Geographical proximity (no office based at the Trust).</li> <li>• Clear evidence of stretch and challenge in respect of Chief Executive's objectives and the charity's work.</li> <li>• No evidence of over-familiarity or lack of challenge towards executives.</li> </ul> <p>None of the non-executive directors have been employed by the foundation trust prior to their appointment as non-executive directors.</p> <p>The interests declared by the non-executive directors are updated regularly, are available for inspection and are reported to board on an annual basis.</p> <p>The remuneration of the chair and non-executive directors is set by the council of governors and consists of the directors' fee.</p> <p>All directors are required to declare any close family ties with any of the foundation trust advisors, directors or senior managers.</p> <p>The directors declare such interests on the register of interests where they exist.</p> <p>The non-executive directors are required to undergo a re-appointment process every three years and thereafter are subject to annual re-election to ensure they remain independent.</p>	<p>Annual report - NED biographies Directors declaration of interests Constitution</p>
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B1.2	At least half the board of directors, excluding the chairperson, should comprise non-executive directors determined by the board to be independent.	<p>The board of directors comprises six executive directors including the Chief Executive and six non-executive directors including the Chair. When the Chair is absent, the Board is chaired by another non-executive director. Paragraph 3 of the standing orders ensures that where a vote is taken at a Board meeting the Chair of the meeting has a second, casting vote. This ensures that the non-executive members of the Board can outnumber the executive members when a vote is required.</p> <p>This position is under review. The Board's Nominations and Remuneration Committee met in January to support the addition of a further non-executive director, preferably with clinical experience and skill-set. This will now progress forwards to governors' remuneration and recruitment committee.</p>	<p>Constitution</p> <p>Annual report</p>
B1.4	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. Both statements should also be available on the NHS foundation trust's website.	The annual report includes a description of each director's expertise and experience. A statement about the board's own balance, completeness and appropriateness to the requirements of the NHS foundation trust has been agreed by the board, is in the annual report and is included on the Trust's website.	Annual report

B2.10	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. The main role and responsibilities of the nominations committee should be set out in publicly available, written terms of reference.	The annual report describes the work of the board's nomination and remuneration committee and council of governors' remuneration and recruitment committee including the process for the appointments to the board.	Annual report
B3.1	For the appointment of a chairperson, the nominations committee should prepare a job specification defining the role and capabilities required including an assessment of the time commitment expected, recognising the need for availability in the event of emergencies. 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. No individual, simultaneously whilst being a chairperson of an NHS foundation trust, should be the substantive chairperson of another NHS foundation trust.	A job description for the chairperson is prepared and agreed with the council of governors. The chair's other significant commitments are disclosed to governors and included in the annual report. The chair is not a chair of any other foundation trust.	The role specification of the chairperson BoD declarations of interests  Annual report
B 5.6	Governors should canvass the opinion of their members, 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.	Governors' views on the refreshed strategic direction were canvassed via a special workshop and fed back to directors. Views from members are canvassed through the Back to the Floor programme and regular emails. Future plans are shared in formal meetings while strategies are taken through committees (where governors are observers) prior to consideration at board of directors.	CoG agenda papers  Board committee minutes  Joint strategy session



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, bearing in mind the desirability for independent assessment, and the reason why the NHS foundation trust adopted a particular method of performance evaluation.	Details of board, committee and director evaluation is provided in the annual report.	Annual report
B.6.2	Evaluation of the boards of NHS foundations trusts should be externally facilitated at least every three years. The evaluation needs to be carried out against the board leadership and governance framework set out by NHS Improvement. 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.	While not using independent facilitation, the Board has carried out two self-assessments with assistance from its internal auditors which have led to action plans that have been monitored at Board and its committees.	Reports of IA well-led reviews

B 6.5	<p>Led by the chairperson, the council of governors should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities, including their impact and effectiveness on:</p> <ul style="list-style-type: none"> <li>• holding the non-executive directors individually and collectively to account for the performance of the board of directors.</li> <li>• communicating with their member constituencies and the public and transmitting their views to the board of directors; and</li> <li>• contributing to the development of forward plans of NHS foundation trusts. The council of governors should use this process to review its roles, structure, composition and procedures, taking into account emerging best practice.</li> </ul> <p>Further information can be found in NHS Improvement's publication: <i>Your statutory duties: A reference guide for NHS foundation trust governors</i>.</p>	<p>The council of governors reviewed its roles, structure, composition and procedures as part of the February 2019 review of the constitution.</p> <p>A wider effectiveness review is planned for 2019.</p>	Review of constitution report
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C 1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. There should be a statement by the external auditor about their reporting responsibilities. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	These requirements are met.	Annual report
C 2.1	The board of directors should maintain continuous oversight of the effectiveness of the NHS foundation trust's risk management and internal control systems and should report to members and governors that they have done so in the annual report. A regular review should cover all material controls, including financial, operational and compliance controls.	The board receives a regular report on the high level risks and board assurance. The BAF is reviewed each quarter while all operational risks above 20 are notified to board each month. The Trust's annual report includes an annual governance statement which sets out a review of the Trust's internal control processes.	Agenda papers for BoD  Annual report
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.	Details in the annual report identify that an internal audit function is in place and gives brief details of its work during the year. Full details can be found in the reports presented to the Risk and Audit Committee (RAC).	Annual report  RAC reports and minutes

C 3.5	<p>If the council of governors does not accept the audit committee's recommendation, 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.</p>	<p>This has not arisen but if it were to happen the council of governors would follow this process.</p>	--
C 3.9	<p>A separate section of the annual report should describe the work of the committee in discharging its responsibilities. The report should include:</p> <ul style="list-style-type: none"> <li>• The significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed;</li> <li>• An explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and</li> <li>• If the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.</li> </ul>	<p>The work of the RAC is included in summary form in the annual report. The terms of reference are available on request.</p>	<p>Annual report</p> <p>Committee terms of reference</p>

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.	The situation has not arisen but a disclosure would be made in the annual report if such a situation did occur.	Annual report
E 1.4	The board of directors should ensure that the NHS foundation trust provides effective mechanisms for communication between governors and members from its constituencies. 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.	Contact advice is included on the website and in the annual report. Governors have a range of mechanisms to communicate with members including the annual members meeting.	Annual report Website
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.	The board of directors provides a statement in the annual report of the steps taken by the board of directors in understanding the views of the governors.	Annual report

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. This information should be used to review the trust's membership strategy, taking into account any emerging best practice from the sector.	The annual report provides detailed information on the Trust's membership and membership activities. The Trust's membership strategy is reviewed on a regular basis and included as a summary in the operational plan.	Annual report  Membership strategy
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### 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 one to four, where 'four' reflects providers receiving the

most support, and 'one' reflects providers with maximum autonomy. A foundation trust will only be in segments three or four where it has been found to be in breach or suspected breach of its licence.

### Segmentation

NHS Improvement has reviewed the Trust's performance and information available to it and placed the Trust in Segment 2. This segmentation information is the trust's position as at May 2019.

Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

### Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from one to four, where one 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.

**Fig: Finance and use of resources scorings**

Area	Metric	2018/19 Scores			
		Q4	Q3	Q2	Q1
Financial stability	Capital service capacity	2	4	4	4
	Liquidity	1	1	1	1
Financial efficiency	Income and Expenditure (I&E) margin	1	3	4	4
Financial controls	Distance from financial plan	1	1	1	1
	Agency spend	1	1	1	1
<b>Overall scoring</b>		<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>



Area	Metric	2017/18 Scores			
		Q4	Q3	Q2	Q1
Financial stability	Capital service capacity	2	4	4	4
	Liquidity	1	1	1	1
Financial efficiency	Income and Expenditure (I&E) margin	1	3	4	4
Financial controls	Distance from financial plan	1	1	1	1
	Agency spend	1	1	1	1
<b>Overall scoring</b>		<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>



John Somers  
Chief Executive  
24 May 2019

*Accountability Report signed by the Chief Executive  
in capacity as Accounting Officer*

## Statement of accounting officer's responsibilities

### *Statement of the Chief Executive's responsibilities as the accounting officer of Sheffield Children's 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 [name] 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.



John Somers, Chief Executive

Date: 24 May 2019

## Annual governance statement

### *Scope of responsibility*

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

### *The purpose of the system of internal control*

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Sheffield Children's 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 Sheffield Children's 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*

#### *Leadership*

The Board is responsible for reviewing the effectiveness of the system of internal control including systems and resources for managing all types of risk.

A robust board-approved risk management strategy and policy clearly sets out the accountability and reporting arrangements to the Board for the identification, evaluation and management of risk within the Trust.

This strategy provides the Board with assurance that appropriate structures are in place to assess and minimise risk within the organisation. It clarifies individual and collective responsibility for risk management; starting with the Chief Executive having overall responsibility, and delegation to named Executive Directors, with leadership further embedded by ownership at local level through managers taking responsibility for risk assessment and analysis to all staff within the organisation having a responsibility for the identification and reporting of risks and incidents.

The Risk Management Strategy also sets out the Trust's attitude to risk and includes guidance on risk identification, risk assessment, risk scoring and risk monitoring, as well as outlining the agreed principles for effective risk management within the Trust, along with clarity of roles of the Board committees and groups within the Trust executive sub-structure.

Incident reporting is openly encouraged through staff training and the Trust promotes open and honest reporting of incidents, risks and hazards through its incident reporting policy. This is supported by a clear and structured process and the Trust can evidence a strong reporting culture and sharing of learning across the divisions and departments. Root cause analysis from serious incidents is routinely used to learn from incidents and tailor standard operating procedures.

The Trust is committed to using information such as trends in incidents, complaints and claims to continually enhance and improve its services and standards of patient care.

Internal audit reports and clinical audit work is used to provide assurance that changes to

practice have become embedded. Major reports from healthcare regulators are used to identify learning from significant incidents and events in other healthcare organisations. This information is filtered to frontline staff via internal communications, directorate meetings and reports and newsletters. Following the introduction of Datix we are able to utilise the service level data we hold in real time relating to incidents, risks and complaints to enhance shared learning across the Trust. The Quality Committee has oversight of serious incidents and a standing exception report on actions following serious incident investigations is monitored by the Risk and Audit Committee.

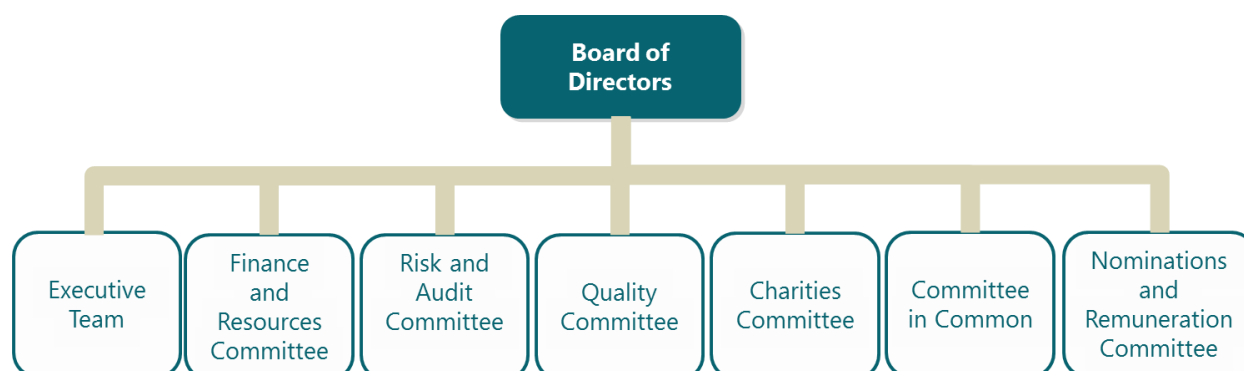
Evidence for compliance against NHS Resolution and Care Quality Commission (CQC) standards is held electronically and updated annually. Changes to National Institute of Clinical Excellence (NICE) guidance, national audit recommendations, information governance toolkit performance and the output from serious incidents are

analysed and incorporated into policies and training.

As noted above, the Board has established a committee structure to provide assurance on and challenge to the Trust's risk management process. These integrated committees of the Trust board are the key structures in ensuring quality, safety and management of risk and provide the mechanism for managing and monitoring risk throughout the Trust and reporting through to the Trust Board.

Each of the standing committees of the Board, other than Executive Team, is chaired by a Non-executive Director to enhance independent scrutiny and challenge and each Committee chairs report formally to the Board; to confirm delivery of assurance or escalate matters as necessary. Executive directors provide leadership on the management of key areas of risk commensurate with their roles and are represented across the Board committee structure.

*Fig: Trust Board Committee structure*



The Risk and Audit Committee oversees the system of internal control and overall assurance process associated with managing risk.

It receives assurance from the Executive Risk Management Committee on all serious untoward incidents and routine and exception-based reports from aligned Board committees.

This allows this Committee to discharge its responsibility for providing assurance to the Trust Board in relation to all aspects of governance, risk management and internal control.

The composition of the Board as a whole remains relatively stable with two changes in year and three further known changes planned for 2019/20.

### *Staff training and guidance on the management of risk*

Risk management training and awareness is incorporated within the Trust's induction programme for new starters and is a key element of annual mandatory training for all staff. The frequency and level of risk management training is identified through training need assessments, which ensures that individual members of staff have the relevant training to equip them for their duties and level of responsibility.

Additionally, a range of policies are in place and available to staff via the Trust intranet which describe the roles and responsibilities in relation to the identification, management and control of risk. Staff are made aware of these policies and actively encouraged to access them to ensure that they understand their own roles and responsibilities in this area.

### *Risk management and the Board assurance framework*

A robust and on-going risk management process, embedded across the organisation, is the basis for the Trust's system of internal control. As referenced above, a comprehensive board-approved risk management strategy and policy clearly describe a structured and systematic approach to the identification, evaluation and control of risk. The document describes the Trust's overall risk management process, within which the operation of a Board Assurance Framework (BAF) and risk registers ensure that risk management is an integral part of clinical, managerial and financial processes across the Trust.

The Trust's risk appetite matrix has been defined by the Risk and Audit Committee and adopted by the Trust Board. This clearly articulates what risks the Board is willing or unwilling to take in order to achieve the Trust's strategic objectives and defines tolerances for balancing different elements of risk, including patient safety, reputation, workforce and financial / value for money, based on how much, or little the Trust wishes to commit in terms of risk.

The definition of this risk appetite informs discussion of controls and assurances in place in relation to our key strategic risks set out within our BAF and, on embedding further, will be a tool in the future consideration of service changes or investment decisions.

The use of a single standard assessment tool to identify risks ensures a consistent approach is taken to the evaluation and monitoring of risk. Using a grading matrix of likelihood and consequence to produce a risk score enables risks to be prioritised against other risks on risk registers. Low scoring risks (less than 12) are managed by the area in which they are found, while higher scoring risks are actively discussed at the Executive Risk Management Committee. Risk scores over 16 are reported to the Risk and Audit Committee and those over 20 to the Board of Directors.

To support reporting of risks from Ward to Board, the risk escalation process through our governance structure is defined within the risk management strategy, with top scoring risks being additionally reported to the Trust Board monthly. All risk control measures are identified, implemented and monitored to reduce the potential for adverse consequences.

The BAF is a mechanism for proactively assessing risk and control at the very highest level and provides the structure for the evidence to support the annual governance statement.

It focuses on a core set of broad overarching risks identified by the Board as risks to the achievement of the Trust's key strategic aims. Throughout the course of the year scrutiny is given to associated controls in place and sources of assurance through which the controls can be seen to be effectively working. This allows assessment by the Board of areas where gaps in control exist and consideration of any measures the Trust would wish to introduce to reduce identified risks.

The Risk and Audit Committee has continued, as a standing item on its agenda, to rotate the consideration and review of key BAF risks during the year.

This has brought together, and documented, evidence that routine discussion relating to key strategic risks takes place across the wider agenda of the Trust Board and its committees. Where the Committee has not been able to satisfy itself that adequate discussion is taking place, these assurance gaps can be addressed within the work programme of the Board or its most appropriate committee.

As part of the ongoing use of the BAF, the Board's newly defined risk appetite statement has been utilised to review target risks scores for each BAF risk. This work ensures that the Board is clear on actions to be taken to reduce risk scores in line with agreed timelines.

### *Quality governance arrangements*

The Trust's commitment to quality governance is embedded in its values and strategic aims, which clearly reference providing high quality patient experience and outcomes. The Board takes clear responsibility for ensuring the quality and safety of the Trust's services and ensuring that there are robust structures in place in relation to quality performance management and clear quality risk management processes/ reporting mechanisms.

A review in 2019 of Board committee arrangements for quality governance has strengthened the Board level focus on quality issues by streamlining the agenda and membership of the Quality Committee. A Quality Strategy proposal has been signed off by the Board to strengthen Quality Improvement across the Trust, using microsystems methodology. This will be complemented by work to ensure quality governance at divisional level is consistently applied. This will be the cornerstone of governance improvement following the dissemination of responsibility to divisions last year with the implementation of Datix. Embedding of a clear, effective and transparent process for sharing the learning from complaints, serious incidents, audits, patient feedback, incidents and Trust quality priorities that cascade from the Board to the clinical and non-clinical areas further supports integrated governance reporting.

Policies for risk management, complaints management, Serious Incidents and Duty of Candour have all been refreshed during 2018/19, together with a risk management strategy and refresh of the risk appetite matrix.

The continued development of detailed quality governance reporting at divisional level allows quality metrics across risk management, patient experience and clinical effectiveness to be reported alongside performance and finance within the integrated performance report. Each month divisional performance review meetings are held where executive directors meet senior clinical and managerial staff from each division to review performance against a range of measures. Divisional performance scorecards containing in-month data and historical trends allow quality indicators to be triangulated alongside other performance measures to identify achievement and allow assessment on where improvement is necessary.

Observations of the quality of care are undertaken through a Back to the Floor programme where Trust Board members visit clinical and non-clinical departments to maintain an oversight on performance. These visits also provide a valuable opportunity for members of the Board to discuss specific aspects of day-to-day challenges and ideas for improving patient experience and staff productivity. The Medical Director and the Director of Nursing and Quality also undertake a routine programme of walk-arounds which support Ward to Board engagement and the identification of quality risks. Three rounds of '15 steps' assessment were undertaken during 2018/19 and form an important part of our quality surveillance.

Monitoring of quality impact is aligned to the ten Recovery and Transformation work-streams. A standing item on the agenda of the Quality Committee is exception reporting in relation to quality impact assessments as a means of Board oversight of the quality impact assessment process. The quarterly divisional deep-dive reviews presented to the Quality Committee provide a further opportunity to assess the cumulative impact of schemes.



The Trust's quality impact assessment policy sets out an agreed process for assessing the impact on quality of cost improvement or service development plans. Key elements of this policy are:

- clear guidelines for schemes that require a quality impact assessment;
- template project documentation which includes a description of the benefit to patients, quality indicators, patient safety issues to be considered, impact on clinical outcomes for consideration, impact on patient experience and any implications for the health, safety and performance of staff;
- where an adverse impact is identified, a risk assessment of the current position must be provided together with any controls taken to mitigate the risk. The risk assessment process follows the standard Trust format;
- risks are recorded and any projects with scores of 12 and over should be reviewed monthly;
- an overview of approved quality impact assessments are discussed at the monthly Quality Committee, with any high risks being discussed in full; and
- documentation with omitted information, lack of clarity or areas of clinical concern are not approved and are returned to the division for further work if appropriate.

In-year assessment against the NHSI Well Led Framework provides a tool for the Board to self-assess its governance arrangements and in respect of quality governance. It has allowed for an honest reflection and has been one of the key instruments in informing review of the Board committee structures and supporting quality governance arrangements. The Trust underwent a CQC Well Led inspection in April 2019 and is currently addressing immediate findings from that review.

### *Quality of Performance Information*

As part of our quality governance arrangements, a framework exists for the management and accountability of data quality. This is supported by a formal Data Quality Group which develops and prioritises a work programme each financial year that addresses data quality issues within the Trust. The work programme is presented for consideration by the Trust's Information Governance Committee which reports into the Finance and Resources Committee. Reports against agreed data quality standards include:

- completeness and accuracy of data submitted to the secondary uses service, including the use of that data under the payment by results system;
- comparison of data to externally produced data quality reports and to external benchmarking information;
- the accuracy of Trust's activity coding.

Reviews of data quality and the accuracy, validity and completeness of Trust performance information are also considered by the Risk and Audit Committee through in-year review of work undertaken by internal and external audit. This has included external assurances on the Quality Report as part of the mandatory scope of the external auditor and focus within the internal audit plan on specific areas of data quality.

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

The Trust was subject to a CQC inspection using the new methodology between 29<sup>th</sup> February 2019 and 4<sup>th</sup> April 2019. This involved inspections of four core services, Urgent and Emergency Care, Surgery, Outpatients and Transition.

A further inspection of specialist community child and adolescent mental health services and inpatient child and adolescent mental health services (CAMHS) was also undertaken. The 2019 process closed on 4<sup>th</sup> April 2019 following a three day 'well led' review. The report and ratings following these inspections are anticipated in July 2019.



The current rating of the Trust, published on 26 October 2016 is 'Good' overall. All services are rated as 'Good' for the Care domain. The Trust received 'Requires Improvement' ratings in 2016 for both the inpatient and community Child and Adolescent Mental Health Services and also for the Safe domain on the acute site.

The Trust has responded to the issues raised by the CQC following the 2016 and 2018 CAMHS inspections through the implementation of a comprehensive action plan, driven and closely monitored by Executive leads, reported upwards to the Trust Board and Quality Committee.

### *The organisation's major risks*

The Board Assurance Framework (BAF) bases itself around an assessment of the Trust's future risk profile and describes the key risks which, if not managed, would impact on the Trust's ability to deliver its strategic goals.

Each BAF risk consolidates a number of individual key current and future organisational risks. The mapping of relevant high level risks entered onto the Trust risk register identifies current risks which would impact on the delivery of strategic aims.

As at May 2019 these risks can be categorised under the following themes:

- possible failure to effectively deliver healthcare impacts on the safety and quality of patient experience, regulatory compliance and loss of confidence of the wider community.
- possible failure to develop our leadership, management and governance arrangements to ensure delivery of sustainable high quality person-centred care, support learning and innovation, and promote an open and fair culture prevents the Trust from demonstrating it is a well led organisation.
- risk to clinical service viability due to failure to meet nationally-defined quality standards or changes to the commissioning and / or configuration of services.
- operational constraints and failure to deliver transformation impact on our

ability to deliver planned activity and manage demand impacting on operational efficiency, service quality and financial performance.

- possible failure to ensure that the required IT infrastructure and strategy is in place to deliver clinical services and support clinical strategy and transformation impacts on the Trust's ability to safeguard patient safety, improve quality and transform services.
- possible failure to ensure that the Trust recruits staff in the right numbers and with the appropriate breadth of skills and competencies to deliver high quality services now and in the future.
- possible failure to ensure that the Trust has a motivated, suitably trained and engaged workforce impacts on operational performance, transformational change and achievement of strategic objectives.
- risk that we do not maintain financial stability due to failure to deliver our financial plan or the negative impact of movement to a system-wide financial planning regime, resulting in requirements for additional CIPs or reduction in level and standard of quality of our services.
- possible failure to manage the Trust's cash position would result in the Trust not being able to satisfy its obligations in respect of pay and non-pay costs.
- possible failure to engage with our clinicians prevents the development / implementation of an effective clinical strategy to deliver high quality services that responds to the needs of patients and other health and social care partners and prevents us from capitalising on research, innovation and technology.
- possible failure to engage effectively with partner organisations and the local community threatens the ability of the Trust to deliver its strategic ambition.
- risk that insufficient leadership capacity and capability prevents necessary transformational change.

These risks are being mitigated through close monitoring, but will continue to be some of the risks for the organisation in the year ahead.

More details around the key risks that the Trust will seek to manage over the coming year in the context of our current financial and operating environment are outlined within the performance section of this annual report.

#### *Compliance and validity of the NHS Foundation Trust condition 4 (FT Governance): Corporate Governance Statement*

The Board annually considers the corporate governance statement with a view to confirming compliance with condition FT(4) of the provider licence. To assure validity of this statement, a schedule of evidence of compliance with each element of the declaration is prepared by the executive team for review by the Board prior to final sign off.

Each element of the corporate governance Board statement is presented alongside sources of assurances which include internal audit work, routine reports and papers to the Board and Trust practice. This documents any risks to compliance identified on the Board Assurance Framework / Risk Register and corresponding mitigating actions.

All statements were confirmed in the May 2019 review with no unmitigated risks to compliance identified.

The Trust believes that effective systems and processes are in place to maintain and monitor the following:

- The effectiveness of governance structures.
- The responsibilities of directors and sub-committees.
- Reporting lines and accountabilities between the Board, its sub-committees and the executive team.
- The submission of timely and accurate information to assess risks to compliance with the Trust's licence.
- The degree and rigour of oversight the Board has over the Trust's performance.

#### *Public involvement in risk management*

The views of our public stakeholders are very important to the Trust. Learning from many varied sources external to the Trust enable the organisation to learn and develop practices in response to genuine need.

As a foundation trust the organisation aims to make best use of its membership and of its Council of Governors. We take opportunities to involve the public in all aspects of our business and all public Board documents are available on the Trust website at [www.sheffieldchildrens.nhs.uk/about-us/board-of-directors.htm](http://www.sheffieldchildrens.nhs.uk/about-us/board-of-directors.htm)

We take opportunities to engage the Council of Governors to ensure that the Trust's operational strategy is being developed in line with membership expectations. Included routinely on council meeting agendas are items on areas of risk.

The level of public and patient involvement in the development of our services provides assurance that the Trust is not operating in isolation and is putting the needs of children and their families at the centre of our services.

