

Annual Report and Accounts 2018-19

Incorporating the Annual Quality Report

**PROUD
TO MAKE A
DIFFERENCE**

SHEFFIELD TEACHING HOSPITALS NHS FOUNDATION TRUST



Sheffield Teaching Hospitals
NHS Foundation Trust

**Annual Report and Accounts
2018-19**

Incorporating the
Annual Quality Report

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

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Chair's Introduction

Tony Pedder, OBE



I am very pleased to be able to report that 2018/19 has been another positive year for Sheffield Teaching Hospitals NHS Foundation Trust (STH). My statement gives a

summary of some of the key aspects of the past year and you can read further detail in the following pages of this Annual Report and Quality Report.

In 2018 we celebrated 70 years of the NHS and I am in no doubt that the success of this huge institution is due to the amazing people who work tirelessly to deliver the best care possible to millions of people every year across all sectors of the NHS. At STH we see this dedication first hand across our hospitals, community and corporate services and I am delighted that, in November 2018, the Care Quality Commission also recognised our colleagues' efforts by rating the Trust 'Good' or 'Outstanding' in the five domains.

While pleased with this assessment, we wish to improve further and we have already started to implement plans which include enhanced facilities, processes and new models of care.

During 2018/19 providing high quality, safe and effective care for our patients remained our priority and I am pleased to report that once again in 2018/19 our track record on the majority of clinical outcomes remained strong. Feedback from patients, visitors and our staff continued to be positive with the vast majority of our 17,000 staff stating they would recommend the Trust as a place to work and to receive care.

We know that ensuring patients get the right care, at the right time and in the right place, is critical if we are to help individuals achieve the best outcomes and remain living independently for as long as possible. This

was the thinking behind the redesign of our hospital and community stroke services which took place during the past year. As well as making changes which mean patients do not have to spend as much time in hospital, we strengthened our community care with the opening of the new Stroke Pathway Assessment and Rehabilitation Centre (SPARC). The new centre ensures patients who are not able to be discharged straight home from hospital receive specialist rehabilitative support, 24 hours a day, at a critical point in their recovery. The Secretary of State for Health and Social Care, The Rt Hon Matt Hancock MP, described the new integrated stroke pathway as an example of "the way forward for the NHS".

Throughout the year we have also consolidated our work on ensuring patients transition through the various stages of care as seamlessly as possible. A number of new ways of working have contributed to significant reductions in patients' length of stay and effective and timely discharge. Board rounds on wards have now been embedded as routine practice and means that the whole ward team meet at a set time each day to review each patient in terms of what is needed to ensure their care progresses without any unnecessary delays. The teams are using a system called 'Red to Green days' as part of this process. Integrated ward working, which involves including dedicated Therapists in a ward's core team, has also been piloted on a number of wards and the results have been very encouraging to date. This is now being implemented on more wards to further test the effectiveness. Safety Huddles, first trialled in 2016/17, are now being routinely used to prevent potential issues on our wards.

Our patients want good care, but they also want timely care. Whilst demand for our services grew once again in 2018/19 we continued to meet the majority of the national waiting time standards and I am pleased to report that once again we did not have any patients waiting over 52 weeks and we were one of the top three best performing Trusts

with regard to the 18 week referral to treatment waiting time standard. A number of factors, including an increase in demand, impacted on some of our cancer treatment waiting times during the year. Plans are in place to rectify this as quickly as possible. Once again this year, almost nine out of ten people who attended our Emergency Department were seen and either discharged or admitted to hospital within four hours and, whilst regrettably this fell short of the national standard, this does reflect a national pressure on the emergency care system.

Whilst our clear focus is to deliver the best care possible, it is important to ensure that this is provided in the most cost effective and efficient way. In 2018/19, we continued to meet our financial targets, and further detail about the Trust's financial performance can be found later in this document.

The Trust has continued to invest in the upgrade and modernisation of our facilities. Our investment programme has included the opening of a new £6.7 million Northern General Eye Centre and a complete refurbishment of the Radiology Unit at the Royal Hallamshire Hospital. We also completed the first phase of a £30 million theatre refurbishment project at the Royal Hallamshire Hospital providing four new state-of-the-art theatres.

Ward refurbishments continued and new outpatient facilities were opened at Weston Park Hospital as part of a longer term development project.

We were delighted to welcome the Duchess of Devonshire to officially open two new birthing pool rooms after an amazing 'Call the Midwife' style fundraising bike ride by our Midwives, Sheffield Hospitals Charity and many other supporters.

In total we invested over £24 million in our facilities and equipment throughout the year.

We continue to be one of the top performing NHS research organisations in the country, and have a proud history of pioneering medical advances that have now become established NHS treatments. Working in partnership with

the city's universities, patients, and industry partners, our cutting-edge research helps to advance understanding of how diseases work, leading to the development of new treatments and therapies, improving care for patients both now and in the future.

Last year over 11 thousand patients across a wide range of clinical specialities took part in research supported by the National Institute for Health Research at the Trust.

You can read about many of the breakthroughs and innovations later in this document including a revolutionary neck collar which is making life more comfortable for patients with Motor Neurone Disease. The collar, which was designed with input from clinicians, patients and members of the public, is now in use by several other NHS Trusts.

There is no doubt that the future of the NHS, and indeed our own Trust, lies with the people who work within it. This is why in 2018 we launched our new People Strategy which sets out our vision and plans to ensure Sheffield Teaching Hospitals is a 'brilliant place to work' as well as a brilliant place to receive care. 'Making it Personal' is at the heart of this strategy because we believe that every one of the 17,000 people who make up the Trust has a special part to play in enabling us to continue delivering safe, high quality care and the best possible patient experience. The People Strategy also focuses on how we recruit and retain the workforce we need going forward. There are clear pressures currently across the NHS and at STH we are continually looking at ways of addressing this.

I referred last year to partnership working with our neighbouring NHS and social care organisations which will be key if we are to deliver the ambitions set out in the new NHS Long Term Plan, which was issued recently. We are keen to play our full part in this, working with the South Yorkshire and Bassetlaw Integrated Care System (ICS) and Sheffield Accountable Care Partnership (ACP). These collaborative structures bring together health and social care organisations across the region and across Sheffield respectively to jointly plan and deliver services

better tailored to the needs of the local population. During the year both of these partnerships became more formalised and a number of clinical and non-clinical workstreams are in place aimed at improving patient experience and outcomes.

In concluding my report, I want to come back to the people who make up our organisation. In 2018/19 we saw the end of an era with the retirement of our long standing and highly respected Chief Executive, Sir Andrew Cash OBE, after 16 years leading the organisation. Andrew led the merger of the city's two Trusts in 2001 to create Sheffield Teaching Hospitals and he has laid strong foundations on which we will continue to build. Professor Dame Hilary Chapman CBE, Chief Nurse, and Dr David Throssell, Medical Director, also retired from the Trust and we are indebted to them all for their unstinting commitment to ensure that the delivery of safe, high quality care has remained at the centre of all we do.

I am delighted we have appointed Kirsten Major as our new Chief Executive to lead the Trust as we move into a new period of development. Kirsten was previously Interim Chief Executive and prior to that she held the posts of Deputy Chief Executive and Director of Strategy and Operations. Chris Morley has been appointed into the post of Chief Nurse. Chris was previously Chief Nurse at The Rotherham NHS Foundation Trust and

before that Deputy Chief Nurse here at STH. Dr David Hughes has taken up the role of Medical Director. David, who is an internationally renowned Consultant Histopathologist, has been Deputy Medical Director here at the Trust for a number of years as well as Associate Medical Director for Cancer. I believe with these three key appointments to our senior leadership team, we will retain, and indeed enhance, our position as one of the best led organisations of the NHS.

Whilst I have mentioned these particular individuals, none of the achievements outlined in this document would be possible without the skill, compassion and unstinting efforts of all our outstanding staff and volunteers, our incredibly hard working Governors, our excellent charities and all our other partners. Their commitment has been invaluable and, on behalf of the Board of Directors, I thank them for all their dedication and support.



Tony Pedder OBE
Chair

Performance Report

Performance Report

Overview of Performance

Kirsten Major, Chief Executive



As the newly appointed Chief Executive of Sheffield Teaching Hospitals NHS Foundation Trust I am extremely proud to be able to report on the many achievements of our 17,000 staff and 800 volunteers during 2018/19.

This year was nothing if not varied with high points which included celebrating the 70th birthday of the NHS, a 'Good' rating for the

Trust following a rigorous Care Quality Commission inspection and over 30,000 thank you cards and letters from our patients acknowledging the high standard of care and patient experience we work hard to deliver.

We also had some challenges including the temporary closure of the Robert Hadfield Building at the Northern General Hospital site. The Fire Authority recommended further enhancements to fire safety measures in the walls of the building which meant we had to temporarily relocate patients to other parts of the Trust. The response from our staff was exceptional in managing a difficult situation at short notice and indeed in managing the busy winter months at the same time. Two modular wards will be built on site during the summer of 2019 whilst the rectification works take place.

Delivering safe, high quality care in a timely way has continued to be our main priority during the past year and we were pleased that in November 2018, after a rigorous inspection of our hospital and community services, the Care Quality Commission gave the Trust a rating of 'Good' overall with many 'Outstanding' features.

Across the five domains that the Care Quality Commission uses, we were rated as follows:

Fig: 2018 CQC Rating

Safe	GOOD
Effective	GOOD
Caring	GOOD
Responsive	OUTSTANDING
Well-led	GOOD
Overall rating	GOOD

The rating is testament to all our staff who work hard to do the right thing for our over two million patient contacts every year. In addition to the opinion of the Care Quality Commission, there are a number of indicators and national standards which provide important information about our performance during the year. These include:

- We carried out even more emergency and planned care than in 2017/18.
- The Trust has consistently delivered the referral to treatment (RTT) waiting time incomplete standard of 92 per cent. Our average waiting time from GP referral to treatment is approximately eight weeks.
- The percentage of patients waiting less than six weeks for a diagnostic test increased to over 99 per cent within the year.

- Whilst we did not consistently achieve the four hour waiting time standard in A&E, on average we did admit or discharge, following assessment and treatment, almost nine out of ten people who came to the Emergency Department within the required four hour timeframe.
- During 2018/19, we had two cases of MRSA bacteraemia and the number of cases of C.difficile remained relatively low too.
- We met or exceeded the national standard for urgent cancer referrals being seen within two weeks. However, we underachieved for some of the subsequent treatment standards including first cancer treatment within 31 days and the 62 day standard from a GP referral.
- The Trust exceeded its control total in terms of financial performance, despite the year being as challenging as ever.
- Patient surveys and Friends and Family Test feedback were consistently positive. We use this information to seek assurance about where we are getting things right, but more importantly to gain insight into where we may not be meeting patients' expectations and need to learn or change.

Our continuous drive for improvement has resulted in some important enhancements to safety, clinical care, patient experience and our facilities. This Annual Report describes some of these developments, with many more examples featured on our website www.sth.nhs.uk all of which have happened thanks to the support of all our staff, patients, volunteers and partners.

Our progress against the quality objectives we set for 2018/19, which have been monitored by the Trust's Quality Board throughout the year and our new improvement goals for 2019/20 are also outlined within the Quality Report section of this document.

Investing in our facilities

As well as making changes to how we deliver care, we have also continued to ensure our facilities meet the personal and clinical needs of patients.

We opened the new £6.7 million Northern General Eye Centre which now provides a one-stop-shop for patients who need cataract surgery. We have refurbished the Radiology Unit at the Royal Hallamshire Hospital and completed the first phase of a £30 million theatre replacement project, providing four new state-of-the-art theatres on Q floor. During 2019/20 we will completely refurbish the remaining theatres on A floor.

Weston Park Cancer Hospital continued to be a focus of attention with further ward upgrades, refurbishment of the brachytherapy suite and a new outpatients department.

We are also continuing to develop the business case for a new Cancer Research Centre integrated into Weston Park Hospital. Work also began on a £2.4 million aerial walkway which will connect Weston Park Hospital with Jessop Wing and the Royal Hallamshire Hospital. This will mean patients can be transferred between departments more easily and without having to wait for transport to be arranged.

The development of a Musculoskeletal (MSK) outpatients department for rheumatology, pain, therapy and orthopaedics at the Royal Hallamshire Hospital commenced in December 2018 and will continue through 2019/20. This integrated outpatient facility will support the transfer of orthopaedic hip and knee subspecialties and the pain service from the Northern General Hospital, and enable the further integration of the MSK clinical pathways.

In total we have invested over £24.4 million in our facilities and equipment throughout the year including two new state-of-the-art birthing pool rooms at Jessop Wing and a refurbishment of the lifts at the Royal Hallamshire Hospital.

As well as the physical environment we have progressed our 'Transformation Through Technology' programme with the roll out of electronic prescribing and further development of the electronic whiteboards as well as our cyber security measures. As we move into 2019/20 we will be looking to move to the implementation of a fully comprehensive Electronic Patient Record which we see as an essential requirement for the Trust to achieve its goal of being paperless.

Caring and cared for staff

Of course none of the performance or developments achieved in 2018/19 would have been possible without committed, innovative and caring staff being willing to often 'go the extra mile'. However we cannot take this for granted and in 2018 we developed our People Strategy where the key objective is to make the Trust simply a 'brilliant place to work'. The strategy was the culmination of a year's work to seek the views of our staff, examine national best practice and understand the workforce challenges which we face now and in the future.

Outlined later in this performance section are details of how we have enhanced the services and support available to keep our staff mentally and physically well and how we are addressing national and local workforce challenges to ensure our workforce supports the delivery of high quality care.

Wider partnership working and being a good corporate citizen

Within our region there is much to build on in terms of expertise and leadership in the delivery of healthcare, but we must do even more to tackle health inequalities across the region, which result from deprivation, lifestyle and behavioural challenges. We need to deliver a health and care programme that gives everyone a great start in life and helps them stay healthy and live longer.

The quality of our health sector and our strength in public health research can help us tackle these inequalities, supporting innovative practices of collaboration and delivery through partnerships like the South Yorkshire and

Bassetlaw Integrated Care System (ICS) and Sheffield Accountable Care Partnership (ACP), details of which are described later in the report.

A leader in research and innovation

As well as clinical care, we continue to be one of the top performing NHS research organisations in the country, and have a proud history of pioneering medical advances that have now become established NHS treatments.

Working in partnership with the city's universities, members of the public, patients, and industry partners, our cutting-edge research helps to advance understanding of how diseases work, leading to the development of new treatments and therapies, improving care for patients both now and in the future. We also know that patients who participate in research studies tend to make better progress in their care and recovery than those who do not, so research is a core part of what we do in striving to provide excellent healthcare.

We are committed to delivering high quality research, and our Clinical Research and Innovation Office is one of only ten sites across the country currently testing new national standards to improve the way members of the public can get involved in developing research projects and help determine research questions and need. The Trust continues to invest in a Clinical Research Academy, which was established with The University of Sheffield School of Health and Related Research to support researchers to write and bid for national research grants awards.

Conclusion

In summary, we are ambitious and optimistic about our future at the heart of both the local community and the healthcare economy, and intend to maintain our forward-thinking approach, taking advantage of the opportunities presented by the ongoing changes to the NHS.

I would like to say once again how very proud I am of all our staff and volunteers for their tremendous achievements, which are the basis for this organisation's success and for the quality of care provided to patients. We are also very grateful for the support of our local community through our membership and Council of Governors. Given the financial climate we continue to be grateful for the generosity of those who support us and the tireless work of our charities.



Kirsten Major
Chief Executive
21 May 2019

This overview section provides a short summary of the Trust, our purpose, history, the key risks to the achievement of our objectives and our performance during the year.

History, purpose and principal activities of the Trust

Sheffield Teaching Hospitals NHS Foundation Trust is one of the UK's busiest and most successful NHS Foundation Trusts. Above all, patients lie at the heart of everything we do and we have a history of delivering high quality care, clinical excellence and innovation in medical research.

Formed in 2001, we are a high performing organisation providing personalised, acute, elective, community and specialist healthcare services of a high standard for over two million patients each year. We achieved Foundation Trust status on 1 July 2004.

We are one of the largest integrated NHS Trusts in the UK. During the past year we have seen and treated over 1 million outpatients, over 732 thousand contacts with community patients, over 117 thousand inpatients, over 126 thousand day case patients and almost 157 thousand attendances to our Emergency Department.

Our 17,000 staff provide a full range of local hospital and community services for adults in Sheffield, as well as specialist care for patients from further afield including cancer, spinal cord injuries, renal and cardiothoracic services. In addition to community health services, the Trust comprises five of Yorkshire's best known teaching hospitals.

The Northern General Hospital is the home of the city's Emergency Department which is also now one of three Major Trauma Centres for the Yorkshire and Humber region. A number of specialist medical and surgical services are also located at the Northern General Hospital including cardiac, orthopaedics, burns, plastic surgery, spinal injuries and renal, to name a few. A state-of-the-art £16 million laboratories complex provides leading edge diagnostic services.

The Royal Hallamshire Hospital has a dedicated Neurosciences Department including an Intensive Care Unit for patients with head injuries, neurological conditions such as stroke and for patients who have undergone neurosurgery. It also has a large Tropical Medicine and Infectious Disease Unit as well as a specialist Haematology Centre and other medical and surgical services.

Sheffield Teaching Hospitals is home to the largest dental school in the region, a women's hospital with a specialist Neonatal Intensive Care unit and a Fertility Unit. The world renowned Weston Park Hospital is also part of our Trust.

The Trust also provides community health services to deliver care closer to home for patients and prevent admissions to hospital wherever possible.

We aim to reflect the diversity of local communities and have developed strong partnerships with local people, patients, and neighbouring NHS organisations, the Local Authority, charitable bodies and GPs. We are one of the region's largest employers and we take our responsibility to be a good corporate citizen very seriously.

We have a proud history of pioneering medical advances that have now become established NHS treatments, and undertaking high quality research that provides the NHS with the evidence it needs to introduce new treatments and care. Together with our partners at The University of Sheffield and Sheffield Hallam University we are leading the way on the development of world class clinical research in a wide range of disease areas, including cancer, progressive diseases such as dementia, stroke and multiple sclerosis, as well as heart disease and many other lesser known conditions.

Overview of the Trust's Strategy

Our Vision

Our vision is to be recognised as the best provider of healthcare, clinical research and education in the UK and a strong contributor to the aspiration of Sheffield to be a vibrant and healthy city region.

Our Mission

We are here to improve health and wellbeing, to support people to keep mentally and physically well, to get better when they are ill and when they cannot fully recover, to stay as well as they can to the end of their lives. We aim to work at the limits of science – bringing the highest levels of human knowledge and skill to save lives and improve health. We touch lives at times of basic human need, when our care and compassion are what matter most to people.

Our Aims

- Deliver the best clinical outcomes
- Provide patient centred services
- Employ caring and cared for staff
- Spend public money wisely
- Deliver excellent research, education and innovation

Our Values

- Patient first - Ensure that the people we serve are at the heart of all we do
- Respectful - Be kind, respectful to everyone and value diversity
- Ownership - Celebrate our successes, learn continuously and ensure we improve
- Unity - Work in partnership and value the roles of others
- Deliver - Be efficient, effective and accountable for our actions

Our 'Making a Difference' corporate strategy was originally developed in 2012 and has enabled the Trust to be successful in providing high quality clinical care to our patients; being financially sound; and, remaining at the forefront of research and innovation.

The rising challenges associated with maintaining the highest standards of healthcare delivery, responding to new government policy and change initiatives within the organisation prompted us to revisit the strategy in 2017.

After a period of consultation with staff, patients, our Members and partners we refreshed the strategy, albeit it was felt that the Mission, Vision and Aims were still strong and applicable. The current 'Making a Difference' strategy runs until 2020.

Key achievements 2018/19

Delivering the best clinical outcomes

- We have seen a 12 per cent reduction in the number of patient falls and an increased awareness and monitoring of pressure ulcers as a result of Trust-wide initiatives such as 'React to Red' and 'Safety Huddles' being routinely integrated into daily practice.
- We also rolled out the National Early Warning Score (NEWS2) system, to help staff identify at an early stage when a patient may be deteriorating. This will mean we can intervene earlier. During 2019/20 we are hoping to also support the current system with advanced electronic monitoring handheld devices.
- As part of our 'Seamless Surgery' initiative we have continued our work to ensure as few operations as possible are cancelled at short notice because we know how distressing this can be for patients and their families. During 2018/19 we were also able to install a second surgical robot which means as many as 200 patients per year will now benefit from robotic surgery which can often allow patients to return home earlier and allows major surgery to be carried out, but with smaller incisions.
- support, 24 hours a day, at a critical point in their recovery.
- Throughout the year we have also consolidated our work on ensuring patients transition through the various stages of care as seamlessly as possible. A number of new ways of working have contributed to significant reductions in patients' lengths of stay and effective and timely discharges. Board rounds on our wards have now been embedded as routine practice and means that the whole ward team meet at a set time each day to review each patient in terms of what is needed to ensure their care progresses without any unnecessary delays. The teams are using a system called 'Red to Green days' as part of this process.
- Integrated ward working, which involves including dedicated Therapists in a ward's core team, has also been piloted on a number of wards and the results have been very encouraging to date. This is now being implemented on more wards to further test the effectiveness.
- When patients no longer need our care we assist them to experience a smooth and timely discharge or transfer to the next stage of their care or to return home. Like many other Trusts across the country this has been a more challenging area of improvement. However it has also presented the opportunity to build strong multi-agency working, integrated models of care and a new discharge assessment process which puts the individual needs of the patient at the centre of the process.

Providing patient centred services

- Ensuring patients get the right care, at the right time and in the right place, is critical if we are to help individuals achieve the best outcomes and remain living independently for as long as possible. This was the thinking behind the redesign of our hospital and community stroke services which took place during the past year. As well as making changes which mean patients do not have to spend as much time in hospital, we strengthened the rehabilitative aspect of care with the opening of the new Stroke Pathway Assessment and Rehabilitation Centre. The new centre ensures patients who are not able to be discharged straight home from hospital receive specialist

By working together with our partners which include Sheffield City Council, NHS Sheffield Clinical Commissioning Group (CCG) and Sheffield Health and Social Care NHS Foundation Trust we have adopted the 'Why not home, why not today?' approach to expediting

discharges and removing inpatient days which add no value. There has been additional investment in more intermediate care beds, social and nursing home care places and our own community health services. Coupled with a redesign of processes and ways of working we have seen the number of delayed discharges drop significantly in 2018/19.

- We have taken the opportunity to redesign how we do outpatient appointment bookings with the launch of a centralised Patient Booking Hub. This has enabled us to provide an easier system for patients to book, change or cancel appointments as well as standardising our processes and systems to ensure a more consistent and efficient approach to outpatient appointments. This development complements the switch we have made to total electronic referrals. Over 99 per cent of all referrals from GPs are now made through an electronic booking system rather than paper referrals.

Employing caring and cared for staff

- As a result of the focus we have placed on developing and implementing our People Strategy, we have enhanced the services and support available to keep our staff mentally and physically well. These include a free 24 hour counselling service, fast track physiotherapy, financial wellbeing service, increased flexible working patterns, a mindfulness app for all staff to download and health MOTs for the over 40's.
- Our staff retention rate is one of the best in the NHS and in the latest staff survey we were above average or average on all the metrics. It was particularly pleasing to see that we were above average for themes of staff morale and equality, diversity and inclusion. Building on this, we have recently introduced a new Equality, Diversity and Inclusion Board and three new networks for staff who have a disability (visible, hidden and

those with long term health conditions), staff who identify as Lesbian, Gay, Bisexual, Transgender, Queer or Questioning (LGBTQ+) and for Black, Asian and Minority Ethnic (BAME) colleagues. We hope these networks will provide another way for us to gain more insight into what our staff want and need from the organisation.

- All of this work is important not just to retain staff but also to attract the very best people to our organisation. National and local workforce challenges are well known and a key area we are focusing on is the development of a new workforce strategy aligned to national plans but more importantly ensuring we have a workforce suited to the needs of our patients and ways of delivering care.
- We are at the beginning of the journey but 2018/19 has seen some important developments including the creation of a Return to Practice programme for registered Nurses in partnership with Sheffield Hallam University. We received Health Education England funding to support the first cohort of trainee Nursing Associates with 61 trainees having commenced their training at the end of 2018. There has also been a further increase in the number of Physician Associates to support our medical staff and Trainee Assistant Practitioners within our operating theatres workforce. We have a thriving apprenticeships' programme and the first year of our own Graduate Management Scheme has been highly successful leading to a second cohort being oversubscribed.

Delivering excellent research, education and innovation

- Research and innovation projects undertaken over the last 12 months include a revolutionary neck collar which is making life more comfortable for patients with motor neurone disease and which has been brought to the market thanks to a unique collaboration between researchers from the Trust, the city's universities, Devices for Dignity and manufacturing company TalarMade. The collar is now in use by 99 NHS Trusts.
- A ground breaking £2 million study is looking to see if stem cells harvested from a patient's blood can help patients with Crohn's disease regrow an immune system once reintroduced back into the body after chemotherapy and the £2.5 million STAMINA study will look to analyse how a supervised exercise programme can improve the quality of life of prostate cancer sufferers who have had androgen deprivation therapy at some stage during their treatment.
- A team of specialists from the Jessop Wing were chosen to lead a £2 million global health research project investigating why preterm birth rates are much higher in lower income countries.
- The Trust is also playing a leading role in a major international effort aimed at devising better treatments for people living with hypoglycaemia, a common and potentially serious complication of diabetes. The £20 million HypoResolve project will run across ten countries during the course of the next four years, and involves six UK centres.
- The Perfect Patient Pathway Test Bed, hosted by the Trust, was one of seven national NHS England Test Bed programmes aiming to improve patient outcomes and experience of care, by testing combinations of digital technologies in real-world settings. In 2018 the Digital Care Home, one of the original projects from the first wave of the programme, was extended and rolled out in a number of care homes across Sheffield. The project sought to support care home residents through the combination and integration of innovative technologies and pioneering service designs, to keep them well and avoid unnecessary hospital attendances. Learning from the Perfect Patient Pathway Test Bed is now being disseminated nationally by NHS England.
- The Trust continued to play a leading role in pioneering the delivery of genomics medicine, and has been announced as a key partner in one of seven new genomic laboratory hubs set up by NHS England Genomics Laboratory Service to bring specialist genetic testing and interpretation to the benefit of patients across the Yorkshire and Humber, North East and Cumbria. More than 6,000 people with rare diseases and cancer and their families were recruited by the Yorkshire and Humber NHS Genomic Medicine Centre as part of the '100,000 Genomes Project', helping the government reach its 100,000 genomes sequenced milestone.
- The Devices for Dignity (D4D) MedTech Co-operative hosted by Sheffield Teaching Hospitals and funded by the National Institute for Health Research (NIHR), is one of 11 MedTech and in vitro diagnostic co-operatives. D4D's purpose is to catalyse technology innovation within the health service through collaboration with patients and carers, clinicians, academics and industry, with the overall aim of helping people of all ages live their lives well for longer.
- The NIHR Collaboration for Leadership in Applied Health Research and Care (CLAHRC) is due to come to the end of its five-year funding in September 2019, with new Applied Research Collaborations starting in the Yorkshire and Humber in October. Over the past five years, over 40 thousand people from Yorkshire have been involved in research undertaken by the Yorkshire and Humber

CLAHRC, with £11 million invested into the region.