Examples of where public stakeholders have been actively engaged by the Trust during 2018/19 in an effort to bring continuous improvement to the Trust include:

- engagement sessions held quarterly in the acute site outpatients department to gather feedback from families;
- inviting external partners, patients and their families and organisations such as Chilypep to our Clinical Summits, held quarterly on a variety of themes;
- inviting Healthwatch representatives to attend meetings of the Trust Board Quality Committee on a quarterly basis;
- visiting Young Healthwatch to invite participation in the preparation of our annual report;
- actively involving the Youth Forum in Trust activities such as executive interviews and how pharmacy services are delivered;

- actively involving Chilypep and Sheffield Futures in our engagement activities. They have also been integral to our patient involvement work across our Mental Health Services;
- regular presentation of patient stories at Trust Board meetings;
- review of the Annual Quality Report;
- quarterly Council of Governors meetings to review Trust operations and plans;
- Governor representation on the Risk and Audit Committee;
- Engagement with Local Authority Overview and Scrutiny Committee.

### *Workforce strategies*

Good workforce planning is having the right staff with the right skills in the right place at the right time. The Trust has systems in place to manage short term operational staffing changes and service leaders risk assess concerns about staffing levels and escalate as necessary. The Trust has daily huddles and uses Safe Care acuity tool daily. The Trust has improved systems to provide short-notice additional staff that are suitably qualified, competent and safe through in-house bank developments and centrally control use of medical agency workers through a master vendor model.

Our nursing establishment is fully reviewed annually and has a 6-monthly review. Any changes are quality impact assessed and the establishment is reported to the Board. Quality Committee, a committee of the Board, receives monthly safe staffing reports through the nursing dashboard and this is provided to the Board for information. Any proposed reduction in service as a result of staffing levels would be escalated to Executive Directors and reported to the Board.

As part of our workforce planning approach, and in response to national shortages in some clinical professions, we are redesigning roles and looking to introduce new roles (one example of this is the nursing associate role). Each of these changes undergoes a quality impact assessment as part of the service change process. We have an annual workforce plan as part of our operational delivery planning cycle which considers our anticipated activity based on commissioning requirements, service developments and efficiency programmes.

In 2018 the Trust approved the business case to extend our e-rostering tool to all staff and introduction of the self-service element of our electronic staff record (ESR). Our establishment will be moved into ESR in 2019 for more effective workforce planning information.

Workforce planning and development is a key theme in our new people strategy, approved in late 2018 and due for implementation in 2019 where it will focus on working with professional leads internally and with external partners to develop career pathways, developing further our governance structure for the implementation of new roles and exploring working across boundaries as a leader of children's services in the South Yorkshire and Bassetlaw Integrated Care System.

### *Information governance*

Information governance is the responsibility of the Chief Information Officer, who is the Trust's designated senior information risk owner (SIRO), supported by a network of information assets owners who ensure the integrity of the systems.

The introduction of the EU General Data Protection Regulation (GDPR) in May 2018 has been a prominent focus throughout 2018/19. A formalised GDPR readiness plan was overseen by the Trust's Risk & Audit Committee and was subject to internal audit reviews in April and October 2018, confirming appropriate measures had been taken to comply with the new legal provisions.

The reporting and management of both data and security risks are supported by ensuring that all employees are reminded of their data security responsibilities through education and awareness. This includes mandated annual information governance training.

Regular reminders and lessons learned are shared through staff communications, including where identified as a requirement following local incident reviews and risk assessments.

In addition to mandatory staff training, a range of measures are used to manage and mitigate information risks, including: physical security, data encryption, access controls, audit trail monitoring, departmental checklists and spot

checks. In addition, a comprehensive assessment of information security is taken annually as part of the Data Security and Protection Toolkit and further assurance is provided from internal audit and other reviews.

The effectiveness of these measures is reported to the Information Governance Committee. This includes details of any personal data-related serious incidents, the Trust's annual Data Security and Protection Toolkit assessment and reports of other information governance incidents and audit reviews.

There was one serious incident relating to information governance (inappropriate disclosure of personal data) during the 2018/19 financial year. This was reported to the Information Commissioners Office, along with the Trust's action plan to contain the incident impact on data subjects and to prevent re-occurrence. The case has subsequently closed with no further action to be taken.

### *Registration with the Care Quality Commission (CQC)*

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC) and its current registration status is unconditional.

The Care Quality Commission has not taken enforcement action against the Trust during 2018/19.

### *Registers of interest*

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.

### *Pension Scheme*

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.

### *Equality, Diversity and Human Rights*

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

### *Carbon reduction*

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*

Key processes are in place to ensure that resources are used economically, efficiently and effectively. In 2018/19 these have included:

- monthly monitoring of delivery of a Board approved financial plan and at both Trust level at Board and via a performance management / escalation framework incorporating divisional performance reviews led by the Executive team;
- monthly reporting to the Trust Board on key performance indicators including finance, activity, quality and performance;
- the scheme of delegation and reservation of powers approved by the Board sets out the decisions, authorities and duties delegated to officers of the Trust;
- standing financial instructions detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that an organisation's transactions are carried out in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness;

- robust competitive processes are used for procuring non-staff expenditure items. Above £35k, procurement involves competitive tendering;
- application of controls around the use of agency and temporary staffing;
- commissioning of external diagnostic support to inform opportunity for efficiency savings;
- a review of financial governance processes undertaken by our regulator, NHS Improvement.
- participation in an external benchmarking club, which analyses the comparative resource use in paediatric centres;
- assessment of efficiency schemes for their impact in quality with local clinical ownership and accountability; and
- use of internal and external audit services to support governance arrangements to deliver economic, efficient and effective use of resources at the Trust.

The Trust Board has gained assurance from the Risk and Audit Committee in respect of financial and budgetary management across the organisation. The Risk and Audit Committee receives as standing items on its agenda reports regarding losses, special payments and compensations, write-off of bad debts and contingent liabilities.

In year we implemented a range of temporary controls around discretionary expenditure in order to mitigate risks relating to the delivery of our year-end financial position.

The Trust has continued to embed enhanced governance and process around cash management overseen by a Cash Committee which meets monthly and reports into Finance and Resources Committee. Continued focus has been placed on overdue debts and there has been a push on settling outstanding amounts, which has yielded positive results.

In the context of work being undertaken in partnership with other organisations in

Sheffield and the region to deliver high quality and sustainable services, the Trust recognises that its systems of control and arrangements for governance and the management of risk will need to continue to develop in the coming year, to reflect increasing cross-organisation and sector partnerships.

Efficiency schemes were not delivered in full in 2018/19. The under-delivery in-year needs to be carried forward to deliver in 2019/20, and is a significant factor in the requirement to deliver around £7.9m of financial efficiencies.

A Recovery and Transformation Programme is in place; the development of which has been guided by external diagnostic support commissioned during 2017/18. ***Further engagement work with managers and clinicians has helped identify savings plans structured around ten programme work-streams, all with executive director lead responsibility.***

Further information on the Trust's financial future regarding the going concern assessment is included in the performance analysis section within the body of this annual report. This draws specific attention to the Trust's financial performance and the challenging financial context facing the Trust.

Internal audit continues to review systems and processes in place during the year and publishes reports detailing specific actions to ensure the economy, efficiency and effectiveness of the use of resources is maintained. The outcome of these reports and the recommendations therein are also graded according to their perceived level of risk to the organisation, therefore assisting management action.

These have included internal audit reports on General Data Protection Regulation compliance, absence management, timeliness of recruitment and compliance with NHS Employment Check Standards and divisional risk management. These have all been reported to the Risk and Audit Committee. Internal audit also facilitated the Board's self-review work against Well-led guidance noted above.



In accordance with NHS internal audit standards, the Head of Internal Audit is required to provide an overall annual opinion statement to the Trust, based upon and limited to the work performed on the overall adequacy and effectiveness of the Trust's risk management, control and governance processes. This is one component that is taken into account in making this annual governance statement.

***The Trust has received a statement from its internal auditors that, based on work undertaken in 2018/19, they can give significant assurance the Trust has a generally sound framework of governance, risk management and control designed to meet the organisation's objectives, and that controls are generally being applied consistently.***

They have issued a number of limited assurance opinions in year on core reviews, primarily on finance and procurement work. They acknowledge that the Trust has faced significant resourcing issues in the Finance Department during the year and this has contributed to the risks they have identified.

By the year-end the Trust had achieved completion of the majority of internal actions; however this was only significantly progressed through the last quarter of the year.

During 2018/19, 15 internal audit reports have been reported to the Risk and Audit Committee with one audit assignment with draft report issued and in the process of being finalised. No high risk issues have been identified from internal audit reports issued in 2019/20.

In considering the internal audit statement and on presentation with internal audit reports across the course of the year, members of the Risk and Audit Committee have noted a number of internal audit reports issued with limited assurance opinions. Recommendations within the reports are welcomed by members of the executive team. Focus continues to be placed on tracking actions against recommendations through reports submitted to the Risk and Audit Committee and the reporting arrangements in place across the

committee structure supports the escalation of matters between committees.

Internal audit work has been supplemented by the external audit reports which provide assurance on the Trust's arrangements for achieving economy, efficiency and effectiveness in its use of resources as part of the value for money element of its annual audit work.

The annual external audit review by KPMG, as stated in their ISA 260 report, provides an unqualified opinion on the Trust's financial statements. The report identifies in the Value for Money an assessment that the Trust continues to operate adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Board of Directors also received assurances on the use of resources from outside agencies including NHSI and the Care Quality Commission. NHSI requires the Trust to self-assess on a monthly basis.

### *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*.

Steps which have been put in place to assure the Board that the Quality Report presents a balanced picture over the period 1 April 2018 and 31 March 2019 and that there are appropriate controls in place to ensure accuracy of data include the following:

- the Board of Directors has appointed the Director of Nursing and Quality as the executive lead for the Quality Report. The annual Quality Report provides a narrative of progress towards achieving the quality improvement indicators agreed in consultation with our key stakeholders

- the Quality Report is compiled by the Director of Nursing and Quality following both internal and external consultation to inform the improvement indicators; details of the consultation process are to be found in the annex to the Quality Report
- data is provided by nominated leads in the Trust which include the Head of Legal and Governance, the Head of Planning and Performance and the Clinical Governance department. These leads are responsible for ensuring the accuracy of the data they provide. The quality data reflects that which has generally been available in summary to the Trust Board or, in more detail, to the Board committees. Once compiled, the Quality Report is scrutinised by the Director of Nursing and Quality who is ultimately responsible to the Trust Board and its committees for the accuracy of the Quality Report.
- the Quality Report is subject to robust challenge at a meeting of the Quality Committee on both substantive issues and on data quality. Where a variance against a specific quality target is identified an explanation is provided by the lead for the individual metric. Following scrutiny at this Committee the draft report is also presented to the Risk and Audit Committee who are responsible for determining the report's completeness, objectivity, integrity and accuracy before it is submitted to the Board of Directors for approval.
- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting guidance as well as the standards to support data quality for the preparation of the Quality Report. The report is reviewed by external auditors KPMG prior to submission to NHS Improvement and the Department of Health.

The 2018/19 quality accounts were reviewed by external audit as part of consideration of this annual report. They issued a basis for

disclaimer of conclusion on the RTT 18 week indicator.

As set out in the Trust's Quality Report (on page 25) a number of actions to improve the quality of data have been identified by the Trust to address concerns with accuracy of data. Sample testing identified pathways that could not be evidenced which had been included in the data used to create the Trust's monthly reported performance results.

These findings support the Trust's identification of the need to improve data quality through further 'reconciling information from different systems to ensure data accuracy and completeness'.

As a result of these issues, external audit were unable to give limited assurance on the RTT 18 week indicator for the year ended 31 March 2019.

Except for this issue, nothing came to the external auditor's attention that caused them to believe that for the year ending 31 March 2019 the Quality Report was not prepared in line with the criteria in the NHS Foundation Trust Annual Reporting Manual, that it was not consistent in all material respects with the sources specified in the Guidance and that the remaining indicator (relating to A&E) has not been reasonably stated in all material respects in accordance with the Annual Reporting Manual and the six dimensions of quality set out in the Guidance.

### *Review of effectiveness*

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust that have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.



I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Risk and Audit Committee and Quality Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The system of internal control has been reviewed and modified in the past year. The Trust committee structure provides balance between the three areas of quality, finance and performance management, something which was recognised by the CQC in our recent inspection. Internal audit has been routinely used to clarify issues where assurance is required.

My review is also informed by:

- the Board Assurance Framework.
- regular executive reporting to Board and escalation processes through the Board committees.
- audit reports prepared independently by both the internal and external audit agencies. In particular, the ISA audit highlight memorandum produced by KPMG, our external auditor.
- the published results of the quarterly performance management processes undertaken by NHSI under the Single Oversight Framework.
- the Trust's compliance with annual performance indicators published by the Department of Health.
- the inspection report and progress made against recommendations following the CQC's announced visit in June 2016 and follow up visits.
- external validations and peer reviews.
- investigation reports and action plans following serious incidents and learning events and deep dive reviews.
- the Board of Director's further consideration of the Well Led

Framework based upon self-assessment work.

- responses to all formal complaints.
- patient surveys undertaken by an independent organisation.
- the results of the NHS Staff Survey.

### Conclusion

The system of internal control has been in place in Sheffield Children's NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

In summary, I am assured that the NHS Foundation Trust has an overall sound system of internal control in place, which is designed to manage the key organisational objectives and minimise the NHS Foundation Trust's exposure to risk.

There are no significant control issues identified, however, actions are in place to address recommendations for improvement to this system made within internal audit limited assurance reports and we also continue to review and update the governance assurance processes to further strengthen arrangements to ensure our services are well led.

The Board of Directors is committed to continuous improvement and enhancement of the system of internal control.

Signed



John Somers  
Chief Executive

24 May 2019

## Section Three: Quality Report

Sheffield Children's NHS Foundation Trust is a dedicated children's NHS trust. We are fortunate to have responsibility for most areas of local child health other than GP services and maternity. Our services encompass:

- **primary child healthcare** – e.g. health visitors and school nurses.
- **secondary healthcare** – e.g. Sheffield Children's Hospital and community paediatrics.
- **tertiary child care** – e.g. neurosurgery, cancer care, critical care.
- **children and young peoples' mental health services** – community, day patient and inpatient mental health services.

Our health visitors and school nurses work with the local authority and GPs to ensure that children are kept healthy. Our community paediatricians, nurses and therapists work with families to minimise hospital stays. In addition, we saw over 187,000 outpatients; admitted almost 25,000 children and young people for inpatient or day case treatment and our Emergency Department reviewed up to 56,959 cases, on average seeing 155 children a day.

We hope that you find our annual Quality Report informative.

## Part 1: Statement on Quality from the Chief Executive of Sheffield Children's NHS Foundation Trust

I am pleased to introduce this year's Quality Account. It has been a busy year, and I'm proud to be able to highlight some of the ways we've been improving the quality for the children and families we serve.

In 2018/19, we've continued the improvement of our facilities. In April 2018 we opened our three new wards, new Outpatients department and new entrance. This spectacular new space is making a huge difference to the experience of patients and their families every day.

Shortly after, we opened our new PACT (Parents Association of Children with Tumours and Leukaemia) and Westfield Haematology and Oncology Clinic, providing bright and spacious surroundings for children and young people undergoing outpatient treatment for cancer, tumours and blood disorders.

Our next step is to refurbish some of the other wards and bring them to the same high standard as the new facilities. Ward 4, one of our medical wards, was the first ward to benefit from this, moving into their new refurbished space later in 2018. It has been wonderful to see our patients and staff able to enjoy these brighter, more spacious environments.

The work doesn't stop there. Work is currently underway on a new improved home for our Child Assessment Unit, which is moving to the bigger space previously held by our Haematology and Oncology Clinic. In partnership with The Children's Hospital Charity, we've also launched a fundraising appeal for our oncology ward, the Emergency Department and for a helipad.

But quality is about far more than spaces. We already have an amazing, caring workforce to help and support families. The incredible work they do was fantastically demonstrated by our annual Star Awards, where we heard the many ways our staff go the extra mile. We had 694 nominations, far more than ever before, which shows how much the work of staff is valued.

Good processes matter too. Through our transformation projects, we are improving processes in both Theatres and Outpatients, helping to reduce delays for patients, improving our reminders, freeing up appointments too ensuring a smoother process for everyone. We have also been working to reduce some of the bumps families can experience in their journey through our services, with our Improving Flow project – which has actively involved both staff and families, to make sure we're working together to get things right.

Patients have been involved in a variety of ways. We have regular engagement days, plus dedicated feedback routes for specific projects, and of course the valuable feedback we get through the Friends and Family Test.

Meanwhile our Youth Forum continues to play an active role in service improvement. We've been listening to their feedback on a variety of areas from entertainment to meals, supporting as they drive their own agenda for improvement. We've also welcomed their contribution to the development of new patient information, their presence on interview panels and the guidance they've given to staff on the needs of older patients.

Our technology partnerships are also progressing rapidly. By working with other healthcare professionals, academia and private industry, we are leading the way in creating technology-based tools for supporting child health. We hope this will help families far beyond our region and for many years to come.

At the time of writing, we are part way through a Care Quality Commission inspection, and are waiting to find out if there will be any change to our current Good rating. We've welcomed this opportunity to showcase all of the good work our teams have done, while also welcoming it as an opportunity to reflect and seek ways to continue to improve.

The Quality Report set out below is accurate, to the best of my knowledge, and is a balanced and accurate reflection of the quality assurance processes, structures and outcomes in use at Sheffield Children's NHS Foundation Trust.

I hope you will find the report informative and that it will encourage you to work with us to improve children's health.

Best wishes,

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

John Somers  
Chief Executive

# Part 2 Priorities for Improvement and Statements of Assurance from the Board

## Priorities for Improvement 2019/20

At Sheffield Children's NHS Foundation Trust we are absolutely committed to continually improving patient safety and quality across our acute, community and mental health services. Our priorities for 2019/20 have been determined through listening to suggestions from patients, staff and commissioners. Several factors have been considered, including:

- National improvements that all NHS organisations have to make (targets)
- Actively listening to issues that have been highlighted by staff. This year that has been undertaken as part of our widespread consultation as we refreshed the Trust strategy 'Caring Together'
- Reviewing patient and carer feedback around improvements that they would like to see. This year this has been informed by our work on the Care Experience Strategy
- Reviewing the themes that have been identified through the year for quality and safety
- Assessing our performance for quality and safety against best practice

Our three quality improvement priorities are outlined below.

## Transform our Child and Adolescent Mental Health Services (CAMHS)

**Our reasons:** Child and Adolescent Mental Health is outlined in the Long Term Plan as an area of focus. The development of our service has been a quality priority for the Trust for the last three years, reflecting the importance that agencies across the city place on this agenda. In addition to service development being recognised as a national and local priority, we recognise from our CQC feedback (2016 and 2018) that we need to develop and transform our services. Aspiring for excellence within our CAMHS service is integral to the Trust achieving a rating of 'Outstanding' by the CQC.

### The Trust will:

- Continue our journey of quality improvement through our CAMHS 'It starts with me' programme
- Continue the work underway with NHS England and other providers to develop new models of care and become the lead provider for inpatient child and adolescent mental health services.
- Work with commissioners to ensure that the waiting times for 2<sup>nd</sup> appointments in community CAMHS are reduced.
- Work with commissioners to develop a home intensive treatment service for children and young people who require this level of service.

## Improve the provision of complex care for children and young people who have physical health needs

**Our reasons:** Learning from 'child in need' case conferences and feedback from families tells us that there are a group of children and young people who access the Trust with complex health care needs. We understand that these patients require a multi-disciplinary approach to their inpatient and outpatient care, discharge planning and co-ordination of services.

These patients fall under the following three categories:

- Complex inpatients, who have a very long stay under the care of multiple teams
- Complex outpatients, with frequent appointments under the care of multiple teams
- Children with complex care and palliative care needs

At present these patients fall under the care of multiple hospital and community teams, which can make life quite difficult for their carers. We would like to make it easier for these patients by reducing unnecessary hospital attendances and admissions, coordinating care better and enabling a swifter discharge home

**The Trust will:**

- Develop three business cases for the proposed changes
- Continue to work with Sheffield Clinical Commissioning Group (CCG) to develop service specifications for a community children's service. This will underpin the changes that we need to make.
- Engage with families to understand the changes they would like to see
- Within the year 19/20 implement at least one of the three new services

## Develop integrated mental and physical health services on the acute site

**Our reasons:** We are aware from our family feedback that we have areas of outstanding practice for children and young people with learning disabilities and mental health needs on the acute site. However we are also aware from family feedback, incident reporting and our benchmarking against the learning disability improvement standards (NHSI 2018) that we have areas where we could improve.

**The Trust will:**

- Set up a Learning Disability programme group to scope the work required in order to comply with the learning disability standards for NHS Trusts.
- Work with Sheffield CCG and Sheffield City Council to implement the changes required following a recent Special Educational Needs and Disability (SEND) inspection.
- Develop a work plan to achieve compliance with the above standards
- Undertake a review of training needs for staff on the acute site to enable them to effectively deliver high quality care for children with mental health and learning disabilities.
- Identify the resources required and develop a plan to improve the provision of high quality care for children and young people with additional needs due to their learning disability and / or mental health condition.

## How Performance will be Monitored, Measured and Reported

Progress on all the above indicators will be monitored by quarterly reports to the Quality Committee and the Trust Board. The Board will share its reports with the Council of Governors and its commissioners in NHS Sheffield and NHS England. All board reports will be published on the Trust website.

## Performance on Quality Priorities 2018/19

Last year the Trust set itself the following three quality improvement priorities. Progress against the priorities is outlined in the table below.

Fig: Trust performance against 2018/19 quality priorities

What we said	What we did
Build upon and develop the transformation of our inpatient and community Child and Adolescent Mental Health Services (CAMHS)	<ul style="list-style-type: none"> <li>The Trust continues to establish the work streams with NHS England and other CAMHS inpatient providers that will enable the Trust to move towards becoming the lead provider for CAMHS inpatient services. This will ensure that a range of specialist CAMHS inpatient beds are available for young people from March 2020, with the aim of caring for young people close to home.</li> <li>The Improving Access to Psychological Therapies (IAPT) programme is already benefitting children and young people who are now able to access this treatment. The Trust continues to train staff to deliver this therapy.</li> <li>Psychological Wellbeing Practitioners are now well embedded within our CAMHS services. It has been reported that these are having a positive impact.</li> <li>The Healthy Minds programme in schools has now been delivered in 100 primary and secondary schools, with the aim to complete the roll-out by the end of the 2020-21 academic year. Feedback from schools is very positive.</li> <li>The CAMHS joint transition policy was signed off by both Sheffield Health and Social Care NHS Foundation Trust and Sheffield Children's NHS Foundation Trust in October 2018.</li> <li>Transition work programmes in CAMHS over the last twelve months has included: <ul style="list-style-type: none"> <li>Development of a joint monthly interface meeting between CAMHS and AMHS (Adult Mental Health Services).</li> <li>Establishment of a joint governance structure between CAMHS and AMHS for improving transition.</li> <li>Development of the CAMHS-AMHS Transition Protocol provides operational level detail for CAMHS and AMHS services on what they need to do to support effective transition, and has been developed with the input of services users and young people through organisations such as Chilypep.</li> <li>Ensuring that planning for transition commences no later than six months ahead of the transition point. As part of the protocol, there is also joint working between agencies for the six months following transition, to ensure that the transition has been smoothly completed.</li> </ul> </li> <li>Work is underway with the Medicine division to create a single point of access for Attention Deficit Hyperactivity Disorder (ADHD) and Autism Spectrum Disorder (ASD) pathway.</li> <li>Crisis pathways for Children and Young People are being reviewed by both the Trust and our commissioners with intentions to provide a Home Intensive Treatment service for children and young people of Sheffield.</li> </ul>

What we said	What we did
<p>Extend the improvements we have made to the transition pathway by including partners across South Yorkshire, Bassetlaw and beyond</p>	<ul style="list-style-type: none"> <li>• We have identified 48 services that need to have the National Institute of Health and Care Excellence (NG43) audits undertaken. Of those, 38 have fully completed audits, 6 are underway and 5 audits remain outstanding. After completing this audit all services have an action plan to ensure that practice across the Trust reaches a consistently high standard. The Trust has just submitted a bid to the Roald Dahl Marvellous Children's Charity to create additional capacity to take this work forward.</li> <li>• Face to face training on transition has been undertaken but due to capacity constraints for both facilitators and attendees this was not progressing at the pace we required to provide a leading edge service. The training has therefore been converted to a workbook. 800 staff have completed this in the last six months. This is in addition to the study sessions, awareness weeks and evening sessions run as part of our own and city wide events this year.</li> <li>• The Trust has registered on a national NHSI programme to develop transition using improvement methodology. This is funded by a Burdett bid, hosted by Leeds Teaching Hospital and will enable our transition staff to network nationally on transition and learn from best practice.</li> <li>• Staff from all services attend the city wide transition events that reach out into other areas and voluntary sector organisations. Staff from SC NHS FT also attended the Shaping Sheffield events to ensure that transition remains high on the agenda.</li> <li>• The Sheffield Safeguarding Children Board commissioned a piece of work looking at all agency transition for young people. SC NHSFT has provided information into this work.</li> <li>• The Trust will host the Acutely Unwell Child workstream for South Yorkshire and Bassetlaw. This work will also require consideration of transition on a strategic level.</li> </ul>
<p>Develop a Community Children's Nursing Service</p>	<ul style="list-style-type: none"> <li>• We have concluded that provision needs to be referred to the community children's service to reflect the broader health professionals involved.</li> <li>• We held a joint agency, pan regional stakeholder engagement event on July 11<sup>th</sup> 2018 to build engagement and share ideas. This translated into a case for three main projects under the umbrella of developing community services for children in Sheffield: <ul style="list-style-type: none"> <li>○ Acute (supporting flow by facilitating early discharge and preventing admission)</li> <li>○ Long Term Conditions (reducing hospital follow up, developing efficiency in community nursing, supporting schools)</li> <li>○ Complex and Palliative Community Outreach (supporting children and young people with these needs to remain at home)</li> </ul> </li> <li>• More detailed work has been undertaken around the Complex and Palliative Care Team Proposal. This is one of the three elements outlined in the quality priority for 19/20 Improve the provision of complex care for children and young people who have physical health needs</li> <li>• The Trust joined three other national providers in a Royal College of Nursing research project to pilot nursing provision in for children with complex needs in special schools.</li> </ul>



## What we said

## What we did

- Commissioning conversations are underway as the recent respite care review has identified some gaps in commissioning. These gaps include community provision for cardiac care, undertaken for Sheffield patients at Leeds, end of life care for children who do not have oncology or complex neurological conditions and training for school staff. Commissioning conversations are also underway in relation to young people who develop cancer after their 16<sup>th</sup> birthday but who are likely to die before their 18<sup>th</sup> birthday.