- Together with The University of Sheffield the Trust continues to play a key role in the development of the Northern Health Science Alliance (NHTSA) which is a partnership established by leading universities, NHS Hospital Trusts and the Academic Health Science Networks (AHSNs) to improve the health and wealth of the region. The Government also provided £20 million to the NHTSA to establish a scalable pilot network of 'Connected Health Cities' in which Sheffield will play a key role.
- Now in its second year of funding, the Sheffield National Institute for Health Research Biomedical Research Centre is continuing to have a key impact on improving the lives of patients with neurodegenerative disorders and their families worldwide. A £2 million fundraising campaign, led by The University of Sheffield, resulted in work being started to build a purpose-built facility to house a new Positron Emission Tomography-Magnetic Resonance Imaging (PET-MRI) at the Royal Hallamshire Hospital.
- The coming year will see the Trust continue with the engagement with the implementation of the Life Sciences Industrial Strategy and other national regional and local initiatives to ensure that with our regional partners, we exert influence and benefit from any opportunities that arise. We will continue to be involved in the relevant Research and Innovation Forums such as the Shelford Group, Northern Health Science Alliance, Academic Health Sciences Network in Yorkshire and Humber Clinical Research Network, and NHS Research and Development Forum to inform consultations and explore opportunities for the Trust as the Life Sciences Industrial Strategy evolves.

Our strategic partnership working

We need to deliver a health and care programme that gives everyone a great start in life, and helps them stay healthy and live longer. The quality of our health sector and our strength in public health research can help us tackle these inequalities, supporting innovative practices of collaboration and delivery through partnerships like the South Yorkshire and Bassetlaw ICS and Sheffield ACP.

These collaborative structures bring together health and social care organisations across the region and across Sheffield respectively to jointly plan and deliver services better tailored to the needs of the local population. During the year both of these partnerships became more formalised and a number of clinical and non-clinical workstreams are in place aimed at improving patient experience and outcomes.

During 2018, the ICS has progressed changes in relation to Hyper Acute Stroke Unit (HASU) Services and completed a Hospital Services Review. The full implementation of the changes regarding HASU Services will take place in 2019/20 and the series of recommendations on the organisation of services through co-operative networks arising from the Hospital Services Review will be developed in the coming year.

The ACP within Sheffield has been formed to strengthen the local relationships that underpin those at a regional level. Within the ACP, there are five priority areas for 2019/20:

- Improving the experience of older people in the care system
- Building community resilience through effective neighbourhood working
- Reducing smoking prevalence
- Reducing obesity and promoting physical activity
- Early years – developing more resilient families and communities

As one of the region's largest employers, as well as healthcare provider, it is our responsibility to lead in the practice of preventative healthcare for our staff.

By strengthening existing partnerships and forming new alliances, we want to play a leading role in closing the gap in health, wellbeing and life expectancy that is experienced in different parts of South Yorkshire. With this in mind the Trust is working with Sheffield's two universities, the Sheffield City Region Combined Authority, the Local Enterprise Partnership and many public, private and community partners, to take forward the vision for the Sheffield City Region.

As one of the largest providers of healthcare in the NHS, we see the devastating effects of poor health. We know that physical activity, performed on a regular basis, is associated with significant positive physical and mental health benefits. Lack of activity results in significant negative physical and emotional health with huge clinical, psychosocial, and societal consequences.

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

In the context of delivering the Trust's strategy, a number of key issues and risks facing the Trust have been identified.

The Trust's risk register details a number of risks which may, should they be realised, impact on the delivery of high quality services and our strategic aims and objectives.

Principal risks to maintaining and improving quality of care are included in the Integrated Risk and Assurance Report. These risks and mitigating action plans are presented and discussed regularly at meetings of the Board of Directors and its Committees and span the following themes:

Maintaining quality of care

Maintaining the quality of our 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.

This burden of chronic disease is felt in no greater measure than in the NHS and that is why Sheffield Teaching Hospitals together with partners from across the city have co-located clinical services alongside physical activity facilities to make it easier for physical activity to become part of usual care. Three 'Move More' centres across the city are now well established. As well as delivering services such as physiotherapy, weight management and get active programmes, the centres also provide the opportunity to utilise the skills and expertise from our clinicians to develop new services and care pathways that embed physical activity at their core.

In addition to the health and wellbeing agenda for the region, we have played an active part in supporting employment during the last 12 months. Our work with The Sheffield College to develop and expand apprenticeships has been recognised nationally and through the 'Step into Health' programme we continue to support military veterans to explore alternative careers within the NHS.

Well embedded quality governance and leadership arrangements support the Trust in ensuring that the quality of our care is being routinely monitored across all services.

Delivery of key operational standards

Our performance against key operational standards is outlined in the next section of this report. Some areas of performance continue to be a challenge. Increasing demand and constraints in clinical capacity for a number of specialties are impacting on the delivery of key targets.

Through our 'Making it Better' transformation programmes for improvement and sustained change we shall continue to streamline processes and work towards improving and sustaining performance against necessary thresholds.

Workforce shortages including nurse staffing

As is the case across the NHS, a key challenge is recruiting sufficient numbers of appropriately qualified clinical staff, particularly nursing staff, to be able to treat our growing number of patients.

We continue to safely mitigate nurse vacancy levels through proactive review of staffing to ensure that each ward area is staffed according to real-time need and in line with best practice staffing models. The Trust has embarked on new models of working e.g. Integrated Wards initiative, enabling Therapists and Nurses to deliver collaborative care by sharing core competencies and skills. We are also undertaking continual recruitment for Registered Nurses and Midwives and trialling alternative methods to attract new employees; this includes an increased use of rotational roles, the trialling of one-stop-shop recruitment events, and improved clarity in how we promote the Trust as an employer of choice.

As part of the Trust's annual business planning cycle, the planning of our workforce identifies staffing pressures, proposed service changes and other factors affecting our workforce provision. In July 2018, the Trust launched its People Strategy; a key element of which is our Workforce Redesign, Innovation and Planning (WRIP) workstream.

External environment

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.

As a Trust, we are actively engaged in regional partnership work. 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 and the Board of Directors' focus continues to be placed on this.

National commissioning changes also present significant risk to the Trust and we will continue to review and manage the impact of financial pressures arising from our responses to these changes.

Delivery of transformation

Underpinning our financial plan for the coming year is a very challenging efficiency programme, with a requirement to deliver a savings target of around £20.6 million in 2019/20 which equates to around 2.5 per cent of patient services turnover (excluding pass through items).

Supporting Directorates to identify and deliver savings opportunities continues to be a critical focus with the challenge of delivering efficiency savings from areas under significant service pressure.

We continue to drive productivity and efficiency through our 'Making it Better' transformation and improvement programme and also look to deliver efficiencies by working with other organisations within the South Yorkshire and Bassetlaw area.

With workstreams across elective surgery (Seamless Surgery), emergency care (Excellent Emergency Care) and outpatients (Outstanding Outpatients), our 'Making it Better' programme aims to drive the quality of care forward through spreading best practice and innovation across the organisation

Each programme comprises of multiple projects, each with specific improvement aims and metrics to demonstrate impact. Many of the workstreams are supported by our nationally recognised Microsystems Coaching Academy which has trained 156 Trust staff in the techniques of service improvement.

Overview of Going Concern

After making enquiries Directors have a reasonable expectation that Sheffield Teaching Hospitals 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 in preparing the accounts.

Analysis of Performance

Sheffield Teaching Hospitals NHS Foundation Trust is one of the UK's busiest and most successful NHS Foundation Trusts. Above all, patients lie at the heart of everything we do.

Our performance

Last year continued to be a challenging one for the NHS with all Trusts expected to provide the highest standards of care while achieving demanding efficiency savings. We treated around two per cent more inpatients and day cases as well as almost three per cent more outpatients. The number of attendances to our Emergency Department also increased by almost five per cent.

There are several national standards for waiting times, which we endeavour to achieve alongside this growth in activity and still ensuring the best possible patient care.

Whilst we did not consistently achieve the national standard of 95 per cent four hour waiting time standard in A&E, on average we did treat, discharge or admit almost nine out of ten patients (87.3 per cent) who came to the Emergency Department within the required four hour timeframe.

Despite extraordinary emergency care demands, our teams ensured we continued to meet the national Referral to Treatment waiting time standard. We continue to work with NHS Sheffield CCG to support their extended review of how patients move through the city's urgent care services to allow us to meet future patient demands and to further improve services for our patients. We are confident that this work will have significant benefits for our patients and those who provide their care.

We have continued to work hard so that the majority of our patients are seen within 18 weeks from the date their GP refers them for a hospital consultation and have consistently delivered the 92 per cent 'incomplete standard'. We are still collaborating with NHS Sheffield CCG on the Clinical Assessment, Support and Education Service (CASES) model to maximise the number of patients who

can be managed in primary care by expert GPs.

We were one of the first Trusts in the country to complete a paper switch off programme, meaning that we will only accept electronic referrals for consultant-led first outpatient appointments. This allows patients to choose an appointment at a time and date that suits them or change their appointment online. Not only does this relieve the burden on GPs by cutting down on their paperwork but both doctors and patients can see in advance what services are available and how quickly the patient can be seen. The system also cuts down on the risk of letters going missing and doctors will be able to track their patients' referrals better.

Cancelling operations, especially on the day of surgery, is very distressing for patients and their families so we do all we can to avoid this happening. In many instances the operation is cancelled because the patient is not fit for surgery at that point or an emergency patient requires the theatre or bed instead.

Last year we met or exceeded the national standard for urgent cancer referrals being seen within two weeks. However, we underachieved some of the subsequent treatment standards including first treatment within 31 Days and the 62 day standard following an urgent GP referral. Performance in this area has been compromised by competing and increasing demands for capacity from cancer and non-cancer services as well as a general increase in cancer awareness.

We consider rigorous infection prevention and control and clean facilities to be fundamental to our care standards. We continue to work hard to minimise the chances of patients acquiring hospital acquired infections, such as Norovirus and MRSA. During 2018/19 we had

only two cases of MRSA bacteraemia and the number of cases of C.difficile remained in line with previous years.

During the winter months, flu can pose a real health risk for patients and so during 2018/19 we vaccinated the highest ever number of our staff (over 11 thousand) so that we limited the risk of spreading the virus. We also offered patients, who were inpatients with us for more than two weeks, the opportunity to be vaccinated. This service was run in addition to our district nursing vaccination programme, whereby we vaccinate each district nursing patient caseload on behalf of Sheffield's GPs.

Further details of activity trends and the Trust's performance across key performance indicators are set out in the following tables:

Fig: Trust activity by activity type

Activity type	2015/16	2016/17	2017/18	2018/19
Day Cases	113,339	119,450	121,758	126,017
Elective Inpatient Spells	29,297	31,787	30,088	29,266
Non-Elective Spells	83,558	84,753	87,269	88,199
New Outpatient Attendances	307,304	311,320	302,854	307,650
Follow up Outpatient Attendances	727,790	765,669	778,005	802,329
Emergency Department Attendances	152,539	147,643	149,531	156,968

Fig: 2018/19 Operational performance against key performance indicators

		2018/19 Performance		2018/19 Quarterly Trend			
		Target	Annual	Q1	Q2	Q3	Q4
Accident and Emergency	95% of A&E patients wait less than 4 hours	95%	87.30% ●	87.80%	88.39%	87.12%	85.96%
Referral To Treatment	Patients waiting less than 18 weeks for treatment (%)	92%	93.36% ●	95.19%	93.60%	92.18%	92.50%
Cancelled Operations	Non Urgent operations cancelled on the day (%)	N/A	0.71%	0.64%	0.56%	0.83%	0.83%
Cancer access initial appointments	Urgent GP referrals seen within two weeks (%)	93%	95.1% ●	94.8%	95.6%	95.0%	95.1%
	Breast symptomatic referrals seen within two weeks (%)	93%	93.2% ●	93.2%	93.4%	93.4%	92.9%

		2018/19 Performance			2018/19 Quarterly Trend			
		Target	Annual		Q1	Q2	Q3	Q4
Cancer access initial treatments	First treatment within 31 days (%)	96%	92.9%	●	94.6%	91.9%	92.9%	92.1%
Cancer access subsequent treatments	Subsequent treatment (surgery) within 31 days (%)	94%	90.8%	●	95.1%	92.8%	88.4%	87.5%
	Subsequent treatment (chemotherapy) within 31 days (%)	98%	99.7%	●	99.6%	100.0%	99.9%	99.5%
	Subsequent treatment (radiotherapy) within 31 days (%)	94%	94.3%	●	94.1%	93.6%	94.1%	95.5%
	Treatment within 62 days of an urgent GP referral (%)	85%	73.4%	●	77.8%	74.9%	70.7%	69.9%
	Treatment within 62 days of referral from screening (%)	90%	87.0%	●	88.7%	83.6%	91.1%	84.8%

Fig: Community performance 2018/19

Service measure	Target	Q1	Q2	Q3	Q4	2018/19
Intermediate Care Community Beds – number of admissions <i>(Includes SPARC - Excludes the Community Off Site 'Route 2' Beds)</i>	N/A	364	275	244	271	1,154
Intermediate Care Community Beds – Average Stroke Length of Stay	35 days	28.4	33.7	42.1	49.6	37
Intermediate Care Community Beds – Average Orthomedical Length of Stay	35 days	40.4	34.7	31.5	33.9	35.6
Intermediate Care at home – Patients assessed within required timescales <i>(Data only available for Active Recovery Assessment + Community Stroke Service - Not ICT Active Recovery)</i>	98%	98%	98%	97%	97%	97.5%
Intermediate Care Number of packages delivered at home <i>(Active Recovery Assessment + Community Stroke Service + ICT Active Recovery)</i>	N/A	2,079	2,037	1,996	2,002	8,114
Community Nursing Referrals <i>(Includes Additional Info + Resumptions)</i>		10,337	9,808	10,294	10,724	41,238
Community Nursing Contacts	N/A	173,644	177,696	192,258	189,071	732,669

Environmental matters

Sustainability and climate change

The Trust continues to make annual energy and emissions savings and, with the support of the 17 thousand members of staff, every little helps to reduce this finite and increasingly expensive resource.

The Trust's predicted gas, electricity and water consumption for the reporting year April 2018 to March 2019 is as follows:

- Gas - 74,657,596 KWh, which equates to a 3 per cent reduction when compared against the previous year
- Electricity - 55,955,470 KWh, which equates to a 4 per cent increase when compared against the previous year, which reflects the Trust's strategy to move energy usage from gas to electricity
- Water - 434,625 M³, which equates to a 10 per cent reduction when compared against the previous year

The overall annual CO₂ emissions to atmosphere have seen a significant (13 per cent) reduction in carbon emissions from the use of gas with a slight (1 per cent) increase from the use of electricity (see table over).

Carbon emissions are an important indicator of the environmental impact an organisation has on the local community. The Trust continues to invest in major infrastructure schemes which reduce energy consumption and emissions and also provides year on year cost savings throughout the life cycle of the investment and enables savings to be reinvested to patient care and wellbeing.

The scheme to change the Central Campus heating systems from steam to low temperature hot water continues. In 2018/19 the Trust approved an investment of £2.56 million which will see the scheme around 75 per cent completed for the Central Campus. On completion, the scheme will significantly reduce gas consumption and emissions from the Royal Hallamshire Hospital central boiler house. Additional savings will also be realised

by reductions in water consumption, maintenance, chemicals and a reduction in electricity consumption used for providing cooling in the months where both cooling and heating is required. Reducing energy consumption reduces the Trust's exposure to future cost pressures relating to carbon emission penalties, rising energy costs, taxes and the climate change levy and enables further heat recovery opportunities.

This scheme is similar to the one that was completed at the Northern General Campus which delivered significant savings and reductions in carbon emissions. Steam was switched off to the Northern General Campus in June 2015, the impact of which can be seen in the table over.

In progress also is the continued installation of LED lighting across all areas of the Trust. This initiative not only reduces the electrical energy but also improves the lighting levels, with the additional benefit of reducing maintenance and replacement costs.

The Trust has to comply with various statutory environmental Regulations, Acts and national NHS guidelines and is committed to limiting the Trust's impact both in the local and global environment.

The Trust is a member of the European Union Emission Trading Scheme (EU ETS) and as a member of this scheme we are set annual emissions targets by the Environment Agency, which are designed to encourage lower consumption. The Trust is achieving these nationally set targets on an annual basis.

The Trust needs to meet the requirements of the Energy Performance of Building Regulations 2012. The Trust is obliged to display the operational energy efficiency rating of each building over a gross internal area of 250m². This requires an annual energy assessment and the displaying of a Display Energy Certificate (DEC). All the main buildings across the Trust are rated and achieving a better than typical rating for their type of construction and use.

The following table shows Trust's carbon emissions due to gas and electricity consumption since 2008/09:

Fig: Annual carbon dioxide emissions (tCO₂)

Year	Annual carbon dioxide emissions (tCO ₂)	
	Gas	Electricity
2008/09	29,834	36,171
2009/10	27,677	34,712
2010/11	24,660	32,005
2011/12	19,071	30,038
2012/13	20,962	29,061
2013/14	18,270	29,220
2014/15	16,754	29,488
2015/16	15,327	29,594
2016/17	15,403	29,949
2017/18	15,810	29,609
2018/19	13,811*	29,950*

* Denotes estimated position to the end of the 2018/19 financial year

Comparing gas and electricity consumption over the above period the Trust has reduced gas consumption by 54 per cent and electricity usage by 17 per cent. This equates to a 33 per cent reduction in carbon dioxide emissions to the atmosphere in 2018/19 compared to 2008/09.

In 2008/09 the Trust's annual spend on energy (gas and electricity) was over £11 million, during 2018/19 it is estimated to be under £8 million, a total cumulative saving approaching £40 million. These savings are set against the Trust's ever increasing patient demands and activity levels.

The Trust's waste hierarchy initiatives continue to produce ongoing environmental benefits through aiming to reduce, reuse, recycle before considering energy recovery through incineration or landfill. The table below highlights the waste produced by the Trust, and the proportion that was either recycled or reused or was incinerated and used for energy.

Fig: Waste minimisation and management (April 2018 – March 2019*)

Waste	Tonnes
Sent to landfill (predominantly offensive and infectious waste alternative treatment residues)	1,807
Recycled/reused	1,186
Incinerated/energy from waste	2,315
Total waste	5,308

* Projected totals

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 Standard (WRES). Delivery of a WRES Strategy and Action Plan is overseen by the Promoting and Valuing Difference workstream of the Trust's People Strategy, more details of which are included within the Staff Report and Quality Report sections.

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 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. Maintaining fraud levels at an absolute minimum ensures that more funds are available for patient care and services.

The Trust engages 360 Assurance as its Local Counter Fraud Specialist (LCFS) to support the Board of Directors' commitment to maintaining an honest and open culture, ensuring that all concerns involving potential fraud have been identified and rigorously investigated. In all cases appropriate civil, disciplinary and/or criminal sanctions have been applied, where guilt has been proven. This supports the embedding of deterrence and prevention measures across the organisation.

The Trust's 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 and the Trust's Standards of Business Conduct Policy.

Analysis of Financial Performance

Overall performance

After another challenging year, the Trust's financial results for 2018/19 are very satisfactory. The position can be summarised as follows:

Fig: 2018/19 Financial outturn against plan

	2018/19 plan £m	2018/19 actual £m	variance £m
Total income	1,076.0	1,135.3	59.3
Expenses excluding depreciation, amortisation and impairments	-1,028.9	-1,072.5	-43.6
Depreciation / amortisation and impairments	-30.7	-57.0	-26.3
Operating surplus	16.4	5.8	-10.6
Public Dividend Capital dividend	-10.2	-9.0	1.2
Other Financing Costs (net)	-2.7	-2.4	0.3
Deficit for the year	3.5	-5.6	-9.1

The Trust had a deficit from continuing operations of £5.6 million (0.49 per cent of turnover). However, within this position there are unusual items relating to impairment charges arising from the Estate Revaluation/Asset Lives Review undertaken during the year and additional national Provider Sustainability Funding (PSF) notified at the end of the year by NHS Improvement (NHSI). **Without these, and other technical items, there would have been a £12.4 million surplus (1.1 per cent of turnover) which is an improvement on the plan.**

The Trust had another very challenging financial year due to the ongoing national financial environment, a range of service, workforce and financial pressures, and the need to deliver a very demanding NHSI control total. Significant contingencies and one-off benefits were critical to achieving the outturn position, along with much improved performance at Directorate level.

The Trust's income position for 2018/19 was as below:

	£m	% increase over 2017/18
Income from patient services	933.8	4.5
Other operating income	201.5	9.6
Total income	1,135.3	5.4

Income growth was significant. Growth in income from patient services was from a combination of increases in activity volumes, a richer case-mix, increased cost/case reimbursements, a number of one-off allocations and specific funding for the Agenda for Change pay award. The increase in other operating income was largely due to the receipt of additional PSF. Total PSF for the year was £40.1 million compared to the original plan of £26.1 million. The additional funding reflects that the Trust's financial performance was better than the 2018/19 control total.

Pay costs rose by 4.8 per cent over 2017/18 levels due to the higher level of pay awards and increased staff numbers. Bank and Agency costs were again lower. Drugs costs increased by 4.7 per cent and clinical supplies and services costs reduced by 3.5 per cent. Premises costs, including IT, increased by 7.0 per cent and the Clinical Negligence Premium increased by 28.0 per cent. The combined depreciation, loan interest and Public Dividend Capital (PDC) charges reduced by 16.5 per cent. There was a net impairment charge of £33.5 million in 2018/19 compared to £17.2 million in 2017/18. The latter two items were driven by the Estate Revaluation/Asset Lives Review.

Efficiency savings

The Trust again faced a major challenge to deliver the national efficiency requirement and to deliver savings to offset income losses and cost pressures. For 2018/19 the efficiency requirement was again around £20 million,

bringing the cumulative requirement for the last decade or so to around a third of a billion pounds. There was an over-achievement against the plan but this was only possible due to the significant benefit from the Estate Revaluation/Asset Lives Review. The Trust continued to seek efficiency savings in clinical and back-office areas through its 'Making it Better' transformation programme, by developing improvement capability and capacity within frontline staff; by supporting Directorates to identify and deliver savings opportunities; and by working with other organisations within the South Yorkshire and Bassetlaw area. This continues to be a critical area with the challenge of delivering efficiency savings from areas under significant service pressure.

Capital investment

Total capital expenditure for the year was £24.4 million and has been analysed as set out in the table to the right.

The focus in 2018/19 was again on investing in the Trust's medical equipment and supporting physical infrastructure, whilst promoting new service developments and modernising theatres in order to improve the service to patients across the Trust.

Total capital income available to the Trust for the year was £39.7 million. This can be analysed as follows:

Fig: Total capital income 2018/19

	£0,000
Internally generated resources	37,917
National capital allocations	298
Other donations / external income	1,451
TOTAL CAPITAL INCOME	39,666

Overall, therefore, there was a £15.3 million underspend on the Capital Programme due to slippage on schemes, particularly around Estates Infrastructure and Minor Medical Equipment Plans; and general programme under-commitment due to operational and access constraints. These resources are

carried forward and will be used to complete the planned investments in due course.

Fig: Capital investment 2018/19

	£,000	£0,000
Medical Equipment	4,687	
Equipment Replacement Programmes (e.g., Ultrasounds, Power Tools)		2,311
Replacement Catheter Lab		578
NGH Plain Film Room Equipment		543
NGH Fluoroscopy Replacement Rooms (x2)		509
RHH Plain Film Room Equipment		337
Other		409
Information Technology	2,095	
Infrastructure		1,655
E-Prescribing		179
E- Check In		155
Other		106
Service Development	9,040	
Weston Park Hospital 4th Floor Redevelopment		1,531
Northern General Eye Centre		1,475
Patient Booking Hub		1,398
2nd Surgical Robot		1,000
Musculoskeletal Hub		664
Hyper Acute Stroke Unit		660
Other		2,312
Infrastructure	8,538	
Royal Hallamshire Hospital A Floor Theatres		3,528
Northern General Hospital Firth Wing Theatres		1,290
Royal Hallamshire Hospital Low Temperature Hot Water		810
Royal Hallamshire Hospital Main Lifts		710
Laundry Modernisation		614
Other		1,586
TOTAL EXPENDITURE	24,360	

Cash Flow and Balance Sheet

The Trust's net assets employed at 31 March 2019 were £414.7 million compared with £413.4 million at the previous year-end. The value of land, buildings and equipment at 31 March 2019 was £399.6 million. The reduction in 2018/19 reflects the Estate Revaluation referred to above. Outstanding 'borrowings' relating to Foundation Trust Financing Facility loans, a PFI contract and a finance lease totalled £39.3 million at the end of the year.

Cash balances increased to £94.0 million at 31 March 2019 (£74.9 million at 31 March 2018) and net current assets at 31 March 2019 increased to £50.8 million (from £26.4 million at 31 March 2018). This reflects the 2018/19 income and expenditure position and the Capital Programme underspend. A significant amount of these resources are committed to capital schemes and research projects in future years. The Trust also has a requirement as a Foundation Trust to have a sound working capital position in order to provide a degree of financial security and ensure the continuity of patient services.

NHS Improvement Use of Resources Risk Rating

NHS Improvement assesses Trusts' financial positions through its Use of Resources Risk Rating. This operates on a scale of one (1) to four (4), where one represents low risk and four represents very high risk. Based on the outturn results, the Trust's risk rating for 2018/19 was one (1). More detail on this rating is described within the regulatory ratings section of this Annual Report.

Conclusion

Generally, 2018/19 was another challenging financial year for NHS acute providers given the ongoing national focus on recovering from the major level of deficit in the sector and the continuing constrained funding position.

In this context, the Trust's 2018/19 financial results are good with stability maintained and a significant cash gain from good performance and the additional PSF. However, the underlying position remains challenging given

that the Trust's 2018/19 position relied heavily on the PSF and other one-off benefits, that demands on services continue to grow, that the workforce supply is constrained and that there is a need for a step change in IT investment. The new national funding settlement for the NHS from 2019/20 will add some stability to the system but the Trust's ability to continue to deliver and enhance high quality services will depend on good financial and operational management and ongoing delivery of efficiency savings and service improvements.

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



Kirsten Major

Chief Executive

21 May 2019

Accountability Report

Accountability Report

Directors' Report

The Directors' report is presented in the name of the Directors of the Board of Directors. Led by a Non-Executive Chair, the Board of Directors comprises of seven other Non-Executive Directors and up to seven Executive Directors, including the Chief Executive.

The Board's role is to promote the success of the organisation so as to maximise the benefits for the members of the Trust as a whole and for the public.

It does this by:

- ensuring compliance with its licence, its constitution and statutory, regulatory and contractual obligations
- setting the strategic direction within the context of NHS priorities which provides the basis for overall strategy, planning and other decisions
- monitoring performance against objectives
- providing robust financial stewardship to ensure the Trust functions effectively, efficiently and economically
- ensuring the quality and safety of healthcare services, education and training and research
- applying best practice standards of corporate governance and personal conduct
- promoting effective dialogue between the Trust and the local communities we serve

The Board delegates decision-making for the operational running of the Trust to the Trust Executive Group in accordance with the Trust's Standing Orders, Reservation and Delegation of Powers and Standing Financial Instructions.

The Trust's Standing Orders set 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, direct operational decisions, financial and performance reporting arrangements, audit arrangements and investment decisions.

Composition 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:

Non-Executive Directors

Tony Pedder OBE, Trust Chair

Appointed to the Board: 1 January 2012

Board Attendances in 2018/2019: 10/11

Tony joined the Trust as Chair in January 2012. He was previously the Chair of NHS Sheffield CCG and also the Chair of South Yorkshire and Bassetlaw Cluster of NHS

Primary Care Trusts. As well as his NHS experience, Tony brings extensive management and operational experience in a variety of business organisations and markets. He was previously Chief Executive of Corus plc. Tony is currently also Pro-Chancellor and Chair of Council of The University of Sheffield.

Tony Buckham, Non-Executive Director*Appointed to the Board: 1 September 2015**Board Attendances in 2018/2019: 10/11*

Tony brings a wealth of experience from his time working within complex global organisations. He has provided strategic support to the HSBC Group Management Board Directors, with particular expertise within IT and Corporate Real Estate for over ten years.

Tony has led divisions of up to 7000 staff with particular focus on people development to enable global transformational change. He has also made a significant contribution to mentoring and coaching programmes.

Candace Imison, Non-Executive Director*Appointed to the Board 1 September 2015**Board Attendances in 2018/2019: 10/11*

Until March 2018 Candace was Director of Policy at the Nuffield Trust, having joined in 2014 with a remit to develop a work programme on new models of care, including technology and workforce. She is now Director of Strategy for the Nursing and Midwifery Council (NMC).

Previously, Candace was Deputy Director of Policy at The King's Fund, where she researched and published on a wide range of topics, including future healthcare trends, service reconfiguration, workforce planning, polyclinics, community health services and referral management. Candace has extensive senior management experience in the NHS, including at Board level for providers and commissioners. Her past roles have included Director of Strategy for a large acute Trust and Director of Commissioning for a large Health Authority.

Between 2000 and 2006 Candace worked on strategy and policy at the Department of Health, including the Wanless Review, the White Paper 'Our Health, Our Care, Our Say' and 'Keeping the NHS Local', setting out policy for the reconfiguration of hospital services. She holds a Master's degree in health

economics and health policy from the University of Birmingham and a degree in natural sciences from the University of Cambridge.

Annette Laban, Non-Executive Director and Vice Chair*Appointed to the Board: 1 July 2013**Board Attendances in 2018/2019: 11/11*

Annette has more than 35 years' experience working within the NHS and local government in senior positions and throughout her career she has been responsible for overseeing many innovations which have directly impacted on frontline NHS care.

Her past roles have included Chief Executive for NHS Doncaster, Director of Performance and Operations at NHS North of England - Strategic Health Authority and Executive Director of Performance and Delivery at NHS Yorkshire and the Humber.

Dawn Moore, Non-Executive Director (until 30 September 2018)*Appointed to the Board: 1 October 2014**Board Attendances in 2018/2019: 2/6*

Dawn has more than 25 years of Senior level HR experience in a variety of organisations and has recently received several national awards and other recognition for her work in the private sector.

Dawn is Director of HR for Morgan, Sindall Construction & Infrastructure, and has previously held other Executive HR Director-level roles in several large organisations including Tarmac, Northern Foods and Vesuvius plc.

Professor Chris Newman, Non-Executive Director*Appointed to the Board: 1 November 2017**Board Attendances in 2018/2019: 9/11*

Chris joined the Board in November 2017. He is Dean of the Medical School, Professor of Clinical Cardiology and Honorary Consultant

Cardiologist at the Trust. He also directs the National Institute for Health Research Sheffield Clinical Research Facility, a joint facility between the Trust and The University of Sheffield.

John O’Kane, Non-Executive Director

Appointed to the Board: 1 October 2014

Board Attendances in 2018/2019: 9/11

John is an experienced Finance Director, with experience of managing change in a number of companies. He has worked as Group Finance Director at Redhall Group, Jarvis, Ecobat Technologies, Peterhouse Group and Kelda Group.

Martin Temple, Non-Executive Director

Appointed to the Board: 1 July 2013

Board Attendances in 2018/2019: 10/11

Martin is currently the Chair of the Health and Safety Executive and was also on the Board of The Great Exhibition of the North. Martin has served on the Boards of a wide range of companies around the world.

He was Chairman of the Design Council, on the Council of the University of Warwick as well as the Chair of the Warwick Business School Advisory Board. He has also been Vice President of Avesta-Sheffield AB, Director-General of EEF and a Non-Executive Director and Chairman of The 600 Group PLC.

Martin has extensive experience covering senior roles in production, marketing, operations and strategy in an international context.

Executive Directors

Kirsten Major, Chief Executive (from March 2019)

Interim Chief Executive (from August 2018) Deputy Chief Executive

Board Attendances in 2018/2019: 11/11

Kirsten joined Sheffield Teaching Hospitals NHS Foundation Trust in February 2011 as Director of Strategy and Planning. She was appointed as Deputy Chief Executive in 2017 and took up the position of Interim Chief Executive in August of 2018, prior to being appointed to the role substantively from 04 March 2019.

She has held a number of Director-level positions within the NHS, including Health Boards in Scotland and at the North West Strategic Health Authority. Kirsten is a health economist by profession and was active in a range of professional and research based collaborations.

Sir Andrew Cash OBE, Chief Executive (until 31 July 2018)

Board Attendances in 2018/2019: 4/4

Sir Andrew was Chief Executive of Sheffield Teaching Hospitals NHS Foundation Trust since its inception in July 2004 until his retirement in July 2018. He had previously been the first Chief Executive of the newly merged Sheffield Teaching Hospitals, which came into effect in April 2001.

He joined the NHS as a fast track graduate trainee and has worked at local, regional and national level and, on numerous occasions, by invitation at the Department of Health Whitehall.

He is a visiting Professor in Leadership Development at the Universities of York and Sheffield. He is Vice Chair of the NHS Confederation and Chair of the NHS Employers Policy Board.

Professor Dame Hilary Chapman CBE, Chief Nurse (until August 2018)

Board Attendances in 2018/2019: 4/4

Hilary was Chief Nurse at Sheffield Teaching Hospitals from February 2006 until her retirement in August 2018. She spent her entire career in the NHS and the vast majority of it in nursing.

Hilary was awarded a CBE for services to nursing and to healthcare in the 2012 New Year's Honours and an Honorary Doctor of Medicine by The University of Sheffield in 2015. She is a Deputy Lieutenant for the County of South Yorkshire and was appointed Dame Commander of the Order of the British Empire for services to nursing in the New Year's Honours in 2018.

Anne Gibbs, Director of Strategy and Planning

Board Attendances in 2018/2019: 11/11

Anne was appointed in post in February 2018, prior to which she worked for NHS Improvement in a joint role with Greater Manchester Health and Social Care Partnership. Previously, she has worked for a number of Trusts in London and Birmingham at Board level.

Mark Gwilliam, Director of Human Resources and Staff Development

Board Attendances in 2018/2019: 11/11

Mark is Director of Human Resources and Staff Development. He took up his original post as Director of Human Resources and Organisational Development in May 2009 bringing with him a wealth of experience. He was previously an Associate Director of Human Resources at Central Manchester University Hospitals NHS Foundation Trust.

Mark joined the NHS in 2004 through the Gateway to Leadership Programme and was assigned on placement at Sheffield Teaching Hospitals NHS Foundation Trust. Prior to this he worked in the fast moving consumer goods sector in numerous operational management and human resource management roles.

David Hughes, Medical Director (from 1 February 2019)

Board Attendances in 2018/2019: 2/2

David joined the Trust in February 2005 as Consultant Histopathologist having previously worked as a Consultant at Chesterfield Royal Hospital and the Royal Orthopaedic Hospital, Birmingham. David has previously worked as Associate Medical Director - Cancer, Deputy Medical Director and Responsible Officer at the Trust and worked for the National Cancer Research Institute, Royal College of Pathologists, North Trent Cancer Network and National Cancer Action Team.

Karen Jessop, Interim Chief Nurse (from 16 August to 7 October 2018)

Board Attendances in 2018/2019: 1/1

Karen joined the Trust as a Nurse Director for Operating Services Critical Care and Anaesthesia Care (OSCCA) group in February 2016. She was seconded into the role of Deputy Chief Nurse in October 2017. Karen was Interim Chief Nurse for the period of August to October 2018 whereupon she was appointed to the substantive Deputy Chief Nurse role.

Karen started her career in the NHS as a newly qualified Registered Nurse in 1995 and commenced her career at Hull and East Yorkshire Hospitals NHS Trust. Karen held various senior nursing roles at Hull before moving to Sheffield. Karen holds an MSC in Health Care Leadership from the University of Birmingham and a BSc (Hons) in Midwifery from Hull University.

Chris Morley, Chief Nurse (from October 2018)

Board Attendances in 2018/2019: 6/6

Chris joined the Trust as Chief Nurse in October 2018 from The Rotherham NHS Foundation Trust where he also held the position of Chief Nurse. Prior to this Chris was Deputy Chief Nurse here at Sheffield Teaching Hospitals.

He has previously held a number of leadership roles in healthcare governance, patient safety and nursing management. Chris possesses a BMedSci in Professional Nursing Studies from The University of Sheffield and an MSc in Health and Social Care Leadership from Sheffield Hallam University.

Neil Priestley, Director of Finance

Board Attendances in 2018/2019: 11/11

Neil was appointed to the post of Director of Finance of the newly merged Sheffield Teaching Hospitals in February 2001. He had previously held the post of Head of Finance at the NHS Executive Trent Regional Office, from where he had been seconded to the Northern General Hospital as acting Director of Finance prior to the Trust merger.

Neil is a Fellow of the Chartered Association of Certified Accountants.

David Throssell, Medical Director (until 31 January 2019)

Board Attendances in 2018/2019: 9/9

David took up the post of Acting Medical Director at Sheffield Teaching Hospitals on 1 October 2012 and became the substantive Medical Director from 1 December 2012 until his retirement at the end of January 2019.

Previously David held the posts of Deputy Medical Director and Clinical Director, and was also a Consultant Renal Physician for many years at Sheffield Teaching Hospitals. He trained in Medicine and Nephrology in Leicester and Cardiff before moving to Sheffield in 1996.

Other senior managers who attend Board as Participating Directors

Sandi Carman, Assistant Chief Executive

Board Attendances in 2018/2019: 11/11

Sandi has over 20 years' experience working in NHS acute, community, and commissioning organisations and is passionate about ensuring the delivery of high quality care.

Sandi's career started in Occupational Therapy at the Northern General Hospital and she has since gained a wealth of experience in operational and managerial roles.

Sandi is a Non-Executive Director for South Yorkshire Housing Association and a Joint Independent Audit Committee Member for the South Yorkshire Police and Crime Commissioner. Sandi holds a master's degree in Healthcare Practice and has achieved the NHS Leadership Academy Award in Executive Healthcare Leadership.

Michael Harper, Chief Operating Officer (Participating Director from August 2018)

Board Attendances in 2018/2019: 7/7

Michael joined the Northern General Hospital from the General NHS Management Training Scheme in 2000. He has worked in a number of operational leadership roles in A&E, Medicine, Cardiothoracics, Orthopaedics and Surgical Services throughout the Trust since this time.

He became Chief Operating Officer in January 2015.

Julie Phelan, Communications and Marketing Director

Board Attendances in 2018/2019: 11/11

Julie spent her early career as a journalist in both print and broadcast media before moving into public sector communication in local government and health. She was previously Head of Communications at Sandwell and West Birmingham Hospitals NHS Trust, Head of Communications for Birmingham Women's Hospital and Director of Communications for Worcestershire Acute Hospitals and Worcester Health Authority.

Before joining the Trust in June 2008, Julie was Director of Communications for University Hospitals Coventry and Warwickshire NHS Trust.

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

The Board of Directors' Nomination and Remuneration Committee has carried out an in-year review 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. This exercise is undertaken routinely as part of the process of considering appointments and reappointments to the Board.

As outlined in the above biographies, 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, governance, risk management, human resources and change management.

The Board is satisfied that its current membership allows it to function effectively.

Board members Register of Interests and Gifts and Hospitality

Company directorships and other declarations including receipt of gifts and hospitality were declared by all Board members. The Trust has updated its Standards of Business of Conduct Policy to reflect guidance from NHS England and the full register of interests is available at:
<https://sheffieldthft.mydeclarations.co.uk/>

Taking into account the NHS Code of Governance (code provision B1.1), the Board has determined that the current Chair and all Non-Executive Directors are independent in character and judgement. This includes the appointed representative of The University of Sheffield, Professor Chris Newman, Dean of the Medical School, notwithstanding the Trust's relationship during this reporting period with The University of Sheffield.

Meetings of the Board of Directors and its committees

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

Board of Directors meetings are held monthly, with the exception of the month of August. Since May 2012, it has met in public although part of the meeting is held in private to deal with matters of a confidential nature. The agenda and papers for the section of the meeting held in public are published on the Trust's website.

The Board has established a committee structure with each of its standing committees chaired by a Non-Executive Director. This Board committee structure includes the statutory committees of Audit, Board Nomination and Remuneration and Healthcare Governance as well as Finance and

Performance and Human Resources and Staff Development.

More detail of the Board's committee structure and the role of its committees is outlined within the Annual Governance Statement.

In 2018 the Board established an additional formal committee of the Board of Directors. On agreement of a new 'Committee in Common' governance structure for the Working Together Partnership Vanguard.

Sheffield Teaching Hospitals Committee in Common functions as a committee of the Board of Directors and sees the Board delegate a number of decision-making abilities to a committee comprising of the Trust Chair and Chief Executive. The overall aim of the committee is to enable NHS Trusts across South Yorkshire and Bassetlaw, North Derbyshire and Mid Yorkshire to work together effectively to deliver collaborative programmes.

Arrangements in place to ensure that the Trust is well-led

Review of the effectiveness of the Board and the outcomes from assessment of performance, both collectively and of individual Board members as part of a formal annual appraisal system and the review and agreement of a Board work programme for the year, is used to inform ongoing development of the Board.

The Board keeps the performance of its committees under regular review and requires that each committee assesses how it discharges the responsibilities outlined in its Terms of References, reviews these annually and sets objectives for the forthcoming year.

Routine self-assessment is undertaken by the Board against governance best practice using well-led guidance¹ to inform the continued

development of the Trust's governance arrangements.

The Board's most recent Well-led self-assessment in April 2018 involved facilitated self-assessment supported by our internal auditors. Board member survey work and one to one interviews with lead Executive Directors complemented a desktop review of evidence and generated for discussion with the Board a baseline assessment of Trust compliance for each Key Line of Enquiry.

This developmental review identified some clear areas for development. Focus was placed on these areas as part of preparation for the Trust's June 2018 CQC inspection and, in particular, the Well-led assessment component. The Trust continues to progress

¹ Development reviews of leadership and governance using the well-led framework:

guidance for NHS trusts and NHS foundation trusts (Jun 2017)

recommendations from each of these assessments and from its own internal Board effectiveness review work to continually develop its leadership and governance arrangements.

Audit Committee

The Audit Committee is appointed by the Board of Directors and comprises of four Non-Executive Directors, one of whom - John O’Kane, Committee Chair – has recent and relevant financial experience. Other Non-Executive Directors, who chair other Board Committees have a standing invitation to attend meetings of the Audit Committee.

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

NED membership	Attendances (actual / possible)
John O’Kane, Chair	5 from 5
Tony Buckham	4 from 5
Dawn Moore (until 30.09.18)	1 from 2
Chris Newman	3 from 5

Meetings of the Audit Committee are attended by senior representatives of the Trust’s internal and external auditors, the Trust’s Local Counter Fraud Specialist (LCFS) as well as the Director of Finance and Assistant Chief Executive.

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

The Committee provides the Board of Directors with an independent and objective review of the effectiveness of the system of internal control (both financial and non-financial). It is authorised by the Board of Directors to investigate any activity within its Terms of Reference and to seek information it requires from staff to fulfil its functions.

Copies of the Committee’s Terms of Reference are published on the Trust’s website on their annual review by the Board of Directors.

The Audit 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, a consortium principally serving a number of Foundation Trusts and Clinical Commissioning Groups in the region. Through detailed testing of the Trust’s internal control systems, this service fulfils a key role in the Trust’s assurance processes.

Local counter fraud provision is commissioned from 360 Assurance. The Trust’s local counter fraud service supports the Trust to create an anti-fraud culture, deterring, preventing and detecting fraud, investigating suspicions as they arise and seeking to apply appropriate sanction and redress in respect of any monies obtained through fraud.

The Audit Committee is responsible for making a recommendation to the Council of Governors in respect of the appointment and approval of the Trust’s external auditors.

In September 2016, following a competitive tender exercise, Mazars LLP was 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 years.

On two subsequent occasions (September 2017 and most recently September 2018), on the basis of a satisfactory evaluation of the external audit service received by the Trust, the Audit Committee presented a recommendation to Governors that Mazars

LLP be reappointed as the Trust's external auditors for a further year. These annual reappointments have been confirmed at Council of Governors meetings.

In January 2019, in advance of the end of the initial three-year contract, the Audit Committee undertook an interim assessment of external auditor performance to provide adequate time to undertake a competitive tender exercise, should this be required. In effect, the result of the assessment warranted a recommendation to Governors to extend the contract, with this approved at the March 2019 Council meeting.

The Committee routinely receives progress reports from Mazars LLP, including updates on key emerging issues / developments. The statutory audit fee for the 2018/19 audit was £54k and a further £9k (both inclusive of VAT) for the audit of the Trust's Quality Report.

Mazars LLP provides its services within the Audit Code of NHS Foundation Trusts. The Audit Committee has delegated authority from the Board to commission additional investigative and advisory services outside this code. The provision of non-audit services by the external auditor relate solely to the assurance report on the Trust's Quality Report.

Principal areas of review and significant issues considered by the Audit Committee during 2018/19:

The following outlines key matters considered by the Committee, reflecting key duties / areas of responsibility set out by its Terms of Reference:

Internal control and risk management

- Reviewing the Integrated Risk and Assurance Report (IRAR) on behalf of (July 2018 and January 2019) or in advance of presentation to the Board (October 2018) and overseeing its ongoing development.
- Detailed focus on sections of the IRAR through the rotation of invitation of Board Committee Chairs to present risks and mitigations to inform discussion, and escalation to the Board as appropriate, of the effectiveness of controls and receipt of satisfactory assurances. Over its annual

work cycle the Committee received updates from Chairs of the Healthcare Governance Committee (July 2018) and Finance and Performance Committee (October 2018) on IRAR risks that each Committee had oversight of.

- Supporting the development of a Risk Appetite Statement to articulate the level of risk that the Board is willing or unwilling to take in order to achieve the Trust's strategic objectives. At the Committee's January 2019 meeting, members fed into a draft which was then presented to the Board for discussion and approved for adoption in February 2019.
- Reviewing the annual financial statements, with particular focus given to major areas of judgement and any changes in accounting policies (January 2019) and the Board's determination that the 2018/19 annual accounts be prepared on an 'ongoing concern' basis (Mar 2019). This followed consideration of the planned financial position for 2019/20 and how it has arisen, the context of the overall NHS position, the future issues created, the Trust's ability to cover Income and Expenditure deficits in cash terms during 2019/20 and the need for future health services in Sheffield.
- Noting in October 2018 the planned estate revaluation by a new expert valuer and a change of estimation technique in relation to asset valuation within the annual financial statements.
- Receiving assurance around the effectiveness of risk management and internal control, including receipt of the risk management annual report in July 2018 and insurance arrangements annual report in January 2019.
- Noting in March 2019 an update on the review of the Trust's Standing Finance Instructions and Scheme of Delegation.
- Being consulted on and approving the update of the Trust's Standards of Business Conduct Policy; noting routine updates on its implementation and receiving registers of gifts and hospitality reports as a standing agenda item.

- Informed by its oversight of the Trust's systems of integrated governance, reviewing the adequacy of all risk and control related disclosure statements within the Trust's annual report (specifically, the annual governance statement), the quality report and self-certification against the FT provider licence (May 2018).

Internal audit

- Agreeing at the start of the year the internal audit work plan for 2018/19 taking into account risk assessment work undertaken by 360 Assurance and with the Trust Executive Group, and informed by Public Sector Internal Audit Standards.
- Through the course of the year, routinely receiving findings from individual reviews within the internal audit work plan, including reviews focused on procurement, Directorate financial management, cyber security, general data protection regulation, incident management, recruitment and retention, absence management, mental health act compliance and mental capacity action compliance and pressure ulcer management. Monitoring management's responsiveness to internal audit recommendations and providing oversight of follow up completion rates.
- Receiving in May 2019 the Internal Audit Report for 2018/19, including the Head of Internal Audit Opinion statement, noting that the report found significant assurance on the Trust's system of internal controls.
- Undertaking annual review of the effectiveness of the internal audit function.

Local counter fraud

- Approving and overseeing progress against the annual fraud, bribery and corruption risk assessment and work plan through consideration of routine progress reports from the Trust's local counter fraud specialist and receiving in May 2019 the counter fraud annual report for 2018/19.

External audit

- Noting an agreed protocol for liaison between external audit and internal audit presented to the Committee in October 2018.
- Agreeing at the start of the 2018/19 audit cycle in January 2019, the Audit Strategy Memorandum (audit plan) setting out 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.
- Noting in May 2019 the external audit limited assurance report in the 2018/19 Quality Report and noting that it gave an unqualified limited assurance opinion that the Quality Report was compliant and accurate.
- Undertaking effectiveness review of the external audit service to inform recommendations to the Council of Governors as noted earlier in this section of the report.

The Chief Executive, as the Trust's 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 Audit Committee gives full consideration to any significant risks and areas of audit focus raised in the external audit plan. In 2018/19 the three areas of audit focus related to land and building valuations, revenue recognition and management override of controls.

In each of these areas the Committee has been able to place reliance on work undertaken by the external auditors, Mazars LLP, as part of the work that they have undertaken to enable them to develop their audit opinion.

Financial and other public interest disclosures

Cost allocation and charging requirements

Sheffield Teaching Hospitals NHS Foundation Trust has complied with the cost allocation and charging guidance issued by HM Treasury. There are no additional charges made for material made available to meet the needs of particular groups of people, e.g. in Braille or other languages. Following the introduction of the General Data Protection Regulation and the UK Data Protection Act 2018 in May 2018, fees, as set by the Information Commissioner's Office, are no longer chargeable for subject access requests for personal data, including copies of medical records. Similarly, no fees are chargeable for the supply of medical records of deceased patients under the auspice of the Access to Health Records Act 1990. 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 1.6.2 of the accounts. Details of senior employee's remuneration can be found in the remuneration report section of this annual report.

Non-NHS income

As required by Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), the Directors confirm that the income that the Trust has received from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes.

In addition to the above, the Directors confirm that the provision of goods and services for any other purposes has not materially

impacted on our provision of goods and services for the purposes of the health service in England. Further details of the income sources to the Trust can be found in note 3.1 of the accounts.

Serious Incidents involving data loss or confidentiality breach

The Trust has a responsibility to keep personal data safe and the Trust takes this very seriously. New staff receive information governance training as part of the corporate induction programme and it is mandated that all staff undertake annual information governance training. The Trust is required to annually certify the Trust's compliance with NHS information governance standards.

There were no Serious Incidents relating to information governance classified as level two (2) during the 2018/19 financial year.

Directors' Disclosure to Auditors

The Directors of Sheffield Teaching Hospitals 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.