## Statements of Assurance from the Board

During 2018/19 Sheffield Children's NHS Foundation Trust provided and / or sub-contracted 81<sup>3</sup> relevant health services.

The Trust has reviewed all the data available to it on the quality of care in 100 per cent of these relevant health services.

The income generated by the relevant health services reviewed in 2018/19 represents 100 per cent of the total income generated from the provision of relevant health services by Sheffield Children's NHS Foundation Trust for 2018/19.

## Audit and National Confidential Enquiry Assurance

National clinical audit is a system designed to improve patient outcomes by engaging all healthcare professionals in the systematic evaluation of their clinical practice against recognised standards, and to support and encourage improvements in the quality of treatment and care.

During 2018/19, 23 national clinical audits and 6 national confidential enquiries covered NHS services that Sheffield Children's NHS Foundation Trust provides.

During this period the Trust participated in 100 per cent of the national clinical audits and 100 per cent of the national confidential enquiries that it was eligible to participate in.

The national clinical audits and national confidential enquiries that Sheffield Children's NHS Foundation Trust participated in, and for which the 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.

## Participation in National Clinical and National Confidential Enquiries

National Clinical Audits and National Confidential Enquiries for which the Trust was eligible to participate	% of eligible cases submitted
National Paediatric Diabetes Audit (NPDA)	100%
Inflammatory Bowel Disease (IBD) Programme – includes Paediatric IBD Services)	100%
Learning Disability Mortality Review Programme (LeDeR Programme)	100%
NCEPOD: Chronic Neurodisability Study	100%
NCEPOD: Cancer in Children and Young Adults	100%
NCEPOD: Long Term Ventilation in Children and Young People	100%
National Confidential Inquiry into Suicide and Homicide: Suicide by Children and Young People in England	100% (if applicable)
National Confidential Inquiry into Suicide, Homicide and Unexplained Death	100% (if applicable)
Trauma Audit and Research Network (TARN): Major Trauma	100%

<sup>3</sup>

Based upon the services specified in the NHS provider contract for 2018/19

<b>National Clinical Audits and National Confidential Enquires for which the Trust was eligible to participate</b>	<b>% of eligible cases submitted</b>
British Association of Endocrine and Thyroid Surgeons: National Audit	100%
Paediatric Intensive Care Audit Network (PICANet)	Embrace: 100% PCCU: 100%
Royal College of Emergency Medicine (RCEM): Feverish Illness in Children (Care in Emergency Departments)	100%
National Cardiac Arrest Audit (NCAA): Intensive Care National Audit and Research Centre (ICNARC)	100%
National Diabetes Transition Audit (HES Data linkage via NPDA and NDA)	100%
NHSE Seven Day Services Audit	100%
UK Cystic Fibrosis Registry Paediatric: Cystic Fibrosis Trust	100%
Neurosurgical National Audit Programme Outcome – Publication	100%
International Burns Injury Database (iBID)	100%
The Ground Air Medical Quality Transport database (GAMUT)	100%
National Transport Group Annual Return	100%
NHS England: Seven Day Hospital Services	100%
Public Health England: Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	100%
NHS Blood and Transplant: Use of Fresh and Frozen Plasma and Cryoprecipitate in Neonates and Children	100%
NHS Blood and Transplant: Management of Massive Haemorrhage	100%
UK Renal Registry: National Acute Kidney Injury Programme	100%
RCPCH: National Audit of Seizures and Epilepsies in Children and Young People (Epilepsy12)	100%
Royal College of Psychiatrists National audit of Anxiety and Depression (ages 16+)	0% (due to staffing issues)
BOMSS: British Obesity and Metabolic Surgery Society (BOMSS)	100%
NHS England: The Accessible Information Standard (AIS)	100%

## National Audit and Confidential Enquiry Reviews

The reports of six national clinical audits were reviewed by the provider in 2018/19 and Sheffield Children's NHS Foundation Trust took the following actions to improve the quality of healthcare provided.

### (1) Trauma Audit and Research Network (TARN): Major Trauma (Comparative Performance Reports

Local actions include

- The Major Trauma Audit Steering Group review and manage all reports. Continuous data collection

### (2) Royal College of Emergency Medicine (RCEM): Pain in Children 2017/18

Local actions include

- The National and Local Reports were presented to the Clinical Audit and Effectiveness Committee and the Emergency Department (ED) Team. The ED team felt that there was a disparity with the audit findings and accuracy of the results
- Narrative report to be provided to the RCEM regarding the national audit results and disparity in the audit findings
- Pain score now a mandatory field in the Medway Patient Administration System
- Plans to audit locally against the standards with their own measurement point

### (3) Paediatric Intensive Care Audit Network (PICANet)

Local actions included

- Trust performance was in line with other centres across the UK. Areas such as 'planned post op' show lower compared to other areas as there is no Cardiology service provided by the Trust
- Around 25% of admissions were planned following surgery
- Around 66% of transfers into PCCU are from Sheffield Children's Foundation Trust
- The 48hour readmission rate is around 2% (excluding movement between the HDU and ICU)

### (4) Learning Disability Mortality Review (LeDeR) Annual Report 2016/17

Findings identified:  
included

- Findings identified that younger people with learning disabilities were more likely to die in hospital compared with older people
- Those with multiple learning disabilities / profound disabilities were more likely to die in hospital
- Less than half of cases stated the cause of death
- One third of deaths had underlying cause related to diseases of respiratory system. .

Local actions included

- A monthly mortality process review meeting has been established to review deaths that have occurred in the hospital and to determine if cases need LeDeR referral
- Applicable deaths that occur at Bluebell Wood Children's Hospice are also reported
- Details about LeDeR referrals are recorded in a database at the Trust.

- Other reviewing systems are in place at the Trust including departmental and Trust-wide Morbidity and Mortality review meetings, the Child Death Overview Panel and rapid response process for unexpected deaths)

(5) Anaesthesia, Surgery and Life-Threatening Allergic Reactions: Report and findings of the Royal College of Anaesthetists' 6th National Audit Project: Perioperative Anaphylaxis

- |                        |  |
|------------------------|--|
| Findings identified:   | <ul style="list-style-type: none"> <li>• The Trust demonstrated good compliance with a 100% return rate.</li> <li>• The project reviewed cases from a year long period to identify cause of anaphylaxis and support for patients with anaphylaxis in theatre.</li> <li>• There were no cases that fulfilled the criteria of having anaphylaxis to be reported.</li> </ul>  |
| Local actions included | <ul style="list-style-type: none"> <li>• The Report was presented and discussed at the Clinical Audit and Effectiveness Committee and the Anaesthetic Audit Meeting.</li> <li>• The Trust is developing Guidelines with information about Chlorhexidine and about beta-blockers' management of anaphylaxis</li> <li>• The Trust Allergy and Anaesthetic Allergy Lead are reviewing all local actions recommended in the report.</li> </ul> |

(6) Mental Health Clinical Outcome Review Programme (NCISH) Suicide by children and young people in England (CYP)

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|-----------------------|---|
| Findings included     | <ul style="list-style-type: none"> <li>• Suicide rates rise sharply in the late teens and numerous factors contribute to this. Preventing future deaths by suicide depends on society-wide awareness of potential risks, as well as actions by particular services</li> <li>• Common themes in suicide by children and young people are:             <ul style="list-style-type: none"> <li>○ Mental illness, substance misuse, and domestic violence in family members</li> <li>○ Physical, emotional or sexual abuse, and neglect</li> <li>○ Bereavement and experience of suicide in family or a friend</li> <li>○ Bullying, both face to face and online</li> <li>○ Suicide-related internet use</li> <li>○ Academic pressures, especially related to exams</li> <li>○ Social isolation or withdrawal</li> <li>○ Physical health conditions that are longstanding or have social impact e.g. acne and asthma</li> <li>○ Excessive use of alcohol and illicit drug use</li> <li>○ Mental ill health, self-harm and suicidal ideas</li> </ul> </li> <li>• Many children and young people who die by suicide have not expressed recent suicidal ideas.</li> <li>• Suicidal ideas are important when present but their absence cannot be assumed to show lack of risk.</li> </ul> |
| Local actions include | <ul style="list-style-type: none"> <li>• Report circulated in Wellbeing and Adolescent Mental Health Clinical Audit and Effectiveness Strategy Group meeting to consider any lessons for learning</li> </ul>  |

(7) Mental Health Clinical Outcome Review Programme (NCISH) Suicide, Homicide & Sudden Unexplained Death

Findings included

- Young people who are bereaved, especially by suicide, need bereavement support services to be widely available
- Students in universities and colleges would benefit from a greater focus on prevention, e.g. staff vigilance for warning signs, as well as access to counselling and primary care
- Looked after children, especially aged under 20, need stable accommodation on leaving care, and access to mental health care
- LGBT groups, especially aged under 20, may have fears over disclosure of their gender identity and may face bullying
- Internet safety was important regarding online information about suicide and online bullying
- As well as a need for services to respond to self-harm they should offer psychosocial assessment, prompt access to psychological therapies and services for co-occurring problems such as alcohol or drug misuse, which are linked to risk of subsequent suicide

Local actions include

- Report circulated in Wellbeing and Adolescent Mental Health Clinical Audit and Effectiveness Strategy Group meeting to consider any lessons for learning
- Report presented and discussed at the Clinical Audit and Effectiveness Committee

(8) Ground and Air Medical Quality Transport (GAMUT) 2018/19

Local actions included

- Project has allowed a better understanding of treatment methodologies, which has resulted in a better identification of local audit projects

Local Audit and Service Evaluations

Our clinicians are strongly encouraged to set up local in-depth audits to follow up on national audit findings, based on local quality and safety priorities.

The reports of 305 local clinical audits / service evaluations were reviewed by the provider in 2018/19 and Sheffield Children's NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided, for example:

(3) PCCU Weight ReAudit 2018 – CA645-1

Findings include

- Of the 184 patients, the audit found that 97.8% of patients were not weighed on admission to PCCU although 100% did have a weight documented – source not documented in 60.9% of these cases
- Of the 48 patients still in PCCU only 37.5% were re-weighed on or before 7 days of their PCCU admission

Local actions include

- Weigh on Wednesdays introduced on PCCU
- Poster produced to raise awareness

(4) O-19 Service: Roma /Slovak Interpreter Link Worker role activity evaluation - SE1547

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|-----------------------|---|
| Findings included     | <ul style="list-style-type: none"><li>• 71% of the Interpreter Link Worker activity was with a health visitor, 8% with the Community Support Nurse, 1% Nursery Nurse</li><li>• 19% independently. 19% of contacts (home, clinic or phone) were undertaken independently, This work would previously been undertaken by the team and reflects a reduction in the Health Visitor workload</li><li>• Significantly 21% of contacts involved a discussion around managing appointments and 29% around supporting 1 year and 2 year reviews.</li></ul> |
| Local actions include | <ul style="list-style-type: none"><li>• For continuation of the link worker role</li><li>• To develop a training package and to compliment the competency framework for the link workers</li></ul>  |

(5) O-19 Service: Self- weighing clinics evaluation 2018 - SE1204

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|-----------------------|---|
| Findings include      | <ul style="list-style-type: none"><li>• 33% a third of mums (attenders) came to baby clinic solely for growth monitoring</li><li>• 76% of all respondents to the questionnaire were definitely or partially interested in self-weighing the baby if this was available to them</li></ul>                                    |
| Local actions include | <ul style="list-style-type: none"><li>• Introduce self-weigh clinic at the above Surgery on a trial basis.</li><li>• Review the self-weigh clinic offer after six months.</li><li>• Build in Service User feedback about self-weigh clinic offer – initially as part of the review and then on an on-going basis.</li></ul> |

(6) Deliberate Self-Harm - CA1748

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|-----------------------|--|
| Findings include      | <ul style="list-style-type: none"><li>• Patient management process were unclear</li></ul>  |
| Local actions include | <ul style="list-style-type: none"><li>• All patients presenting to the Emergency Department (ED) with deliberate self-harm should be referred for psychosocial assessment - Education via audit meeting. ED guideline available to all staff.</li><li>• Same day assessment in ED of patients presenting with deliberate self-harm prevents unnecessary admissions and improve patient flow - Continued development of established self-harm team.</li><li>• Consideration of the role of the CAMHS clinician in performing self-harm assessments out of hours if above service not available.</li></ul> |

(7) Clinical Record Hearing Services 2018 - CA1773

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|------------------|--|
| Findings include | <ul style="list-style-type: none"><li>• Some documentation process were poor and unclear</li></ul> |
| Local actions    | <ul style="list-style-type: none"><li>• Changed all test sheets</li></ul>                          |

include	<ul style="list-style-type: none"> <li>• Staff provided training</li> </ul>
(8) WAMH: Reducing restrictive practice - CA1040~4	
Findings include	<ul style="list-style-type: none"> <li>• 2 (50%) of the patients had their physical health checks documented</li> <li>• There were no debrief documentation within the records</li> </ul>
Local actions include	<ul style="list-style-type: none"> <li>• To include debrief and physical observations as mandatory fields on the Datix system</li> <li>• To have unified documentation of incidents across Datix &amp; Carenotes.</li> <li>• Update the rapid tranquilisation flowchart policy</li> </ul>
(9) WAMH: Tier 4 Discharge Re-audit - CA1495:	
Findings include	<ul style="list-style-type: none"> <li>• Discharge Care Programme Approach (CPA) review date was identified and communication was recorded as 83% compared to 70% in original study</li> <li>• 75% of carers attending CPA reviews were documented compared to 80% in the original audit study.</li> <li>• Inviting other ways of contribution to discharge CPA reviews was received in 77% of cases compared to 25% in the original audit study.</li> <li>• Discharge summary was completed in 100% of the cases in the re-audit study, denoting an improvement over the original study which showed a figure of 90%.</li> </ul>
Local actions include	<ul style="list-style-type: none"> <li>• Discharge CPA reports and or minutes to include review of goals of admission in Amber, Sapphire and Emerald Lodge</li> <li>• For lodges to document their efforts to invite tier 3 CAMHS reps to discharge CPA meetings</li> <li>• For lodges to ensure there is a clear aftercare plan documented in either the discharge CPA minutes or the detailed discharge summary.</li> </ul>
(10) LOTA (Limitation of Treatment Agreement) Policy Audit Report	
Findings include	<ul style="list-style-type: none"> <li>• In 100% of cases the LOTA form was available on eDMS and in the correct location</li> <li>• Areas of concern relating to the updating of LOTA forms and alerts on the eDMS system and in revoking forms on eDMS that are no longer required</li> </ul>
Local actions include	<ul style="list-style-type: none"> <li>• Report presented and discussed at the Clinical Audit Committee, Quality Committee and Resuscitation Committee</li> <li>• To be more proactive with ensuring the forms had been processed correctly once aware of them</li> <li>• To see if the alerts could become a mandatory field on the Medway system</li> <li>• Trust Lead to contact the eDMS Manager to determine if the inclusion of a LOTA form could automatically generate an alert on eDMS</li> </ul>



(11) Audit of Local Practice in the Diagnosis of Osteoarticular Infection, with Evaluation of Polymerase Chain Reaction (PCR) Analysis and Culture Results – CA1654

- |                       |  |
|-----------------------|--|
| Findings include      | <ul style="list-style-type: none"><li>• 100% of culture were taken prior to the initiation of antibiotics</li><li>• Blood cultures (BC) were taken in 90% of cases</li><li>• 14% of samples with synovial fluid had urgent microscopy and gram stain requested</li><li>• 50% of samples of were in BC bottles</li><li>• PCR assays were requested in 50% of cases</li><li>• In presumed Acute Haematogenous Osteomyelitis (AHO), 50% had histology requested</li></ul> |
| Local actions include | <ul style="list-style-type: none"><li>• Education dissemination to peripheral units regarding the assessment of joint sepsis</li><li>• Microbiology specimen requested and antibiotics covered in local departmental induction</li></ul>   |

(12) Trust-Wide Resuscitation Trolley Audit Report

- |                  |  |
|------------------|--|
| Findings include | <ul style="list-style-type: none"><li>• No Major concerns raised</li><li>• Almost without exception resuscitation trolleys and grab bags were complete, sealed and ready for use. Where this was not the case this was attended to immediately.</li><li>• Requested clinical support to complete the six monthly audit</li></ul> |
|------------------|--|

(13) NICE Guideline: Constipation in Children - CA1606

- |                       |  |
|-----------------------|--|
| Findings include      | <ul style="list-style-type: none"><li>• Patient management process are good</li></ul>  |
| Local actions include | <ul style="list-style-type: none"><li>• Presented to Medical audit meeting to highlight good practice</li><li>• No specific actions required</li><li>• Re-Audit scheduled for 2020</li></ul> |

(14) NICE Guidance: Anaphylaxis Re-Audit

- |                       |  |
|-----------------------|--|
| Findings include      | <ul style="list-style-type: none"><li>• Teaching required</li></ul>  |
| Local actions include | <ul style="list-style-type: none"><li>• Teaching provided for ED staff on anaphylaxis and value of tryptase - Email consultant staff in A&amp;E</li><li>• Reminded all medical teams value of tryptase</li><li>• Minor revision to Guideline - emphasise in Anaphylaxis guidelines 1 ED , 2 Medicine</li></ul> |

(15) Palliative Care Team Audit into Advance Care Plans: CA1539

- |                       |  |
|-----------------------|--|
| Findings include      | <ul style="list-style-type: none"><li>• Revision to documentation required</li></ul>   |
| Local actions include | <ul style="list-style-type: none"><li>• Continue to pursue hospital governance approval of Child and Young Persons Advanced Care Plan (CYPACP) -</li></ul> |

CYPACP approved by Trust

- Changed all remaining Advanced Care Plans (ACPs) s onto new CYPACP format - To encourage nurses/doctors to change ACP onto new format when ACP due for review.
- All new ACPs are completed on new CYPACP format - Rolled out teaching to nurses/doctors writing ACPs regarding new format.
- Schedule re-audit September 2019

(16) Parental Communication Evaluation: CA 1672

Findings include

- The audit found that 65% of patients had a documented discussion between the doctors/ANPs and the patient's parents on day one of admission with numbers going up to 85% of patients by day 2.
- On 62% of possible days in the audit, no discussion between the parents and doctors was documented.
- Parental response to a conversation between themselves and doctors was discussed in 12 cases.

Local actions include

- Introduction of 'discussion with parent stamp' to be used in the medical notes
- Introduction of 'P is for Parents' to be used as part of the daily summary documented in the patient medical notes and mentioned at handover
- Introduction of parental update as part of the daily goals checklist on the nursing chart
- To re-audit prospectively.

(17) Management of Phenylketonuria: CA1399

Findings include

- Some aspects of patient journey required improvement

Local actions include

- Complementation of Phenylalanine levels being printed in bar coded sheets - Modification of existing documentation
- Modification of the clinic proforma to incorporate the changes in management practice resulting from the new European guidelines - Existing documentation modified
- Evaluation of improvements to PKU management. Scheduled a re-audit 36 months after implementation of above action points.

(18) Staff Evaluation of the Year Long Pilot of the Staff Support Role on PCCU – SE1239

Findings include

- Staff rated the level of support that met their needs as being 4.7/5
- Staff gave a weighted average score of 4.5/5 for how well the support had improved on PCCU since the introduction of the role

Local actions include

- Present survey findings to all staff on PCCU
- Discuss with the Surgery and Critical Care division the longevity of the staff support role

- Present data at Trust Clinical Summit
- Present data at the Paediatric Intensive Care Society conference

## Clinical Research

Research is emerging that patients have better outcomes at research-active hospitals, regardless of whether they took part in the research studies. We are proud that research remains part of the core business for the Trust and remains one of our organisation's strategic priorities. It also gives our patients who participate in research access to a wide range of novel medications, devices and procedures that can enhance the quality and scope of the specialist child health care packages that we can offer.

As of December 2018 the number of patients and healthy volunteers that had consented to participate in our Trust's clinical research in 2017/18 was over 2,100. By year end we expect to nearly double the amount of people who consent to take part in research compared to last year. This additional research activity is partly due to our successful contribution to the National 100,000 genome project where this year alone we have recruited over 450 patients. In addition to large observational studies we are also recruiting patients to a number of highly complex clinical trials offering cutting edge treatments and medications. To date Sheffield Children's has the highest level of recruitment to children's studies in the Yorkshire & Humber region.

So far this year 321 research projects have been active in the Trust which is a slight increase in number compared to the previous year. We continue to work with commercial companies to offer patients the opportunities to participate in a number of trials and studies. We have 34 active commercial studies (interventional and observational) open with a further 5 in the pipeline. The growth in both the commercial and non-commercial research activity is due in part to the Trust having a good reputation in delivery to research targets.

Some examples of the research and innovation activity that has run in the Trust during 2018/19 are:

### 100,000 Genome Project

The 100,000 genome project is a national project launched in 2012 with the aim of sequencing 100,000 genomes by 2017, subsequently extended to 2018. With the reduced time and cost to sequence the whole genome it is becoming increasingly feasible to look at an individual's genetics in more detail, offering diagnoses that were previously not possible to make. In addition to new diagnoses it is hoped that understanding an individual's genome in more detail will enable doctors to predict how well a person will respond to a treatment or find one that will work best for them, so called personalised medicine. The focus of the project was on patients with cancer and rare diseases and Sheffield Children's and its patients were a major contributor to the project. By the time the project closed to recruitment late in 2018 we had recruited 1955 patients with rare diseases. We are beginning to receive results from Genomics England who are carrying out the sequencing and following validation of the results, relevant findings will be shared with participants.

### Increasing research activity on the Paediatric Critical Care Unit (PCCU)

The PCCU is a regional lead centre and includes intensive care, high dependency and neonatal surgical units with over a 1000 admissions per year to ICU and HDU alone. The on-going research meetings have fostered research opportunities and in 2018 the ICU and HDU have participated in two large national studies that have engaged the whole team and subsequently enrolled a large percentage of patients admitted to ICU and HDU. The SANDWICH trial is aiming to reduce the number of days patients require mechanical ventilation and has so far seen 212 patients participate. The DEPICT study has been recruiting patients that use the transport service, Embrace to help understand if differences in how quickly patients are transported influence how they recover. 93 patients took part in this study and we look forward to seeing the result in due course. With more trials and research projects in set-up we expect to see further opportunities for PCCU patients to take part in research.

### Partnership Working for Children's Sleep Support

In June 2018 the sleep team presented the "Wake up to Sleep" event in partnership with Sheffield City Council and the Children's Sleep Charity. The event show-cased the results of a combined research project to evaluate the outcomes of a sleep practitioner intervention in the community. Vulnerable children with ADHD or in Looked After and Adoption services sleeping only 3-4 hours a

night at baseline improved their sleep by an average of 2.4 hours a night. There were also significant impacts on the wellbeing of parents and children's daytime behaviour. The partnership was shortlisted for a national HSJ award and won the 2018 Children and Young People Now award.

### Self-management for Children's Asthma

The respiratory team are developing Asthma+Me, a digital platform and inhaler adherence tracker to help children with asthma to self-manage at home, aiming to support discharge to primary care and reduce routine out-patient follow-up appointments. The team has been awarded funding totalling over £800,000 from SBRI (Small Business Research Initiative) and Innovate UK to develop and evaluate the product, with support from the NIHR Children and Young Person's Med-Tech Co-operative. A pilot study in 100 of our patients will begin in the spring of 2019.

### Technology and Innovation Transforming Child Health (TITCH) Network

2018 has been another busy year for the TITCH network. In 2017 the TITCH Partnership worked in collaboration with SBRI Healthcare to run the SBRI call 'Self-care and Independence for Children with Long Term Conditions', with five companies successfully being awarded £3.2 million collectively in phase 2 of the call. These companies have now completed their work. One of the companies that was successful in phase 2 was Open Bionics, a company established to develop advanced prosthetic limbs for children and young people at an affordable cost. Further to the SBRI funding, in January 2019 Open Bionics raised £4.6 million which will enable them to serve multiple international markets and finally deliver bionic hands to amputees and people with limb differences in the USA as well as the UK later this year. TITCH has also supported the D4D Network in supporting the Startworks Network designed to develop the best prosthetic limbs for children and young people. In the proof of concept funding call launched by Starworks, £430,000 was awarded to a range of projects addressing needs that were identified in a series of workshops that included children, young people and their families. The TITCH Network is also supporting phase 2 of the SBRI Healthcare initiative to develop technologies for child and adolescent mental health. Three companies were awarded around £300,000 to develop novel technologies to address needs in children's mental health and are due to apply for up to £1 million to develop their technologies further.