Governors' Report

The role of the Council of Governors

The Council of Governors advises the Trust on how best to meet the needs of patients and the wider community we serve. It has a number of statutory duties, including holding the Non-Executive Directors to account for the performance of the Board of Directors and representing the interests of Trust members and members of the public.

The Council of Governors works with the Board of Directors to shape the Trust's future strategy and is responsible for providing feedback from the membership and stakeholders on proposed strategic developments. The Trust keeps the Council of Governors fully informed on all aspects of the Trust's performance through formal council meetings.

Comprised of elected and nominated Governors, as detailed below, the Council of Governors has decision-making powers defined by statute. These powers are outlined in the Trust's constitution and principally refer to the appointment,

removal and remuneration of the Trust Chair and Non-Executive Directors; the appointment and removal of the Trust's external auditors; the approval of the appointment of the Chief Executive; and receiving the Trust's annual accounts, any report of the auditor on the accounts and the Annual Report.

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 responsibility of the Board of Directors to oversee the running of the Trust.

The Council of Governors met formally four times during 2018/19. A record of attendance is kept of the number of meetings attended by individual Governors. The members of the Council of Governors who served during 2018/19 are outlined in the following tables.

Composition of the Council of Governors 2018/19

As at 31 March 2019 there were 33 seats on the Council of Governors: 13 to represent public members, seven to represent patients, six to represent staff members and seven seats for Governors nominated by partner organisations.

Fig: Council of Governors membership and attendance 2018/19

	Elected / Re-elected from	Attendance (actual / possible)
Patient Governors		
Barbara Bell	1 July 2017	3 from 4
Jennifer Booth (deceased)	1 July 2016	3 from 3
George Chia	1 July 2018	3 from 3
Peter Hewkin (to Sept 2018)	1 July 2016	1 from 1
Steve Jones	1 July 2017	3 from 4
Kath Parker	1 July 2018	4 from 4
Harold Sharpe	1 Dec 2016	4 from 4

Public Governors		
Mick Ashman	1 July 2016	4 from 4
Wendy Bradley	1 July 2017	2 from 4
Michelle Cook	1 July 2017	2 from 4
Sally Craig	1 July 2014	4 from 4
Martin Hodgson	1 July 2016	4 from 4
Joyce Justice	1 July 2012	3 from 4
Ian Merriman	1 July 2015	4 from 4
Brendan Molloy	1 July 2018	3 from 3
Lewis Noble	1 July 2015	2 from 4
Spencer Pitfield (to 30 June 2018)	1 July 2015	0 from 1
Joe Saverimoutou	1 July 2018	2 from 3
Sue Taylor	1 July 2013	4 from 4
Enid Wadsworth (to 14 November 2018)	1 July 2017	0 from 2
Neville Wheeler	1 July 2016	0 from 4
Staff Governors		
Dylan Caffell (to 30 June 2018)	1 July 2015	1 from 1
Emily Edmunds	1 July 2018	1 from 3
Cath Hemingway (to 1 May 2018)	1 March 2015	0 from 0
Irene Mabbott	1 July 2015	3 from 4
Cressida Ridge	1 July 2017	3 from 4
Karen Smith	1 July 2017	2 from 4
John West (to 30 June 2018)	1 July 2015	1 from 1
Appointed Governors		
	Appointed	
Amanda Forrest	21 April 2015	3 from 4
Angela Foulkes	10 December 2018	1 from 2
Tim Furness	1 February 2018	3 from 3
Luc de Witte	1 November 2017	3 from 4

This year we are saddened to report that Jennifer Booth, Public Governor, passed away. Jennifer was a retired RE Teacher at High Storrs School and had been an active patient governor for three years, involved with the Clinical Effectiveness Committee, Carers' Strategy Group and was a Governor Ambassador for Voluntary Services.

Governors are required to declare any interests which are relevant and material to the business of the Trust.

Elections held within the reporting period

Council of Governor elections took place between May and June with the results declared on 19 June 2018. Nominations were sought for 11 seats across nine constituencies.

Fourteen nominations were received from people who wished to stand for election including six current Governors seeking reappointment.

Three constituencies were contested: South West Sheffield (public); Nurses and Midwives (staff) and Administration, Management and Clerical (staff).

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

Turnout in the contested seats was as follows:

- Public South West Sheffield - 20.7 per cent
- Staff Nurses & Midwives - 13.1 per cent
- Staff Management, Admin & Clerical - 15.2 per cent

Five new Governors and five reappointed Governors officially started their terms of office on 1 July 2018.

Angela Foulkes, Appointed Governor representing The Sheffield College, joined the Council of Governors from December 2018.

Full details of the composition of the Council of Governors and of the most recent election results are posted on our website at <https://www.sth.nhs.uk/members/elections> and <https://www.sth.nhs.uk/members/meet-the-governors>

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.

Lead Governor

In line with the Foundation Trust Code of Governance, the Council of Governors elects one of the Public Governors to be 'Lead Governor'. This is to act as the main point of contact for NHS Improvement (NHSI) should the regulator wish to contact the Council of

Governors on an issue for which the normal channels of communication are not appropriate.

In 2017 a formal nomination process for the position of Lead Governor was held, through which Patient Governor, Kath Parker, was appointed as Lead Governor.

Strengthening links between the Board and Governors and members

The Board of Directors is committed to working collaboratively with the Council of Governors. Executive and Non-Executive Directors value the role and contribution of Governors and work openly and transparently with the Council.

Although not members of the Council of Governors, Directors attend Council meetings and listen and respond to Governors' views. The Chair of the Board of Directors also chairs the Council of Governors, providing a link between the two.

To strengthen the relationship further the Chair and Non-Executive Directors are invited to attend the quarterly Governors' Forum meetings.

Governors attend the Board of Directors meetings held in public and are invited to meet monthly with the Chair to review and discuss items debated by the Board in its private session. Governors are invited to observe Committees of the Board of Directors to widen their knowledge of Trust business and to support them in fulfilling their statutory duty of holding the Board of Directors to account and assist in their assessment of the performance of Non-Executive Directors.

Directors also attended the Annual Members' Meeting which was held on 12 September 2018.

Non-Executive Directors are invited to join Governors on visits to wards and departments and to attend presentations and seminars arranged for Governors.

Fig: Attendance by Directors at Council of Governors meetings

Name		Attendance (actual / possible)
Tony Pedder	Chair	3 from 4
Tony Buckham	Non-Executive Director	3 from 4
Andrew Cash	Chief Executive (to August 2018)	1 from 1
Hilary Chapman	Chief Nurse (to September 2018)	1 from 1
Anne Gibbs	Director of Strategy & Planning	4 from 4
Mark Gwilliam	Director of Human Resources and Staff Development	4 from 4
Michael Harper	Chief Operating Officer (from August 2018)	3 from 3
David Hughes	Medical Director (from January 2019)	1 from 1
Kirsten Major	Chief Executive / Deputy Chief Executive	4 from 4
Chris Morley	Chief Nurse (from October 2018)	2 from 2
Neil Priestley	Director of Finance	4 from 4
David Throssell	Medical Director (to January 2019)	3 from 3
Candace Imison	Non-Executive Director	3 from 4
Annette Laban	Non-Executive Director	4 from 4
Dawn Moore	Non-Executive Director (to September 2018)	1 from 1
Chris Newman	Non-Executive Director	3 from 4
John O' Kane	Non-Executive Director	4 from 4
Martin Temple	Non-Executive Director	4 from 4

There has also been continued focus on involving the Council of Governors in key developments and issues impacting the Trust. Governors attend monthly Governors' Board Briefing meetings and quarterly Finance Briefings, as well as attending meetings to discuss the Car Park Strategy. They receive regular updates on the IT Strategy and bi-annual updates from the Director of Human Resources and Staff Development. Governors were also involved in the Care Quality Commission (CQC) Well-led review during 2018/19.

Individual Governors attend a range of Trust Committees including:

- Patient Experience Committee
- Infection, Prevention and Control Committee
- Mental Health Committee
- Quality Board
- Patient-Led Assessments of the Care Environment (PLACE)
- Charitable Funds Management Committee
- Clinical Effectiveness Committee
- Carers Strategy Group
- Workforce Race Equality Standard (WRES)
- End of Life Care Group
- PROUD Forum
- Nutrition Support Group
- Food Management Group
- Retail Project Group
- Pharmacy Board

Visits to departments around the Trust were organised for Governors to attend and these included visits to the Spinal Injuries Unit, the Charles Clifford Dental Hospital, the Endoscopy Unit, the Central Food Production Unit and the Stroke Rehabilitation Centre.

Governors also attend presentations from staff regarding Trust services and issues affecting the Trust. During 2018/19 these have included presentations on the Trusts' Psychological Services and the role of the Medical Examiner as well as updates on Sheffield CCG's review of Urgent Care, Safe Staffing, the management of Sepsis and winter planning.

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, while also holding the organisation to account and ensuring we adhere to NHS values. It is one of the ways the Trust communicates with patients, the public and staff.

The Trust has four membership categories:

- **Patients:** anyone aged 12 years or over who has been a patient of the Trust
- **Public:** residents of Sheffield 12 years or over
- **Public Outside Sheffield:** residents of England and Wales, outside Sheffield, aged 12 years or over
- **Staff:** employees contracted to work for the Trust for at least one year.

Membership strategy

The Trust recognises the value and importance of a broad engagement strategy and the newly formed Membership Engagement Group aims to oversee and steer the development of membership engagement across the Trust, championing and promoting public engagement, particularly in respect of volunteering, membership and providing opportunities to enable individuals to become more involved and included in the organisation. The Group is developing a framework around the recruitment of governors from the membership and is promoting equality, diversity and inclusion in the recruitment of governor representation with a particular emphasis on seldom heard groups.

As in previous years, all members were invited to our Annual Members' Meeting (AMM).

Fig: Membership breakdown at 31 March 2019

Constituency	sub-constituency	number of members
Patient membership		3,758
Public membership	North Sheffield	1,952
	Sheffield South East	2,256
	Sheffield South West	1,933
	West Sheffield	2,118
	Outside Sheffield	519
	sub-total	
Staff membership	(sub divided into sub-constituencies listed)	17,252
	Medical and Dental	
	Nursing and Midwifery	
	Allied Health Professionals, Scientists and Technicians	
	Administration, Management and Clerical	
	Ancillary, Works and Maintenance Staff	
	Primary and Community Services Staff	
	grand total	

Remuneration Report

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

The Board of Directors delegate responsibility to a Board Nomination and Remuneration Committee to make decisions on matters relating to the nomination, appointment, remuneration and terms and conditions of office of the Trust's Executive Directors and where appropriate other individuals on locally-determined pay.

The remuneration of Non-Executive Directors is the responsibility of the Council of Governors' own Nomination and Remuneration Committee.

The Board of Directors' Nomination and Remuneration Committee

The Board of Directors' Nomination and Remuneration Committee is chaired by the Trust Chair and its membership includes all Non-Executive Directors.

The role of the Committee is outlined in its Terms of Reference which were last reviewed and approved by the Board of Directors in May 2018. Its responsibilities in relation to remuneration are to:

- Decide upon and review the terms and conditions of the office of the Trust's Executive Directors in accordance with all relevant Trust policies, including:
 - Salary, including any performance-related pay or bonus;
 - Provision for other benefits, including pensions; and
 - Allowances.
- Monitor and evaluate the performance of individual Executive Directors;
- Adhere to all relevant laws, regulations and Trust policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate Executive Directors whilst remaining cost effective;
- Advise upon and oversee contractual arrangements for Executive Directors, including (but not limited to) termination payments and agreements. This also relates to any matter that requires Treasury approval or any matter that may give rise to public concern.

- Determine arrangements for annual salary review for all staff on Trust contracts.

At the invitation of the Committee, meetings are attended by the Chief Executive, the Director of Human Resources and Staff Development and the Assistant Chief Executive, who acts as Committee Secretary.

This Committee determines the reward package of Directors and individuals on locally-determined pay only. The vast majority of staff remuneration is determined in accordance with the national NHS pay framework, Agenda for 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.

In discharging its responsibility for setting the remuneration and conditions of service for the Trust's Executive Directors its key objective is to ensure that the remuneration packages are sufficient to recruit and retain Executive Directors of the calibre required for the successful operation of the Trust, while avoiding paying excessively for this purpose.

The Committee met a total of seven times during 2018/19, attendance at which was recorded. Decisions made by this Committee during 2018/19, in relation to remuneration, are also outlined in the following statement

Fig: Board of Directors' Nomination and Remuneration Committee membership and attendance

Name	Attendance (actual / possible)
Tony Pedder, Chair	7 from 7
Tony Buckham	5 from 7
Candace Imison	5 from 7
Annette Laban	5 from 7
Dawn Moore (until 30 September 2018)	3 from 3
Chris Newman	5 from 7
John O'Kane	4 from 7
Martin Temple	3 from 7

Annual statement on remuneration from the Chair of the Board of Directors' Nomination and Remuneration Committee

I am pleased to present the Remuneration Report for the financial year 2018/19 on behalf of the Board of Directors' Nomination and Remuneration Committee with regard to Executive Directors, and the Council of Governors' Nomination and Remuneration Committee with regard to Non-Executive Directors.

The Remuneration Report outlines appointments and payments made to Trust Executive and Non-Executive Directors in-year and includes the senior managers' remuneration policy.

Major decisions taken on senior managers' remuneration 2018/19

In reporting on remuneration, the Trust has applied the definition of senior managers as proposed within the NHS FT Annual Reporting Manual² and included senior managers who influence the decisions of the Trust rather than the decisions of individual Directorates or sections of the Trust. As well as referring to Executive and Non-Executive Directors, this extends to the Assistant Chief Executive and the Communications and Marketing Director. From August 2018 this has also included the Chief Operating Officer.

In July 2018, the Committee reviewed Executive Director Remuneration and benchmarking information and agreed salary uplifts for 2018/19 with effect from 01 April 2018. Salary

supplements to be paid to individuals acting into interim Director posts until substantive appointments were made were also agreed by the Committee.

Executive Director Remuneration for 2018/19 was set at an appropriate level to recognise the significant responsibilities of directors in foundation trusts of similar size and complexity and to attract and retain individuals with the necessary skills, experience and ability.

The Chief Executive and the Executive Directors participate in annual performance reviews undertaken by the Trust Chair and Chief Executive respectively and the individual's agreed objectives are linked to the Trust's corporate objectives. The Trust does not operate a system of performance related pay.

The processes to recruit to the posts of Chief Executive, Medical Director and Chief Nurse involved in-year consideration of remuneration levels for each these roles. The Board of Directors' Nomination and Remuneration Committee approved recommendations for

²

https://improvement.nhs.uk/documents/3464/FT_Annual_Reporting_Manual_2018-19_-_with_Feb_update_final.pdf

salaries that supported the appointment of candidates with the necessary skills, experience and ability while also retaining the balance within the current remuneration structure for Executive Directors.

In line with guidance around pay for very senior managers, the Trust has sought NHS Improvement and Ministerial opinion for levels of remuneration for these new appointments. The Committee considers that it is appropriate, given the market conditions both at the time of appointment and at present, for all the Trust's Executive Directors to be paid in excess of £150,000³.

In July 2018 the Committee also received a report from external consultants Korn Ferry who had been commissioned by the Trust to undertake a review of a number of senior roles to inform decisions about their pay.

Using the findings from job evaluation and benchmarking this against that of comparable jobs in peer trusts, the Committee was provided with analysis on which to consider and approve pay recommendations for senior managers on spot salaries.



Tony Pedder OBE

Chair of the Board of Directors' Nomination and Remuneration Committee

May 2019

Senior managers' remuneration policy

This section describes the policy relating to the components of the remuneration packages for senior managers.

Element	Policy
Base pay	Base pay is determined using benchmarked data (reviewed annually) in order to attract, reward and retain individuals of the right calibre to lead the delivery of the Trust's aims and priorities.
Pension	Senior managers including Executive Directors are able to join the standard pension scheme that is available to all staff.
Remuneration related to performance	The Trust does not operate a system of performance related pay.
On call payment	Senior managers receive on call payment in line with on call responsibilities
Benefits	The Trust operates a number of salary sacrifice schemes including childcare vouchers and car lease schemes. These are open to all members of staff.
Travel expenses	Appropriate travel expenses are paid for business mileage
Declaration of gifts	As for all employees, senior managers including Executive and Non-Executive Directors must declare and gifts and hospitality according to the Trust's Standards of Business Conduct Policy.
Payments for loss of office	There is no entitlement to any additional remuneration in the event of early termination. During 2018/19 no senior manager (or past senior manager) received payments for loss of office*.

* subject to audit

³ The threshold set out in NHSI guidance above which NHS Foundation Trusts should make a disclosure.

Statement of consideration of employment Conditions elsewhere in the Trust

In determining the pay and conditions of employment for Executive Directors and senior managers, the Board of Directors' Nomination and Remuneration Committee takes account of national pay awards given to the medical and non-medical staff groups subject to national Agenda for Change, or national Medical and Dental Terms and Conditions.

The Trust did not consult with employees when preparing the senior managers' remuneration policy, however annual benchmarked data from comparative teaching hospitals, particularly the Shelford Group, provided by NHS Providers, was used to determine the appropriate remuneration for Executive and Non-Executive Directors during the year.

Executive salaries are in line with national executive remuneration benchmarking, and comprise a transparent process. By using benchmarking guidelines, the Trust ensures that salaries are sufficient to attract and retain high calibre candidates, and are appropriate for the benchmarked role.

Executive Director appointments

Three appointments have been made to the Board of Directors in 2018/19. These appointment processes have been overseen by the Board of Directors' Nomination and Remuneration Committee who put in place arrangements for processes to identify and nominate candidates for the appointment of Chief Nurse, Medical Director and Chief Executive. All three recruitment processes were supported by an external search consultant.

The appointment of Chris Morley as Chief Nurse took effect from 8 October 2018. David Hughes took up his post as Medical Director on 1 February 2019 and Kirsten Major was appointed substantively to the post of Chief Executive with effect from 4 March 2019, following undertaking the role on an interim basis from 1 August 2018.

In order to attract Executive Directors of sufficient calibre, contracts are permanent with appropriate notice periods in line with employment law rather than of a fixed term. This is in line with similar contracts in the sector.

Planned and progressive refreshing of the Board of Directors is achieved through turnover of Non-Executive Directors as terms of office expire and natural turnover of Executive Directors in the progression of their careers. The Board of Directors' Nomination and Remuneration Committee provides oversight of Executive Director succession planning.

The Council of Governors' Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Council of Governors makes recommendations to the Council on the appointment and remuneration of Non-Executive Directors and considers and contributes to the appraisal of the Chair and Non-Executive Directors.

During 2018/19 the Council of Governors approved the Committee's recommendation to appoint Dawn Moore for a second term of office as Non-Executive Director. Dawn subsequently then was unable to take up her second term of office and stepped down from the Board of Directors at the end of September 2018.

The Committee met several times during 2018/19 with its work plan towards the latter half of the year focused on the recruitment and nomination process to fill this Non-Executive Director vacancy on the Board of Directors. This required the committee members' involvement in a schedule of longlisting, shortlisting and an interview panel. A meeting of this Committee was also convened to consider Chair and Non-Executive Director appraisals.

Expenses for Executive and Non-Executive Directors

The expenses for Executive and Non-Executive Directors and Governors are reimbursed on a receipts basis, evidencing the business mileage or actual travel / subsistence costs incurred. Reimbursement rates for mileage are those applied to all Trust employees and do not exceed national guidelines.

Total expenses for 2018/19 are detailed in the table below

Fig: Expenses for Executive and Non-Executive Directors and Governors

	2018/19	2017/18
Executive and Non-Executive Directors		
Number who claimed expenses during the year	12	9
Number of Executives / Non Executives who held office during the year	18	16
Amount claimed in total	£10,629.33	£11,500.34
Governors		
Number who claimed expenses during the year	13	11
Number of Governors who held office during the year	33	37
Amount claimed in total	£6,171.96	£6,564.93

The recommendation that Shiella Wright be appointed as Non-Executive Director from 1 April 2019 was approved at an extraordinary meeting of the Council of Governors held in March 2019.

Remuneration of Non-Executive Directors

The Council of Governors did not change the amount of remuneration paid to the Non-Executive Directors or the Chairman during 2018/19.

In giving consideration to the advertisement of a Non-Executive Director vacancy, the Nomination and Remuneration Committee of the Council of Governors considered levels of Non-Executive Director remuneration for 2018/19 using national benchmarking data.

Table 1 - Single total remuneration for senior managers*

		SINGLE TOTAL REMUNERATION 2018/19			SINGLE TOTAL REMUNERATION 2017/18		
Name	Title	Salary	All pension related benefits	Single Total Remuneration	Salary	All pension related benefits	Single Total Remuneration
		Bands of £5,000	Bands of £2,500	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £5,000
Tony Buckham	Non-Executive Director	15 - 20	-	15 - 20	15 - 20	-	15 - 20
Sandi Carman	Assistant Chief Executive	115 - 120	62.5 - 65	175 - 180	100 - 105	57.5 - 60.0	155 - 160
Andrew Cash	Chief Executive (until 31 July 2018)	85 - 90	-	85 - 90	245 - 250	-	245 - 250
Hilary Chapman	Chief Nurse (until 15 August 2018)	70 - 75	-	70 - 75	180 - 185	42.5 - 45.0	225 - 230
Anne Gibbs	Director of Strategy and Planning (from 1 February 2018)	140 - 145	105 - 107.5	250 - 255	20 - 25	55.0 - 57.5	80 - 85
Mark Gwilliam	Director of Human Resources & Staff Development	170 - 175	100 - 102.5	270 - 275	150 - 155	27.5 - 30.0	180 - 185
Michael Harper	Chief Operating Officer (from 1 August 2018 [#])	80 - 85	52.5 - 55	135 - 140	-	-	-
David Hughes	Medical Director (from 1 February 2019)	25 - 30	72.5 - 75	100 - 105	-	-	-
Candace Imison	Non-Executive Director	15 - 20	-	15 - 20	15 - 20	-	15 - 20
Karen Jessop	Interim Chief Nurse (16 August 2018 - 7 October 2018)	15 - 20	107.5 - 110	125 - 130	-	-	-
Annette Laban	Non-Executive Director	15 - 20	-	15 - 20	15 - 20	-	15 - 20
Kirsten Major	Deputy Chief Executive (until 31 July 2018), Interim Chief Executive (1 August 2018 to 3 March 2019), Chief Executive (from 4 March 2019)	195 - 200	97.5 - 100	290 - 295	165 - 170	52.5 - 55.0	220 - 225
Dawn Moore	Non-Executive Director (until 30 September 2018)	5 - 10	-	5 - 10	15 - 20	-	15 - 20
Chris Morley	Chief Nurse (from 8 October 2018)	70 - 75	260 - 262.5	330 - 335	-	-	-
Chris Newman	Non-Executive Director (from 1 November 2017)	15 - 20	-	15 - 20	5 - 10	-	5 - 10
John O'Kane	Non-Executive Director	15 - 20	-	15 - 20	15 - 20	-	15 - 20
Tony Pedder	Chair	55 - 60	-	55 - 60	55 - 60	-	55 - 60
Julie Phelan	Communications and Marketing Director	110 - 115	40 - 42.5	155 - 160	105 - 110	35.0 - 37.5	140 - 145
Neil Priestley	Director of Finance	185 - 190	-	185 - 190	180 - 185	-	180 - 185
Pam Shaw	Non-Executive Director (until 31 October 2017)	-	-	-	5 - 10	-	5 - 10
Martin Temple	Non-Executive Director	15 - 20	-	15 - 20	15 - 20	-	15 - 20
David Throssell	Medical Director (until 31 January 2019)	140 - 145	-	140 - 145	160 - 165	37.5 - 40.0	200 - 205

[#] Michael Harper became a Participating Director of the Board of Directors under arrangements whereby Kirsten Major, Deputy Chief Executive assumed the position of interim Chief Executive, i.e. from August 2018. Michael has continued as a participating Director of the Board of Directors for the remainder of 2018/19.

Noted on Table 1

No remuneration is paid to any Director by way of any taxable expense payment nor by any form of performance related pay or bonuses. Pension related benefits have been calculated using the HRMC method advised by NHSI in the Annual Reporting Manual. Table 1 was subject to audit.

Table 2 - Total pension benefits*

	Real increase in pension at pension age (£'000)	Real increase in pension lump sum at pension age (£'000)	Total Accrued pension at pension age @ 31.3.19 (£'000)	Lump sum at pension age related to accrued pension at 31.3.19 (£'000)	CETV @ 31.3.18 (£'000)	Real Change in CETV (£'000)	CETV @ 31.3.19 (£'000)
	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	(£'000)	(£'000)	(£'000)
Sandi Carman Assistant Chief Executive	2.5-5	2.5-5	35-40	85-80	529	113	673
Anne Gibbs Director of Strategy and Planning	5-7.5	7.5-10	40-45	95-100	504	142	682
Mark Gwilliam Director of Human Resources and Staff Development	5-7.5	7.5-10	30-35	90-95	548	139	728
Michael Harper Chief Operating Officer (<i>Senior Manager attending Board as Participating Director from 01 August 2018</i>)	0-2.5	0-2.5	30-35	70-75	380	59	492
David Hughes Medical Director (<i>from 1 February 2019</i>)	0-2.5	0-2.5	30-35	95-100	579	18	734
Karen Jessop Interim Chief Nurse (<i>16 August 2018 – 7 October 2018</i>)	0-2.5	0-2.5	30-35	75-80	380	17	522
Kirsten Major Deputy Chief Executive (<i>until 31 July 2018</i>) Interim Chief Executive (<i>1 August 2018 to 3 March 2019</i>) Chief Executive (<i>from 4 March 2019</i>)	5-7.5	5-7.5	55-60	125-130	748	164	963
Chris Morley Chief Nurse (<i>from 8 October 2018</i>)	5-7.5	12.5-15	50-55	150-155	699	140	1,032
Julie Phelan Communications and Marketing Director	2.5-5	0-2.5	35-40	90-95	591	102	727

Notes on Table 2

The Trust is a member of the NHS Pension Scheme which is a defined benefit Scheme, though accounted for locally as a defined contribution scheme. The Trust does not operate nor contribute to a stakeholders pension scheme. Non-Executive Directors are not members of the Trust pension scheme. Disclosure is made in respect of pension benefits for those Directors who were active members of the NHS Pension Scheme during 2018/19 and whose membership was active at 31 March 2019. CETV (Cash Equivalent Transfer Value) is the value of a member's pension fund at 31 March if he/she were to transfer that pension fund on that date. Benefits and related CETVs do not allow for a potential future adjustment arising from the McCloud Judgment.