### The NIHR Children & Young Persons MedTech Co-operative (NIHR CYP MedTech)

The NIHR CYP MedTech funded by the National Institute of Health Research (NIHR) and hosted by Sheffield Children's Hospital was launched in January 2018. NIHR CYP MedTech brings together seven NHS Trusts to develop devices and digital technology in seven disease areas in paediatrics, by fostering collaborations with academic and industry partners. Our Trust's theme is respiratory and sleep led by Prof. Heather Elphick. Our partners and their areas of research interest are as follows: Evelina London Children's Hospital focuses on ventilation in paediatrics; Newcastle's Great North Children's Hospital supports technological advances in paediatric oncology; Birmingham Children's Hospital supports rare diseases; Alder Hey focuses on paediatric surgical technologies; Great Ormond Street Hospital focuses on epilepsy, movement and muscle disorders; and University Hospitals Birmingham supports technology development in transition as a cross-cutting theme. NIHR CYP MedTech has been very active over the previous year, demonstrating the increased interest from the public and private sectors in developing technology for paediatrics and child health. Examples of some of the activity led by NIHR CYP MedTech include workshops in Transition, Rare Diseases and on the development of ideas for child health technology, support for grants that include those funded by Wellcome and NIHR i4i (invention 4 innovation) and collaborations with industry partners to develop technologies in specific disease areas. Over the last year NIHR CYP MedTech has identified 61 new unmet needs, has developed a further 19 collaborations with industry partners, supported 44 projects, launched the NIHR CYP MedTech monthly newsletter and website and has arranged and hosted 10 network events. Prof. Paul Dimitri, the Clinical Director of NIHR CYP MedTech was invited to hold plenary sessions and workshops on child health technology at the international iCAN conference in July 2018, an event bringing together Young Persons Advisory Groups from around the world. Next year, NIHR CYP MedTech will host the UK's first Child Health Technology conference in Sheffield. CHT2020 will bring together clinicians, academics, industry partners, designers and engineers to learn about the latest research and developments in child health technology.

## Use of the Commissioning for Quality and Innovation (CQUIN) Framework

A proportion of the Trust's income in 2018/19 was conditional upon achieving quality improvement and innovation goals agreed between the Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the commissioning for quality and innovation payment framework (CQUIN).

The amount of income in 2018/19 conditional upon the achievement of quality improvement and innovation goals was just short of £3.3m. This is an approximate amount as the calculation is based on the final year figures for our contract. Although yet to be confirmed by Commissioners it is likely that the CQUINs will achieve just short of £3m.

The amount of income in 2017/18 conditional upon achieving quality improvement and innovation goals was approximately £3.1m.

A more detailed commentary on our achievement against the (CQUIN) quality indicators is given below:

### Achievement of CQUIN Goals

#### NHS Sheffield Clinical Commissioning Group and Associates CQUINs

	Title	Description	Forecast Outcome
CCG 1	Staff Wellbeing	Part a – Introduction of health and wellbeing initiatives covering physical activity, mental health and improved access to Physiotherapy for people with musculoskeletal (MSK) issues. Measured by increases in three areas of staff survey.	Not achieved (now a key work stream in health and wellbeing transformation plan)
		Part b – Healthy food for NHS staff, visitors and patients.	Fully achieved
		Part c – Improving uptake of flu vaccinations for frontline clinical staff.	Fully Achieved – over 75% frontline staff vaccinated.
CCG 2	Sepsis	Timely identification and treatment of sepsis in ED and acute inpatient settings.	Partial achievement due to failure of 1 element in Q3. 11 out of 12 targets across the year are likely to have been fully achieved.
CCG 3	Antimicrobial	Reduction in Antibiotic consumption per 1,000 bed days.	Significant resources invested sustainably and developments made. Partial achievement of 2/3 targets and full

achievement of 1.

CCG 5	Transitioning out of CAMHS	Improvement to the experience and outcomes for young people when they transition out of Children and Young People's Mental Health Services (CYPMHS) on the basis of their age.	Partial achievement (10/12 targets over the year) likely due to challenges of service delivery in adult services and information exchange.
CCG 6	Advice and Guidance	Provision of non-urgent consultant advice and guidance service to GPs via electronic platform.	Partially achieved (7/8 targets over the year) due to failure to meet 2 day turn around in Q2.

#### NHS England Commissioners CQUINS

	Title	Description	Forecast outcome
QIPP	Quality, Innovation, Productivity, and Prevention (QIPP)	QIPP is a national, regional and local level programme designed to support NHS organisations to improve the quality of care whilst making efficiency savings that can be reinvested into the NHS	Fully achieved
W&C 3	CAMHS Referral for patients with long term conditions (LTCs)	Continued roll out of mental health screening for cohorts of patients with long term conditions.	Fully achieved
MH	CAMHS Inpatient Transitions	Improvements in children and young people's experience, involvement and outcomes of transition/transfer from children's to adult's mental health services, social care settings and appropriate packages of care in the community.	Fully achieved
GE2	Patient Activation	Year 2 of roll out of Patient Activation Measure - patient experience measure to enable tailored interventions to improve ownership of own health plan. Continuation of Year 1 implementation.	Fully achieved
PH	Health Inequalities	School Aged Vaccinations and Immunisations - health inequalities health impact assessment	Fully achieved and further work done to embed developments



GE4	Service Re-design Neurodisability	Review of the Neurodisability service - to result in change to pricing and commissioning - local service provision moved to local CCG commissioning. This is a redesign of service rather than purely financial transfer.	Fully achieved
WC4	Paediatric Networked Care	Review of delivery in PICUs and in referring district general hospitals (DGHs) against standards. Recommendations for change from 2018/19	Fully achieved
GE3	Hospital Medicine optimisation	To optimise the use and management of medicines through a series of modules that improve productivity and performance related to medicines.	Fully achieved
B14	Haemoglobinopathy Improving Pathways through Operational Delivery Networks	Continued roll out of the Haemoglobinopathy paediatric network including shared standards and audits	Fully achieved

## Registration with the Care Quality Commission

Sheffield Children's NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is unconditional. The Care Quality Commission has not taken any enforcement action against the Trust during 2018/19.

Sheffield Children's NHS Foundation Trust has not participated in special reviews or investigations by the Care Quality Commission during 2018/19.

Sheffield Children's NHS Foundation Trust received an unannounced targeted inspection of Child and Adolescent Mental Health Services in August 2018. This resulted in no change to ratings but regulatory breaches were reported and an action plan to address this shortfall in regulatory compliance was developed. The last routine inspection of four core services was undertaken in February 2019. The Child and Adolescent Mental Health Services were re-inspected in March 2019. The Trust well led inspection is scheduled for 2<sup>nd</sup> to 4<sup>th</sup> April 2019. We anticipate our revised ratings from these inspections to be available in the summer.

The Trust current rating, issued in October 2016 is 'good' overall.

The report details can be found at [http://www.cqc.org.uk/sites/default/files/new\\_reports/AAA6507.pdf](http://www.cqc.org.uk/sites/default/files/new_reports/AAA6507.pdf)

In 2016 the Trust received 'Requires Improvement' ratings for both the inpatient and community Child and Adolescent Mental Health Services and also for the safe domain on the acute site. The outstanding Child and Adolescent Mental Health Services action from the 2016 inspection were incorporated into the 2018 action plan and are monitored by the executive team.

## Information on the Quality of Data

A vast collection of data is created and used by the NHS. This includes information which helps hospitals and GPs to track patients and to make sure that all relevant information about them and their treatment, such as test results, is in the right place and can be found by the relevant staff. It is

very important that the data is accurate and up to date, and hospital trusts are required to report on data collection and accuracy every year.

Sheffield Children's NHS Foundation Trust submitted records during 2018/19 (up to month ten – January 2019) to the secondary uses service (SUS) for inclusion in the hospital episode statistics (HES) which are included in the latest published data. The percentage of records in the published data which included:

- The patient's valid NHS number was: 99.8 per cent correct for admitted patient care, 99.9 per cent for outpatient care and 99.7 per cent for accident and emergency care.
- The patient's valid general practitioner registration code was: 100 per cent correct for admitted patient care, 100 per cent for outpatient care and 100 per cent for accident and emergency care.

(The results should not be extrapolated further than the actual sample audited)

The Trust is committed to ensuring that it manages all the information it holds and processes in an efficient, effective and secure manner. This is achieved through the application of robust information governance policies and procedures, in accordance with legislation, and is supported by a range of training and awareness activities.

The Trust's published assessment for the 2018/19 Data Security and Protection Toolkit confirms all 'Standards Met'.

## Improvements to the Quality of Data

Sheffield Children's NHS Foundation Trust will be taking the following actions to improve data quality:

- Implementing the recommendations of data quality-related audit reports
- Reconciling information from different systems to ensure data accuracy and completeness
- Continuing to improve clinical coding through improved clinical engagement and through the strengthening of the clinical coding team structure
- Investigation and rectification of data quality variances identified through national benchmarking tools
- Continue to provide a forum through a monthly data quality group in which data quality issues can be discussed and addressed
- Implement a data quality improvement plan (DQIP) agreed with commissioners through the contracting process at the start of the financial year

## Information on the Quality of Data

The following section sets out the data published nationally and made available to the Trust. The indicators below represent those relevant for the services provided by this Trust.

Most of the indicators specified are not relevant to a children's specialist trust and following agreement with commissioners, are not submitted as a data return.

## Learning from deaths

During 2018/19 44 Sheffield Children's NHS Foundation Trust patients died. This comprised the following number of deaths which occurred in each quarter:

Quarter 1	10
Quarter 2	10
Quarter 3	17
Quarter 4	12

By the end of March 2019 13 rapid response investigations, 15 hospital case reviews, 2 serious case reviews and 4 serious incident investigations have been carried out in relation to the deaths. All deaths are subject to a full case review as part of Child Death Overview Panel procedures. Therefore all the deaths have been reviewed and the table confirms which of these have also received an investigation.

Quarter 1	9
Quarter 2	9
Quarter 3	16
Quarter 4	1

Investigations are being undertaken into deaths occurring in quarter 4. However as this process is not complete this is not confirmed above.

Currently 0 % 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. However, due to some investigations still being undertaken this figure may change in due course.

A summary of what the Trust has learnt from case record reviews and investigations conducted in relation to the deaths is provided below:

- The clinical teams successfully recognised clinical deterioration despite the presence of 'normal' blood pressure readings during an ongoing resuscitation and successfully secured adequate central line access to manage this.
- Review of a case related to ring chromosome 18 identified this was a rare condition that occasionally may not cause any symptoms but can cause significant problems.
- The lack of palliative care services for young people aged 16 – 18 who are under adult services resulted in provision of palliative care that was ad hoc and difficult to manage.
- Nationally there are no commissioning arrangements for children who need palliative care services between the ages of 16 and 18 if they are being seen in the adult services, unless they are currently inpatients. The charities and district nursing do not provide this palliative care service. The Trust will raise this at national commissioning and CCG level.
- There were significant complexities in a decision making process related to a patient with a tracheostomy. The learning from this case was that if appropriate, a Limitation of Treatment Agreement, drawn up in collaboration with parents can assist when holding these very complex discussions.
- Parallel planning could be undertaken for patients to access a palliative care pathway while still continuing investigations into their condition. Currently untreatable diagnoses are very complex because of emerging treatments for some conditions: a case previously seen as futile may have a different prognosis in the future.
- The RCPCH guideline on making decisions to limit treatment in life limiting and life threatening conditions in children is useful. Clinicians should be reminded to access this.
- Spinal cord compression can be a surgical emergency and in one case it was necessary to cancel planned MRI scans to accommodate this.
- The Trust has a spinal cord injuries pathway on the intranet. Of note, spinal cord injuries can cause sympathetic nerve problems which may result in catastrophic hypotension.

- One case exposed difficulties with chest drains which had fallen out and therefore to prevent large fluid losses, suturing of the drain is needed.
- One child had an episode of teeth grinding which can result in tooth loss within a few hours. This was an unusual symptom for which the aetiology was uncertain. Midazolam was useful and the case was managed with support from the Maxfax team and dental teams.

The Trust has learnt from the deaths. Following an inquest into one of the deaths there is to be discussion with the CCG regarding the funding for immediate response to patients aged 16-18 years who attend the Northern General Hospital requiring mental health input. As an interim measure, the Trust is being supported by the Mental Health Crisis team from Sheffield Health and Social Care.

Learning from incident investigations is shared across the Trust through a fortnightly patient safety bulletin and through the Divisions in their monthly Quality Meetings. All serious incident investigations are discussed at Executive Risk Management Committee.

#### Patients readmitted to a hospital within 30 days of being discharged. (i) 0 to 15

	<i>trust</i>
financial year	%
2018/19*	6.3
2017/18	7.2
2016/17	7.8
2015/16	7.4

#### Patients readmitted to a hospital within 30 days of being discharged. (ii) 15 or over

	<i>trust</i>
financial year	%
2018/19*	6.3
2017/18	7.4
2016/17	7.7
2015/16	7.2

#### C-difficile Infection per 100,000 bed days

Financial Year	Trust Rate	Average	National	
			Maximum	Minimum
2018/19	26.8	Figures not available until Jul-Aug 19	Figures not available until Jul-Aug 19	Figures not available until Jul-Aug 19
2017/18	4.9	13.7	91.0	0
2016/17	13.8	13.2	82.7	0
2015/16	19.8	14.9	67.2	0
2014/15	14.4	15.0	62.6	0

*The Trust considers that this data is as described for the following reasons:*

The Trust has a very stringent approach to testing all symptomatic children aged two years old and over for C-difficile. We have monitored this closely over the year and completed root cause analysis investigations on all cases where toxins were detected 48 hours post admission.

*The Trust intends to take the following actions to improve this percentage, and so the quality of its services:*

The Trust will continue to perform root cause analysis on all Trust-associated cases, with action plans generated if deficiencies that may have led to C. difficile infection are identified. Environmental and hand hygiene audits will continue to be performed on a monthly basis with the results now incorporated into quality reporting at a divisional and Trust level. Use of antimicrobials is a risk factor for C. difficile infection. An antimicrobial stewardship team was formed in late 2017 and has expanded over 2018/19. The creation of an Antimicrobial Stewardship Committee is planned for 2019/20 which will oversee the quality of antimicrobial prescribing Trust-wide.

### Patient safety incidents

	2015/16	2016/17	2017/18	2018/19
Total number of patient safety incidents	2,742	3,632	4234	4404
Total number of patient safety incidents leading to severe harm or death	1	0	3	4
Percentage of patient safety incidents leading to severe harm or death	0.04	0.00	0.07	0.1
Rate of patient safety incidents per 1,000 bed days	68.03	83.90	85	107.39
Bed days	40,304	43,288	41,229	41011

*The Trust considers that this data is as described for the following reasons:*

The Trust has a very low number of incidents that have resulted in severe harm or death. All incidents are reviewed weekly in the Patient Safety meeting, chaired by the Medical Director and the Director of Nursing and Quality. This provides assurance that incidents are appropriately reported.

*The Trust intends to take the following actions to improve this percentage, and so the quality of its services:*

The Trust has introduced a fortnightly learning from incidents newsletter and we will continue to embed conversations around this across all services. We are also developing our Quality Strategy in 19/20 to further embed our learning from incidents and how we use this data to improve patient safety.

### Percentage of staff employed by the Trust who stated that if a friend or relative needed treatment they would be happy to recommend this organisation

2017		2018		Improvement / deterioration
Our Trust	National average	Our Trust	National average	
89%	80%	90%	81%	Improvement

*The Trust considers that this data is as described for the following reasons:*

Sheffield Children's NHS Foundation Trust staff survey report is available on the NHS staff survey website. The data is selected from this official source. The results are unchanged from 2017 and our Q1 and Q2 FFT responses have been at 90%, indicating that our 85%+ response rate is consistent. More of our staff tell us that they are satisfied with the quality of care they give and more staff are telling us that they can deliver the care they aspire to.

*The Trust intends to take the following actions to improve this percentage, and so the quality of its services:*

We use the quarterly FFT and annual staff survey results to look more closely for areas of high and low engagement in this area. This will allow us to share good practice and identify and address the issues staff have that lead to a lower response in some areas.

## Serious Incidents

- During the last financial year, 2018/19, the Trust reported a total of 16 Serious Incidents. This was a decrease from 19 reported the previous year. Each investigation was subject to a full root cause analysis to understand if the incident was avoidable and to capture any learning that could be shared with the wider organisation.
- Learning from Serious Incident reports are shared within the division initially and after discussion at the Executive Risk Management Committee, shared widely across the organisation. Key messages are also shared with divisions at the close of each meeting of the Quality Committee.
- The Board is regularly updated wherever urgent learning requires to be implemented.
- The Trust commits to produce a full report and root cause analysis at the earliest opportunity but acknowledges that occasionally this may be delayed particularly where other trusts are involved or there is a coroner's inquest pending. In circumstances where a coroner's inquest is pending, the Trust provides a report to the Clinical Commissioning Group, which is subsequently amended to reflect the conclusion of the inquest.
- Sheffield Clinical Commissioning Group monitors the timeliness of reports and meets monthly with the Trust to discuss individual cases. Following capacity issues within the Legal and Governance team leading to challenges in delivering Serious Incident reports on time during the previous year, actions were put into place to address the issue. This included broadening the number of investigators within the Trust by the provision of three Serious Incident training courses led by specialised training providers and the Senior Quality Manager at the CCG.

•  
The serious incidents for 2018/19 are detailed below:

Fig: serious incidents

Incident	Outcome
A patient was seen in an orthopaedic out patient's clinic in January 2015 where a plan for surgery was made for 1 years' time however the appointment was not made and the patient was not seen until the parent rang and asked for an appointment 3 years later. There was significant work undertaken in determining if this was an SI and resulted in possible patient harm and this led to a delay declaring it as	Urgent appointment made and patient seen 12th January 2018, corrective surgery was undertaken 26th January 2018 and reviewed in April 2018. The Clinic Utilisation module of Netcall was made live on 10th May 2018 and weekly monitoring of overdue patients is now

Incident	Outcome
such.	undertaken.
<p>A child with symptoms suggestive of a detached retina was booked into clinic. The ophthalmology trainee that reviewed the patient identified macular retinal detachment and referred him to the on call Vitreo-retinal (VR) Consultant. As it was 5pm, the on call VR Consultant advised that the patient should attend the Royal Hallamshire Hospital (RHH) for further review. After delays at RHH, the patient was reviewed by the VR Consultant Ophthalmologist who decided that the patient required urgent surgery. The patient was then transferred back to the children's hospital whilst a plan was made. Unfortunately there was a misunderstanding on the availability of a SCH theatre nursing team, resulting in the patient being transferred to Moorfields Eye Hospital and then Southampton General Hospital. A theatre and theatre team was available at SCH to perform the surgery.</p>	<p>An agreed patient pathway was disseminated throughout the Trust, along with the Patient Transfer and Escort Policy. Guidance has subsequently been introduced for booking of theatre cases. A policy has also been produced for patients being seen by ophthalmology out of hours.</p>
<p>A member of theatre staff accessed the theatre department, using their access badge. The staff member was not on duty at the time of entering the department and did not arrive for work the following day. The nurse in charge on that day had made several attempts to contact this person, but was unsuccessful. The staff member was later discovered at a location and it was apparent that the drug available in theatres had been used to take the staff member's life.</p>	<p>Process for the keys to drug cupboards in theatres was changed to limit access to the qualified member of staff in each of the 9 theatres and the theatre co-ordinator only. These are now distributed each morning. Controlled drug checks are carried out twice a day. All wooden drug cupboards were upgraded to metal cupboards. The theatre key cupboard is padlocked, with the key kept solely by the theatre co-ordinator each day.</p>
<p>An eleven year old female patient was listed and confirmed at surgical 'Time out' for grommets and adenoidectomy. There was then an accidental initiation of tonsillectomy on right side, an incision was made using bipolar forceps through right anterior tonsillar pillar to expose small part of superior tonsillar capsule. As soon as the error was realised the dissection was stopped immediately, haemostasis achieved, and anterior pillar closed with interrupted sutures, with the right tonsil preserved. Dissection was limited and therefore it was possible to repair/close the defect the Consultant had made, and preserve the tonsil, minimising the adverse effect. The adenoidectomy was subsequently performed as indicated. This incident was reported as a Never Event.</p>	<p>The term 'Adenotonsillectomy' was split into Adenoidectomy and Tonsillectomy to provide clarity in theatres as to the surgery required. Only the equipment required for the specific surgery and agreed in the surgical pre-op brief is now opened in the operating theatre. No equipment is 'dropped' onto the trolley once used, by anyone. The scrub practitioner maintains management of all equipment to be used on the trolley at all times.</p>



Incident	Outcome
A patient was referred to CAMHS by his GP for a 'routine' referral (18 week wait). The CAMHS Clinical Assessment Team discussed the patient and felt that there were a number of questions which the team could not answer from the referral letter, therefore they were unable to assess the patient's level of risk and appropriateness for the CAMHS service. As the patient was also receiving care from external counselling it was believed that they should be supported by coping strategies around the concerns of self-harm and suicidal ideation. The GP was asked to provide further details or concerns for further review. The patient however committed suicide two weeks later.	The duty team now reviews all referrals and will telephone the referrer or family if further details are required. This reduces the delay and ensures appropriate referrals are made promptly. Further improvements are planned for the CAMHS referral service to receive telephone referrals. The service also developed a Trust Standard Operating Procedure for communication with schools, GPs and private mental health service providers for all CAMHS patients. The CAMHS team have reviewed and updated their procedures for referral from primary care. Electronic referral will be available once the electronic patient record is launched. (EPR). The CAMHS team also reviewed all points of interaction with other services to ensure that clear pathways are in place.
A seven year old female patient attended the Sheffield Children's NHS Foundation Trust for a tonsillectomy. This procedure was consented for but during surgery the adenoids were noted to be diseased and were removed by the Consultant Surgeon. This was without consent and therefore met the definition of Serious Incident, Never Event, Wrong Site Surgery.	Theatre department to use a white board for all patients requiring multiple procedures on a list, the procedures can be recorded on the board and ticked when completed. Equipment to be used and procedures to be undertaken should be discussed and agreed at Time Out prior to surgery. The procedure to be undertaken should be verbally broadcast before commencement. Only equipment required for specific surgery and agreed in the surgical pre-op brief should be opened in the operating theatre.
A patient went to theatre for insertion of a percutaneous jejunal tube. During intubation a foreign body with the appearance of the sponge component of a mouth care swab was discovered in the patient's pharynx and removed. The procedure went ahead as planned and the patient had no ill effect from the event.	The oral hygiene care plan was updated. All equipment required to be at the bedside is now stored in a box with a lid. Standard operating procedures were produced to ensure all documentation includes when sponges have been used and that the full sponge has been disposed of.
A patient was admitted to the High Dependency Unit following elective surgery for wash out and insertion of a chest drain. The patient sustained an overdose of Dexmedetomidine. This was thought initially to be a 100 times overdose. Upon further calculations by Pharmacy it was confirmed that the patient received a 12 times overdose based on the higher end of the therapeutic range. There was no harm to the patient.	<p>A chest drain training programme has been developed and delivered. The safe transfer of patients with chest drains guideline has been revised. Standard Operating Procedures based on National Guidelines are now displayed on both units.</p> <p>The drug was programmed as per the 'guardrail' programme on all Asena CC</p>

Incident	Outcome
	syringe pumps with a standard dosage approach which matches the guidelines. The Division of Surgery & Critical Care agreed a route of escalation for quarantining pumps involved in Serious Incidents.

Twenty one month old female was discharged from Sheffield Children's after spending much of the last 12 months as a hospital inpatient. She was a very complex patient, her primary care was provided by the oncology team but four other teams were involved. The patient was discharged from hospital and over the next two weeks, the family made multiple phone contacts with the Trust. The patient subsequently died three days after her most recent visit to the Children's Hospital. Concerns were raised by the family related to the telephone advice and care provided by the Trust. The conclusion of the investigation team is that the advice and care provided by the Trust was appropriate.

There is now a senior medical review of all complex patients prior to discharge. Clear and timely records of all telephone advice calls are now kept. A validated triage tool for phone advice with appropriate medical advice when prompted by tool is now in place. The trust is considering the use of a recorded advice line.

The following investigation reports are included in the Quality Report but have yet to be approved by the Trust's Executive Risk Management Committee:

Fig: Serious Incidents Awaiting Approval

Incident	Outcome
A patient was referred by their GP due to chest pain, resulting in an overnight stay as a Pulmonary Embolism was suspected. A Pulmonary Embolism was considered and an ECG performed, but the final diagnosis was chondrochondritis. The patient had been started on the combined contraceptive pill for heavy periods four days earlier. The patient died, the cause of death established at Post Mortem was Pulmonary Embolism. This is a shared incident with the Yorkshire Ambulance Service.	Investigation in progress
A family have formally complained about the level of care provided in the period before the death of the patient. This includes a lack of nursing resource provided by the Trust and a delay in diagnosis. The incident also involves Bluebell Wood.	Investigation in progress
A patient in the Acute Assessment Unit was referred to PCCU for review at 0930hrs on the 26th December 2018. The patient had a history of diarrhoea and a high temperature for five days. She had been seen and discharged from ED on the previous two days, and two days earlier that week. There was a delay in her referral to the	Investigation in progress

PCCU.

An adult who had been tested under genetics service noticed that their test result was publicly available as a PDF on the Trust website. The Caldicott Guardian and Trust SIRO were informed.

Investigation in progress

A patient was in theatre for an Endoscopic Tympanoplasty in order to reform his ear drum. Following surgery the patient was transferred to the post anaesthetic care unit where he was found to have a throat pack in situ. This was reported as a Never Event – Retained Foreign Object post procedure.

Investigation in progress

A baby being NJ fed on HDU had a clinical deterioration and was identified as having suffered a perforated bowel secondary to a dislodged NJ tube.

Investigation in progress

A patient was to have a MRI under general anaesthetic, as agreed by surgeons and with Radiology. By the time that the patient had been settled and prepared it was out of hours and the Trust policy is that the GA should not be undertaken. The anaesthetist refused to anaesthetise the patient and the surgery was delayed.

Investigation in progress

Once signed off by an Executive Director, reports relating to Serious Untoward Incidents are shared with the relevant Associate and Clinical Director, or equivalent, in addition to being presented at the Executive Risk Management Committee.

Following the Executive Risk Management Committee, and in order to facilitate organisational learning, the reports are discussed at each Divisional Board meeting with any recommendations being monitored through the Executive Risk Management Committee.

## Freedom to Speak Up

### Details of how staff can speak up:

Staff can speak up across three 'Levels' of their immediate Directorate or Speciality:

- 1) to Line Manager/ Mentor
- 2) to an Associate Director or Clinical equivalent
- 3) to an Executive or NED.

Staff can also contact the FTSU Guardian at any point before, during or after the process of speaking up. Executive or Board level colleagues are supported when speaking up by the Freedom to Speak Up Guardian and can also gain support from the Senior Independent Director at NED level.

Staff may also contact their Union, Staff Side colleagues or regulatory body for support around speaking up. Staff are also informed of national organisations and helplines eg CQC, Protect. Our Raising Concerns Policy has been rewritten with input from stakeholders and relaunched in October 2018.

Our Freedom to Speak Up Guardian has been in place since May 2017. Department based Staff Champions were identified from October 2018 onwards and act as local point of contact around speaking up.

### **How feedback is given to staff who do speak up:**

If concern raised via Level 1, 2 or 3 or via the Freedom to Speak Up Guardian, the initial feedback should be given by that specific manager/Director within 10 days. This can be verbal, written or via email. As the concern progresses, feedback can be given at appropriate intervals determined by the both members of staff. Staff should be notified that where an external agency eg Counter Fraud is involved, this timeline for feedback may be extended.

Following on from the Self Evaluation by the Trust Board in 2018/19 around Freedom to Speak Up within the Trust, they worked in conjunction with the FTSU Guardian to produce a Vision and Strategy that included outcomes and metrics around feedback. Feedback and associated metrics around 'speaking up' process satisfaction will be included in Board Reports at 6 monthly intervals and also in the Trust Annual Report within the forthcoming year. This will ensure a level of 'quality control' around the feedback process.

### **How we ensure staff raising concerns do not suffer detriment**

- Preventative work is undertaken at induction to ensure staff understand what detrimental behaviour is and offer to work round 'quick/initial reactions' to speaking up with staff within their own department base.
- Offer of 1:1s for existing staff and staff who line manage others around speaking up and what detriment looks like. Staff are encouraged to contact Guardian for advice around 'point' of possible detrimental behaviours being implemented
- Use of the FTSU 'Vision' to create a culture where detriment is not tolerated: *To embrace an everyday culture of openness and transparency that enables staff to feel safe, free and encouraged to speak up and raise concerns: "Everyone Deserves to be Heard"*
- If consent is given, work with line managers to ensure behaviours such as isolating staff from offices, working from other bases away from team/resources are halted. Help managers identify or work out a pathway to solutions around detriment eg training, placing staff on different shifts, flexible working, relocating IT or equipment, links to HR support
- Triangulation and factual elements of concerns is key. This can highlight if detriment has occurred or is threatened. Whilst all concerns are listened to in good faith, nationally it is noted that staff reporting concerns could be the aggressor in a long standing situation and the colleague they are raising a 'concern' about is actually neutral yet about to suffer detrimental treatment.
- Work with staff to remove and remedy any detriment that has occurred and work around preventing repetitive behaviours. Report significant detriment to senior staff and to Board.

## **Patient Experience Surveys**

The Trust undertook 86 registered patient experience and engagement audits during 2018/19, all of which align with Regulation 9 of the CQC fundamental standards, 'Care and treatment must be appropriate and meet people's needs and preferences'.

57% (49/86) of the surveys are active, 2% (2/86) have been archived/abandoned. 24% (21/86) are in the change management phase and 16% (14/86) have the change management completed.

As a result of the change management surveys a number of improvements have been made:

- The introduction of electronic records (EDMS) within the Rheumatology Service now facilitates consistent communication within Rheumatology Service

- Rheumatology Clinic letters and results of further tests/examinations are now routinely copied to patients and families
- Savience System is now being used in outpatient clinics to facilitate patient flow through clinics to improve waiting times.
- The Health Visitor Breast Feeding Service now run quarterly Infant Feeding Champion meetings and continue to delivery staff training.
- The Dermatology and Infection Control team are reviewing alternative hand hygiene products for those care users with skin sensitivities/allergies
- The Friends and Family Hearing Services patients are currently being re-surveyed.
- Hospital passports are being considered for service users who frequently attend the Blood Room/
- The Paediatric Oncology Outreach Nursing Services ensure that school meetings are organised for each patient. They provide reassurance that schools are fully aware of the risk factors and support families to try and maintain as normal a routine as possible in relation to education.
- Allergy documentation and promotion of the availability of the electronic allergy form are being widely promoted via the Trust's Communications Team and Junior Doctor Induction

The undertaking of audit and service evaluation continues to be a key priority for the Trust allowing us to learn from our children, young people, their families and carers. As a central part of the Care Experience Mission Statement is to 'listen involve and inform' we will continue to encourage services to propose new audits, in conjunction with the audit and effectiveness team. We will also promote the sharing of results with others, the learning and application of the findings and most importantly, the gathering of feedback from our service users.

## Friends and Family Test (FFT) Data

During 2018/19 the Trust has undertaken work to continue improvements in the response rate for FFT. The involvement of a wide range of staff has strengthened the processes used and the understanding of staff of the importance of FFT for the Trust.

Examples of the work undertaken include:

- Changes and improvements to the FFT collection cards. They now include emoji faces, sad to happy to enable children to feedback.
- FFT Friday is active across the Trust with positive impacts on the Trust ability to respond to feedback in a timely manner.
- FFT is part of the monthly Care Experience Evaluation Panel meeting which triangulates all patient feedback looking at themes and trends and the actions required to address them.
- A volunteer role developed to work with the PALS manager includes the collection and promotion of FFT as a positive way to provide feedback amongst the patients and their families.
- The introduction of the automated call to ED attendees 24 hours after their visit asking the FFT question and the ability to leave a voice comment has produced a 15% increase in the response rate for FFT which exceeds the national average.

The collection of FFT feedback is now seen as an integral part of understanding the patient and families experience of services alongside verbal feedback, thank you cards etc. Engagement with all areas of the Trust, not just inpatient and nursing, has been encouraging and the small but positive increases in feedback from harder to reach areas, such as community services, has been beneficial.

The comments left by families who respond using the cards or Netcall (ED) system are essential in providing constructive information on which the Trust can plan changes. There has been a consistent level of positive comments over the last year of between 87% and 95%.

Whilst the inpatient response rate has consistently exceeded the national average, it has been recognised that the use of the bedside entertainment systems has influenced this disproportionately in some wards. A decision was made to stop this method of collection across the organisation to ensure the Trust figures are fair and accurately reflect all areas. Taking this decision and a review of the previous year's response rate figures does indicate the Trust will still remain above the national average.

A significant amount of work over the year has focused on collection and response rates, future work must now address the negative responses received and the Trust actions required to raise the experience of patients and their families. The numbers of negative responses are relatively low and those with a comment on which the Trust can act are even less, However in line with the Trust aim to *provide high quality patient experience and outcomes*, they are significant.

## Complaints

During the financial year 2018/2019, a total of 196 formal complaints were received by the Trust. The rate of complaints is slightly higher than previous years.

During the year the Trust has been embedding the new complaints process and the use of the Datix system for recording all complaints to allow more timely access to data for those who are responding. The new process has led to improved engagement with the divisions but initially led to a reduction in timeliness of responses. In the latter part of the year there have been improvements.

### Complaints per 10,000 Episodes

Year	Episodes of care	Complaints	Number of complaints per 10,000 episodes
2015/16	451,738	147	3.25
2016/17	439,977	154	3.50
2017/18	420,475	158	3.75
2018/19	458,492*	196	4.27

\*Episodes of Care' includes activity across all points of delivery. All divisions and specialities. This is taken from the annual report

Further analysis shows the following are the main services receiving complaints

Fig: complaints by division or service 2018/19

Division	Number of complaints
Medicine	95
Surgery and Critical Care	59
CWAMH	28
Pharmacy Diagnostics and Genetics	5
Research	1
Non Clinical Services	3
Corporate services	1
Support Services	1
Cross Division	2
External to SCH	1
<b>Total</b>	<b>196</b>

The three divisions at the top of the table are our clinical, patient facing divisions. The 'back office' divisions receive minimal complaints due to their lack of patient contact. As a trust we have ten transformation workstreams, each sponsored by an Executive Director. The workstream projects are informed by patient feedback, including our learning from complaints.

## Reason for the Complaint

Complaints are coded according to national coding descriptions. One complaint may cover several subject areas, which are each reported individually, and therefore the total figure is likely to be significantly higher than the number of formal complaints received.

Fig: Complaints by reason

Type of Complaint	Number
Clinical treatment	77
Access to treatment and drugs	22
Admissions, discharges, or transfers	13
Appointments	36
Commissioning Services	0
Communications	80
Consent	3
End of life care	3
Facilities services	5
Integrated care	1
Patient Care	53
Prescribing errors	5
Privacy, dignity and wellbeing	6
Restraint	2
Staffing numbers	3
Transport	0
Trust Policies and Procedures	18
Values and behaviour	39
Waiting times	6
Other	0

The most common complaints themes across all divisions are: Communications, Clinical Treatment, Patient Care, Values and Behaviours (staff attitude) and Appointments (delays, cancellations etc.) There are ten transformation workstreams in place which cover these areas for improvement. Additionally our 'Culture and Behaviour' strategy will be rolled out in 19/20 with divisional teams and nursing piloting this work.

The Trust endeavours to acknowledge receipt of the complaint within three working days and provide the final response within 25 working days. To date, the Trust acknowledged 100% of complaints within three working days and responded to 42% Complaints were responded to within target and 58% required additional time.

The Complaints Officer and divisions are working hard to improve this figure and regular information on deadlines is produced weekly by the CO and issued to all divisions to monitor their progress with complaints outstanding.

To date, of the total number of complaints closed, 28% were upheld, 36% were partially upheld and 35% were not upheld.

## Learning from Complaints



Although it is always disappointing when services fall below the expectations of a patient or family, complaints give the Trust an opportunity to identify further opportunities for service improvement. Wherever possible lessons are learned from complaints, and appropriate measures put in to place to prevent any recurrence of the problem or error.

Lessons Learned are now input into the Datix record to enable us to implement actions off the back of complaints in order to improve service.

Fig: Examples of action taken following complaint

Complaint	Action
Clinics being cancelled at short notice	Additional notice required for medical staff booking leave to avoid cancellations at short notice
Appointment letters not clear or sufficiently detailed Appointment letters giving confusing or incorrect location information	Piece of work undertaken to improve the letter quality and accessibility Review of all available letter templates, with removal of outdated/obsolete templates
Referral delay to Mental Health services for an at risk young person	Change of process for referrals to telephone based for urgent concerns.

## Referrals to the Ombudsman

The Parliamentary and Health Service Ombudsman (PHSO) was set up by Parliament to help those patients and their families who believe that there has been injustice or hardship because an organisation has failed to act properly or fairly, or has given a poor service and not put things right.

During 2018/19, three complainants referred their complaint regarding Sheffield Children's NHS Foundation Trust to the Parliamentary and Health Services Ombudsman (PHSO).

Fig: Complaints referred to the ombudsman

Division	Referral Made	Summary of Complaint	PHSO Decision
CWAMHS	February 2019	Rectification of records, referral and service delivery concerns	Investigation commenced March 2019
CWAMHS	December 2018	Referral complaint regarding insufficient assessment of patient	Partially upheld – actions and recommendations received 19/03
CWAMHS	October 2018	Support for Eating Disorders and concerns re: FII reporting	Still under investigation

## Duty of Candour

'Duty of candour' arises where harm has occurred to children and young people whilst they are receiving care and treatment within our services. The statutory Duty of Candour is outlined in Regulation 20 of the Health and Social Care Act 2008. The Act:

- Requires the Trust to act in an open and honest way in relation to care and treatment provided
- Involves a representative informing and supporting patients and relatives, as soon as reasonably practicable, after becoming aware of a notifiable patient safety incident.
- Requires that we say that we are sorry for the event that caused the harm, explaining to patients and their families how the incident occurred and what now needs to be done,
- Requires that the above actions occur both in person and in writing. If the family cannot be contacted the Trust needs to keep a record of attempts made to do so.
- Requires that the Trust keeps patients and their families regularly updated if the investigation is ongoing.

The Trust has recently updated the Policy for Being Open and Duty of Candour. Training for Duty of Candour is currently being developed in respect of the new Policy and will be rolled out across the Trust in the next financial year.

Our compliance with this legislation is monitored through our Integrated Governance report which is presented bi-monthly to our Board and quarterly to the Quality Committee.

Of the 13 serious incident investigations undertaken 12 of these were compliant with Duty of Candour and the Policy was followed. 1 of the investigations did not meet the Duty of Candour criteria.

## Part 3 Other Information

### Patient Safety Indicators for 2019/20

#### Sign up to Safety

'Sign up to Safety' is a national patient safety campaign launched in 2014 with the aim of making the NHS the safest healthcare system in the world. You can read more about this at:

<https://www.signuptosafety.org.uk/>

A huge number of NHS organisations have already pledged their safety priorities on the Sign Up To Safety website and Sheffield Children's NHS Foundation Trust joined them on 22 February 2016.

Our pledges outline the Trust commitment to continually improve our patient safety record by supporting staff to build upon previous achievements. We have selected this year's priorities by reviewing our patient safety incident data, our nursing quality dashboard and as part of the refresh of our strategy 'Caring Together'.

Our Sign Up To Safety improvement plan is outlined below:

Fig: Sign-up to safety pledges 2019/20

Pledge	How will we know when we have achieved this ?
<i>Put safety first</i> Following our successful sepsis week in 2017 we will build upon, refresh and deliver this programme.	Our programme materials and timetable will be available for review. Our staff will be able to articulate how the training is used in their clinical practice.
<i>Continually learn</i> We will develop our real time auditing of the WHO checklist	Real time auditing will be in place.
<i>Honesty</i> We will develop a standard governance framework to ensure our processes are consistently robust	The standard framework and policy will be in place. Minutes of divisional governance meetings will demonstrate that the new procedures are in place.
We will develop action plans for our CQC findings and ensure that improvements are embedded in the organisation	Our CQC actions will be completed.
<i>Collaboration</i> We will develop our Quality Strategy in collaboration with our staff, patients and families and stakeholders	Timetables and attendance at engagement events will be available. Quality Strategy will be launched.
<i>Support</i> We will ensure that our community CAMHS patients are risk assessed in a timely manner to ensure the right support is available to them.	Our clinical practice audits will show month on month improvements

## Sign Up to Safety Achievements in 2019/20

Pledge	Progress Made
We will apply our access policy with consistency	The access policy has been approved and our Was Not Brought campaign has launched. A reduction in patients 'Was Not Brought' was evident in the first month.
We will continue to develop 7 day services	7 day services work continues against the 4 priority standards.
We will review and strengthen our work to reduce the number of pressure ulcers	Ward 'champions' have been identified for pressure ulcer care.
We will introduce an Electronic PEWS system	Electronic PEWS audited on ward 1. Feedback suggest further work is required
<i>Continually learn</i> Our Care Experience Evaluation Panel will report on the themes from patient feedback.	<p>The Care Experience Evaluation Panel now meets monthly to review feedback and pass this to department leads.</p> <p>Two patient feedback sessions have been held in the hub with demonstrable impact on patient care.</p> <p>FFT response rates have improved dramatically.</p>
We will share feedback data and develop and monitor action plans	Ward Accreditation was paused temporarily as it was clear this approach did not align with the organisational development planned for this year. A different approach is planned for 2019/20. However the aim of the initiative was to objectively assess the quality of care on all inpatient wards and lodges. This aim was achieved through the external review by KPMG and three cycles of 15 steps style CQC mock inspections. Divisional Quality Improvement Plans are in place.
We will set up a Ward Accreditation system to objectively understand quality. Our 'good' wards will help other wards to improve	
<i>Honesty</i> We will trial and embed a new integrated performance dashboard	The new integrated performance dashboard has been used for 9 months. This is now regarded as a robust tool giving a single point of oversight to all areas of quality. Performance and finance
We will develop and implement an app for recording hand hygiene audits	The hand hygiene app remains under development. However the recording of this data has moved to an electronic reporting system.
<i>Collaboration</i> We will strengthen relationships to undertake benchmarking and national safety projects	Representatives from the Trust attend Civil Eyes events and contribute data to this group. We are also the first children and young people's service to register for the NHS England Patient Safety 'Always Events' programme.
<i>Support</i> We will develop and progress our organisational development strategy	Our Culture and Behaviour strategy was signed off by Trust Board in February 2019.
We will provide staff with training to	Organisational development sessions have taken place for

Pledge	Progress Made
improve care	senior managers and all departments have cascaded this work through a 'Powtoon' shared with staff. This work will now advance with the nursing profession in the first instance.

## Clinical Effectiveness

Fig: Performance against 2018/19 clinical effectiveness indicators

Pledge	Progress Made
Development of our Organisational Development and Workforce strategies	The strategies have both been signed off by the Trust Board and work is planned to take these forward in 19/20.
Modernising Outpatients project	<p>The Netcall Electronic referral and grading system is now embedded.</p> <p>Contact centre hours for outpatient appointments have been extended to 8pm allowing flexibility for parents and carers wanting to discuss their appointments.</p> <p>For patients, parents and carers, we have introduced the automatic phone line that they can use to check their next appointment. Also 180,000 automatic reminder texts were sent to families ahead of their appointment.</p> <p>The improvements in clinic utilisation have resulted in 3226 more patients being seen this year, equivalent to 13.4 more patients each day.</p> <p>313 families have helped shape our services with during two family engagement events.</p> <p>We launched our Was Not Brought campaign and now have a deeper understanding of why children and young people do not attend appointments.</p> <p>There is now a Quiet room and a teenager room in Outpatients reception</p>
Well Prepared surgery programme	<p>Netcall for Surgery implemented - patients now get reminders about their procedures</p> <p>Botox pathway has been improved, patients now get physiotherapy scheduled at a timely duration after their botox injections which assures clinical effectiveness.</p>

Pledge	Progress Made
	<p>Pre-op care business case has been developed and approved for phased roll out. This should improve safety, efficiency and patient experience once implemented</p> <p>Depth of coding increased across a range of areas meaning patients have a more complete record and income is increased.</p> <p>More than 200 staff have been engaged with during projects, meetings and events</p> <p>More than 300 surgical patients and their families have engaged in and influenced the design of the programme via surveys and feedback.</p> <p>E listing has been introduced to make listing for surgical procedures more robust.</p> <p>All patient letters have been reviewed, reflecting patient feedback to ensure that information communicated to families is accurate and relevant.</p> <p>Direct discharge from theatre recovery has been introduced to make a more streamlined experience for families and ensure our inpatient beds are used effectively.</p>

## Proposed New Clinical Effectiveness Indicators 2019/20

Indicator	Rationale
<p>We will monitor our surgical outcomes and benchmark these against other similar Trusts.</p> <p>We will improve our clinic utilisation rates. We have set ourselves a target of 85%.</p> <p>We will reduce our Was Not Brought rate to below 11%</p>	<p>This will enable us to share learning and improve outcomes for children and young people undergoing surgery.</p> <p>Improved clinic utilisation rates will mean that children and young people can access care promptly, improving health and life experience.</p> <p>Reducing Was Not Brought helps with our clinic utilisation rates and also makes sure those children and young people who need care are supported to access this.</p>

## Patient Experience

### Progress against our 2018/19 Patient Experience Indicators

Indicator	Progress Made
Our Friends and Family Test (FFT) data will be collected at one central point in the Trust. This will reduce the multiple routes that have existed historically, enabling one 'story' of how patients and families experience our services, which is timely and well managed.	The collation of all FFT data for national submission is now undertaken by the information department. A Standard Operating Procedure for FFT data collection is in place with time scales and person responsible clearly identified. The monthly data from information used by staff within the Trust is validated and reflects the nationally available data.
We will establish and embed our Care Experience Evaluation Panel.	<p>The Care Experience Evaluation Panel is now established to triangulate patient and family feedback information from a variety of sources.</p> <p>The Standard Operating Procedure developed has identified staff responsibilities across the organisation and the expectation of them to engage in gaining feedback.</p> <p>The standardisation of local feedback collection using a consistent format has resulted in more reliable thematic analysis.</p>
We will develop our Care Experience webpage	This piece of work has not been completed. This has been incorporated into the 2019/20 work to develop a care experience toolkit for staff use.

### Proposed New Patient Experience Indicators 2019/20

Indicator	Rationale
We will develop our care experience strategy toolkit for staff and engagement with patients their families and carers	The confidence and knowledge of staff when engaging with all our service users is key and we want to be able to provide informative, interactive and consistent information across the Trust We will develop a resource room in the outpatient's hub for service users to access for information and feedback opportunities. We will develop the website for service users and we will continue to look at new and innovative ways to get the views of all service users with a focus on younger children and those where verbal communication is challenging



We will roll out the FFT Netcall system to other areas in the Trust to improve the level of feedback available to use to develop and improve services

The success of the Netcall system in raising FFT response rates in the ED department has led to an intention to roll this out into outpatients which has a low response rate. The management of the comments left across all areas of the system will form part of this work.

The engagement with all service users will be improved throughout the Trust by involvement in Trust business such as committees, meetings and stakeholder events as well as the daily contact with wards, departments and services.

The work of the accessible information group will inform the and share best practice across the Trust in relation to those with communication challenges.

The Trust will look at the process for engaging service users and their families promoting opportunities to learn and be involved. The process will be written into a document which provides information for all interested service users with expectations and responsibilities identified.

The Trust will continue to, and further develop, links with external agencies to support this work such as Health watch and Chilypep.

Current groups such as the Youth forum will continue to be supported, increasing membership as appropriate.

A consistent approach to those patients and families with additional needs will be developed across the Trust in areas such as mental health and learning disabilities

## National Staff Attitude Survey

### Summary of our performance

#### Our response rate

2017		2018		Improvement / deterioration
Our Trust	National average	Our Trust	National average	
48%	43%	54%	41%	Improvement

#### Our top five ranking scores<sup>4</sup>

- (1) Percentage of staff experiencing physical violence from managers\* in the last 12 months (the lower the score the better) \*all staff in 2017

<sup>4</sup> These scores are the five key findings from the staff attitude survey where Sheffield Children's NHS Foundation Trust compares most favourably with other combined acute and community Trusts

<sup>2</sup> Some questions are difficult to compare to 2017 questions and changes are difficult to measure as scoring methodology has changed between 2017 and 2018.

2017		2018		Improvement / deterioration
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Our Trust	National average	Our Trust	National average	
1%	2%	0%	1%	Improvement

(2) Percentage of staff experiencing physical violence from other colleagues\* in the last 12 months (the lower the score the better) \*all staff in 2017

2017		2018		Improvement / deterioration
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Our Trust	National average	Our Trust	National average	
1%	2%	1%	1%	No change <sup>2</sup>

(3) Percentage of staff experiencing discrimination at work from patients/service users/relatives/other public in the last 12 months (the lower the score the better)

2017		2018		Improvement / deterioration
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Our Trust	National average	Our Trust	National average	
8%	10%	2%	5%	Improvement <sup>2</sup>

(4) Percentage of staff reporting/seeing reported a witnessed error, near miss or incident that could have hurt patients/staff/other in the last 12 months\* (the higher the score the better) \*in 2017 was "in the last month"

2017		2018		Improvement / deterioration
------	--	------	--	-----------------------------

Our Trust	National average	Our Trust	National average	
92%	91%	97%	96%	Improvement <sup>2</sup>

(5) Percentage of staff experiencing discrimination at work from a manager/team leader or other colleague in the last 12 months (the lower the score the better)

2017		2018		Improvement / deterioration
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Our Trust	National average	Our Trust	National average	
8%	10%	5%	7%	Improvement <sup>2</sup>

Bottom five ranking scores<sup>5</sup>

- Percentage of staff who have put themselves under pressure to come to work? (the lower the score the better) (new question)

<sup>5</sup> These scores are the five key findings from the staff attitude survey where Sheffield Children's NHS Foundation Trust compares least favourably with other combined acute and community trusts in England

2017		2018		Improvement / deterioration
Our Trust	National average	Our Trust	National average	
-	-	94%	92%	Not comparable <sup>2</sup>

- Percentage of staff who feel that senior managers act on staff feedback (the higher the score the better)

2017		2018		Improvement / deterioration
Our Trust	National average	Our Trust	National average	
-	-	29%	34%	Not comparable <sup>2</sup>

- Percentage of staff who feel senior managers try to involve staff in important decisions (the higher the score the better)

2017		2018		Improvement / deterioration
Our Trust	National average	Our Trust	National average	
-	-	31%	35%	Not comparable <sup>2</sup>

- Percentage of staff who feel there are enough staff in the organisation for me to do my job properly (the higher the score the better)

2017		2018		Improvement / deterioration
Our Trust	National average	Our Trust	National average	
-	-	31%	41%	Not comparable <sup>2</sup>

- Percentage of staff reporting good communication between senior management and staff (the higher the score the better)

2017		2018		Improvement / deterioration
Our Trust	National average	Our Trust	National average	
28%	33%	36%	43%	Improvement

There are 10 themes in the 2018 national staff survey; 9 of the themes are comparable to 2017. None of our themes show significant change when compared to 2017

Within our comparator group, three themes show significant improvement: Equality Diversity and Inclusion, Safe Environment – Bullying and Harassment, and Safe Environment – Violence. In one theme, Quality of Care, we have scored worse in comparison to those in our sector.

The overall staff engagement score has increased from 7.04 to 7.07. This is average when compared with other combined acute and community trusts. Staff recommending the Trust as a place to work has increased slightly from 62% to 63%. Staff recommending the Trust as a place to receive treatment remains unchanged at 85%.

#### *Future Staff Survey Priorities and Targets*

Our key priorities are to address the three themes where our staff are telling us there is need for improvement. These are the quality of our appraisals, the health and wellbeing of our staff and the perception of quality of care that our staff give.