Table 2 subject to audit.

Hutton Report Disclosure

The Trust is required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce at the reporting period end date on an annualised basis.

The banded remuneration of the highest-paid Director in the Trust in the financial year 2018/19 was £218k compared with £250k in 2017/18. This was 8.48 times the median remuneration of the workforce, which was £25,934. The difference in ratio from 2017/18 was due to a change in remuneration of the highest-paid Director following a change in postholder.

Table 3 - Fair Pay Multiple Statements

	2018/19	2017/18	2016/17
Band of Highest paid Director's total remuneration (midpoint banded remuneration in multiples of £5k)	£217.5k	£247.5k	£252.5k
Median total remuneration	£25,934	£24,733	£24,175
Ratio	8.48	10.01	10.44

Notes on Table 3

The HM Treasury Financial Reporting Manual (FRM), requires the Trust to disclose the median remuneration of the Trust staff and the ratio between this and the mid-point of the banded remuneration of the highest paid director. This calculation is based on full-time equivalent staff of the Trust at 31 March 2019 on an annualised basis.

Table 3 subject to audit.



Remuneration report signed by the Chief Executive

Kirsten Major, 21 May 2019

Staff Report

The staff and volunteers of Sheffield Teaching Hospitals NHS Foundation Trust are the reason for our continued success. Our 17,000-plus workforce is vital to ensuring we continue to deliver high quality care. Without them we would not be able to deliver the standard of care, or offer the range of clinical services, that we do.

Following the launch of our People Strategy, we are dedicated to ensuring that our staff experience Sheffield Teaching Hospitals as a brilliant and personal place to work. We focus on our ten workstreams which allows us to give our staff the best opportunities to put patients first.

We have continued to work with our PROUD values into the Trust's ethos.

The PROUD values are:

- **Patients First** - Ensure that the people we serve are at the heart of what we do
- **Respectful** - Be kind respectful, fair and value diversity
- **Ownership** - Celebrate our successes, learn continuously and ensure we improve
- **Unity** - Work in partnership with others
- **Deliver** - Be efficient, effective and accountable for our actions

Our PROUD values and behaviours underpin the way in which we all work and deliver the best of services at all times. We strive to achieve exceptional engagement and leadership, ultimately delivering the best for our patients.

We continue to recognise the great work that individuals and teams carry out via our Thank You Awards and our Give it a Go Week.

Working with our staff

Statement on 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 part of our underpinning workforce strategy to employ caring and cared for staff.

We recently received the results of our 2018 staff survey and are actively reviewing this feedback to identify themes that we can work with our staff to improve their experience at work. More detail is included within the Quality Report section and our full survey results are available at:

www.nhsstaffsurvey.co.uk

Through the launch of our new Employee Assistance Programme we have further developed the accessibility of information on staff engagement, rewards and benefits, and

health and wellbeing initiatives, via our social media pages and on line portals.

We continue to look at new ways of supporting our staff and this year, with the help of the Chaplaincy Department, we have introduced more mindfulness sessions for staff and managers together with health, wellbeing and resilience sessions. Staff are also able to access the Headspace mindfulness and meditation app.

The Trust has a well-established Trust-wide Partnership Forum where policies and procedures are formally agreed and wider views sought on a broad range of subjects that may affect staff. Our Council of Governors is another forum for consultation, membership of which includes staff representatives. This

Annual Report outlines the involvement of Governors in a number of areas including the development of our quality priorities.

The Trust participates in the staff Friends and Family Test three times a year as well as undertaking a full census staff survey once a year. Engagement events have been held across the Trust, particularly in clinical areas, to discuss the findings of the Friends and Family Test results. The Trust Executive Group continues to spend time in clinical and non-clinical departments to take the opportunity to meet with staff and listen to their feedback. The Chair meets regularly with Staff Governors, and the Board of Directors meet staff and regularly recognise their efforts.

The Trust continues to hold a variety of events for staff to encourage staff involvement and promote the sharing of good practice including Departmental Timeouts, the Sharing of Good Practice Festival, Leadership Forums, Give It a Go and the Microsystems Academy Expo, to name a few.

National staff survey

As noted above, each year the Trust takes part in the national staff survey. This survey provides invaluable information to ensure that the views of staff are heard and appropriate responses to feedback are given.

Diversity and inclusion

The Trust aims to create a diverse and inclusive workforce that attracts and engages diverse, talented individuals and promotes creativity, celebrates difference and enhances the character, potential and culture of our organisation.

A key workstream of the People Strategy, 'Promoting and valuing difference' is leading a programme of work, overseen by the Equality and Diversity Board. This new Board will look at how we take forward work which covers, not just issues relating to race and ethnicity, but all of the nine 'protected characteristics' which are included in the Equality Act. The strategic objectives for the organisation are to:

- Further develop an organisational culture that is inclusive, aware, conscious and adaptable to diversity in order to embrace and realise the talents and potential of our staff and wider population
- Support all our people in undertaking their roles at work without fear of discrimination of any form from patients or staff
- Enable our staff from protected backgrounds to have a stronger voice in the organisation
- Achieve a workforce more representative of our population from Board to ward, in respect of all protected characteristics and increase the transparency and profile of our metrics on this agenda
- Be recognised as an organisation that embraces diversity and inclusion
- Improve awareness of cultural difference, including unconscious bias and aim to embrace transformational ideas to improve diversity in attraction, recruitment and development processes
- Work with staff from diverse groups to enable them to achieve their potential and ensure tailored development plans are created.

During 2018/19 the Trust has started work in partnership with a number of Black, Asian and Minority Ethnic (BAME) group colleagues working in different areas and job roles within the Trust. As a result of this work we have already changed some of our recruitment processes which has resulted in a significant improvement in the diversity of applicants.

The Trust has been using weekly communications to share information about different cultural and religious events, traditions and festivals to help raise awareness and celebrate our diversity. To mark Lesbian, Gay, Bisexual and Transgender (LGBT) history month in February 2019, the Trust raised the LGBT rainbow flag at both sites and shared information during the month to increase awareness of this important celebration.

ReMEDI Reverse Mentoring Scheme

The Trust has collaborated with Stacy Johnson, Associate Professor and Researcher at the University of Nottingham, to pilot a scheme using the Reverse Mentoring for Equality, Diversity and Inclusion (ReMEDI) framework.

Twelve Black, Asian and Minority Ethnic (BAME) staff were recruited to reverse mentor twelve Trust Board Directors. Some of the aims of the scheme were to be a pilot site to test the framework; raise the mentee's awareness of what it was like to be a BAME member of staff working for the Trust, and identify the work required to create a more inclusive organisational culture.

The mentors met the mentees over a period of approximately six months, on a monthly basis, to discuss issues important to them and also to observe or shadow one another.

Freedom to Speak Up Guardians

The Trusts' Freedom to Speak Up Guardians, supported by the Freedom to Speak Up Steering Group, have focused on expanding our support infrastructure for employees wishing to raise concerns. This has included the recruitment of a new Guardian following a retirement.

Twenty eight Advocates have been trained across all Trust sites. Further training is scheduled which will increase numbers of Advocates. Regular communication bulletins including profiles of Guardians and Advocates have been issued to increase awareness of these roles across the Trust.

The Trust's Freedom to Speak Up Steering Group has reviewed national guidance for NHS Boards on Freedom to Speak Up. In line with this guidance an action plan has produced, and is being progressed to build on work already in place. This Steering Group also oversees the management and progress of all Raising Concerns at Work cases.

Supporting our staff

The Trust continues to provide learning and development opportunities for all staff.

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

Leadership and Management Development

Two key workstreams of the People Strategy focus on developing existing and future leaders at the Trust; these are 'Teamwork and leadership for excellence' and 'Talent management and development'. During 2018/19 there has been an extensive programme of work connected to these workstreams to help develop our leaders and embed our values.

Insights Discovery has been used with 255 staff in the last 12 months and has supported many individuals and teams explore leadership styles and preferences to support effective team working and help staff achieve their potential, enabling the best care and outcomes for our patients. Around 14 per cent of the Trust's workforce now has an insights profile with further coverage planned for 2019/20.

Through our range of programmes and personal development interventions such as coaching and mentoring, we work with staff to build leadership capability that maximises team performance and builds the talent and succession pipeline. There are a range of programmes that have taken place during 2018/19.

Effective Management Series (EMS)

During 2018 both Appraisal and Recruitment and Selection were integrated into EMS along with the addition of a new session on 'Delivering Powerful Presentations'. These additions bring the total of subjects covered to 13 delivered over the year. There are plans in place for more to be added during 2019.

During 2018/19 over 280 staff have attended EMS sessions, developing the key skills for managing individuals and teams, in line with PROUD values and Trust policies.

Institute for Leadership and Management Skills (ILM)

Since the course began in 2011, 351 candidates have achieved the ILM level 3 Award / Certificate (60 in 2018/19). A wide range of staff continue to access this course with applications already in place for two cohorts in 2019. Cohort one of ILM 5 commenced in April 2018 in partnership with The Sheffield College, Sheffield Health and Social Care NHS Foundation Trust and Sheffield Children's NHS Foundation Trust. Our Trust has 18 places on this two year course.

Graduate Management Scheme (GMS)

The scheme was developed to attract, develop and retain high calibre individuals, aiming to "grow our own" talented leaders for the Trust for the future; ultimately aiming to improve pools of candidates for management roles at all levels. There are now 12 GMS trainees in two cohorts.

Sheffield Liminal Leadership Experience

Funded by an NHS Leadership Academy Innovation award, the Trust collaborated with ten partners from across the Sheffield Accountable Care Partnership (ACP), to develop a five day pop-up leadership development programme which encouraged managers in this 'liminal' state to disrupt their leadership thinking as they move from silo to system working. Twenty eight participants from 11 different organisations accessed new tools and techniques to work collectively on locally focussed challenges. The model is being replicated for two future intakes by the Sheffield ACP during 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.

We have launched a new Employee Assistance Programme, which is accessible 24 hours a day, seven days a week, ensuring that our staff have the right level of support when they need it most. We have continued with health checks for staff as well as offering free self-referral physiotherapy.

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

Staff health and safety and incident management

The Trust is committed to protecting the health, safety and welfare of staff, patients, visitors and others. We have in place robust health and safety management systems to ensure that risks to health and safety are identified, evaluated and controlled to minimise harm. A trust-wide audit of the occupational health and safety management system was undertaken this year and the findings are enabling the development of an occupational health and safety strategy that is focussed on building on and areas of excellent practice.

An annual health and safety performance report is presented to the Healthcare Governance Committee along with six monthly

Staff Health and Wellbeing

reports relating to staff incidents and employer and public liability claims.

The graph below shows the number of incidents reported over the last three years involving staff (including bank / agency), members of the public, students and contractors. In addition to monitoring incident data centrally, it is monitored at Directorate level via formal governance management processes.

The Occupational Safety and Risk Committee meets monthly and reviews reports, policies, risk assessments and incident data relating to occupational health and safety. The committee has representation from across all Clinical Directorates along with relevant disciplines including Estates and Hotel Services. Staff Side representatives also attend these meetings.

A key area of focus over the past 12 months has been the management of violence and aggression, with a multi-disciplinary working group being established to develop a programme of work to minimise incidents and risks relating to violence and aggression.

Fig: Total number of incidents by work group

Total number of incidents by work group	2016/2017	2017/2018	2018/2019
Incident involving contractor	51	44	30
Incident affecting member of public	211	284	238
Incident involving student	87	48	60
Incident involving member of staff	1824	1978	1742

Staff analysis

Staff numbers

Fig: Average number of persons employed (Contracted Whole Time Equivalent basis)

	2018/19			2017/18		
	Permanent	Other	Total	Permanent	Other	Total
Medical and Dental	1,742	44	1,786	1,657	47	1,704
Administration and estates	2,973	29	3,002	2,945	25	2,970
Healthcare assistants and other support staff	1,645	221	1,866	1,626	218	1,844
Nursing, midwifery and health visiting staff	5,569	109	5,678	5,635	112	5,747
Scientific, therapeutic and technical staff	2,574	21	2,595	2,491	20	2,511
Healthcare science staff	155		155	158		158
Total average numbers	14,658	424	15,082	14,512	422	14,934

Information in figure was subject to audit

Gender of staff

On 31 March 2019 the Trust Board of Directors had thirteen voting members, nine male and four female. Women represent 51 per cent of senior staff at band 8 and above. The current Trust headcount at 31 March 2019 was 17,252. Female employees comprised 76.9 per cent of the workforce and 23.1 per cent were male.

It became mandatory for public sector organisations with over 250 employees to report annually on their Gender Pay Gap. Analysis for 2018 indicates that for our Trust there is an average hourly pay gap in favour of men of 23.7 per cent. This is largely accounted for by the fact that we have a male dominated workforce in senior medical (consultant) posts. High level actions in place to address this gap include:

- Continue to deliver on our People Strategy which prioritises equality, diversity and inclusion.
- Continue to work with Athena Swan and Sheffield Women in Medicine (SWIM) and develop women in our medical workforce
- Consider how we can attract more men into the organisation to work in unregistered roles to create a more gender balanced workforce.

Staff sickness absence data

The overall sickness absence level for the year was 4.0 per cent. Figures showing average sick days per Full Time Equivalent (FTE), rather than overall sickness absence as a percentage, are below, with data having been provided by the Department of Health and Social Care, and based on the 2018 calendar year.

Fig: Staff sickness absence data[#]

Average FTE 2018	Adjusted FTE days lost	Average sick days per FTE	FTE – days available	FTE – days lost to sickness absence
14,579.96	131,542.94	9.02	5,321,686	213,392

[#] source: Department of Health and Social Care

Staff costs

Fig: Analysis of staff costs

	2018/19		Total £000	2017/18 Total £000
	Permanent £000	Other £000		
Salaries and wages	528,744	12,692	541,436	515,055
Social security costs	46,990		46,990	45,199
Apprenticeship levy	2,545		2,545	2,429
Employer's contributions to NHS Pensions	62,428		62,428	59,438
Pension cost – others	230		230	103
Agency / Contract Staff		9,757	9,757	11,016
Total	640,937	22,449	663,386	633,240

Notes

The above figure of £663,386k is net of the amount of £1,435k (2017/18 £548k) in respect of capitalised salary costs included in fixed asset additions (notes 8.1 and 9.1 to the accounts).

In 2017/18 the capitalised salary recharge value includes retrospective VAT recovery on contractor charges. The VAT recovery position was concluded with HMRC in April 2017.

Information in figure subject to audit

Exit packages

The table below summarises the total number of exit packages agreed during the year.

Fig: Compensation scheme - exit packages

Exit package cost band (including any special payment element)	Staff exit packages			Staff exit packages		
	2018/19		Total exit packages	2017/18		Total exit packages
Compulsory redundancies	Other departures agreed	Compulsory redundancies		Other departures agreed		
< £10,000	0	0	0	0	0	0
£10,001 - £25,000	2	0	2	0	0	0
£25,001 - £50,000	0	0	0	0	0	0
£50,001 - £100,000	1	0	1	0	0	0
£100,001 -£150,000	1	0	1			
Total number by type	4	0	4	0	0	0
Total resource cost (£000)	238	0	238	0	0	0

Notes

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Pension Scheme. Exit costs in this table are the full costs of departures agreed in the year. Where Sheffield Teaching Hospitals NHS Foundation Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

There were no non-compulsory departures / departure payments in either 2018/19 or 2017/18.

(Information subject to audit)

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations require public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of trade union facility time within their organisation.

Fig: Relevant union officials - Total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
77	14,482.82

Fig: 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 per cent, b) 1 per cent – 50 per cent, c) 51 per cent – 99 per cent or d) 100 per cent of their working hours on facility time?

Percentage of time	Number of employees
0%	5
1-50%	67
51-99%	3
100%	2

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

First column	Figures
Provide the total cost of facility time	£ 250,060
Provide the total pay bill	£614,187,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.040%

Fig: 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: 1146 hours / 16940 hours (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	6.77%
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Off payroll engagements

The Trust has identified five off-payroll engagements remunerated at more than £245 per day which have lasted for between one and three years up to 2018/19. In addition, a further two engagements have been identified which are new for 2018/19. Of these new engagements, all were assessed as within the scope of IR35. In all cases, assurances and appropriate actions have been taken to ensure the appropriate declaration of income tax and national insurance are made to HMRC.

A total of 21 individuals have been deemed 'Board members and/or senior officials with significant financial responsibility' during 2018/19, all of which were on-payroll engagements

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

Number of existing engagements as of 31 March 2019	5
Of which	
No. that have existed for less than one year at time of reporting	0
No. that have existed for between one year and two years at time of reporting	2
No. that have existed for between two years and three years at time of reporting	3
No. that have existed for between three years and four years at time of reporting	0
No. that have existed for between for four or more years at time of reporting	0

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

Number of new engagements, or those that reach six months in duration, between 1 April 2018 and 31 March 2019	2
Of which	
Number assessed as within the scope of IR35	2
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contacted to trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Fig: For all off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019

Number of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed Board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements	21

Compliance with NHS Foundation Trust Code of Governance

Sheffield Teaching Hospitals 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 Trust continues to seek to comply with the NHS Foundation Trust Code of Governance (the Code) which is issued to assist NHS Foundation Trust Boards develop their governance arrangements in line with best practice.

The Code operates on a 'comply or explain' basis and foundation trusts are required to report on how they apply the Code within their Annual Report. While there is a requirement to adhere to the main principles of the Code, so long as reasons for any deviation from individual code provisions are explained and that alternative arrangements reflect the main principles of the Code, non-compliance is permitted.

Compliance with the Code

The Board of Directors considers the Trust compliant with main principles of the NHS Foundation Trust Code of Governance.

Details of how the Trust has applied the Code principles and complied with its provisions are set out in relevant sections of this Annual Report. In seeking to continually develop its governance arrangements, where action has been identified to further strengthen compliance against a Code provision this has also been described.

The disclosures required by the Code in relation to the roles and activities of the Board of Directors, its statutory committees and the Council of Governors and Membership are outlined earlier in the Accountability Section of this report.

Required statements of disclosure relating to the functioning of the Nomination and Remuneration Committee are contained within the Remuneration Report.

A review of compliance against individual code provisions has been undertaken. Explanations for areas of non-compliance are outlined here:

B.7.4 *“Non-Executive Directors, including the Chairman, should be appointed by the Council of Governors for specified terms subject to re-appointment thereafter at intervals of no more than three years and to the 2006 Act provisions relating to the removal of a Director.”*

Following detailed review of the Trust's Constitution in 2014/15, it was agreed by the Council of Governors and the Board of Directors to maintain the term of office for Non-Executive Directors at four years, rather than the three years as recommended in the Code.

The Trust believes that this provides the Board of Directors with additional stability and continuity without compromising independence.

Arrangements are in place for a review of independence to be undertaken routinely as part of each second term re-appointment and a statement is made within the Annual Report by the Board of Directors with regard to each Director's independence.

In May 2018 the Council of Governors gave early consideration to the end of the current Chair's second four-year term of office which is due to expire on 31 December 2019. While paying due regard to current length of tenure in respect of determining independence, the Council of Governors resolved to extend the

tenure of Tony Pedder by a one year extension from 1 January 2020. This recommendation by the Council of Governors' Nomination and Remuneration Committee was made on the basis of exceptional circumstances and the need to maintain stability on the Board of Directors in light of the planned retirement of the Chief Executive and Chief Nurse.

D.2.3 *"The Council of Governors should consult external professional advisers to market-test the remuneration levels of the Chairperson and other Non-Executives at least once every three years and when they intend to make a large change to the remuneration of a Non-Executive."*

The Council of Governors has not appointed external professional advisors to market-test the remuneration levels of the Chair and other Non-Executive Directors but the Trust participates in NHS Providers remuneration surveys and other industry benchmarking exercises.

The most recent formal external review of Director remuneration was undertaken in 2013/14 by the Hay Group. The Council of Governors would be supported to consider approaching advisors before making any material change to Non-Executive Director remuneration.

B.6.2 *"Evaluation of the Boards of NHS Foundation Trusts should be externally facilitated at least every three years."*

While not commissioning an independent review, the Board of Directors has undertaken facilitated self-assessment of its leadership and governance arrangements using the Well-led framework.

Supported by its Internal Auditors, this developmental review undertaken in April 2018 identified some clear areas for development, focus on which was placed in preparation for the Trust's June 2018 Care Quality Commission (QCQ) inspection and its Well-led component.

Regulatory ratings

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 (1). This segmentation information is the Trust's position as at April 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				2017/18 Scores			
		Q4	Q3	Q2	Q1	Q1	Q2	Q3	Q4
Financial stability	Capital service capacity	1	1	2	3	2	2	1	1
	Liquidity	1	1	1	1	1	1	1	1
Financial efficiency	Income and Expenditure (I&E) margin	1	2	3	4	4	3	2	2
Financial controls	Distance from financial plan	1	1	2	1	1	1	1	1
	Agency spend	1	1	1	1	1	1	1	1
Overall scoring		1	1	2	3	3	2	1	1

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



Kirsten Major, Chief Executive
21 May 2019

Statement of Accounting Officer's responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Sheffield Teaching Hospitals 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 Sheffield Teaching Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Sheffield Teaching Hospitals NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and

explain any material departures in the financial statements

- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy, and
- prepare the financial statements on a Going Concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act.

The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed



Kirsten Major

Chief Executive

Date: 21 May 2019

Annual Governance Statement 2018/19

Scope of responsibility

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

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Directors is responsible for reviewing the effectiveness of the system of internal control and for ensuring that the Trust has effective systems and structures in place for managing all types of risk that threaten the Trust's ability to meet its aims and objectives, and the achievement of its values.

A Board-approved Risk Management Policy supports an integrated approach to risk management and defines the framework and processes in place to identify, manage and eliminate or reduce risks to a tolerable level. It clarifies accountability arrangements for the management of risk within the Trust, setting

out the responsibility of Executive Directors and Senior Managers in respect of leadership in risk management and confirming the role that all staff within the organisation have in relation to responsibility for the identification and reporting of risks and incidents.

The committee structure of the Board of Directors provides assurance on, and challenge to, the Trust's risk management process. Each chaired by a Non-Executive Director to enhance independent scrutiny, these committees 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 assurance reporting to the Trust Board of Directors. Executive Directors provide leadership on the management of key areas of risk commensurate with their roles and are represented across the Board committee structure.

With delegated authority from the Board of Directors, the Audit Committee has overall responsibility for integrated governance, risk management and internal control. It oversees the system of internal control and governance and overall assurance process associated with managing risk to ensure that risks to the delivery of the Trust's services are identified and addressed. Strategic risks are reported to the Board of Directors and Audit Committee via the Integrated Risk and Assurance Report (IRAR).

Structured around principal risks to delivery of the Trust's strategic objectives identified and risk assessed by the Trust Executive Group, the IRAR reports the controls in place to

mitigate and manage the risks, and the assurances available to indicate that the controls are effective. Detailed scrutiny of controls and assurances is performed by a relevant Board Committee. The Healthcare Governance Committee, Finance and Performance Committee, Human Resources and Organisational Development Committee each have oversight responsibility for sections of the IRAR within the remit of their own Terms of Reference. Via their Non-Executive Chair, each reports formally to the Board of Directors, to confirm delivery of assurance or escalate matters as necessary.

Local risks are reported and entered onto the Trust's Risk Register via Directorate Governance Boards (or equivalent) and Trust management committees, such as the Patient Safety and Risk Management Committee and the Occupational Health Risk Management Committee. Other specialist risk groups with specific risk management responsibilities, for example, the Infection Prevention and Control Committee, Radiation Safety Steering Group and Information Governance Committee also support this practice.

Staff training and guidance on the management of risk

Mandatory risk management and health and safety awareness training are incorporated within the Trust's induction programme for all new starters. The frequency and level of risk management training is identified through training need assessments, ensuring 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's 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 are actively encouraged to access them to ensure that they understand their own roles and responsibilities. The Department of Patient and Healthcare Governance provides additional support, guidance and expert advice to staff on risk management.

The Trust takes all opportunities to learn from good practice and has a breadth of mechanisms in place to support this. These range from clinical supervision, reflective practice, peer review work and clinical audit. Learning from root cause analysis investigations and information such as trends in incidents, complaints and claims is used to continually enhance and improve standards of patient care by feeding into our quality improvement programme. Major reports from healthcare regulators are also routinely used to identify learning from significant incidents and events in other healthcare organisations.

The risk and control framework

Risk Management Policy

As referred to above, a framework for managing risks across the Trust is provided through a comprehensive Board-approved Risk Management Policy. This describes the Trust's overall risk management process, within which the operation of an Integrated Risk and Assurance Report (IRAR), and Directorate, specialist and Trust-wide risk registers ensures that risk management is an integral part of clinical, managerial and financial processes across the Trust.

The policy defines the role of all staff in managing risks and clearly outlines a systematic approach to the identification, evaluation and control of risk, which commences with a structured risk assessment process. Adopting a single standard assessment tool to identify risks ensures a consistent approach is taken to the evaluation and monitoring risk across the Trust. Additionally, the use of a grading matrix of likelihood and consequence to produce a risk score enables risks to be prioritised against other risks on risk registers. Local risks with a score of three or below are managed in the area in which they are identified; with all risks graded as above three are entered onto the Trust Risk Register.

A target risk score is assigned to each risk to ensure that risks are controlled within a timely manner and to an acceptable level. The Board of Directors has developed a risk appetite statement that clearly articulates what

risks it is willing or unwilling to accept in order to achieve the Trust's strategic objectives.

This statement 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.