## Seven Day Services

The Seven Day Hospital Services (7DS) Programme was developed to support providers to deliver high quality care and improve outcomes on a seven-day basis for patients admitted to hospital in an emergency. Ten 7DS clinical standards were originally developed by the NHS Services with a focus on four priority standards identified in 2015.

The four priority standards were selected to ensure that patients have access to

- Clinical Standard 2 - consultant-directed assessment
- Clinical Standard 5 – diagnostics
- Clinical Standard 6 - Interventions
- Clinical Standard 8 - ongoing review every day of the week

A new monitoring system was introduced from November 2018 enabling Trust boards to have direct oversight of 7DS progress, measured through a board assurance framework. This framework consists of a standard template for self-assessment of performance against the four key 7DS standards that will be completed bi-annually, with sign off by the board before submission.

The information used to assess has been broadened, particularly for standards 2 and 8 so that:

Standard 2 - First consultant review within 14 hours.

- Assessment based on a triangulation of consultant job plans to deliver 7DS, local audits to provide evidence and reference to wider metrics.

Standard 8 – Ongoing consultant directed review.

- Assessment based on consultant job plans to deliver 7DS, robust MDT and escalation protocols, local audits and reference to wider metrics

The Trust has been asked to complete a trial run of this new process by the end February 2019 with the new process being put in place from March through to June 2019. The May 2018 survey showed that the Trust met three of the four key standards – standard 2 first consultant review within 14 hours, not being met for patients admitted at the weekend.

The Trust has had a phased approach to meeting the 7DS standards with the first 2 phases being completed. This has involved the recruitment of general paediatricians to provide the cover required with further recruitment required to complete phase 3 in 2019/20 to meet the national target.

## Rota Gaps

Rota gaps are a constant feature of medical trainee rotas. They can vary by specialty, by rotation and within a single rotation thereby putting pressure on other participants in the rota and those that have to plan and maintain them.

The Trust uses a number of methods to mitigate these gaps including, most recently, joining with other ICS Trust's form a cross-organisational locum bank. Other solutions have included the employment of clinical fellows and the training of advanced nurse practitioners.

The Trust recognises that longer term solutions to rota gaps will be found by working with our partners in the South Yorkshire and Bassetlaw ICS through the Paediatric Hosted Network (hosted by SCNHSFT) and across the Yorkshire and Humber Region. There will not be a single solution but rather on-going work in a number of areas such as recruitment & retention and the development of the Physician's Associate role.

Trainee Rota Gaps – March 2019			
Specialty	Changeover Date	Establishment	Gaps
Paediatric Medicine F1 – ST3	December 18 (FY1's/2) August (ST's)	16	0.8
Paediatric Medicine GPSTPs	December 18	6	0.5 (April 19)
Paediatric Medicine ST4 +	February 19	23	2
Anaesthesia - Higher	February 19	7	1 (April 19)
Embrace	February 19	6	1
PICU	February 19	11	2.5 (April 19)
Paediatric Surgery	February 19	10	0
Paediatric Surgery – Higher	October 18	5	0
ED – Core	February 19	11	2
ED - Higher	Jan-19	6	0.4
ENT	Oct-18	1	0.4
Trauma and Orthopaedics	Oct-18	4	Recruitment ongoing
CAMHS – Core	February 2019	4	0
CAMHS - Higher	February 2019	6	2
Radiology	October 2018	4	0
Histopathology	February 2019	1	0
Clinical Genetics	Aug-18	2	0
Haematology	Aug-18	1	0

## Performance against key performance targets

Fig: Performance against key indicators and thresholds

Performance Indicator		Target or threshold	2017/18 Trust performance	2018/19 Q4*	2018/19*
ACCESS	Maximum time of 18 weeks from point of referral to treatment for admitted patients	90%	80.43%	69.17%	73.53%
	Maximum time of 18 weeks from point of referral to treatment for non-admitted patients	95%	90.93%	92.57%	92.07%
	Maximum time of 18 weeks from point of referral to treatment for patients on an incomplete pathway	92%	93.20%	92.29%	92.88%
	A&E: maximum waiting time of four hours from arrival to admission, transfer or discharge	95%	97.23%	97.04%	97.49%
	All cancers: 62 day wait for first treatment from:				
	urgent GP referral for suspected cancer	85%	N/A	N/A	N/A
	NHS cancer screening service referral	90%	N/A	N/A	N/A
	All cancers: 31-day wait for second or subsequent treatment, comprising:				
	surgery	94%	100.00%	100.00%	100.00%
	anti-cancer drug treatments	98%	100.00%	100.00%	100.00%
	radiotherapy	94%	N/A	N/A	N/A
	All cancers: 31-day wait from diagnosis to first treatment	96%	100.00%	100.00%	100.00%
	Cancer: two-week maximum wait from referral to first seen, comprising:				
	all urgent referrals (cancer suspected)	93%	100.00%	100.00%	100.00%
	for symptomatic breast patients (cancer not initially suspected)	93%	N/A	N/A	N/A
	C.difficile infection (trust attributable of which the no. avoidable)	2	1	tbc	tbc

The table above summarises the Trust's performance for 2018/2019 against the targets used by NHSI to calculate risk ratings under the risk assessment framework/single oversight framework.

## Additional information

**Diagnostic Waits** – The Trust has achieved the Diagnostic waiting time standard month-on-month since February 2018. Breaches of this standard are minimal and those that do breach are validated and scrutinised to determine the causes and whether any procedural changes are required to prevent future recurrence.

**RTT Performance Non-Admitted and Admitted Targets** – The NHS Constitution was updated in June 2015 to solely measure the Incomplete Waiting Times. The Trust has continued to monitor the Non-Admitted and Admitted targets.

**RTT Performance at Speciality Level** – The Trust has continued to achieve the Referral to Treatment incomplete standard month-on-month for a number of years, despite a number of challenges at specialty-level within a small number of areas.

**Paediatric Dentistry:** The Trust continues to experience difficulties within this specialty with a considerable number of delays occurring at the outpatient stage of the pathway which takes place at the Charles Clifford Dental Hospital managed by Sheffield Teaching Hospitals NHSFT, with a high volume of patients transferring to Sheffield Children's beyond their breach dates. The RTT standard within this specialty was consistently not achieved. Over the past year however, work has been taking place to try and address these issues in order to drive an improvement in performance. This has included increased engagement with Charles Clifford Dental Hospital and monthly meetings taking place between the management teams of the two organisations. Improvements to administrative processes have also been implemented including the introduction of an electronic booking process for those requiring elective admission and increased communication in relation to planned consultant leave. A breach-sharing policy is also currently being explored and discussed between the two organisations.

**Neuro-Disability:** The Neuro-disability service continues to be challenging in terms of meeting the RTT standard however, considerable work is being undertaken on an ongoing basis to carefully manage patient pathways. A number of recruitment issues have impacted on the service particularly within the Psychology and Speech and Language Therapy elements. Some clinical pathways have been reviewed in order to streamline where possible and plans are in place to review further pathways within this service. Progress has been made in reducing the length of wait for patients and although remain excessive, work remains ongoing.

**Outpatient Review List** – During 2018 / 2019, the Trust had significant issues with overdue review lists as a consequence of both administrative / data quality errors and clinical capacity. The review list position is routinely reported each month in the Integrated Performance Report to Trust Board and at the monthly Performance and Quality Review Meetings with each Clinical Division. In recent months significant progress has been made in terms of both clinically and administratively validating overdue review lists. A significant proportion of the problem exists with the clinics which are held at DGHs across the region. In addition to both clinically and administratively validating these, work is being done to bring the management of these patients under the control of Sheffield Children's Hospital to enable the closer management and oversight of these patients.

**RTT Performance – Surgery and Critical Care** – During 2018 / 2019, challenges continued within the Surgery and Critical Care Division in the achievement of the incomplete RTT standard. During the period February 2018 to January 2019, the standard was not achieved during six of the twelve months. Action plans have been developed for specialties which are consistently not meeting the standard in order to drive performance and address barriers to achievement. Long-wait patients are also reviewed on a weekly basis at the Divisional PTL Meetings.



# ANNEX 1: Statements from commissioners, local Healthwatch organisations and overview and scrutiny committees

A number of staff, families and organisations were involved in the consultation process to produce this report and the Trust is grateful for the time and effort of all who have contributed. The final version has tried to accommodate the comments received or the minutes of the meetings at which it was discussed but it is accepted the production of the report is ultimately the responsibility of the Board of Directors.

## Consulted Agencies or Groups

### Sheffield Clinical Commissioning Group

The first draft report was provided to NHS Sheffield on 3<sup>rd</sup> April 2019. The following response was received on 30<sup>th</sup> April 2019

NHS Sheffield Clinical Commissioning Group (CCG) has reviewed the information provided by Sheffield Children's Hospital NHS Foundation Trust (SCH) in this report. In so far as we have been able to check the factual details, the CCG view is that the report is materially accurate and gives a fair representation of the Trust's performance.

The CCG supports the Trust's identified three Quality improvement Priorities for 2019/20. The actions in Priority 1 'Transform our Child Adolescent Mental Health Services (CAMHS)' remains a priority for the CCG, who are keen to ensure the quality of services are improved; particularly looking at reducing wait times and how our crisis services can be improved (i.e. through the development of a home intensive treatment services).

The actions in Priority 2 'Improve the provision of complex care for children and young people who have physical health needs' is also fully supported by the CCG. We will work with SCH throughout 2019/20 to clearly define our community offers through the development of services specifications; which will support us to identify any changes required to be made to improve these services.

Finally, Priority 3 'Develop integrated mental and physical health services on the acute site' is again supported by the CCG. We are keen to ensure that children and families receive seamless care. In particular, we will work with SCH and Sheffield City Council to implement learning identified in the Special Educational Needs and Disability inspection in 2018.

### Sheffield Healthwatch

The first draft report was provided to Healthwatch on 3<sup>rd</sup> April 2019. The following response was received on 26<sup>th</sup> April 2019

Thank you for inviting us to comment on this year's Quality Account. We would appreciate seeing your Account at an earlier stage next year, so that we have a reasonable timeframe to give a meaningful response.

Last year we said that your priorities would have a better chance to drive improvement if there was greater clarity about what you planned to achieve by when, so that progress could be meaningfully measured. Subsequently, we've found it difficult to see to what extent objectives were achieved. For example, last year, we supported your priority to develop a Community Children's Nursing Service, and would have liked to see more about the progress made aligned against your initial targets.

However, we were pleased to see the general positive progress which has been made on last year's priorities.

We broadly support the priorities for improvement for 2019/20. We strongly support the focus on improving learning disability care standards, following the Care Quality Commission (CQC) and OFSTED Special Educational Needs and Disability (SEND) inspection. We also welcome the current work to create a single point of access for Attention Deficit Hypersensitivity Disorder (ADHD) and Autism Spectrum Disorder (ASD) pathway. As with last year, we continue to hear from patients and their families about long waiting times for services based at Ryegate, and wider concerns about access to support and inconsistent standards of care. We support the continued focus on transforming Children and Adolescent Mental Health Services (CAMHS) as we are aware that access remains a problem for families. However, we note that this has been a key focus for the Trust for the past three years. With this in mind, we encourage the Trust to set clear targets with deadlines and opportunities to provide updates on progress. You could also consider whether there are further opportunities to involve patients and their families in this work.

We were pleased to see the actions the Trust has taken to improve the transitions pathway and hope that this work will continue although it is no longer one of the main priorities. During our attendance at the 'Transition Awareness Week' events held at Sheffield Children's Hospital during November 2018, a number of people spoke to us about a lack of clarity surrounding when transition takes place, and how the process works. We support the high-profile efforts made during the past year to raise awareness of the transition process. We would encourage you to ask service users and their families about the impact this has had and what else can be done.

We were pleased to see the 'discussion with parent' stamp for Paediatric Critical Care Unit (PCCU) patients in the 'Local Audit and Service Evaluations' section, as a method of ensuring parental involvement in children's care. We suggest this could be effectively applied to other areas within the Trust. We shared the account with members of Young Healthwatch. As with previous Quality Accounts, Young Healthwatch members found it difficult to read and that it was written assuming a level of operational knowledge.

During the year, the feedback that we received about services based at the main hospital site on Western Bank was mainly positive, in particular, the attitude of staff members, which made patients and families feel reassured and respected, people described feeling involved in their/their children's treatment and they felt that treatment and care was straightforward. Lots of people commented positively on the recent refurbishments.

We hope that in the year ahead, positive experiences become more consistent across all the services the Trust provides.

## Sheffield Children's NHS Foundation Trust Parent Register

The first draft report was provided to parents of children and young people currently using our services, who have been appointed to our new Parent Register. We acknowledge that it can be difficult for families to attend events and the opportunity for families to contribute 'virtually' has been very successful this year. Whilst some parents commented on the style, tone and presentation of the report, others provided an overall impression, as represented below.

The Parent Register received the report on 3<sup>rd</sup> April, the following response was received on 18th April 2019.

I found the document well laid out and easy to understand. I was impressed at the improvements already made to the hospital and look forward to seeing further improvements being made.

The three quality improvement priorities were all of interest to me as a parent of a disabled child with complex learning difficulties.

I am extremely pleased that Camhs is an area of focus for improvement. On a personal note, the help we have received from Camhs has been excellent and has made more of an impact on our lives than some of the medical help we have received, however the referral time is far too long and we are made aware that services are stretched.

I found the information interesting, mainly positive and I am hopeful to see the changes being proposed, being implemented.

## Sheffield City Council Healthier Communities and Adult Social Care Scrutiny and Policy and Development Committee

The first draft report was provided to Sheffield City Council Healthier Communities and Adult Social Care Scrutiny and Policy and Development Committee on 3<sup>rd</sup> April 2019. The following response was received on 16<sup>th</sup> April 2019

We'd like to thank the Sheffield Children's NHS Foundation Trust for sharing this year's Quality Account with us, and to thank all the staff at the Trust for their hard work in delivering vital services for Sheffield people.

We are supportive of the priorities that the Trust has chosen for 2019/20, and through our scrutiny work this year we haven't been made aware of any specific concerns over performance or service delivery. We are particularly pleased to see that transforming CAMHS has been selected as a priority - as we are well aware of how important these services are to children and young people in our city. We note however, that this has been a priority for a number of years and we have still not achieved our ambitions. We will be looking closely for evidence of improvement this year.

We look forward to continuing to engage with the Trust over the coming year, and to seeing the results of the quality improvement work

## Council of Governors, Sheffield Children's NHS Foundation Trust

The first draft report was provided to Council of Governors, Sheffield Children's NHS Foundation Trust on 14<sup>th</sup> May 2019. The following response was received on 16<sup>th</sup> May 2019:

Mrs Shearer, Director of Nursing and Quality, presented an overview of the Quality Report and provided an update on the indicator testing. The following points and comments were noted:

- i. An overview of the content of the report was provided and the Council was reassured that a full consultation process had taken place on the Quality Report with partners such as Sheffield Clinical Commissioning Group, the Overview and Scrutiny Committee at Sheffield City Council, Sheffield Healthwatch, the Trust's Parent Register and Youth Forum. Comments provided had been incorporated into the final report.
- ii. The final external audit report was awaited relating to indicator testing, this would be included within the report of the audit opinion.
- iii. The Council was reassured that although the Trust received a relatively high number of complaints, this was due to the specialist nature of care provided, as well as the low tolerance culture within the Trust to direct families to the complaints procedure rather than resolve issues in the first instance. Training to equip frontline staff with the skills to have appropriate conversations with families to resolve issues at the first point of contact would be undertaken. It was unclear if this was out with nationally, however from past experiences staff felt complaints numbers to be high in comparison to other trusts of a similar size. The Council was informed that two clear themes emerged from complaints relating to values and behaviours, and communications with families regarding access to treatment.

- iv. The Council noted the format of the report was quite prescriptive, and the Interim Director of Workforce and OD agreed to circulate a separate report to governors relating to the bottom five ranking actions from the staff survey to understand how improvements had been made to these areas.
- v. The Council received a presentation on initial high level feedback from the recent CQC inspections. Formal reports were awaited and would be published in July.

The report and presentation were noted

## ANNEX 2: Statement of directors' responsibilities for the quality report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the Quality Report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- The content of the Quality Report meets the requirements set out in the NHS foundation trust annual reporting manual 2018/19 and supporting guidance;
- 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 March 2019
  - papers relating to quality reported to the board over the period April 2018 to March 2019
  - feedback from commissioners dated 30<sup>th</sup> April 2019
  - feedback from governors dated received on 16<sup>th</sup> May 2019
  - feedback from local Health watch organisations dated 26<sup>th</sup> April 2019
  - feedback from Overview and Scrutiny Committee dated 16<sup>th</sup> April 2019
  - Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 1<sup>st</sup> April 2019
  - latest national staff survey dated March 2019
  - head of internal audit's annual opinion over the Trust's control environment dated 24<sup>th</sup> May 2019
  - CQC inspection report dated 31<sup>st</sup> October 2016
- 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 guidance (which incorporates the Quality Accounts regulations ) as well as the standards to support data quality for the preparation of the Quality Report

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the board



Chairperson



Chief Executive

Date: 24 May 2019



# ANNEX 3: Independent Auditor's report to the Council of Governors of Sheffield Children's NHS Foundation Trust on the Quality Report

## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF SHEFFIELD CHILDREN'S NHS FOUNDATION TRUST ON THE QUALITY REPORT**

We have been engaged by the Council of Governors of Sheffield Children's NHS Foundation Trust to perform an independent assurance engagement in respect of Sheffield Children's NHS Foundation Trust's Quality Report for the year ended 31 March 2019 (the 'Quality Report') and certain performance indicators contained therein.

### **Scope and subject matter**

The indicators for the year ended 31 March 2019 subject to limited assurance consist of the following two national priority indicators:

- A&E: maximum waiting time of four hours from arrival to admission, transfer or discharge; and
- 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, throughout April and May 2019;
- feedback from local Healthwatch organisations, dated 26th April 2019;
- feedback from Overview and Scrutiny Committee, dated 16th April 2019;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- the latest national staff survey, dated 26 February 2019;
- Care Quality Commission Inspection, dated 31<sup>st</sup> October 2016;



- the 2018/19 Head of Internal Audit's annual opinion over the trust's control environment, dated May 2019; and
- any other information included in our review.

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

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Sheffield Children's 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 Sheffield Children's 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 Sheffield Children's NHS Foundation Trust.

#### **Basis for disclaimer of conclusion on the RTT 18 Week Indicator**

As set out in the Trust's Quality Report (page 25) a number of actions to improve the quality of data have been identified by the Trust to address concerns with accuracy of data. Our sample testing identified pathways that could not be evidenced which had been included in the data used to create the Trust's monthly reported performance results.

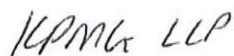
These findings support the Trust's identification of the need to improve data quality through further 'reconciling information from different systems to ensure data accuracy and completeness'.

As a result of these issues, we are unable to give limited assurance on the RTT 18 week indicator for the year ended 31 March 2019.

#### **Conclusion**

Based on the results of our procedures, except for the effects of the matters described in the 'Basis for disclaimer of conclusion on the RTT 18 Week Indicator' section above, 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;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the remaining indicator in the Quality Report subject to limited assurance (the A&E Indicator) has not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.



KPMG LLP  
Chartered Accountants  
Leeds

24 May 2019

## Section Four: Auditor's Report



# Independent auditor's report

## to the Council of Governors of Sheffield Children's NHS Foundation Trust

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### 1. Our opinion is unmodified

We have audited the financial statements of Sheffield Children's NHS Foundation Trust ("the Trust") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement 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 Trust's affairs as at 31 March 2019 and of its income and expenditure for the year then ended; 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 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

<b>Materiality:</b>	£2.85m (2017/18:£2.5m)
financial statements as a whole	1.47% (2017/18:1.32%) of total income from operations

Risks of material misstatement		vs 2017/18
<b>Recurring risks</b>	Valuation of Land and Buildings	◀▶
<b>New Professional Standards Risk</b>	Fraudulent 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 other key audit matters, in decreasing order of audit significance, were as follows:

	The risk	Our response
<b>Valuation of Land and Buildings</b> (£74.4 million; 2017/18: £79.9m) Land and buildings <i>Refer to page 10, note 1.6 (accounting policy) and page 29, note 15 (financial disclosures)</i>	<p><b>Subjective valuation:</b></p> <p>Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost (DRC), of a modern equivalent asset that has the same service potential as the existing property (MEA).</p> <p>The Trust's accounting policy requires an annual review for impairment, a periodic desk top valuation every year and a full valuation (usually in five yearly intervals).</p> <p>When considering the cost to build a replacement asset the Trust may consider whether the asset would be built to the same specification or in the same location. Assumptions about changes to the asset must be realistic.</p> <p>The valuation is undertaken by an external expert engaged by the Trust, using construction indices and so accurate records of the current estate are required.</p> <p>The Trust engaged a new external expert in the year to carry out this exercise. A valuation was carried out as at 1<sup>st</sup> April 2018 and 31<sup>st</sup> March 2019.</p> <p>Valuations are inherently judgmental. There is a risk that the methodology, assumptions and underlying data, are not appropriate or correctly applied.</p> <p><b>Accounting Treatment</b></p> <p>There is a risk that the valuation is not applied to the financial statement balances appropriately to recognise the valuation gains and impairment losses in line with the requirements of the Department of Health Group Accounting Manual 2018/19.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>— <b>Assessing valuer's credentials:</b> We assessed the competence, capability, objectivity and independence of the Trust's external valuer and considered the information provided to the Trust in 2018/19 for consistency with the requirements of the NHS Group Accounting Manual;</li> <li>— <b>Test of detail:</b> We critically assessed the Trust's formal consideration of indications of impairment and surplus assets within its estate, including the process undertaken.</li> <li>— <b>Test of detail:</b> We tested the accuracy of the estate base data provided to the valuer to complete the desktop valuation to ensure it accurately reflected the Trust's estate.</li> <li>— <b>Methodology choice:</b> We critically assessed the assumptions used in preparing the desktop valuation of the Trust's land and buildings to ensure they were appropriate.</li> <li>— <b>Accounting analysis:</b> We undertook work to understand the basis upon which any movements in the valuation of land and buildings had been classified and treated in the financial statements and determined whether they had complied with the requirements of the Department of Health and Social Care Group Accounting Manual 2018/19.</li> </ul> <p><b>Our findings</b></p> <ul style="list-style-type: none"> <li>- Our work identified 1 material audit difference, that was subsequently adjusted for by management. This related to the accounting of valuation movements either as impairments or revaluations.</li> <li>- Our work further identified one unadjusted audit difference below our materiality level but over our Audit Misstatement Posting Threshold (AMPT).</li> </ul>

## 2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
<b>Fraudulent Expenditure Recognition</b> (£58.1 million; 2017/18: £54.3m) Non-pay expenditure  <i>Refer to page 22, note 7 (financial disclosures)</i>	<b>Effects of Irregularities</b>  As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may be greater than the risk of fraud related to revenue recognition. There is a risk that the Trust may manipulate expenditure to meet externally set targets and we had regard to this when planning and performing our audit procedures.  This risk does not apply to all expenditure in the period. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of creditors and accrued non-pay expenditure at year-end, as well as the completeness of the recognition of provisions or the inappropriate release of existing provisions.	Our procedures included: <ul style="list-style-type: none"> <li>– <b>Test of detail:</b> We inspected all individually material items of expenditure in the March and April 2019 cashbooks and to agree these had been accounted for correctly by evaluating when the service had been delivered;</li> <li>– <b>Test of detail:</b> We inspected all material items of expenditure in the April 2019 bank statements to identify if there were any unrecorded liabilities that should have been accounted for in the 2018/19 financial statements;</li> <li>– <b>Test of detail:</b> We performed a year-on-year comparison of accruals posted in 2018/19 to those posted in 2017/18 to evaluate the completeness of the accruals balance, as well as agreeing a sample to supporting documentation;</li> <li>– <b>Test of detail:</b> We considered the completeness of provisions based on our cumulative knowledge of the Trust, inquiries with Directors, and inspection of legal correspondence where relevant. We considered whether there were events that would require a contingent liability disclosure in the accounts. We also considered the appropriateness of releases of provisions made in year by critically assessing the justification for the release against the relevant accounting standards;</li> <li>– <b>Test of detail:</b> We vouched a sample of journals posted before and after the year end to supporting documentation to confirm inclusion in the correct period and to critically assess whether any manual adjustments to expenditure were appropriate;</li> <li>– <b>Test of detail:</b> We vouched a sample of creditor balances to supporting documentation to agree the correct treatment as a payable at year-end; and</li> <li>– <b>Test of detail:</b> We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant payables recorded in the Trust's financial statements to the receivables balances recorded within the accounts of other providers and other bodies within the AoB boundaries. Where applicable we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising expenditure to other providers and other bodies within the AoB boundaries.</li> </ul>
		<b>Our findings</b> We found the recognition of expenditure within the year acceptable.

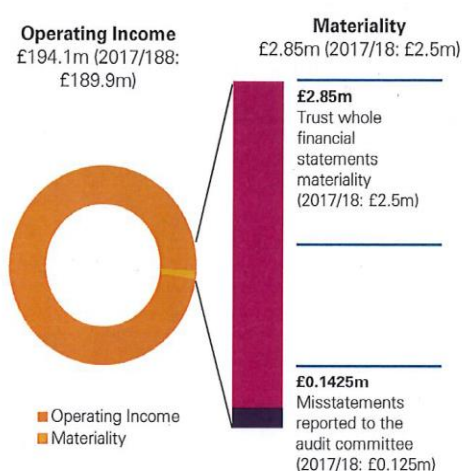


### 3. Our application of materiality

Materiality for the Trust financial statements as a whole was set at £2.85 million (2017/18: £2.5 million), determined with reference to a benchmark of total income from operations (of which it represents approximately 1.47%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.1425 million (2017/18: £0.125 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was performed at the Trust's headquarters in Sheffield.



### 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 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 Trust will continue in operation.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Trust's business model, including the impact of Brexit, and analysed how those risks might affect the 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 [X] 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 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 Trust'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 Trust 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 77 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 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 Trust without the transfer of its services to another public sector entity.

### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

## REPORT ON OTHER LEGAL AND REGULATORY MATTERS

### We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

### We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

We have nothing to report in this respect.

### Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

### Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements for securing 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 risk identified during our risk assessment are set out overleaf together with the findings from the work we carried out on each area.



Significant Risk	Description	Work carried out and judgements
Quality & Sustainability of Delivery	<p>When planning our audit the Trust was expected to undergo a full CQC inspection in year. It was anticipated that the inspection would identify areas for improvement.</p> <p>In addition, the Trust was behind in its plan for delivery of non-recurrent CIP savings. These were back-loaded in the financial year according to the plan so it was anticipated that the margin of undelivered CIPs would increase. Both these aspects led to us identifying a risk that the Trust is unable to deliver the required quality and efficiency of service for VFM to be obtained moving forward.</p>	<p>Our work included:</p> <ul style="list-style-type: none"> <li>- Updating our understanding, through discussion with management, of the current status of the CQC visit that was undertaken towards the end of the financial year. The results of this were not known at the time of reporting;</li> <li>- Review of the general quality monitoring arrangements in place at the Trust;</li> <li>- Review of the management arrangements put in place by the Trust to oversee the identification and delivery of CIP savings;</li> <li>- Review of the in year reporting of the CIP shortfall; and</li> <li>- Review of the final Trust outturn position and whether this met the budgeted control total.</li> </ul> <p><b>Our findings on this risk area:</b></p> <p>The outcomes of the CQC visit were unknown at the time of our reporting. We have therefore placed some reliance on the Trust's existing CQC rating of 'good'.</p> <p>The Trust had adequate arrangements in place with regards the governance and monitoring of CIP delivery.</p> <p>The Trust had begun to embed new governance and monitoring structures in year to help an improved delivery of CIP when compared to the previous period.</p> <p>The Trust delivered £7m of an £8.6m CIP target, which represents delivery of 81%, compared to 57% in the prior period.</p> <p>The Trust did not meet the control total agreed with NHSI. We note that the Trust did deliver an underlying operating surplus in year.</p> <p><b>We concluded that the Trust had adequate arrangements in place for planning finances effectively to support the quality and sustainable delivery of its strategic priorities.</b></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 Sheffield Children's 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.



**Clare Partridge**

**for and on behalf of KPMG LLP (Statutory Auditor)**

*Chartered Accountants*

1 Sovereign Square

Leeds

LS1 4DA

24 May 2019



## Section Five: Annual Accounts 2018/19

### Foreword to the accounts

These accounts, for the year ended 31 March 2019, have been prepared by Sheffield Children's NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed:

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

John Somers

Chief Executive

Date: 24 May 2019

## Statement of Comprehensive Income

		2018/19	2017/18
	Note	£000	£000
Operating income from patient care activities	3	162,966	159,618
Other operating income	4	31,120	30,313
Operating expenses	7, 8	(194,515)	(186,640)
<b>Operating surplus/(deficit) from continuing operations</b>		<b>(429)</b>	<b>3,291</b>
Finance income	11	121	62
Finance expenses	12	(1,173)	(1,221)
PDC dividends payable		(1,157)	(805)
<b>Net finance costs</b>		<b>(2,209)</b>	<b>(1,964)</b>
Other gains / (losses)	13	-	(119)
<b>Surplus / (deficit) for the year from continuing operations</b>		<b>(2,638)</b>	<b>1,208</b>
<b>Other comprehensive income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Impairments	15	(3,402)	(2,067)
Revaluations	15	3,484	-
<b>Total comprehensive income / (expense) for the period</b>		<b>(2,556)</b>	<b>(859)</b>

### Adjusted financial performance to aid interpretation of the Financial Statements

1.23

<b>Reported Surplus / (Deficit)</b>		<b>(2,638)</b>	<b>1,208</b>
Remove impact of asset impairments	7	6,068	3,583
<b>Reported Surplus (Deficit) excluding impact of impairments</b>		<b>3,430</b>	<b>4,791</b>
Remove impact of Donated Assets on the Income and Expenditure account - Donated income received	4	(1,406)	(1,744)
Remove impact of Donated Assets on the Income and Expenditure account - Depreciation charged on donated assets	15	697	717
Remove Impact of PSF funding received	4	(5,812)	(5,018)
<b>Adjusted Surplus / (Deficit) position delivered by Trust in year</b>		<b>(3,091)</b>	<b>(1,254)</b>

## Statement of Financial Position

		31 March 2019 £000	31 March 2018 £000
	Note		
<b>Non-current assets</b>			
Intangible assets	14	1,823	2,109
Property, plant and equipment	15	91,814	94,749
<b>Total non-current assets</b>		<b>93,637</b>	<b>96,858</b>
<b>Current assets</b>			
Inventories	18	3,291	2,663
Receivables	19	16,525	15,741
Cash and cash equivalents	20	14,536	20,954
<b>Total current assets</b>		<b>34,352</b>	<b>39,358</b>
<b>Current liabilities</b>			
Trade and other payables	21	(18,182)	(23,023)
Borrowings	23	(2,314)	(2,102)
Provisions	25	(242)	(95)
Other liabilities	22	(1,027)	(1,282)
<b>Total current liabilities</b>		<b>(21,765)</b>	<b>(26,502)</b>
<b>Total assets less current liabilities</b>		<b>106,224</b>	<b>109,714</b>
<b>Non-current liabilities</b>			
Borrowings	23	(40,516)	(42,418)
Provisions	25	(477)	(692)
Other liabilities	22	(33)	(42)
<b>Total non-current liabilities</b>		<b>(41,026)</b>	<b>(43,152)</b>
<b>Total assets employed</b>		<b>65,198</b>	<b>66,562</b>
<b>Financed by</b>			
Public dividend capital		40,996	39,804
Revaluation reserve		4,350	4,268
Income and expenditure reserve		19,852	22,490
<b>Total taxpayers' equity</b>		<b>65,198</b>	<b>66,562</b>

The notes on pages 7 to 48 form part of these accounts.



Name	<b>John Somers</b>
Position	<b>Chief Executive</b>
Date	<b>24 May 2019</b>

## Statement of Changes in Equity for the year ended 31 March 2019

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' equity at 1 April 2018 - brought forward</b>	<b>39,804</b>	<b>4,268</b>	<b>22,490</b>	<b>66,562</b>
Surplus/(deficit) for the year	-	-	(2,638)	<b>(2,638)</b>
Impairments	-	(3,402)	-	<b>(3,402)</b>
Revaluations	-	3,484	-	<b>3,484</b>
Public dividend capital received	1,192	-	-	<b>1,192</b>
<b>Taxpayers' equity at 31 March 2019</b>	<b>40,996</b>	<b>4,350</b>	<b>19,852</b>	<b>65,198</b>

## Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' equity at 1 April 2017 - brought forward</b>	<b>37,492</b>	<b>6,335</b>	<b>21,282</b>	<b>65,109</b>
Surplus/(deficit) for the year	-	-	1,208	<b>1,208</b>
Impairments	-	(2,067)	-	<b>(2,067)</b>
Public dividend capital received	2,312	-	-	<b>2,312</b>
<b>Taxpayers' equity at 31 March 2018</b>	<b>39,804</b>	<b>4,268</b>	<b>22,490</b>	<b>66,562</b>

## **Information on reserves**

### **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 organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health and Social Care as the public dividend capital dividend.

### **Revaluation reserve**

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

### **Income and expenditure reserve**

The balance of this reserve is the accumulated surpluses and deficits of the trust.



## Statement of Cash Flows

		2018/19	2017/18
	Note	£000	£000
<b>Cash flows from operating activities</b>			
Operating surplus / (deficit)		(429)	3,291
<b>Non-cash income and expense:</b>			
Depreciation and amortisation	7	4,715	4,458
Net impairments	7	6,068	3,583
Income recognised in respect of capital donations	4	(1,406)	(1,744)
(Increase) / decrease in receivables and other assets		(1,134)	(3,273)
(Increase) / decrease in inventories		(628)	(288)
Increase / (decrease) in payables and other liabilities		(2,716)	877
Increase / (decrease) in provisions		(68)	65
<b>Net cash generated from / (used in) operating activities</b>		<b>4,403</b>	<b>6,969</b>
<b>Cash flows from investing activities</b>			
Interest received		121	62
Purchase of intangible assets		(129)	(318)
Purchase of property, plant, equipment and investment property		(9,386)	(14,142)
Receipt of cash donations to purchase capital assets		1,242	750
<b>Net cash generated from / (used in) investing activities</b>		<b>(8,152)</b>	<b>(13,648)</b>
<b>Cash flows from financing activities</b>			
Public dividend capital received		1,192	2,312
Movement on loans from the Department of Health and Social Care		(1,877)	(2,102)
Interest on loans		(1,177)	(1,219)
PDC dividend (paid) / refunded		(807)	(670)
<b>Net cash generated from / (used in) financing activities</b>		<b>(2,669)</b>	<b>(1,679)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>(6,418)</b>	<b>(8,358)</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>		<b>20,954</b>	<b>29,312</b>
<b>Cash and cash equivalents at 31 March</b>	20	<b>14,536</b>	<b>20,954</b>

## **Notes to the Accounts**

### **Note 1 Accounting policies and other information**

#### **Note 1.1 Basis of preparation**

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. The following financial statements have therefore been prepared in accordance with the GAM 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts

##### **Note 1.1.1 Accounting convention**

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

##### **Note 1.1.2 Going concern**

These accounts have been prepared on a going concern basis.

After making enquiries, the directors have a reasonable expectation that Sheffield Children's NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. Whilst the Trust is operating in a difficult environment, it believes that it has sufficient resources and plans in place to ensure continuity of operation.

#### **Note 1.2 Critical judgements in applying accounting policies**

In the application of the Trust's accounting policies, management are 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.

##### **Note 1.2.1 Sources of estimation uncertainty**

There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The main area of estimation uncertainty within the Trust is the carrying value of the property portfolio and the assumptions used in the determination of fair value at the Statement of Financial Position date. However, the Trust commissioned a property revaluation exercise as at 01 April 2018, which significantly reduces the risk of material misstatement.

### **Note 1.3 Revenue from contracts with customers**

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability. Where a performance obligation has been satisfied the associated credit terms will determine the timing of payment.

#### ***Revenue from NHS contracts***

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Trust does not receive income where a patient is readmitted within 30 days of discharge from a previous planned stay. This is reflected as an underlying adjustment to the original contracted transaction price.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

#### ***Revenue from research contracts***

Under IFRS 15, research revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

#### ***NHS injury cost recovery scheme***

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

### **Revenue from the Provider Sustainability Fund**

The Trust receives income from the centrally funded Provider Sustainability Fund which is allocated to support and incentivise the sustainable provision of efficient, effective and economic care by the Trust. The Trust, together with NHS Improvement, agree a financial control total at the outset of the financial year, delivery of which forms a core part of the NHS Improvement Single Oversight Framework. Achievement of the control total is rewarded financially on a quarterly basis. Revenue is recognised to the extent that the collection of consideration is probable based on performance against the agreed control total.

### **Note 1.3.1 Revenue grants and other contributions to expenditure**

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

### **Note 1.3.2 Other income**

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

### **Note 1.4 Expenditure on employee benefits**

#### **Short-term employee benefits**

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period, in line with Trust policy.

#### **Pension costs**

##### *NHS Pension Scheme*

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme.

Employer's pension cost contributions are charged to 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 trust commits itself to the retirement, regardless of the method of payment.

### **Note 1.5 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.

## **Note 1.6 Property, plant and equipment**

### **Note 1.6.1 Recognition**

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

### **Note 1.6.2 Measurement**

#### ***Valuation***

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at valuation. The current year valuation basis is identified in Note 17. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
  - Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.
- Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

#### ***Subsequent expenditure***

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The 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 are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the 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 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 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 expenditure 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.

**Note 1.6.3 De-recognition**

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:

- 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 abandoned 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. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

**Note 1.6.4****Donated and grant funded assets**

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met. The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.



### Note 1.6.5

#### Useful lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Land	Lease Term	
Buildings, excluding dwellings	3	55
Plant & machinery	1	15
Information technology	1	5
Furniture & fittings	1	7

### Note 1.7 Intangible assets

#### Note 1.7.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

##### ***Internally generated intangible assets***

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the trust intends to complete the asset and sell or use it
- the trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and
- the trust can measure reliably the expenses attributable to the asset during development.

##### ***Software***

Software which is integral to the operation of hardware, eg 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, eg application software, is capitalised as an intangible asset.

#### Note 1.7.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. 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 is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

**Amortisation**

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

**Note 1.7.3 Useful economic life of intangible assets**

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	<b>Min life Years</b>	<b>Max life Years</b>
<b>Intangible assets - internally generated</b>		
Information technology	5	5
<b>Intangible assets - purchased</b>		
Software licences	5	5

### **Note 1.8 Inventories**

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

### **Note 1.9 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

### **Note 1.10 Carbon Reduction Commitment scheme (CRC)**

The CRC scheme is a mandatory cap and trade scheme for non-transport CO<sub>2</sub> emissions. The trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO<sub>2</sub> it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO<sub>2</sub> emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO<sub>2</sub> emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

Allowances acquired under the scheme are recognised as intangible assets.

### **Note 1.11 Financial assets and financial liabilities**

#### **Note 1.11.1 Recognition**

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

#### **Note 1.11.2 Classification and measurement**

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost or fair value through income and expenditure.

Financial liabilities classified as subsequently measured at amortised cost or fair value through income and expenditure.

### **Financial assets and financial liabilities at amortised cost**

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest 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).

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 based on.

At the Statement of Financial Position date, the trust assesses whether any financial assets, other than those held at "fair value through income and expenditure" are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

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.

### **Note 1.11.3 Derecognition**

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

## **Note 1.12 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.

### **Note 1.12.1 The trust as lessee**

#### ***Finance leases***

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The 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 charge 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***

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

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.

### **Note 1.12.2 The trust as lessor**

#### ***Finance leases***

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

#### ***Operating leases***

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

## **Note 1.13 Provisions**

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

#### ***Clinical negligence costs***

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 25.2 but is not recognised in the Trust's accounts.

***Non-clinical risk pooling***

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.



### **Note 1.14 Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 26, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

### **Note 1.15 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 organisation. 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 trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the 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 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.

### **Note 1.16 Value added tax**

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### **Note 1.17 Foreign exchange**

The functional and presentational currency of the 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 trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items are translated at the spot exchange rate on 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.

### **Note 1.18 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

### **Note 1.19 Losses and special payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

### **Note 1.20 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.

### **Note 1.21 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

### **Note 1.22 Standards, amendments and interpretations in issue but not yet effective or adopted**

IFRS 14 Regulatory Deferral Accounts - Not EU endorsed

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.

### **Note 1.23 Adjusted financial performance to aid interpretation of the Financial Statements**

Provider Sustainability Fund (PSF) income is allocated to support and incentivise the sustainable provision of efficient, effective and economic care by the Trust. The Trust, together with NHS Improvement, agree a financial control total at the outset of the financial year, delivery of which forms a core part of the NHS Improvement Single Oversight Framework. The Single Oversight Framework incorporates a suite of both financial and quality targets against which the Trusts performance assessed.

In 2018/19, a target control total to deliver a £1.6m deficit position (excluding the impact of impairments, donated assets and PSF) was agreed between the Trust and NHS Improvement. Against this control total, the Trust delivered a position of £3.1m deficit with a resulting shortfall of c£1.5m against delivery of the control total target for the year.

Achievement of control total and the resulting financial benefit is assessed on a quarterly basis in year. 2018/19 saw the Trust achieving all required targets to quarter three, though was unable to deliver the required final quarter position as an individual organisation. The wider combined position within the regional South Yorkshire and Bassetlaw Integrated Care System (SYB ICS), of which the Trust is an active member, was sufficient to off-set the Trust's shortfall against target using equivalent over-achievement in other member organisations.

The combined SYB ICS position means that the Trust received its full allocation of PSF in year to the total of £3.495m plus an additional bonus element based on the performance of the SYB ICS as a whole. Additional bonus element totalled c£2.3m and resulted in a total PSF receipt by the Trust of £5.8m as identified in Other operating income (note 4).

### **Note 2 Operating Segments**

The Trust Board, as the chief operating decision maker as defined by IFRS 8, consider that all of the Trust's activities fall under the single segment of 'Provision of Healthcare'. They consider that this is consistent with the core principle of IFRS 8 which is to enable users of the financial statements to evaluate the nature and financial effects of business activities and economic environments. No further segmental analysis is therefore required.

### Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3

<b>Note 3.1 Income from patient care activities (by nature)</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Elective income	28,756	34,116
Non elective income	16,653	21,088
First outpatient income	12,011	11,529
Follow up outpatient income	19,865	22,612
A & E income	6,291	6,046
High cost drugs income from commissioners (exc. pass-through costs) (1)	9,418	-
Other NHS clinical income (2)	43,643	52,011
<b>Mental health services</b>		
Block contract income (1)	15,115	-
<b>Community services</b>		
Community services income from CCGs and NHS England	825	11,623
Income from other sources (e.g. local authorities) (1)	7,904	-
<b>All services</b>		
Private patient income	68	165
Agenda for Change pay award central funding	1,612	-
Other clinical income	805	428
<b>Total income from activities</b>	<b>162,966</b>	<b>159,618</b>

(1) It should be noted that the nature of the Trusts income from patient care between 2018/19 and 2017/18 has not changed. The allocation of income by nature for reporting purposes in 2018/19 is a truer representation of the Trusts income streams. High cost drugs, block contracts for mental health and local authority income are appropriately identified having previously been split across activity based income streams, Other NHS clinical income and Community services. Comparators have not been restated.

(2) Other NHS Clinical Income is inclusive of Block Contracts £22,794k (inc Embrace Transport Service, Genetics Screening Services, Newborn Screening, Burns Network Funding), Critical Care £10,172k, Continuing Health Care Packages £1,735k, Acute Assessment Unit £3,358k.

### Note 3.2 Income from patient care activities (by source)

<b>Income from patient care activities received from:</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
NHS England	102,452	98,832
Clinical commissioning groups	48,953	50,151
Department of Health and Social Care	1,961	-
Other NHS providers	473	309
Local authorities	8,888	9,222
Non-NHS: private patients	68	119
Non-NHS: overseas patients (chargeable to patient)	74	46
Injury cost recovery scheme	96	428
Non NHS: other	1	511
<b>Total income from activities</b>	<b>162,966</b>	<b>159,618</b>
<b>Of which:</b>		
Related to continuing operations	162,966	159,618
Related to discontinued operations	-	-

**Note 3.3 Overseas visitors (relating to patients charged directly by the provider)**

	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Income recognised this year	74	46
Cash payments received in-year	9	119

**Note 4 Other operating income**

	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
<b>Other operating income from contracts with customers:</b>		
Research and development (contract)	1,861	1,779
Education and training (excluding notional apprenticeship levy income)	5,567	5,752
Non-patient care services to other bodies (1)	6,893	2,240
Provider sustainability fund income (PSF / STF) - see note 1.3	5,812	5,018
Income in respect of employee benefits accounted on a gross basis	6,611	6,540
Other contract income (2)	2,640	7,065
<b>Other non-contract operating income</b>		
Education and training - notional income from apprenticeship fund	-	15
Receipt of capital grants and donations (3)	1,406	1,744
Charitable and other contributions to expenditure	-	111
Rental revenue from operating leases	330	49
<b>Total other operating income</b>	<b>31,120</b>	<b>30,313</b>
<b>Of which:</b>		
Related to continuing operations	31,120	30,313
Related to discontinued operations	-	-

(1) Non-patient care services to other bodies is now inclusive of diagnostic test income in 2018/19. Income of this type was classed as Other contract income in 2017/18.

(2) Diagnostic test income reallocated to Non-patient care services to other bodies in 2018/19. Other contract income balance inclusive of catering income £513,000 and clinical excellence awards £357,000.

(3) Receipt of capital grants and donations are from The Children's Hospital Charity and Sheffield Hospitals Charitable Trust. Such transactions are disclosed within note 31.

**Note 5.1 Additional information on revenue from contracts with customers recognised in the period**

	<b>2018/19</b>
	<b>£000</b>
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	160

**Note 5.2 Income from activities arising from commissioner requested services**

Under the terms of its provider licence, the 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 provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Income from services designated as commissioner requested services	160,481	159,025
Income from services not designated as commissioner requested services	<u>33,605</u>	<u>30,906</u>
<b>Total</b>	<b><u>194,086</u></b>	<b><u>189,931</u></b>

**Note 5.3 Profits and losses on disposal of property, plant and equipment**

The Trust has not disposed of any property, plant and equipment which is used in the provision of commissioner requested services.

**Note 6 Fees and charges**

The Trust does not have any material fees or charges in either 2018/19 or 2017/18.

## Note 7.1 Operating expenses

	2018/19	2017/18
	£000	£000
Purchase of healthcare from NHS and DHSC bodies (1)	5,993	6,596
Purchase of healthcare from non-NHS and non-DHSC bodies (2)	1,859	577
Staff and executive directors costs	136,252	132,206
Remuneration of non-executive directors	129	130
Supplies and services - clinical (excluding drugs costs) (3)	14,151	15,043
Supplies and services - general	1,938	1,847
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	10,958	10,181
Consultancy costs	503	353
Establishment (4)	3,315	2,057
Premises (5)	3,425	6,419
Transport (including patient travel) (6)	1,263	265
Depreciation on property, plant and equipment	4,300	3,982
Amortisation on intangible assets	415	476
Net impairments	6,068	3,583
Movement in credit loss allowance: contract receivables / contract assets	(284)	
Movement in credit loss allowance: all other receivables and investments	-	(380)
Increase/(decrease) in other provisions	(85)	41
Change in provisions discount rate(s)	(43)	(32)
Audit fees payable to the external auditor		
audit services- statutory audit	54	50
other auditor remuneration (external auditor only)	36	14
Internal audit costs	86	95
Clinical negligence (7)	1,982	1,584
Legal fees	210	136
Insurance	145	64
Research and development (8)	466	81
Education and training	423	330
Rentals under operating leases	796	773
Redundancy	7	5
Car parking & security	65	62
Hospitality	37	81
Losses, ex gratia & special payments	51	21
<b>Total</b>	<b>194,515</b>	<b>186,640</b>
<b>Of which:</b>		
Related to continuing operations	194,515	186,640
Related to discontinued operations	-	-

A revised allocation of expense type has taken place in 2018/19 resulting in movements in expense classification. Comparators have not been restated:

(1) Inclusive of diagnostic tests, supplies, medical equipment from other NHS bodies

(2) Inclusive of Rowlands Pharmacy dispensing fees (£507,000) (commencing in year) and Synergy Health service charges (£460,000). The remaining balance consists of interpreter fees, equipment and services (in 2017/18 such items were predominantly allocated to Premises costs).

(3) Reduction in cost based on comparator reflects move to centrally procured and funded supplies and services and nationally driven price reductions in high spend areas such as blood products

(4) Now inclusive of I.T. equipment allocation previously classified as Premises in 2017/18

(5) Reduction on comparator reflects revised cost allocation as per (2)



(6) Transport costs now inclusive of ambulance expenditure previously allocated to Purchase of healthcare from NHS and DHSC bodies in 2017/18

(7) Increase in clinical negligence litigation insurance premiums in year

(8) Research and Development services now appropriately split out from Drug costs, Establishment, Purchase of healthcare (NHS and Non-NHS), Consultancy, Transport, Education and Training

**Note 7.2 Other auditor remuneration**

	2018/19 £000	2017/18 £000
<b>Other auditor remuneration paid to the external auditor:</b>		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	14	14
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	22	-
<b>Total</b>	<b>36</b>	<b>14</b>

**Note 7.3 Limitation on auditor's liability**

The limitation on auditor's liability for external audit work in 2018/19 is £1m (2017/18: £1m).

**Note 8 Employee benefits**

	<b>2018/19</b>	<b>2017/18</b>
	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
Salaries and wages	110,336	106,902
Social security costs	10,462	9,108
Apprenticeship levy	507	534
Employer's contributions to NHS pensions	13,247	12,574
Pension cost - other	34	66
Termination benefits	7	5
Temporary staff (including agency)	2,414	3,751
<b>Total gross staff costs</b>	<b>137,007</b>	<b>132,940</b>
Recoveries in respect of seconded staff	-	-
<b>Total staff costs</b>	<b>137,007</b>	<b>132,940</b>
<b>Of which</b>		
Costs capitalised as part of assets	748	729

**Note 8.1 Retirements due to ill-health**

During 2018/19 there were 2 early retirements from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £55k (£43k in 2017/18).

The cost of ill-health retirements are borne by the NHS Business Services Authority - Pensions Division.

There are no director long term incentive schemes, other pension benefits, guarantees or advances.

## **Note 9 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 for Health in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

### **a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

### **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) Alternative pension schemes**

As a result of "automatic enrolment", the Trust has taken steps to ensure those members of staff who are not eligible for the NHS Pension Scheme, are enrolled into a pension scheme. The Trust treats such pension arrangements as a defined contribution pension and as such, no actuarial assumptions are required to measure the obligation or the expense and there is not possibility of any actuarial gain or loss.

The costs incurred by the Trust for this scheme can be seen in Note 8.

## Note 10 Operating leases

### Note 10.1 Sheffield Children's NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Sheffield Children's NHS Foundation Trust is the lessor.

	2018/19 £000	2017/18 £000
<b>Operating lease revenue</b>		
Minimum lease receipts	330	49
<b>Total</b>	<b>330</b>	<b>49</b>
	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Future minimum lease receipts due:</b>		
- not later than one year;	330	45
- later than one year and not later than five years;	746	-
- later than five years.	-	-
<b>Total</b>	<b>1,076</b>	<b>45</b>

### Note 10.2 Sheffield Children's NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Sheffield Children's NHS Foundation Trust is the lessee.