Risk control measures are identified and implemented by action plans to achieve the target level of risk. Oversight of these action plans takes place at a local or corporate management level and risks considered by the Trust's Risk Validation Group (RVG) are all reported to the Trust Executive Group (TEG) in line with its responsibility for operational management of risk. The RVG is responsible for reviewing locally approved new and existing risks scored as four and above, to validate the risk score; to scrutinise and challenge the adequacy of the risk description, the controls and the mitigating action plan; and to consider any cross-cutting issues and the implications for risk aggregation. This group reports to the Patient Safety and Risk Committee, to the Occupational Safety and Risk Committee and to TEG on a monthly basis. Reporting to TEG forms part of the standing operating procedure for the management of the IRAR.

The IRAR is a mechanism for proactively assessing risk and control at the very highest level and seeks to provide assurance that there is effective management of key risks to the delivery of the Trust's strategic objectives.

Quality governance arrangements

The Trust's quality governance and leadership structure ensures that the quality and safety of care is being routinely monitored across all services. The robust quality performance, risk management processes and reporting mechanisms in place to review and challenge performance and variation can be outlined as follows:

- Board oversight of quality issues through the Healthcare Governance Committee; a formal committee of the Board providing assurance that adequate quality governance structure,

processes and controls are in place across the Trust for the continuous monitoring and improvement of safe and effective patient care.

- A clear and embedded framework described within a Healthcare Governance Arrangements Policy and Framework for Delivery which ensures consistency of structures, systems and processes for local governance and risk management arrangements across Clinical Directorates and Corporate Departments.
- A Board-approved Quality Strategy 2017-2020 setting out a structure and process for selecting and overseeing the implementation of annual quality priorities with involvement from patients, staff, Governors and other key stakeholders.
- Well embedded reporting arrangements to the committee structure of the Board via a supporting framework of Executive-led sub committees and management groups. This involves monthly consideration of an Integrated Performance Report (IPR) presenting RAG rated performance and exception narrative for national and local performance standards at a Trust and Directorate level. From November 2018, reporting arrangements have included quarterly consideration of an Integrated Quality Report bringing together incidents, claims, inquests, patient feedback, complaints, risk and clinical audit data.
- A deep dive analysis of performance on an agreed specific topic of interest presented to each part one session of the Board of Directors meeting.
- Open and honest culture of reporting of incidents, risks and hazards promoted by the Board of Directors and supported by structured processes including online reporting systems for incident reporting and the investigation of Serious Incidents. This is evidenced by latest available National Reporting and Learning System (NRLS) data (covering

October 2017 – March 2018) which places the Trust in the mid-quartile range for incident reporting.

- There are also clear and transparent processes for sharing lessons learned following investigation with reports shared at Directorate and Trust-wide level through relevant committees and groups. Learning from complaints, clinical audits, external visits, inspections and accreditations and from patient feedback is also cascaded from 'ward to board', across clinical and non-clinical areas through the Patient Safety and Risk Committee, Occupational Safety and Risk Committee and Healthcare Governance Committee.
- Observations of the quality of care undertaken through visits made by Board Members and Governors to Clinical and Non-clinical Departments.

Quality of performance information

The Trust's Data Quality Steering Group ensures a continued focus on data quality issues. In setting the direction of the Trust's Data Quality Programme and overseeing its delivery, this group receives regular progress reports from the Data Quality Operational Group and monitors Trust performance against the national Data Quality Maturity Index (DQMI).

The Group promotes whole organisation engagement in good data quality, receives and approves remedial action plans where lapses in data quality have occurred, and monitors action plan progress and effectiveness. Reporting into TEG and the Audit Committee, the Group undertakes regular reviews of strategic risks associated with data quality and escalates these as necessary.

Reviews of data quality and the accuracy, validity and completeness of Trust performance information are also considered by the Audit Committee through in-year review work undertaken by internal and external audit. During 2018/19 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.

Data security

The reporting and management of both data and security risks are supported by ensuring that all employees of the Trust are reminded of their data security responsibilities through education and awareness. Over 15,000 staff members completed updated information governance staff training in 2018/19. 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 is 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 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 Security and Protection Toolkit score and reports of other information governance incidents and audit reviews.

Well-led framework

The Board of Directors undertakes routine annual self-assessments against the 'well-led framework' (NHSI, June 2017) and uses this as a key instrument to critically evaluate the Trust's quality governance arrangements. The Trust's most recent review, undertaken in April 2018, involved facilitated self-assessment supported by our internal auditors. Board member survey work and one to one interviews with lead Executive Directors complemented a desktop review of evidence and generated for discussion with the Board of Directors a baseline assessment of Trust compliance for each Key Line of Enquiry.

This review identified some clear areas for development. Focus was placed on these areas as part of preparation for the Trust's June 2018 Care Quality Commission (CQC) inspection and, in particular, the well-led assessment component. The Trust continues to progress recommendations from each of these assessments, and from its own internal Board effectiveness review work, to continually develop its leadership and governance arrangements.

Assurance on Care Quality Commission (CQC) compliance

The Trust's risk and performance management arrangements inherently support the monitoring of ongoing compliance with the requirements for registration set by the CQC. Any risk to compliance identified through routine performance monitoring is escalated through the Trust's risk management framework and entered, as appropriate, onto the IRAR as a risk to the delivery of a Trust strategic objective.

A range of mechanisms is in place to monitor compliance with the CQC's five domains of safe, effective, caring, responsive and well-led. The Board of Directors reviews a range of metrics on patient experience, clinical effectiveness and patient safety reported within the quarterly Integrated Quality Report presented to the Healthcare Governance Committee. This Committee also receives a monthly report on CQC compliance which provides updates on delivery of the Trust's own CQC action plans and reports the publication of findings from external CQC reviews and CQC national surveys.

The Trust was inspected by the CQC in June 2018 and maintained an overall rating of 'Good' with many services rated as 'Outstanding'. The inspection report identified some areas for improvement and a programme of work is in place to address these, with reporting of progress against this action plan integrated into the Trust's monitoring and assurance process.

Major risks

The principal risks to delivery of the Trust's strategic aims are recorded in the IRAR and monitored quarterly through the Board committee structure. The inclusion of relevant high level operational risks entered onto the Trust's Risk Register identifies current risks which could impact on the delivery of strategic aims.

Moving forward into 2019/20 the organisation's key risks aligned to the Trust's strategic aims can be categorised under the following themes:

- The Trust fails to deliver and continuously improve safe, high quality care and to focus on the development of effective health promotion strategies meaning we are unable to maximise the health outcomes of our patient population;
- Patient outcomes are compromised and services fall below reasonable public expectations because we fail to see patients in the appropriate setting or fail to have the right infrastructure in place to support safe, efficient and co-ordinated delivery of care;
- We fail to develop and sustain a healthy, diverse and engaged workforce with optimum skill mix leading to poor levels of staff morale and attendance, deterioration in the reputation of the Trust as a good employer and difficulties in recruiting and retaining staff;
- Our financial position becomes unsustainable as a result of failing to deliver our financial plan by controlling costs, building efficiencies and transforming ways of working; and
- Failing to deliver excellent research, education and innovation impacts on the Trust's status as a leading teaching hospital.

Specific risks faced by the Trust in 2018/19 that will require continued mitigation in the year ahead include increasing demand and constraints in clinical capacity in a number of specialities impacting on delivery of key operational standards, workforce shortages including nurse staffing, and delivery of a very challenging efficiency programme.

The Trust also faced an unexpected risk in 2018/19 when the Robert Hadfield Building had to be temporarily closed. Potential operational, workforce and financial risks were mitigated and there is ongoing risk monitoring.

Looking ahead, and in the context of work being undertaken in partnership with other organisations in Sheffield and in the subregion 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.

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 of Directors 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 of Directors prior to final approval.

All elements were confirmed when reviewed in May 2019 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 Board committees
- Reporting lines and accountabilities between the Board of Directors, its 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 of Directors has over the Trust's performance.

Engagement with public stakeholders in risk management

The Trust engages public stakeholders in identifying and managing risks which may impact on them in a number of ways:

- As a Foundation Trust the organisation aims to make best use of its membership and of its Council of Governors. Through relevant working groups, Governors are kept apprised of proposed changes, including how potential risks to patients will be minimised. We also take opportunities to engage the Council of Governors on key issues and risks by consulting them on the development of our annual Operating Plan.
- Through a Quality Board, reporting into the Healthcare Governance Committee, which incorporates stakeholder membership including staff, Governors, Healthwatch Sheffield and voluntary and community sector representation. This Board is responsible for overseeing the production of the Trust's annual Quality Report and involved in the selection of the Trust's quality priorities.
- The Trust employs a wide range of methods to capture feedback from patients, their families and carers including comment cards, national and local surveys, social media, complaints, and the Friends and Family Test, acknowledging the value of this feedback as an early warning mechanism within its risk management processes.

Assurance that staffing processes are safe, sustainable and effective

Our staffing governance processes are safe, sustainable and effective and have been developed in line with National Quality Board guidance and recommendations within 'Developing Workforce Safeguards', (NHSI 2018). This is to ensure that the Trust deploys sufficient suitably qualified, competent, skilled and experienced staff, that there is a systematic approach to determine staffing levels and that this reflects current legislation and guidance.

Optimal staffing on our wards and departments is critical to providing safe, high quality care to our patients. We keep staffing levels and skill mix under constant review to ensure that each ward area is staffed according to real-time need and in line with best practice staffing models. The Trust's Nursing and Midwifery Staffing Escalation Policy clearly defines the dynamic systems and processes that function daily to ensure that any shortfalls in staffing are mitigated and these are further supported by daily nurse staffing meetings to consider plans for staffing over the next 24 hours and an on-site senior nurse 24 hours a day.

We display both the actual and planned staffing levels on all our wards on a shift by shift basis, publishing this information on our website. In line with national guidance, present an exception report through the Human Resources and Organisational Development Committee to the Board of Directors setting out those wards where staffing capacity and capability falls short of the plan, the reasons for the gap and the impact and actions being taken to address it. From 2019/20, our monthly reporting will be refreshed to allow updated quality metrics to be triangulated with staffing deployment.

Continuous monitoring of patient outcomes and quality indicators inform establishing nurse staffing levels and we use a range of tools to do this including a nursing and midwifery quality dashboard and ward monitoring systems. Twice a year each inpatient clinical area assesses the care needs

of patients in their ward / department, using an evidence-based tool to help determine the Nurse/Midwifery staffing required to provide safe, compassionate and effective care. In Nursing the tool is the Safer Nursing Care Tool (SNCT) and in Midwifery it is Birthrate+.

Informed further by professional judgment and evaluation of outcome measures, this establishment review is reported twice a year through the Human Resources and Organisational Development Committee to the Board of Directors, with the most recent report presented in February 2019.

As part of the Trust's annual business planning cycle, the planning of our workforce identifies staffing pressures, proposed service changes and other factors affecting our workforce provision. In July 2018, the Trust launched its People Strategy; a key element of which is our Workforce Redesign, Innovation and Planning (WRIP) workstream. Any planned workforce redesign or introduction of new roles is the subject of a full quality impact assessment review. Examples of where impact assessment reviews have taken place have included the development of Nursing Associates and Physician Associate roles which we refer to earlier in this Annual Report.

Recognising the value of all clinical staff the Trust regularly undertakes capacity and demand reviews to ensure the sufficiency of staff and has methods of escalation in place should any concerns regarding staffing levels be raised. All identified risks are assessed and logged onto Datix with mitigations put in place and closely monitored.

Recruiting sufficient numbers of appropriately qualified clinical staff, particularly nursing staff to be able to treat our growing number of patients, has been identified as a potential strategic risk to the delivery of the Trust's strategic aims and as such our IRAR provides a mechanism for escalation of operational staffing risks to be escalated to the Board of Directors.

Compliance statements

Care Quality Commission (CQC) compliance

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC) and its current registration status is unconditional. The CQC has not taken enforcement action against the Trust during 2018/19.

Register of Interests

The 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 (NHSE, 2018).

This can be accessed at:
<https://sheffieldthft.mydeclarations.co.uk/>

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.

We have established a new Equality, Diversity, and Inclusion (EDI) Board to oversee the development and implementation of the Trust's strategic approach to meeting the relevant duties and obligations set out in the Equality Act, 2010 and relevant NHS policy.

Comprising a diverse and broad membership, including senior leaders, and reporting into the Trust Executive Group, this Board oversees all EDI work carried out in respect of workforce, patients and service delivery.

Assessing the organisation's impact on the environment

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

We monitor the impact of the Trust's activities on the environment and through the delivery of our Board-approved Estates Strategy we continue to invest in major infrastructure schemes which reduce energy consumption and emissions.

Our plans to help identify waste reduction opportunities, deliver financial savings and reduce carbon emissions underpin Trust strategy for the development of our hotel services and Estate. Business plan documents describe our strategic approach to meeting our statutory and mandatory obligations in respect of sustainable development.

Emergency preparedness, resilience and response

The Trust has a key role to play in responding to large scale emergencies and ensuring it can continue to deliver high quality patient services if a major and/or business continuity incident occurs. Throughout the year the emergency planning team has worked with the Emergency Services and other health and social care providers to ensure that the Trust is adequately prepared for any such event including, but not limited to, mass casualties, 'flu pandemic, utility failure, seasonal demand and city-wide public events. In the likelihood of such an event, the Trust is assured that appropriate plans and systems are in place to maintain services for patients.

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

The following processes are in place to ensure that resources are used economically, efficiently and effectively:

- Development of detailed plans through the annual planning cycle which reflect service and operational requirements and financial targets in respect of income and expenditure and capital investment and incorporate required efficiency savings.
- Monthly monitoring of delivery of the Board-approved financial plan and at Trust level by Board of Directors / Finance and Performance Committee and via a performance management / escalation framework incorporating Directorate reviews led by the Executive team.
- Monthly reporting to the Board of Directors via its Committees on key performance indicators including finance, efficiency savings, activity, capacity, quality, performance, human resource management and risk. These reports are aggregated from detailed Directorate and Department level reports which support active management of resources at operational level.
- As noted above, implementation of a robust performance management framework which is critical to the early identification of any variance from operational or financial plans and for ensuring effective corrective action is put in place. In giving particular attention to financially challenged Directorates, support is provided internally through the performance management framework with external input as required.
- Monitoring of the use of capital resources against a Board-approved capital plan by the Capital Investment Team which reports quarterly to the Board of Directors.
- The 'Making it Better' (MIB) transformation and improvement programme which aims to deliver the Trust's overall strategy, and in particular, maximise efforts on improvement and transformation to help secure improved quality and sustainable finances in a challenging context. A key element to this programme is the development of information and performance management systems, including use of the national Model Hospital and 'Getting it Right First Time' (GIRFT) metrics.
- A planned, systematic approach to improving organisational effectiveness through the alignment of strategy, people and processes. This has brought together a number of workstreams including equality, diversity and inclusion activities, service improvement, leadership and development and workforce redesign to form an Organisational Development function which the Trust recognises as being key to supporting the delivery of transformation.
- Continued work with partners supported by The Health Foundation to deliver its Microsystem Coaching Academy (MCA). Through this, the Trust has developed staff members to become MCA trained coaches, equipped to use structured improvement methodologies to support frontline teams to understand their systems and processes and to identify and make improvements.
- The wider use of national and peer benchmarking to ensure best value for money in delivery of services by informing and guiding service redesign, leading to improvements in the service quality and patient experience as well as financial performance.
- Development of Service Line Reporting (SLR) and Patient Level Costing systems to better understand income and expenditure and various levels, therefore facilitating improved financial and operational performance. By also

feeding into performance management and budget setting, SLR information informs the development of action plans to address deviation from Directorate financial plans.

- Assessment of efficiency schemes for their impact on quality as part of a formal quality impact assessment process.

All of these arrangements / initiatives are underpinned by the Trust's Scheme of Reservation and Delegation of Powers approved by the Board of Directors setting out the decisions, authorities and duties delegated to officers of the Trust, and by the Trust's Standing Financial Instructions detailing the financial responsibilities, policies and procedures adopted by the Trust. These are designed to ensure that an organisation's transactions are carried out in accordance with the law, government policy and good practice in order to achieve probity, accuracy, economy, efficiency and effectiveness.

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

The Trust also makes use of both internal and external audit functions to support governance arrangements, deliver economic, efficient and effective use of resources and ensure that controls are effective. 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 key financial systems, procurement, Directorate financial management, cyber security, general data protection regulation,

incident management, recruitment and retention, absence management, mental health act compliance and mental capacity action compliance and pressure ulcer management. These have all been reported to the Audit Committee. Internal audit also facilitated the Board's self-review work against Well-led guidance noted above.

Information governance

There are robust and effective systems, procedures and practices in place to identify, manage and control information risks. Whilst the Board of Directors is ultimately responsible for information governance, it has delegated authority to the Information Governance Committee which is accountable to the Healthcare Governance Committee and is chaired by the Medical Director, (who is also the Trust's Caldicott Guardian). The Board appointed Senior Information Risk Owner (SIRO), is the Informatics Director.

The Information Governance Management Framework brings together all the statutory requirements, standards and best practice in conjunction with the Trust's Information Governance Policy, and is used to drive continuous improvement in information governance across the organisation. The development of this framework is informed by the results from the Data Security and Security and Protection Toolkit assessment and by participation in the Information Governance Assurance Framework.

Supported by relevant policies and procedures, notably the Procedures for the Transfer of Person Identifiable Data (PID) and Other Sensitive and Confidential Information, and the Confidentiality - Staff Code of Conduct, the Trust has an ongoing programme of work to ensure that PID is safe and secure when it is transferred within and outside the organisation. The Internet - Acceptable Use Policy and the Confidentiality - Staff Code of Conduct have been reviewed and updated to ensure robust information governance in response to the changing use of social network sites.

All Trust laptops and USB data sticks issued to and used by staff are encrypted. The introduction of port control and an approved list of removable storage media are planned to be introduced as part of the actions to protect the Trust IT systems from malware and cyber-attack.

In accordance with the Information Asset Policy, a centralised major information asset register is in place which supports the role of the Trust's Information Asset Owners who report to the SIRO. Any concerns identified through the registration and management of the Information Assets will be pursued through the recognised and accepted managerial line. Failure to deal with a concern through that route will be taken up by the SIRO with the appropriate Information Asset Owner within the Trust.

There were no Serious Incidents relating to information governance classified as level (2) during 2018/19.

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 of Directors that the Quality Report presents a balanced picture over the period 01 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 Medical Director as the Executive Lead for the Quality Report. Operational responsibility for preparing the report is delegated to the Head of Patient and

Healthcare Governance and an established process is in place for co-ordinating its development. This ensures that the annual Quality Report provides a narrative of progress towards achieving the quality improvement indicators agreed in consultation with our key stakeholders.

- the design, production, review and publication of the Quality Report is overseen by the Quality Board which is accountable to the Healthcare Governance Committee. Membership of the Quality Board includes managers, clinicians, representatives from Sheffield Healthwatch and Trust Governors. It is compiled following both internal and external consultation to inform the improvement indicators and 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 using established data sources which are subject to internal information quality assurance. The supporting data reflects that which has generally been available in summary to the Trust Board of Directors or, in more detail, to the Board Committees.
- the Quality Report is subject to final review at a meeting of the Healthcare Governance Committee. Following scrutiny at this Committee the draft report is also presented to the Audit Committee which is 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, Mazars LLP, prior to submission to NHS Improvement and the Department of Health and Social Care.

The Trust has strong governance arrangements in place for the management and oversight of elective waiting time data. The Elective Care Working Group meets on a monthly basis to review performance, service themes and data validation. A performance report, supported by operational reports, details the activities underway to ensure that elective waiting time data is accurate. Assurance is provided to the Waiting Times Performance Overview Group which also meets monthly. This group is chaired by a Non-Executive Director.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Healthcare Governance 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. Internal audit has been routinely used to clarify issues where assurance is required.

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, significant assurance can be given that there is generally a sound system of internal control, designed to meet the Trust's objectives, and that controls are generally being applied consistently.

The auditors identified three high risk issues noted in audit opinions issued as a result of their work.

Two of these followed review of the Trust's Cyber Security arrangements and related to reporting arrangements between the Trust's Information Security Group and the Informatics senior management team / Information Governance Committee and the need for action trackers to be revised with realistic dates.

Action has been undertaken in-year to address recommendations and these are not considered to imply a weakness in the application of, or compliance with, the control framework across the Trust.

A further high risk issue was noted in the audit opinion following review of Mental Health Act Compliance and Mental Capacity Act Compliance. Recommended actions are being progressed in conjunction with focus being placed on strengthening policy compliance as part of the Trust's CQC action plan.

The Head of Internal Audit opinion statement also references its review of strategic risk management arrangements and actions required in order to further strengthen the Trust's Integrated Risk and Assurance Report (IRAR) during 2019/20.

These actions will build on work undertaken during 2018/19 prompted by recommendations from in-year review and consideration led by the Audit Committee to how the IRAR can be developed into a more focused and useable tool for the Board of Directors. This review of the content and presentation of the IRAR has also taken into account recommendations from our 2018 CQC Inspection around the need to review the effectiveness of arrangements for Board of Directors oversight of significant operational risks, and how these are being managed. Through an appraisal of the articulation of key strategic risks, introduction of a revised template format to more clearly present associated controls and sources of assurance, and through formalising arrangements for the escalation of high level operational risks, a refreshed IRAR will better support the Board of Directors to assess areas where gaps in control exist, and allow consideration to be given to the need for additional measures to reduce identified risks.

In parallel to the ongoing development of the IRAR, the Audit Committee has also led work in-year to define a risk appetite statement for adoption by the Board of Directors. The definition of this risk appetite will be used to inform discussion of controls and assurances in place in relation to our key strategic risks set out within our IRAR and, on embedding further, will be a tool in the future consideration of service changes or investment decisions.

In considering the internal audit statement and on presentation with internal audit reports across the course of the year, members of the 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 Trust Executive Group. Focus continues to be placed on tracking actions against recommendations through reports submitted to the 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 Board of Directors also received assurances on the use of resources from outside agencies including NHS Improvement (NHSI) and the CQC. NHSI requires the Trust to self-assess on a monthly basis.

My review is also informed by:

- the Integrated Risk and Assurance Report
- regular Executive reporting to Board of Directors and escalation processes through the Board committees
- audit reports prepared independently by both the internal and external audit agencies. In particular, the ISA260 Audit Completion Report produced by Mazars LLP, our external auditor
- the published results of the quarterly performance management processes undertaken by NHSI under the Single Oversight Framework including the Trust's quarterly risk ratings and segmentation
- the Trust's compliance with annual performance indicators published by the Department of Health and Social Care
- ongoing compliance with CQC fundamental standards for all regulated activities across all Trust sites, as part of the registration process and reports on its visits and inspections, including the inspection report following their announced visit in June 2018
- external visits, inspections, accreditations and peer reviews
- clinical audit reports
- investigation reports and action plans following Serious Incidents and learning events and deep dive reviews
- the Board of Directors further consideration of the well-led framework based upon self-assessment work

- user feedback such as monitoring of patient experience, complaints and claims
- national patient survey results including the Friends and Family Test
- the results of the NHS Staff Survey

Conclusion

The system of internal control has been in place in Sheffield Teaching Hospitals 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. 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



Kirsten Major
Chief Executive
21 May 2019

Quality Report

Quality Report

1.1 Statement on Quality from the Chief Executive

This Quality Report outlines some of those areas where we have already had good success thanks to the innovation, dedication and skills of our teams. It also sets out our priorities for 2019/20 along with areas where we need to continue to improve.

Ensuring our patients have good clinical outcomes and a positive experience are two of the five main aims of the Trust. To achieve this we strive to do all we can to provide high quality treatment and care for people and to ensure that we protect them from any avoidable harm.

During 2018/19 we were inspected by the Care Quality Commission and we were pleased that they rated the Trust as 'Good' overall with many 'Outstanding' features.

Safe	GOOD
Effective	GOOD
Caring	GOOD
Responsive	OUTSTANDING
Well-led	GOOD
Overall rating	GOOD

The process also provided information about where we can improve even further and these have been taken account of in our quality objectives and work programme for 2019/20.

Our drive for continual improvement is also embodied within the Trust's 'Making a Difference' Strategy which is supported by a Quality Strategy and governance framework. The Quality Strategy describes a new approach to the compilation, monitoring and performance management of our quality objectives, and places our Quality Board at the centre of these processes.

Our five aims

- Deliver the best clinical outcomes
- Provide patient centred services
- Employ caring and cared for staff
- Spend public money wisely
- Deliver excellent research, education and innovation

Our PROUD values underpinning these aims

- Patient first - Ensure that the people we serve are at the heart of all we do
- Respectful - Be kind, respectful to everyone and value diversity
- Ownership - Celebrate our successes, learn continuously and ensure we improve
- Unity - Work in partnership and value the roles of others
- Deliver - Be efficient, effective and accountable for our actions

We have robust processes in place across the Trust from the Board of Directors to ward level to ensure we continually monitor clinical safety indicators and take action where issues are flagged. Our management structure is purposely heavily clinician led. This informs and drives decision making and retains our focus on delivering safe and high quality care.

We have more than two million patient care contacts every year across our five hospitals and community services and I am pleased to report that, once again, in 2018/19 our track record on the majority of clinical outcomes remained strong. For example, we have seen a 12 per cent reduction in the number of patient falls in inpatients settings and an increased awareness and monitoring of pressure ulcers as a result of Trust-wide initiatives such as 'React to Red' (RTR) and 'Safety Huddles' being routinely integrated into daily practice. We also rolled out the National Early Warning Score 2 (NEWS2) system to help staff identify, at an early stage, when a patient may be deteriorating. This means we

can take action earlier as well as ensuring consistency with early warning systems used in other Trusts. We know that ensuring patients receive the right care, at the right time, and in the right place, is critical if we are to deliver the best outcomes, help individuals remain in the best of health and live as independently as they can for as long as possible. This was the thinking behind the redesign of our hospital and community stroke services over the past year. As well as making changes which mean patients do not have to spend as much time in hospital, we have strengthened our community care with the opening of the new Stroke Pathway Assessment and Rehabilitation Centre (SPARC). The new centre ensures patients, who are not able to be discharged straight home from hospital, receive specialist rehabilitative support, 24 hours a day, at a critical point in their recovery.