	2018/19 £000	2017/18 £000
<b>Operating lease expense</b>		
Minimum lease payments	796	773
<b>Total</b>	<b>796</b>	<b>773</b>
	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Future minimum lease payments due:</b>		
- not later than one year;	832	856
- later than one year and not later than five years;	2,141	2,046
- later than five years.	156	394
<b>Total</b>	<b>3,129</b>	<b>3,296</b>
Future minimum sublease payments to be received	-	-

**Note 11 Finance income**

Finance income represents interest received on assets and investments in the period.

	2018/19	2017/18
	£000	£000
Interest on bank accounts	121	62
<b>Total finance income</b>	<b>121</b>	<b>62</b>

**Note 12.1 Finance expenditure**

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2018/19	2017/18
	£000	£000
<b>Interest expense:</b>		
Loans from the Department of Health and Social Care	1,173	1,221
<b>Total interest expense</b>	<b>1,173</b>	<b>1,221</b>

**Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015**

	2018/19	2017/18
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims under this legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

**Note 13 Other gains / (losses)**

	2018/19	2017/18
	£000	£000
Losses on disposal of assets	-	(119)
<b>Total gains / (losses) on disposal of assets</b>	<b>-</b>	<b>(119)</b>

**Note 14.1 Intangible assets - 2018/19**

	<b>Software licences</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
<b>Valuation / gross cost at 1 April 2018 - brought forward</b>	<b>4,844</b>	<b>4,844</b>
Additions	129	129
<b>Valuation / gross cost at 31 March 2019</b>	<b>4,973</b>	<b>4,973</b>
<b>Amortisation at 1 April 2018 - brought forward</b>	<b>2,735</b>	<b>2,735</b>
Provided during the year	415	415
<b>Amortisation at 31 March 2019</b>	<b>3,150</b>	<b>3,150</b>
<b>Net book value at 31 March 2019</b>	<b>1,823</b>	<b>1,823</b>
<b>Net book value at 1 April 2018</b>	<b>2,109</b>	<b>2,109</b>

**Note 14.2 Intangible assets - 2017/18**

	<b>Software licences</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
<b>Valuation / gross cost at 1 April 2017 - as previously stated</b>	<b>4,724</b>	<b>4,724</b>
Additions	318	318
Disposals / derecognition	(198)	(198)
<b>Valuation / gross cost at 31 March 2018</b>	<b>4,844</b>	<b>4,844</b>
<b>Amortisation at 1 April 2017 - as previously stated</b>	<b>2,346</b>	<b>2,346</b>
Provided during the year	476	476
Disposals / derecognition	(87)	(87)
<b>Amortisation at 31 March 2018</b>	<b>2,735</b>	<b>2,735</b>
<b>Net book value at 31 March 2018</b>	<b>2,109</b>	<b>2,109</b>
<b>Net book value at 1 April 2017</b>	<b>2,378</b>	<b>2,378</b>

**Note 15.1 Property, plant and equipment - 2018/19**

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2018 - brought forward</b>	<b>4,256</b>	<b>75,678</b>	<b>3,106</b>	<b>22,934</b>	<b>9</b>	<b>6,662</b>	<b>581</b>	<b>113,226</b>
Additions	-	2,186	410	1,391	-	3,296	68	7,351
Impairment charged to I&E as a result of downwards revaluation	(1,288)	(4,780)	-	-	-	-	-	(6,068)
Revaluation upwards to reserve	204	3,280	-	-	-	-	-	3,484
Revaluations downwards to reserve	(44)	(3,358)						(3,402)
Reclassifications	-	-	(370)	370	-	-	-	-
<b>Valuation/gross cost at 31 March 2019</b>	<b>3,128</b>	<b>73,006</b>	<b>3,146</b>	<b>24,695</b>	<b>9</b>	<b>9,958</b>	<b>649</b>	<b>114,591</b>
<b>Accumulated depreciation at 1 April 2018 - brought forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,193</b>	<b>9</b>	<b>3,839</b>	<b>436</b>	<b>18,477</b>
Provided during the year (1)	-	1,713	-	1,586	-	959	42	4,300
<b>Accumulated depreciation at 31 March 2019</b>	<b>-</b>	<b>1,713</b>	<b>-</b>	<b>15,779</b>	<b>9</b>	<b>4,798</b>	<b>478</b>	<b>22,777</b>
<b>Net book value at 31 March 2019</b>	<b>3,128</b>	<b>71,293</b>	<b>3,146</b>	<b>8,916</b>	<b>-</b>	<b>5,160</b>	<b>171</b>	<b>91,814</b>
<b>Net book value at 1 April 2018</b>	<b>4,256</b>	<b>75,678</b>	<b>3,106</b>	<b>8,741</b>	<b>-</b>	<b>2,823</b>	<b>145</b>	<b>94,749</b>

(1) Depreciation charges include £697k of charges in relation to donated assets



**Note 15.2 Property, plant and equipment - 2017/18**

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Valuation / gross cost at 1 April 2017 - as previously stated</b>	<b>9,352</b>	<b>53,164</b>	<b>13,551</b>	<b>21,611</b>	<b>9</b>	<b>4,995</b>	<b>529</b>	<b>103,211</b>
Additions	-	3,782	10,840	1,365	-	1,667	52	<b>17,706</b>
Impairments	-	(5,650)	-	-	-	-	-	<b>(5,650)</b>
Reclassifications	(5,096)	26,381	(21,285)	-	-	-	-	-
Disposals / derecognition	-	(1,999)	-	(42)	-	-	-	<b>(2,041)</b>
<b>Valuation/gross cost at 31 March 2018</b>	<b>4,256</b>	<b>75,678</b>	<b>3,106</b>	<b>22,934</b>	<b>9</b>	<b>6,662</b>	<b>581</b>	<b>113,226</b>
<b>Accumulated depreciation at 1 April 2017 - as previously stated</b>	-	-	-	<b>12,664</b>	<b>8</b>	<b>3,462</b>	<b>394</b>	<b>16,528</b>
Provided during the year <sup>(1)</sup>	-	1,999	-	1,563	1	377	42	<b>3,982</b>
Disposals / derecognition	-	(1,999)	-	(34)	-	-	-	<b>(2,033)</b>
<b>Accumulated depreciation at 31 March 2018</b>	-	-	-	<b>14,193</b>	<b>9</b>	<b>3,839</b>	<b>436</b>	<b>18,477</b>
<b>Net book value at 31 March 2018</b>	<b>4,256</b>	<b>75,678</b>	<b>3,106</b>	<b>8,741</b>	-	<b>2,823</b>	<b>145</b>	<b>94,749</b>
<b>Net book value at 1 April 2017</b>	<b>9,352</b>	<b>53,164</b>	<b>13,551</b>	<b>8,947</b>	<b>1</b>	<b>1,533</b>	<b>135</b>	-

(1) Depreciation charges include £717k of charges in relation to donated assets

**Note 15.3 Property, plant and equipment financing - 2018/19**

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2019</b>							
Owned - purchased	3,128	65,771	3,112	5,055	4,849	58	<b>81,973</b>
Owned - donated	-	5,522	34	3,861	311	113	<b>9,841</b>
<b>NBV total at 31 March 2019</b>	<b>3,128</b>	<b>71,293</b>	<b>3,146</b>	<b>8,916</b>	<b>5,160</b>	<b>171</b>	<b>91,814</b>

**Note 15.4 Property, plant and equipment financing - 2017/18**

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2018</b>							
Owned - purchased	4,256	69,453	1,982	5,500	2,422	93	<b>83,706</b>
Owned - donated	-	6,225	1,124	3,241	401	52	<b>11,043</b>
<b>NBV total at 31 March 2018</b>	<b>4,256</b>	<b>75,678</b>	<b>3,106</b>	<b>8,741</b>	<b>2,823</b>	<b>145</b>	<b>94,749</b>

**Note 16 Donations of property, plant and equipment**

The Trust has received capital donations of £1,406,000 in year (2017/18: £1,744,000) relating to medical equipment and upgrades of clinical environments.

**Note 17 Revaluations of property, plant and equipment**

All land and buildings are revalued using professional valuations in accordance with IAS 16 to ensure that property is stated at fair value. The default frequency of these valuations is currently every five years, in accordance with the FT ARM. However, interim valuations are also carried out as deemed appropriate by the Trust. Valuations are performed by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisals and Valuation Manual. In 2018/19 the Trust commissioned a full valuation of its land and buildings as at 01 April 2018, which was undertaken by independent valuers Cushman & Wakefield.

The valuation undertaken by the Trust is based on a Depreciated Replacement Cost methodology. This approach assumes assets would be replaced with a modern equivalent and not a building of identical design, though with an equal existing service potential. A modern equivalent may be smaller in size to the existing asset, due to technological advances in plant and machinery for example. A resulting net reduction on the residual value of the Trust's assets can be seen in note 15.1. Revaluation has also served to increase the associated residual useful economic lives of the existing assets. This valuation reflects current economic conditions and location factor appropriate to the region.

**Note 17.1 Revaluation of Land and Buildings by Asset Group as at 01 April 2018**

	Valuation Movement Charged Reserve		Valuation Movement Charged to I&E	Total Valuation Movement
	Increase	Decrease		
	£000	£000	£000	£000
Land: Main Site			(1,234)	(1,234)
Land: Individual Buildings (inc. Northumberland Rd. properties...)	204	(44)	(54)	106
Main Site		(2,264)	(2,994)	(5,258)
External Works	1,153	(986)	(1,734)	(1,567)
Individual Buildings (inc. Northumberland Rd. properties...)		(108)	(52)	(160)
Ryegate				-
Becton	2,127			2,127
<b>Total Valuation Movement</b>	<b>3,484</b>	<b>(3,402)</b>	<b>(6,068)</b>	<b>(5,986)</b>

## Note 18 Inventories

	31 March 2019	31 March 2018
	£000	£000
Drugs	566	586
Consumables	2,724	2,077
<b>Total inventories</b>	<b>3,291</b>	<b>2,663</b>
<b>of which:</b>		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £24,663k (2017/18: £24,392k). Write-down of inventories recognised as expenses for the year were £0k (2017/18: £0k).

## Note 19.1 Trade receivables and other receivables

	31 March 2019	31 March 2018
	£000	£000
<b>Current</b>		
Contract receivables*	14,385	
Contract assets*	-	
Trade receivables*		5,178
Accrued income*		5,794
Allowance for impaired contract receivables / assets*	(141)	
Allowance for other impaired receivables	-	(442)
Prepayments (non-PFI)	1,822	1,751
PDC dividend receivable	-	350
VAT receivable	459	469
Other receivables	-	2,641
<b>Total current trade and other receivables</b>	<b>16,525</b>	<b>15,741</b>
<b>Of which receivables from NHS and DHSC group bodies:</b>		
Current	11,625	11,672
Non-current	-	-

\*Following the application of IFRS 15 from 1 April 2018, the trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

**Note 19.2 Allowances for credit losses - 2018/19**

	<b>Contract receivables and contract assets</b>	<b>All other receivables</b>
	<b>£000</b>	<b>£000</b>
<b>Allowances as at 1 Apr 2018 - brought forward</b>		<b>442</b>
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	442	(442)
Changes in existing allowances	(284)	-
Utilisation of allowances (write offs)	(17)	-
<b>Allowances as at 31 Mar 2019</b>	<b>141</b>	<b>-</b>

**Note 19.3 Allowances for credit losses - 2017/18**

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

	<b>All receivables</b>
	<b>£000</b>
<b>Allowances as at 1 Apr 2017 - as previously stated</b>	<b>978</b>
Transfers by absorption	
Increase in provision	357
Amounts utilised	(156)
Unused amounts reversed	(737)
<b>Allowances as at 31 Mar 2018</b>	<b>442</b>

## Note 20 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2018/19	2017/18
	£000	£000
<b>At 1 April</b>	<b>20,954</b>	<b>29,312</b>
Net change in year	(6,418)	(8,358)
<b>At 31 March</b>	<b>14,536</b>	<b>20,954</b>
<b>Broken down into:</b>		
Cash at commercial banks and in hand	79	600
Cash with the Government Banking Service	14,457	20,354
<b>Total cash and cash equivalents as in SoFP</b>	<b>14,536</b>	<b>20,954</b>

### Note 20.1 Third party assets held by the trust

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. The Trust held no such assets during the year.

**Note 21.1 Trade and other payables**

	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Current</b>		
Trade payables	10,941	11,152
Capital payables	1,514	3,712
Accruals	3,086	5,337
Social security costs	1,451	1,467
Other taxes payable	1,190	1,164
Accrued interest on loans*		191
<b>Total current trade and other payables</b>	<b><u>18,182</u></b>	<b><u>23,023</u></b>
<b>Of which payables from NHS and DHSC group bodies:</b>		
Current	5,252	6,016
Non-current	-	-

\*Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note . IFRS 9 is applied without restatement therefore comparatives have not been restated.

**Note 21.2 Early retirements in NHS payables above**

There are no early retirements included in NHS payables.



**Note 22 Other liabilities**

	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Current</b>		
Deferred income: contract liabilities	1,027	1,282
<b>Total other current liabilities</b>	<b>1,027</b>	<b>1,282</b>
<b>Non-current</b>		
Deferred income: contract liabilities	33	42
<b>Total other non-current liabilities</b>	<b>33</b>	<b>42</b>

**Note 23 Borrowings**

	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Current</b>		
Loans from the Department of Health and Social Care	2,314	2,102
<b>Total current borrowings</b>	<b>2,314</b>	<b>2,102</b>
<b>Non-current</b>		
Loans from the Department of Health and Social Care	40,513	42,415
Obligations under finance leases	3	3
<b>Total non-current borrowings</b>	<b>40,516</b>	<b>42,418</b>

A loan facility of £8 million was arranged with the Independent Trust Financing Facility (formerly Foundation Trust Financial Facility) in 2009/10 to fund a new mental health services development. £1 million was drawn down in 2009/10 and a further £4 million was drawn down in 2011/12. The loan repayment terms were renegotiated prior to the second drawdown and the remainder of the loan is now repayable over 20 years, commencing in January 2014. Previously, the loan was repayable over 25 years commencing in July 2011.

Additional loan facilities, again with the Independent Trust Financing Facility were agreed, to assist with funding the construction of the new hospital wing development. The first facility is up to a sum of £25 million, repayable over 25 years. A further £10 million loan to cover additional costs related to the project were also secured and subsequently drawn down in 2015.

The Independent Trust Financing Facility also agreed to the provision of a loan facility of £10m drawn down by the Trust in April 2017 for capital programme support.

**Note 23.1 Reconciliation of liabilities arising from financing activities**

	<b>Loans from DHSC £000</b>	<b>Finance leases £000</b>	<b>Total £000</b>
<b>Carrying value at 1 April 2018</b>	<b>44,517</b>	<b>3</b>	<b>44,520</b>
<b>Cash movements:</b>			
Financing cash flows - payments and receipts of principal	(1,877)	-	<b>(1,877)</b>
Financing cash flows - payments of interest	(1,177)	-	<b>(1,177)</b>
<b>Non-cash movements:</b>			
Impact of implementing IFRS 9 on 1 April 2018	191	-	<b>191</b>
Application of effective interest rate	1,173	-	<b>1,173</b>
<b>Carrying value at 31 March 2019</b>	<b>42,827</b>	<b>3</b>	<b>42,830</b>

## Note 24 Finance leases

### Note 24.1 Sheffield Children's NHS Foundation Trust as a lessor

The Trust has not entered into any finance leases as a lessor.

### Note 24.2 Sheffield Children's NHS Foundation Trust as a lessee

Obligations under finance leases where Sheffield Children's NHS Foundation Trust is the lessee.

	31 March 2019 £000	31 March 2018 £000
<b>Gross lease liabilities</b>	<b>10</b>	<b>10</b>
of which liabilities are due:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	10	10
Finance charges allocated to future periods	(7)	(7)
<b>Net lease liabilities</b>	<b>3</b>	<b>3</b>
of which payable:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	3	3

## Note 25.1 Provisions for liabilities and charges analysis

	<b>Pensions: early departure costs £000</b>	<b>Pensions: injury benefits* £000</b>	<b>Legal claims £000</b>	<b>Redundancy £000</b>	<b>Other £000</b>	<b>Total £000</b>
<b>At 1 April 2018</b>	<b>6</b>	<b>375</b>	<b>34</b>	<b>-</b>	<b>372</b>	<b>787</b>
Transfers by absorption	-	-	-	-	-	-
Change in the discount rate	-	(43)	-	-	-	(43)
Arising during the year	-	11	34	182	-	227
Utilised during the year	-	(11)	(3)	-	(22)	(36)
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-
Reversed unused	-	-	(17)	-	(199)	(216)
Unwinding of discount	-	-	-	-	-	-
<b>At 31 March 2019</b>	<b>6</b>	<b>332</b>	<b>48</b>	<b>182</b>	<b>151</b>	<b>719</b>
<b>Expected timing of cash flows:</b>						
- not later than one year;	1	11	48	182	-	242
- later than one year and not later than five years;	5	43	-	-	-	48
- later than five years.	-	278	-	-	151	429
<b>Total</b>	<b>6</b>	<b>332</b>	<b>48</b>	<b>182</b>	<b>151</b>	<b>719</b>

\* In 2018/19 the analysis of provisions has been revised to separately identify provisions for Pensions: injury benefit liabilities. In previous periods, these provisions were included within Other provisions.

The provision for legal claims is in respect of employer's liability and public liability cases made against the Trust. This figure is based on information provided by the NHS Resolution which at present represents the Trust's best assessment of the likely future costs associated with processing the claims. The eventual settlement costs and legal expenses may be higher or lower than that provided.

Further provisions include £332,000 (2017/18: £375,000) in respect of Pensions: injury benefit cases. The provision has been calculated based on information provided by the NHS Business Services Authority - Pensions Division. There are uncertainties surrounding these provisions as the amounts incorporate assumptions made concerning the life expectancy of the individuals. In addition, a single redundancy package to the value of £182,000 has arisen in year. Other provisions relates largely to anticipated dilapidations costs for short leasehold property currently leased by the Trust £151,000 (2017/18: £300,000).

## Note 25.2 Clinical negligence liabilities

At 31 March 2019, £53,502k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of No trust selected (31 March 2018: £43,498k).

## Note 26 Contingent assets and liabilities

	31 March 2019 £000	31 March 2018 £000
<b>Value of contingent liabilities</b>		
NHS Resolution legal claims	(14)	(9)
<b>Gross value of contingent liabilities</b>	<b>(14)</b>	<b>(9)</b>
Amounts recoverable against liabilities	-	-
<b>Net value of contingent liabilities</b>	<b>(14)</b>	<b>(9)</b>

The contingent liabilities relate to personal litigation claims above the amount included in provisions up to the maximum excess amount for which the Trust is liable.

## Note 27 Contractual capital commitments

	31 March 2019 £000	31 March 2018 £000
Property, plant and equipment	-	-
Intangible assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## **Note 28 Financial instruments**

### **Note 28.1 Financial risk management**

International Financial Reporting Standard 7 ("IFRS 7") requires disclosure of the role that financial instruments have had during the period in creating and changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with Clinical Commissioning Groups (CCG's) and the way those CCG's are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a much more limited role in creating and changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Standing Financial Instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

#### **Currency risk**

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and pound sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

#### **Credit Risk**

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Trust's trade receivables. As the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The carrying amount represents the maximum credit exposure.

#### **Interest Rate Risk**

All of the Trust's financial liabilities carry nil or fixed rates of interest. In addition, the only element of the Trust's financial assets that is currently subject to a variable rate is cash held in the Foundation Trust's main bank accounts and in a short term deposit account. The Trust is therefore not exposed to significant risk of fluctuations in interest rates.

#### **Liquidity risk**

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups and other NHS or Government bodies, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from cash reserves or loans. All major capital expenditure is supported by detailed financial assessment including the assessment of cash flow requirements and impact on liquidity and any funding is within the Trust's prudential borrowing limit, as set by NHS Improvement. The Trust is not, therefore, exposed to significant liquidity risks.

## Note 28.2 Carrying values of financial assets

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	<b>Held at amortised cost £000</b>	<b>Total book value £000</b>
<b>Carrying values of financial assets as at 31 March 2019 under IFRS 9</b>		
Trade and other receivables excluding non financial assets	14,244	<b>14,244</b>
Cash and cash equivalents at bank and in hand	14,536	<b>14,536</b>
<b>Total at 31 March 2019</b>	<b>28,780</b>	<b>28,780</b>

	<b>Loans and receivables £000</b>	<b>Total book value £000</b>
<b>Carrying values of financial assets as at 31 March 2018 under IAS 39</b>		
Trade and other receivables excluding non financial assets	13,171	<b>13,171</b>
Cash and cash equivalents at bank and in hand	20,954	<b>20,954</b>
<b>Total at 31 March 2018</b>	<b>34,125</b>	<b>34,125</b>

### Note 28.3 Carrying value of financial liabilities

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	<b>Held at amortise d cost £000</b>	<b>Total book value £000</b>
<b>Carrying values of financial liabilities as at 31 March 2019 under IFRS 9</b>		
Loans from the Department of Health and Social Care	42,827	<b>42,827</b>
Obligations under finance leases	3	<b>3</b>
Trade and other payables excluding non financial liabilities	15,538	<b>15,538</b>
Provisions under contract	719	<b>719</b>
<b>Total at 31 March 2019</b>	<b>59,087</b>	<b>59,087</b>

	<b>Other financial liabilities £000</b>	<b>Total book value £000</b>
<b>Carrying values of financial liabilities as at 31 March 2018 under IAS 39</b>		
Loans from the Department of Health and Social Care	44,517	<b>44,517</b>
Obligations under finance leases	3	<b>3</b>
Trade and other payables excluding non financial liabilities	20,298	<b>20,298</b>
Provisions under contract	786	<b>786</b>
<b>Total at 31 March 2018</b>	<b>65,604</b>	<b>65,604</b>

### Note 28.4 Fair values of financial assets and liabilities

The fair value of all financial assets and liabilities held by the Trust at 31 March 2019 and 31 March 2018 are not significantly different to book value.

### Note 28.5 Maturity of financial liabilities

	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
In one year or less	18,574	<b>18,574</b>
In more than one year but not more than two years	2,314	<b>2,183</b>
In more than two years but not more than five years	6,942	<b>6,632</b>
In more than five years	31,257	<b>34,012</b>
<b>Total</b>	<b>59,087</b>	<b>65,604</b>



**Note 29 Losses and special payments**

	<b>2018/19</b>		<b>2017/18</b>	
	<b>Total number of cases Number</b>	<b>Total value of cases £000</b>	<b>Total number of cases Number</b>	<b>Total value of cases £000</b>
<b>Losses</b>				
Cash losses	18	-	1	-
Bad debts and claims abandoned	1	8	68	152
<b>Total losses</b>	<b>19</b>	<b>8</b>	<b>69</b>	<b>152</b>
<b>Special payments</b>				
Compensation under court order or legally binding arbitration award	9	53	8	12
Ex-gratia payments	-	-	17	1
<b>Total special payments</b>	<b>9</b>	<b>53</b>	<b>25</b>	<b>13</b>
<b>Total losses and special payments</b>	<b>28</b>	<b>61</b>	<b>94</b>	<b>165</b>
Compensation payments received		-		-

### **Note 30.1 Initial application of IFRS 9**

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £191k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £0k decrease in the carrying value of receivables.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £357k.

### **Note 30.2 Initial application of IFRS 15**

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

**Note 31 Related parties**

The total value of receivables and payables balances held with related parties as at 31 March is:

	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>Receivables</b>	<b>Receivables</b>
	<b>£000</b>	<b>£000</b>
Department of Health	-	4
Other NHS bodies	12,324	10,383
Other bodies (including WGA Bodies)	1,049	469
	<b>13,373</b>	<b>10,856</b>

	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>Payables</b>	<b>Payables</b>
	<b>£000</b>	<b>£000</b>
Other NHS bodies	6,256	4,568
Other bodies (including WGA Bodies)	4,629	4,577
	<b>10,885</b>	<b>9,145</b>

The Department of Health ("the Department") is regarded as a related party. During the year, the 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 include NHS England, Clinical Commissioning Groups, NHS Foundation Trusts, NHS Trusts, the NHS Litigation Authority, the NHS Business Services Authority and the NHS Purchasing and Supply Agency. The main NHS entities are:

Sheffield Clinical Commissioning Group (CCG)  
NHS England  
Sheffield Teaching Hospitals NHS Foundation Trust

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with HM Revenue and Customs (including National Insurance Fund), NHS Pension Scheme and Sheffield City Council.

The Trust received donated income of £36,000 in the year (2017/18: £17,000) from Sheffield Hospitals Charity, who hold the responsibility for the management of these funds. Sheffield Hospitals Charity is a registered charity within whose accounts the transactions are reported.

During the year ended 31 March 2018, the Trust also received revenue and capital funding from The Children's Hospital Charity, a registered charity that mainly supports the work of the Sheffield Children's NHS Foundation Trust and its reputation as a regional centre of excellence for the research, prevention and cure of childhood illnesses, as well as other organisations. In the year ended 31 March 2019, the charity raised a total of £3,260,000 (year ended 31 March 2018 - £2,400,000) and the Trust recognised donated income of £1,349,000 (2017/18: £1,073,000) from the charity. The Trust's Director of Nursing & Quality, Chair and a clinician are currently Trustees of the charity.

The Trust Board has agreed that the Trust does not have control over either Sheffield Hospitals Charitable Trust or the Children's Hospital Charity and, as a result, consolidation of these charities has not taken place for 2018/19 in line with IAS 27.

**Note 32 Events after the reporting date**

There are no material events after the reporting period.

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