Throughout the year we have also consolidated our work to ensure patients transition through the various stages of care as seamlessly as possible. A number of new ways of working have contributed to significant reductions in patients' lengths of stay and to ensure effective and timely discharges. Board rounds on our wards are now embedded as routine practice and mean that the whole ward team meets at a set time each day to review each patient and assess what is needed to ensure their care progresses without any unnecessary delays. The teams are using a system called 'Red to Green days' as part of this process. Integrated ward working, which involves including dedicated Therapists in a ward's core team, has also been piloted on a number of wards and the results have been very encouraging to date. This is now being implemented on more wards to further test the effectiveness of this approach.

When patients no longer need our care, we assist them to experience a smooth and timely discharge or transfer to the next stage of their care or to return home. Like many other Trusts across the country, this has been a more challenging area of improvement. However, it has also presented the opportunity to build strong multi-agency working, integrated models of care and a new

discharge assessment process which puts the individual needs of the patient at the centre of the process.

By working together with our partners, including Sheffield City Council, NHS Sheffield CCG and Sheffield Health and Social Care NHS Foundation Trust, we have adopted the 'Why not home, why not today?' approach to expediting discharges. There has been additional investment in more intermediate care beds, social and nursing home care places and in our own community health services. Coupled with a redesign of processes and ways of working we have seen the number of delayed discharges reduce significantly in 2018/19.

Personalised, responsive and timely care is also important to those patients who are being referred for planned care. This is why we have strived for, and have continued to sustain, a strong performance against the 18 week Referral to Treatment (RTT) waiting time standard and our national performance remains in the top quartile. We have delivered this through a strong focus on systems, processes, governance and the implementation of national best practice. Across a number of elective care pathways, service improvement work has continued to identify and remove unnecessary delays and further improve efficiency of care.

As well as making changes to how we deliver care, we have also continued to ensure our facilities meet the personal and clinical needs of patients.

We opened the new £6.7 million Northern General Eye Centre which now provides a one-stop-shop for patients who need cataract surgery. We have refurbished the Radiology Unit at the Royal Hallamshire Hospital and completed the first phase of a £30 million theatre replacement project, providing four new state-of-the-art theatres on Q floor. During 2019/20 we will completely refurbish the remaining theatres on A floor.

Weston Park Hospital continued to be a focus of attention with further ward upgrades and new outpatient facilities built as part of a longer term development project. Work also

began on a £2.4 million aerial walkway which will connect Weston Park Hospital with the Jessop Wing and the Royal Hallamshire Hospital. This will mean patients can be transferred between departments more easily and without having to wait for transport to be arranged.

In total we have invested over £24.4 million in our facilities and equipment throughout the year including two new state-of-the-art birth pool rooms at the Jessop Wing and a replacement of the lifts at the Royal Hallamshire Hospital.

On a system-wide level we continue to be an active partner in the South Yorkshire and Bassetlaw Integrated Care System (ICS) and the Sheffield Accountable Care Partnership (ACP). These collaborative structures bring together health and social care organisations across the region and across Sheffield respectively to jointly plan and deliver services better tailored to the needs of the local population. During the year, both of these partnerships became more formalised and a number of clinical and non-clinical workstreams are in place aimed at improving patient experience and outcomes.

Further information about this and other developments during 2018/19 can also be found in the Annual Report and on our website: www.sth.nhs.uk/news.

Of course none of these improvements are possible without the support of all 17 thousand individuals who work for the Trust and our amazing volunteers and charities whose dedication and commitment is a source of great strength for our organisation.

It was exceptionally pleasing that national and local survey results during 2018/19 consistently showed that the majority of our

patients and staff would recommend the Trust as a place to receive care and to work and indeed we were rated as above average in many of the key domains. Our staff also won a number of quality and safety awards throughout the year and the results from the Friends and Family Test for patients and staff give a valuable insight into where our future focus needs to be.

During the last 12 months we have continued to encourage more of our staff to be actively engaged and involved in decisions, setting the future direction of the organisation and innovations. We are committed to continuing this important work during 2019/20 because we believe our staff are key to the delivery of excellent patient care.

We feel it is very important that we value everyone who works in the organisation and the efforts they go to every day to make a difference to our patients. I am confident that by fostering our culture of learning and continuous improvement we will provide our patients with the safe, high quality care and experience they deserve.

The following pages give further detail about our progress against previous quality objectives and outline our key priorities for the coming year. To the best of my knowledge the information contained in this quality report is accurate.



Kirsten Major
Chief Executive

1.2 Introduction from the Medical Director

Quality Reports enable NHS Foundation Trusts to be held to account by the public, as well as providing useful information for current and future patients. This Quality Report is an attempt to convey an honest, open and accurate assessment of the quality of care patients received during 2018/19 at Sheffield Teaching Hospitals NHS Foundation Trust.

Whilst it is impossible here to include information about every service the Trust provides, it is, nevertheless, our hope that the report goes some way to reassure our patients and the public of our commitment to deliver safe, effective and high quality care.

The Quality Board oversees the production of the Quality Report. The membership includes Trust managers, clinicians, Governors, and a representative from Healthwatch Sheffield. The remit of the Quality Board is to decide on the content of the Quality Report and identify the Trust's quality improvement priorities whilst ensuring it meets the regulatory standards set out by the Department of Health and Social Care and NHS Improvement.

As a Trust, we have considered carefully which quality improvement priorities we should adopt for 2019/20. As with previous Quality Reports, the quality improvement priorities have been developed in collaboration with Governors and with representatives from NHS

Sheffield Clinical Commissioning Group, Healthwatch Sheffield and the Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee. This year, we have also undertaken consultation with members of the public, patients and staff.

In developing this year's Quality Report we have taken into account the comments and opinions of internal and external parties on the 2017/18 Report. The proposed quality improvement priorities for 2019/20 were agreed in March 2019 by the Trust Executive Group, on behalf of the Board of Directors. The final draft of the Quality Report was sent to external partner organisations for comments in April 2019 in readiness for the publishing deadline of 31 May 2019.



Dr David Hughes
Medical Director

2. Priorities for Improvement

This section describes progress against the priorities for improvement during 2018/19 and provides an update on progress in relation to improvement priorities from previous years. In addition, priorities for 2019/20 are outlined, along with an explanation of the process for their selection.

Priorities for Improvement 2018/19

Reduce inpatient falls during 2018/19 by 10 per cent

The primary measurement outcome was a 10 per cent reduction in inpatient falls and inpatient hip fractures compared to the numbers for 2016/17.

The actual reduction in falls for 2018/19 is 11 per cent. There has also been a 25 per cent reduction in inpatient hip fracture; a decrease from 48 in 2016/17 to 36 in 2018/19.

Falls Safety Huddles have been introduced widely across the Trust and, in particular, on all wards in the Directorates with the highest falls rates.

Workstreams have been put in place to help achieve the 11 per cent reduction. These have included ensuring that the current version of the falls documentation was displayed on the Trust patient record system, Lorenzo.

In response to the results of the second National Audit of Inpatient Falls 2017, the Trust is currently reviewing the following topics:

- vision assessment
- documented review of medications that increase the potential for a patient to fall
- improved access to mobility aids
- increased awareness of keeping patient buzzers accessible and identifying patients who may be unable to use the buzzers due to cognitive problems

In January 2019, the Trust appointed a new Clinical Lead for Falls Prevention. The Strategic Falls Group will continue to monitor this work. An implementation sub-group has been developed to enable trial developments in falls prevention to be tested and to report

effective measures to the Strategic Falls Group.

Develop a human factors plan which will have practical application and lead to tangible improvements in safety culture

Background

There has been a significant drive nationally to better understand how the principles and practices of human factors, as used in many other safety critical industries, influence patient safety. Through an understanding of the effects of teamwork, culture, ergonomics and individual behaviours this is known to positively influence performance and ultimately increase patient safety.

The National Quality Board is committed to ensuring that human factors, principles and practices are embedded into the practices, systems, cultures and processes of all NHS organisations.

Achievements against objective

The Trust has worked with a human factors and patient safety specialist over the past eight months and this work has involved the following:

- a review of Trust strategies and documents
- a human factors gap analysis spanning all aspects of the Trust's operations from procurement to staff training
- interviews with key senior staff member in November 2018 with a stakeholder event held in January 2019

In addition, the Trust has undertaken work to scope safety culture assessment tools and to assess which tool may be most appropriate for the Trust.

Measures of success for the project have been agreed and include:

- incorporating human factors messages within existing mandatory training programmes and developing specific human factors-based training programmes
- increased use of human factors-based tools within incident investigation processes
- incorporating human factors design principles within procurement processes

A final report with recommendations has been produced and next steps are to sign off the report, and agree an action plan to take forward the recommendations.

In addition, current options for undertaking safety culture assessments are in the process of being evaluated and costed.

Demonstrate a 30 per cent improvement in the early recognition and management of sepsis within the Trust

Background

This objective was chosen in attempt to drive forward the work on the recognition and management of sepsis.

Achievement against the objective

During 2018 the Lead Sepsis Nurse undertook data collection within the Emergency Department and wards across the Trust. While early data collected demonstrated improvements in the early recognition of sepsis and timely antibiotic administration in the Emergency Department, this has been challenging to sustain over the 2018/19 winter period.

Between October 2017 and October 2018 the Emergency Department increased the timely recognition and screening for sepsis by 78 per cent, compared with the 30 per cent target; (41 per cent of patients screened in October 2017, which increased to 73 per cent in October 2018). On the wards there has been little difference during this time period with a slight reduction from a baseline of 80 per cent of

patients being screened in October 2017 to 75 per cent in October 2018.

The timeliness of first observations within the Emergency Department has improved, with 79 per cent of patients receiving their observations within 15 minutes in the period December 2018 to March 2019, compared with 73 per cent in May to August 2018.

The number of patients in the Emergency Department to whom antibiotics have been administered within two hours has decreased from 87 per cent in October 2017 to 68 per cent in October 2018. There has been a similar decrease during this time period on the wards; from 71 per cent in October 2017 to 57 per cent in October 2018. Significant work has been undertaken, and is ongoing, in the Emergency Department and on the Acute Medical Unit (AMU) to improve upon this figure. This includes a sepsis quality improvement meeting (sepsis Big Room), a dedicated sepsis bleep holder and daily Safety Huddles.

As a result of this, the Trust has seen a four per cent reduction in mortality for those patients coded with sepsis (SOS-Insights). As further context, there has been no change in the mortality rate for coded sepsis nationally and Sheffield's average hospital length of stay and number of Intensive Care Unit bed days, related to coded sepsis, has remained the same.

The Lead Sepsis Nurse secondment ended at the end of March 2019, and the Trust is looking at other ways of data collection to continue this work.

The sepsis screening tool was evaluated, updated and re-launched during 2018/19. Quality improvement work is ongoing to ensure compliance with the new tool. The tool has been updated to reflect the move from using the Sheffield Hospitals Early Warning Score (SHEWS) system to the National Early Warning Score (NEWS2) system.

Work has also been taking during 2018/19 to consider the potential adoption of electronic feedback mechanisms for compliance to screening and care delivery for patients.

Electronic observations have been piloted on four acute wards via the e-whiteboard to develop the ability to better identify those patients at risk of sepsis. It is the intention that this will be rolled out in 2019/20 across all ward areas.

There has been a drive to improve sepsis awareness across the Trust during 2018/19 with a total of 80 per cent of clinical staff having received education on sepsis. Of these, 50 per cent have received an update to maintain resilience. Sepsis education has been provided face to face via the Sepsis Lead Nurse and Lead Educators and has also been available via the Trust's e-learning system. All newly qualified nurses now receive a half-day session on the care of the deteriorating patient and sepsis as part of their induction. Going forward, all Foundation Year One Doctors will also receive a sepsis session as part of their induction.

To help demonstrate change, the Sepsis Lead Nurse has set up a sepsis 'Big Room'. This multi-disciplinary meeting meets regularly to measure change and analyse data. This will facilitate quality improvement work, developing systems and processes to improve the early recognition and management of sepsis.

The newly formed Deteriorating Patient Committee, chaired by the Medical Director, will lead on improving the early recognition and management of sepsis.

Ensure a Trust-wide reduction by 10 per cent of all avoidable patient harm associated with pressure ulcer prevention and management

Following NHSI recommendations in June 2018, the term 'avoidable patient harm' relating to pressure ulcers was withdrawn from use and the national reporting requirement ceased. As such, it has not been possible to identify whether the Trust has achieved the target set for a 10 per cent reduction.

Focus, instead, is now placed on identifying any lapses in care relating to pressure ulcer prevention and management. The Trust currently reports all pressure ulcers, regardless of whether or not there have been

lapses in care. However, changes made to the reporting of pressure ulcers on the Trust's Datix system will ensure information on lapses in care is recorded in the future, enabling a distinction to be made in the next financial year.

Supported by the development of a pressure ulcer annual workplan, good progress has been made against the objective of reducing all pressure ulcers. Implementation of this workplan continues and is being monitored by the Pressure Ulcer Prevention and Management Steering Group and Care Group on Pressure Ulcers. This ensures that the Trust remains focused on reducing patient harm related to pressure ulcers and these arrangements also provide an opportunity for shared learning and improved communication about pressure ulcers Trust-wide.

The acute and community Tissue Viability teams have been successfully integrated, with a key service priority being to standardise and improve wound care, particularly around pressure ulcers. A new Lead Tissue Viability Clinical Nurse Specialist (CNS) is in post to oversee and develop this new service. A city-wide educational strategy has been developed and implemented to support pressure ulcer prevention, including the 'React to Red' (RTR) training and link nurse programme.

Reporting of pressure ulcers is now established via Datix and the Nursing and Midwifery Dashboard, with goals for pressure ulcer reduction set and routinely reviewed.

New pressure ulcer definitions and measurements have been implemented following NHSI recommendations, and new processes are planned to ensure pressure ulcer investigations are of a high standard, provide assurance and ensure Trust-wide learning takes place.

Ongoing work continues to ensure photography plays a key role in pressure ulcer management, and also to ensure that patients and staff have access to pressure redistributing equipment in a timely manner.

Improve recognition and timely management of deteriorating patients leading to improved care. Implement an electronic system for tracking patients' observations

The Deteriorating Patient Committee was formed in 2019 to provide an oversight on all deteriorating patient workstreams and sub groups. With widespread and senior representation, its key workstreams are to implement and monitor the recognition, escalation and response to the deteriorating patient.

During 2018/19, a project working group was established to focus on the implementation of NEWS2. In preparation for this, NEWS2 training was undertaken by clinical staff and a Trust-wide communication plan was delivered to support its successful launch which took place on 25 March 2019.

Electronic observations on the e-whiteboard have been developed during 2018/19 to help improve the recognition of deteriorating patients. A solution to enable mobile devices to enter e-observations is currently being investigated. Following this, the roll out of observations on the e-whiteboard will be extended Trust-wide. During 2019/20 plans are also in place to look at new monitors that can connect to the Trust Wi-Fi to allow automated recording of patients' vital signs to the e-observations.

Reduce preventable Acute Kidney Injury (AKIs) across the Trust

Acute Kidney Injury (AKI) is a significant cause of morbidity and mortality in both acute hospitals and in the community. Compliance with a nursing care bundle and medical checklist has been shown to improve outcomes for patients who are admitted with, or develop AKI in the hospital setting.

From an audit of the notes of patients who had an alert of AKI from blood results, it was identified that practice could be improved and a strategy was identified to improve compliance by transferring the AKI alert onto the whiteboard displayed on the ward. This increase in visibility should improve the time

taken to recognise the risk of AKI and prompt actions required in the care bundle and checklist.

A dataset has been developed to track patients with AKI and monitor performance in a real-time manner. This will allow early recognition and intervention by way of education for clinical areas, as well as showing any improvements in morbidity, mortality and length of stay.

At present the whiteboard IT solution has been developed alongside an initial dataset / dashboard. Further development of an appropriate software package is required to transfer the AKI alert signal from the laboratory IT system.

This three year objective has now been incorporated into an overarching workstream which will be overseen by the newly formed Deteriorating Patient Committee.

Implement and evaluate at least one major co-production project and develop a plan for embedding this approach more widely

During 2018/19, the Trust aimed to build on experience of co-production, working in partnership with our patients, their families and carers towards shared goals. Using NHS England's recognised 'Always Event®' methodology to support the co-production work, a two year pilot project commenced within one Trust specialty.

The Spinal Injuries Unit was identified as the pilot site and a Point of Care Team was established for the project. Qualitative patient feedback was sought through in-depth discussions with patients and their carers to identify improvements that could address what matters most to patients, their families and carers.

In partnership with patients, as well as taking into account previous feedback from complaints and the needs of the unit, a vision statement was identified which sets out that every patient should be offered an initial case conference multi-disciplinary meeting within three weeks of admission to the unit. Alongside this meeting, each patient should be

issued a 'Patient Passport' detailing their goals and allowing them to record progress made against those goals.

In 2018, case conference meetings were undertaken with a number of patients and an initial draft of a 'Patient Passport' was piloted with one patient.

In 2019/20, the unit aims to establish a service structure which will ensure a case conference is arranged for all newly admitted patients within three weeks of admission. Patient and staff feedback will be gathered and used to refine the 'Patient Passport' and the case conference meetings. Through the adoption of the 'Plan-Do-Study-Act' improvement methodology, the team will trial and iteratively improve the 'Patient Passport' booklet. This work will continue to be monitored through the Patient Experience Committee throughout 2019/20.

Upon completion of the project, the Trust's Patient Experience Unit will create a summary of the 'Always Event®' methodology and of co-production to aid the use of these methodologies in future quality improvement work.

Ensure that End of Life Care is individualised and meets the needs of both patients and those who are important to them

Five workstreams have been developed.

- Develop a Care Planning Toolkit
- Guidance Review
- Develop an Intranet Site
- Review of Education and Training
- Electronic Systems

Activity continued across the five workstreams in 2018/19 with significant improvements made. These were reflected when the CQC returned to the Trust in June 2018 and rated the Trust 'Good' for End of Life Care.

A central hub on the Trust's Intranet page has been developed to give staff access to all relevant End of Life Care information and resources. The Nursing Care Planning Toolkit in Lorenzo was rolled out and this records the

preferred place of care and death for patients on an End of Life Care pathway. Education and training was reviewed during 2018/19 and an End of Life Care e-learning package developed for staff, using the key themes from the End of Life Care Survey undertaken in 2016/17.

Progress on the workstream will continue to be monitored via the End of Life Care Project Working Group.

Ensure outpatient and inpatient letters are fit for purpose, are clear and understandable and meet the needs of both patients and national good practice guidelines

Written correspondence is a key method used to communicate with patients. These letters contain a significant amount of information and it is important that they are clear and helpful to patients.

The different letters held on the Trust's electronic patient record system have been reviewed during 2018/19. There were 437 letter templates in total. These have now been reduced to 20 core templates.

The letter templates have been amended to ensure that they comply with dementia friendly and visual impairment guidelines which relate to patient correspondence.

Further work is planned in 2019/20 for patients to review and provide feedback on the templates. This work will be overseen by the Patient Experience Committee and, once agreed, the new letter templates will be implemented across the Trust.

Significantly increase the scale of patient engagement with those who may be harder to reach or seldom heard

In 2018/19, adopting a hub-and-spoke design, an engagement network database was established to provide access to large numbers of people and groups, including seldom heard groups, in order to increase the scope of feedback from patients, families and carers. The network will also utilise existing

databases and build on existing contacts with groups such as Healthwatch Sheffield.

Demographic analysis of our service users and the patient feedback routinely collected was undertaken to identify which patient groups are under-represented in terms of the feedback collected. This has been used to help identify an appropriate group for our initial pilot project, the topic having been agreed by the Patient Experience Committee.

This engagement objective will run until 2020 and the work that has been undertaken in 2018/19 is a key enabler.

In 2019/20, the process for using the engagement network will be piloted by running a survey which will provide us with the opportunity to both collect patient experience feedback and to evaluate the hub-and-spoke model. Knowledge gained will be used to refine the model for wider use to enable the Trust to collect patient feedback from specific groups in the way they prefer. This work will continue to be monitored by the Patient Experience Committee.

Increase the availability of high quality refreshment facilities in outpatients including hot drinks

In 2018/19, a review was undertaken to identify what refreshment facilities were currently available within outpatient areas. The busiest outpatient departments were visited to gain an understanding of current provision, patients were surveyed and a consultation was undertaken with visitors and staff to understand needs in respect of refreshments in outpatient areas.

An options appraisal was then produced considering any contractual constraints with current suppliers. Locations were prioritised based on greatest need, i.e. limited access to refreshments and/or a lack of retail facilities in close proximity. Consideration was given to which areas see a higher number of patients who cannot drink prior to a clinical procedure.

Following this, two new high quality vending machines have been introduced into two outpatient departments; Outpatient

Department One at the Northern General Hospital and Ophthalmology at the Royal Hallamshire Hospital. The Retail Development Project Team has agreed to review any further areas where the installation of vending machines would be an improvement.

Improve the process and quality of consenting with a focus on ensuring patients are provided with individualised information

It is the duty of healthcare professionals to ensure that a patient is aware of the material risks involved in their proposed treatment and of any reasonable alternative or variant to that proposed treatment.

Patients require sufficient information (written or verbal) that is clearly communicated to them by the healthcare professional before they can decide whether to give their consent. This includes information relating to the benefits and risks of the proposed treatment, and alternative treatments, including the option to have no treatment.

The Clinical Effectiveness Unit (CEU) began to support Clinical Directorates to monitor compliance with the Trust's Consent to Examination or Treatment Policy from April 2017. In 2017/18, a two year priority for improvement was identified focusing on the process and quality of consenting, and the provision of individualised patient information. This stated that by the end of March 2020:

- 100 per cent of Clinical Directorates will have engaged with Clinical Effectiveness Unit to develop / implement processes to undertake the Trust-wide Consent Audit
- 100 per cent of pilot sites will have embedded the new combined patient information leaflet / procedure specific consent form
- The revised Trust consent forms will have been implemented.

At the end of March 2019, a total of 19 of 23 (83 per cent) Clinical Directorates are engaged with the Trust-wide Consent Audit of which 15 have completed the first cycle of measurement, and are either agreeing or have

agreed an action plan for improvement. One of the 15 areas has undertaken a second cycle of measurement and has identified a notable improvement.

Over the last 12 months, five pilot sites have identified a procedure to develop a combined procedure specific patient information leaflet and consent form. All sites are in the development phase aiming to implement the pilot during 2019/20. Following a regional and patient consultation, the lower gastrointestinal cancer team at Weston Park Hospital has finalised a combined procedure specific patient information leaflet and consent form for chemo-radiotherapy treatment for rectal cancer. The pilot of the use of the form will commence in April 2019.

Work is ongoing to revise the Trust's written consent forms. The Trust's solicitor has advised on producing the first draft of the revision of consent form. The Trust's specialist advisor for Mental Capacity Act and Deprivation of Liberty Safeguards has drafted the revision of consent form for patients who lack capacity to consent. Final versions of the revised consent forms will be agreed by the Consent Stakeholder Group and approved by the Medical Director before a wider consultation across the Trust.

The audit will be monitored through the Clinical Effectiveness Committee and progress against the objective will be reported through the Consent Stakeholder Group.

Ensure that Sheffield Teaching Hospitals' Procedure Safety Checklist is embedded into practice, aiming to reduce errors and adverse events, and increase teamwork and communication

The Trust aimed to embed into practice its Procedure Safety Checklist to reduce errors and adverse events, and increase teamwork and communication. The Safer Surgery Steering Group has been leading on many aspects of this workstream.

During 2018/19, the Safer Procedure Governance Group was developed. This group now monitors training, audits and policy revisions. This group oversaw the review and

update of the Trust's Safer Procedure Policy including standardisation of the Procedure Safety Checklist. This is currently awaiting ratification.

An online learning programme for the World Health Organisation's (WHO) Safer Surgery Checklist for all relevant staff has been uploaded on to the Personal Achievement and Learning Management System (PALMS). This will enable staff to demonstrate an understanding of, and compliance with, the five steps to safer surgery / procedure according to the WHO guidelines, procedural checklists and supporting documentation. The training needs analysis for all staff groups is complete and due to be uploaded to PALMS, following which training reports will be monitored through the Safer Procedure Governance Group.

All 12 areas currently using the WHO Safer Surgery Checklist have participated in an audit of its use to date. Charles Clifford Dental Hospital (CCDH) has undertaken four cycles of measurement and action plans for improvement have reduced the risk of adverse incidents during procedures.

The overall compliance for the cardiac catheter suite procedure safety checklist has improved over the three data cycles, also reducing the risk of adverse incidents during procedures.

The programme of audit continues into 2019/20 for all areas using the safer procedure checklist.

Update on progress against previous priorities for improvement

Listening into Action

Listening into Action (LiA) has been used to empower staff in identifying and driving through the changes and improvements they want to see. The programme commenced in 2014 and has had seven waves with a total of over 100 teams using the LiA 20 week process to make changes and improvements to enable effective and high quality services for patients and staff. Each scheme has the commitment and involvement of the Operations Director, Nurse Director and Clinical Director and is supported by a LiA facilitator with focused weekly LiA meetings. LiA has now become an established, sustained and well-recognised mechanism for driving change and improvement over a 20 week period, and the tools, techniques and facilitation for the process is supported through the Organisational Development Team.

Mortality Rates

The Summary Hospital-level Mortality Indicator (SHMI) reports on mortality at Trust level across the NHS in England using a standard and transparent methodology. It is produced and published quarterly as a National Statistic by NHS Digital. The SHMI is the ratio between the actual number of patients who die following hospitalisation at the Trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated there. Another mortality indicator is called the Hospital Standardised Mortality Ratio (HSMR). The SHMI includes all deaths, while the HSMR includes a basket of 56 diagnoses (around 85 per cent of deaths).

The Trust's SHMI mortality index remains in the 'as expected' range and the monthly HSMR figures since August 2018 have been within the 'as expected' range too. During 2018/19 the Trust's HSMR figures (105) for the rolling average period February 2018 to January 2019, was showing as 'higher than expected' which was unusual given the previous history of the Trust's mortality rates which have always been 'lower than expected'

or 'as expected.' Discussions have been ongoing with Dr Foster Intelligence, who collect and publish the data, to understand the change. Some issues have been identified with the source data which is being reviewed. The monthly HSMR figures are showing 'as expected' since August 2018 but it will take some time for this to be reflected in the rolling average. We will continue to scrutinise both mortality indicators to identify any variations and to inform our ongoing quality and safety work.

Optimise length of stay

The Trust has been continuing to develop its arrangements to optimise patient flow and reduce length of stay. Work to optimise length of stay has focused on the development of board rounds and Red2Green. Board rounds are daily, structured discussions of each patient's care and what is required that day for care to progress. Red2Green is a key tool used as part of the board round that supports teams to identify a key action for every patient to ensure daily progress of their care. It is a visual management tool that allows teams to identify whether that plan happens.

The programme has developed a successful intensive model for piloting gold standard board rounds incorporating Red2Green, across multiple wards, aimed at ensuring '*every patient has a plan and it happens*'.

Gold standard board rounds meet essential criteria that demonstrate effective structure and achievement of key outcomes. This also includes an afternoon check in using the Red2Green tool.

At December 2018, 17 wards across multiple specialties have implemented the tools. The new Trust Flow Working Group and Flow Overview Group have been established to support the delivery of key emergency pathway targets and ward performance improvement ensuring best practice systems and processes are implemented and sustained.

Priorities for Improvement 2019/20

This section describes the Quality Improvement Priorities that have been adopted for 2019/20.

This year, for the first time and in line with the Trust's Quality Strategy 2017 -2020, a new process for the selection of quality objectives has been implemented. This new approach incorporates much wider consultation and engagement involving our patients, visitors, Foundation Trust Members, and staff. A total of 1,478 responses were received.

The objectives for 2019/20 have been agreed by the Quality Board in conjunction with patients, clinicians, Governors and Healthwatch Sheffield. These were approved by the Trust Executive Group, on behalf of the Trust's Board of Directors, in March 2019.

The Quality Board will review quarterly progress reports on all Trust quality improvement priorities, providing advice and support where necessary to ensure the project achieves its goals within agreed timescales.

The objectives for 2019/20 are as follows:

Safety

- Review the possibility of a real-time system or process which will support the early detection of, and appropriate response to, emerging/potential safety or risk issues.

Patient Experience

- Evaluate new inpatient and outpatient letters, consulting widely with patients, including those from seldom heard or hard to reach groups. Use the Trust's new engagement hub as the vehicle for the consultation.
- Learn from an area that displays best practice in relation to 'customer service' and staff attitudes.

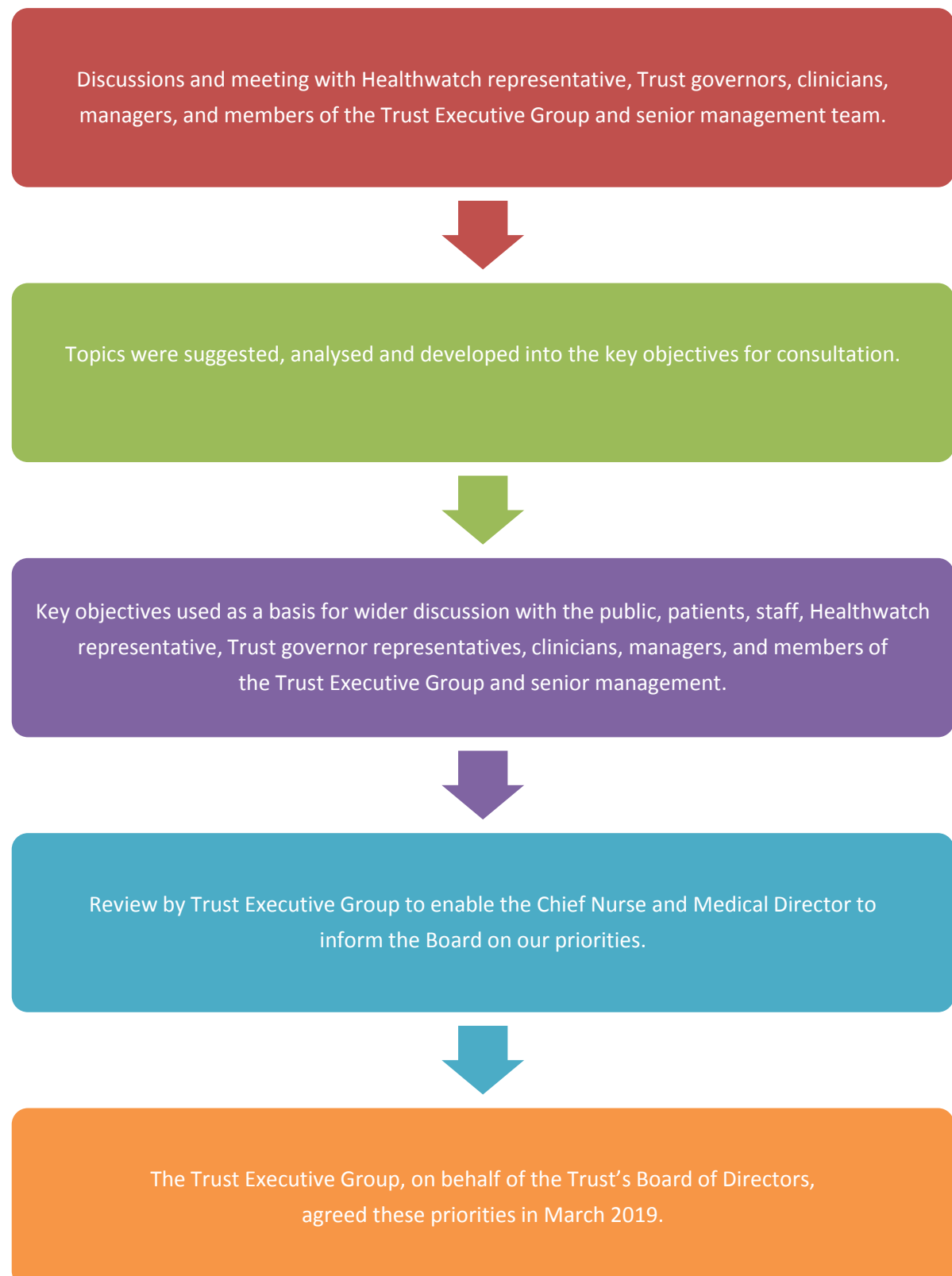
Effectiveness

- Reduce the number of referrals logged on Lorenzo after 30 days of receipt from 57⁴ (April 2019) to zero (0) to reduce delays inpatient journeys by 31 March 2020.

These four areas span the domains of patient safety, clinical effectiveness and patient experience.

⁴ Data Source: Information Services report: 'APS Dash' (All care groups combined)

How did we choose these priorities?



2019/20 Objectives

Safety

Review the possibility of a real-time system or process which will support the early detection of, and appropriate response, to emerging/potential safety or risk issues

Objective breakdown:

This is a one year objective.

Potential opportunities that will be explored include:

- Reviewing potential technological solutions to develop 'early warning' indicators which will identify a solution that will be implemented during 2020/21
- Reviewing spikes in complaints or incidents, which will trigger a more in-depth review in the area
- Using incident investigations to proactively identify and mitigate what might go wrong in the future
- Development of case studies on the use of technological solutions in the identification and mitigation of potential safety or risk issues.

Objective output/metrics:

The final output will be a report containing detailed case studies and identification of specific systems that can act as early warning systems for implementation during 2020/21.

Patient Experience

Evaluate new inpatient and outpatient patient letters, consulting widely with patients, including those from seldom heard or hard to reach groups. Use the Trust's new engagement hub as the vehicle for the consultation

Objective breakdown:

This is a one year objective.

The purpose of this objective is to secure feedback from patients on the revised

standard inpatient and outpatient appointment letters.

Work will involve:

- Using a sampling strategy to ensure representative sample of patients
- Designing an evaluation form
- An initial consultation via the hub followed by 'pop up' face to face event
- Analysis of feedback to identify if any further work is required on the letters and action plan.

Objective output/metrics:

The primary output will be the evaluation of the letters and the generation of a report on the consultation findings.

The secondary output will be to evaluate the use of the Trust's new engagement hub as a way of co-producing a product / service and this will be the subject of a separate report.

Learn from an area that displays best practice in relation to 'customer service' and staff attitudes

Objective breakdown:

This is a one year objective.

Work will involve:

- Reviewing all patient and staff experience data for inpatient areas and identify potential areas of excellent practice, from which one inpatient area will be selected to explore in detail
- Working with the selected area to look at working practices; points of excellent practice; staff and patient thoughts/views
- Collecting detailed information from the selected area which may include observational studies, environment audits, and patient/staff interviews
- Reviewing and analyse data to identify areas of excellent practice and key

measures/conditions which support good customer care.

- Developing a toolkit/guide to share identified excellent practice across all inpatient areas.

Objective output/metrics:

The final output will be a toolkit / guide for inpatient areas on best practice in the work environment which supports good customer care.

Effectiveness

Reduce the number of referrals logged on Lorenzo after 30 days of receipt from 57⁵ (April 2019) to 0 in order to reduce delays in inpatient journeys by 31 March 2020

Objective breakdown

This is a one year objective.

The Trust currently monitors the time taken between a referral being received into the organisation, registered and accepted on to the Patient Administration System Lorenzo. Where the time taken is greater than 30 days the referral delay is displayed on the Administration Professionalisation Programme performance dashboard as unacceptable performance.

The aim of this objective is to identify organisational best practice for referral registration and acceptance speed in high performing Directorates and the causes of referral registration and acceptance delays in low performing Directorates and develop a single STH approach that minimises delays.

Potential opportunities that will be explored include:

- A review of the available data for 2018/19 referral registration and acceptance speed to identify Directorates with high and low performance
- Face to face meetings with high and low performing Directorates to establish the

enablers of, and barriers to, high performance

- The development and pilot of a single STH best practice approach
- The roll out of the best practice approach to the bottom five worst performing Directorates

Objective Outcome/metrics

This objective will be measured using the metric of number of patients over 30 days.

The baseline data shows that 57 referrals are logged after 30 days of receipt.

The aim is to improve so that 0 referrals are logged after 30 days of receipt by 31st March 2020.

The current threshold for unacceptable performance of 30 days will be lowered to 20 days to provide a new target against which to measure the success of the objective.

⁵ Data Source: Information Services report: 'APS Dash' (All care groups combined)

Statements of assurance from the Board

This section contains formal statements for the following services delivered by Sheffield Teaching Hospitals NHS Foundation Trust:

- a. *Services provided*
- b. *Clinical audit*
- c. *Clinical research*
- d. *Commissioning for Quality Improvement (CQUIN) Framework*
- e. *Care Quality Commission*
- f. *Data quality*
- g. *Patient safety alerts*
- h. *Staff survey*
- i. *Annual patient surveys*
- j. *Complaints*
- k. *Mixed sex accommodation*
- l. *Coroners regulation 28 (Prevention of future death) reports*
- m. *Never events*
- n. *Duty of candour*
- o. *Safeguarding Adults*
- p. *Seven day service*
- q. *Learning from deaths*
- r. *Staff who speak up*
- s. *Rota gaps*

For the first six sections the wording of these statements, and the information required, are set by NHS Improvement and the Department of Health and Social Care. This enables the reader to make a direct comparison between different Trusts for those particular services and standards.

a. Services provided

During 2018/19, Sheffield Teaching Hospitals NHS Foundation Trust provided and/or sub-contracted 50 relevant health services. Sheffield Teaching Hospitals NHS Foundation Trust has reviewed all the data available to

them on the quality of care in 50 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 Teaching Hospitals NHS Foundation Trust for 2018/19.

The data reviewed in Part (3) covers the three dimensions of quality - patient safety, clinical effectiveness and patient experience.

b. Clinical audit

During 2018/19, 55 national clinical audits and two national confidential enquiries covered relevant health services that Sheffield Teaching Hospitals NHS Foundation Trust provides.

During that period Sheffield Teaching Hospitals NHS Foundation Trust participated in 100 per cent of national clinical audits and 100 per cent of national confidential enquiries which it was eligible to participate in. The national clinical audits and national confidential enquiries that Sheffield Teaching Hospitals NHS Foundation Trust was eligible to participate in during 2018/19 are documented in Table one. The national clinical audits the Trust has not participated in are detailed later in the section.

The national clinical audits and national confidential enquiries that Sheffield Teaching Hospitals NHS Foundation Trust participated in, and for which data collection was completed during 2018/19, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Fig: Audit and confidential enquiries

Audits and confidential enquires	Participation N/A = Not applicable	% cases submitted
Acute care		
Case Mix Programme (CMP)	Yes	100%
Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis)*	Yes	100%
Seven Day Hospital Services	Yes	100%
Surgical Site Infection Surveillance Service	Yes	100%
Major Trauma Audit	Yes	100%
Medical and Surgical Clinical Outcome Review Programme, National Confidential Enquiry into Patient Outcome and Death (NCEPOD):		
Perioperative diabetes	Yes	81%
Pulmonary Embolism	Yes	95%
National Emergency Laparotomy Audit (NELA)	Yes	100%
National Joint Registry (NJR)	Yes	100%
National Neurosurgery Audit Programme	Yes	100%
National Ophthalmology Audit	Yes	100%
National Bariatric Surgery (NBSR)	Yes	83%
Vital Signs in Adults (care in Emergency Departments)	Yes	100%
VTE risk in lower limb immobilisation (care in Emergency Departments)	Yes	100%
National Vascular Registry		
National Carotid Interventions	Yes	100%
Abdominal Aortic Aneurysm	Yes	69.4%
Peripheral Vascular Surgery - Lower limb angioplasty/stenting	Yes	55%*
Peripheral Vascular Surgery - Lower limb bypass	Yes	100%
Peripheral Vascular Surgery - Lower limb amputation	Yes	39%*
Sentinel Stroke National Audit programme (SSNAP)	Yes	90%**
Blood and transplant		
National Comparative Audit of Blood Transfusion programme:		
Audit of Massive Haemorrhage	Yes	80%
Audit of O negative	Yes	100%
Use of Fresh Frozen Plasma and Cryoprecipitate in neonates and children/FFP/Cryo Audit	Yes	100%
Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	Yes	100%
Serious Hazards of Transfusion (SHOT): UK National Haemovigilance	Yes	100%
Cancer		
National Bowel Cancer Audit (NBOCA)	Yes	100%*
National Lung Cancer Audit (NLCA)	Yes	100%*
National Prostate Cancer Audit	Yes	100%*
Oesophago-gastric Cancer (NAOGC)	Yes	100%* #

Audits and confidential enquires	Participation N/A = Not applicable	% cases submitted
National Audit of Breast Cancer in Older Patients (NABCOP)	Yes	100%*
Heart		
Adult Cardiac Surgery	Yes	100%*
Cardiac Rhythm Management (CRM)	Yes	100%*
Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	Yes	100%*
Myocardial Ischemia National Audit Project (MINAP)	Yes	100%*
National Cardiac Arrest Audit (NCAA)	Yes	90%
National Heart Failure Audit	Yes	>70%*
National Audit of Cardiac Rehabilitation	Yes	100%
National Audit of Pulmonary Hypertension	Yes	100%*
Long term conditions		
Inflammatory Bowel Disease (IBD) programme	Yes	15%*
National Asthma and COPD Audit Programme:		
COPD	Yes	98%
National Audit of Dementia	Yes	100%
National Diabetes Audits:		
National Diabetes Audit :Insulin Pump	Yes	100%
National Diabetes Foot care Audit	Yes	Participating Denominator Unknown
National Pregnancy in Diabetes Audit	Yes	100%
National Diabetes Audit – Adults	Yes	100%*
UK Cystic Fibrosis Registry	Yes	100%
Mental health		
Learning Disability Mortality Review Programme (LeDeR Programme)	Yes	100%
Mental Health Clinical Outcome Review	N/A	N/A
Prescribing Observatory for Mental Health (POMH-UK)	N/A	N/A
National Clinical Audit of Psychosis	N/A	N/A
Older people		
Falls and Fragility Fractures Audit programme (FFFAP):		
National Hip Fracture Database	Yes	95.1%
National Audit of Intermediate Care (NAIC)	Yes	77.9%
Other		
Elective Surgery (National PROMs Programme):		
Hips	Yes	49% #
Knees	Yes	47% #
BAUS Urology Audit - Cystectomy	Yes	100%*
BAUS Urology Audit – Female Stress Urinary Incontinence (SUI)	Yes	50%
BAUS Urology Audit – Nephrectomy	Yes	63%

Audits and confidential enquires	Participation N/A = Not applicable	% cases submitted
BAUS Urology Audit – Percutaneous Nephrolithotomy (PCNL)	Yes	92%
BAUS Urology Audit – Radical Prostatectomy	Yes	100%
National Audit of Care at the End of Life (NACEL)	Yes	100%
Women's and children's health		
Child Health Clinical Outcome Review Programme	N/A	N/A
Feverish Children (care in Emergency Departments)	N/A	N/A
Maternal, New-born and Infant Clinical Outcome Review Programme	Yes	100%*
National Maternity and Perinatal Audit (NMPA)	Yes	100%
National Neonatal Audit Programme (NNAP)	Yes	100%
National Paediatric Diabetes Audit (NPDA)	Yes	100%
Paediatric Intensive Care (PICA Net)	N/A	N/A
National Audit of Seizures and Epilepsies in Children and Young People TBC	N/A	N/A
Outcomes		
National Mortality Case Record Review Programme	Yes	76%*

Please note the following

*Data for projects marked with * require further validation. Where data has been provided these are best estimates at the time of compilation. Data for all continuous projects and confidential enquiries continues to be reviewed and validated during April, May or June and therefore final figures may change.

** This is normally reported in 'bands' in the SSNAP quarterly reports.

Supporting statements

National Oesophago-gastric Cancer (NAOGC)

In the latest 2018 published report a case ascertainment of 60-70 per cent for the Trust is based upon a predicted number of cases, not actual number of cases. Some patients diagnosed in District General Hospitals (DGHs) and treated at the Trust, are included in the DGH submission figures to NAOGC, as opposed to the Trust. This is directed by the National Audit.

Elective Surgery (National PROMs Programme)

During 2016/17, the Trust became the provider for the Cobic (Capitation outcome-based incentivised contracts) commissioning contract within Musculoskeletal (MSK). The Trust hip and knee replacement activity that is assigned to off-site providers is included in the Trust's activity data. This is included within our 'eligible procedure' PROMs (Patient Reported Outcome Measures) data which are used to calculate participation rates. In terms of eligible hospital procedures, published by NHS England, the Trust has seen a large increase in the reported figures to previous years. The PROMs questionnaires, however, are completed off site and the outcomes are reported directly against these organisations. This has resulted in the Trust's participation rates for hips and knees currently being reported as much lower than they actually are.

The reports of 43 national clinical audits were reviewed by the provider in 2018/19 and Sheffield Teaching Hospitals NHS Foundation Trust intends to take actions to improve the quality of healthcare provided, examples of which are included below:

National Chronic Obstructive Pulmonary Disease Secondary Care Audit 2018

This continuous audit, which captures the process and clinical outcomes of treatment inpatients admitted to hospital in England and Wales with Chronic Obstructive Pulmonary Disease (COPD)

exacerbations, was launched on 1 February 2017. The report, which is the first report post launch of continuous data collection, presents the results of the cohort of patients discharged between the audit's launch date and 13 September 2017.

The results for the Trust are higher than the national average for Specialist Review within 24 hours, discharge care bundle, prescription of oxygen to stipulated target oxygen saturation and spirometry result available. The Trust has consistently been among the top performing hospitals since the audit started in February 2017. The national team noted;

'In addition to entering a substantial number of patient records, your hospital (STH) has accomplished the following: achieved the best practice target each month; has a large percentage of patients prescribed oxygen to target saturation; and has very good numbers for availability of spirometry results.'

The action plan seeks to further increase availability of spirometry results, increase the uptake (by current smokers) of prescribed smoking cessation pharmacotherapy, and increase the number of patients who required non-invasive ventilation, receiving non-invasive ventilation within three hours of arrival to hospital.

National Diabetes Inpatient Audit

The National Diabetes Inpatient Audit (NaDIA) is a snapshot audit of the quality of diabetes care provided to people with diabetes during their hospital admission. The audit took place between 25 and 29 September 2017, at hospitals in England and Wales, and answers questions on diabetes management, patient harms and the patient experience.

This is the sixth annual report (published 14 March 2018), and includes data on the care of 16,010 inpatients, admitted at 208 hospital sites.

Data was collected prospectively from the prescription charts and case notes locally of 235 inpatients with diabetes [Northern General Hospital (NGH) 200, Royal Hallamshire Hospital (RHH) and Weston Park Hospital (WPH) 35] on one day in September 2017 on the majority of wards across the Trust. Exclusions were Maternity Services, A&E and day case wards. A patient questionnaire was also given to each patient. Locally 167 (NGH 143, RHH and WPH 24) responded, 71 per cent response rate. Nationally there was a 54 per cent response rate.

The audit showed that STH (particularly NGH) had a higher prevalence of inpatients with diabetes than the national average. NGH also had a higher prevalence of type 1 diabetes inpatients at the time of the audit. Sheffield is a more deprived area with a higher incidence of diabetes in the population.

The comprehensive action plan involves piloting a new monitoring chart, rollout of electronic prescribing and the development of an electronic referral system across the Trust. There will also be enhanced weekend service, human factors training and updated e-learning modules. A successful bid to NHS England has expanded the inpatient diabetes service including Consultants, Diabetes Specialist Nurses, support workers and admin support.

National Ophthalmology Audit/National Cataract Audit

The National Cataract Audit is a unique opportunity to update benchmark standards of care for cataract surgery in England and Wales. The project may help drive improvements in quality by identifying variations in access to, and outcomes of, cataract surgery. Cataract surgery is the most frequently undertaken NHS surgical procedure with approximately 400,000 cataract operations undertaken in England and 20,000 in Wales during 2016/17.

This summary is taken from the second prospective national annual report and includes data on 120,722 eligible cataract operations from 97,908 patients for the period 01 September 2016 to 31 August 2017.

The aim is to measure two primary indicators of surgical quality:

1. Posterior capsular rupture (PCR): a break in the posterior capsule of the lens can be a complication of cataract surgery. It allows vitreous (a transparent substance with the consistency of uncooked egg-white which occupies the space inside the eye behind the lens) to move forward into the anterior chamber of the eye. PCR is the most powerful, and only potentially modifiable, predictor of visual harm from surgery.
2. Visual Acuity (VA) Loss (visual harm from surgery): for cataract surgery, the most important outcome is vision; this is what matters most to patients. Vision which is worse after the operation than before is identified as an adverse outcome.

The objective is to identify good practice and areas for improvement. The national report recommends where opportunities for improvements are found, these should be acted upon to enhance the quality of the patient care being provided.

The Trust's data shows that 42.7 per cent of our cataract patients had ocular co-pathology. A risk adjustment had been performed by the statisticians in the National Ophthalmology Database team to account for the more complex workload. The Trust is understandably delighted that our PCR rate of 0.8 per cent is less than the national average of 1.1 per cent.

Since the publication of the second prospective audit annual report, the Royal College of Ophthalmologists National Ophthalmology Database have now received further information from NHS Digital that accurately reports the case ascertainment rate for the Trust. The centre's case ascertainment rate should be 100 per cent. This will be evident in the 2017/18 report which is due to be published in 2019.

In May 2018, the Trust opened the Northern General Eye Centre, a state-of-the-art cataract facility. This heralds the next chapter in the provision of cataract care to the population of Sheffield. All Ophthalmic Surgeons participate in the audit. The National Ophthalmology Database audit shows that the Trust has excellent results.

Confidential Enquiries

The Trust has in place a process for the management of National Confidential Enquiry into Patient Outcome and Death Reports (NCEPOD) and puts action plans together as reports are issued. It is a standing agenda item at the Clinical Effectiveness Committee which provides a forum for updates, and if any action plan requires an audit this is included on the Trust Clinical Audit Programme.

Data is also continually collected and submitted to MBRRACE-UK (Mothers and Babies: Reducing Risk United Kingdom). The Trust has a 100 per cent participation rate.

Local Clinical Audits

The reports of 304 local clinical audits were reviewed by the provider in 2018/19 and Sheffield Teaching Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- **Re-audit of Gefitinib usage and outcomes for Lung Cancer (NICE TA192)**

The drug Gefitinib is recommended as an option for the first-line treatment of people with locally advanced or metastatic Non-Small Cell Lung Cancer if:

- they test positive for the epidermal growth factor receptor tyrosine kinase (EGFR-TK) mutation and
- the manufacturer provides Gefitinib at the fixed price agreed under the patient access scheme.

The aim of the audit was to assess usage and outcomes of treatment with first line Gefitinb in EGFR mutation positive Non-Small Cell Lung Cancer.

Standard 1:4 – 100 per cent of patients will be chemotherapy naïve (our audit showed 90 per cent, 27 out of 30). It is a NICE guideline that it should be first line treatment.

Some patients commence chemotherapy due to a delay in results for EGFR testing. The pathway at the time of the audit was that tissue testing for EGFR mutation is managed locally. Notification of results communicated to referring consultants. It was a pharmacy standard on chemo care that it should be first line treatment but this could be changed by the prescribing consultant.

Further analysis of the three patients demonstrated that one patient had previously adjuvant treatment prior to metastatic disease. Two further patients were treated with one cycle of chemotherapy as EGFR results could not initially be obtained, and they were later changed to EGFR TKI therapy once results were available.

An action plan for improvement against the standard was agreed and implemented and included the following actions:

- Pharmacy protocol changed so consultants are unable to allocate EGFR treatments unless it is a first line treatment
- Improved communication of results to both consultant and multi-disciplinary team members and multi-disciplinary team coordinator to ensure the results are available faster
- All EGFR mutation testing managed locally as far as possible to achieve faster results to improve speed of results

Overall the standards were met with good compliance. With regard to standard 1:4, further analysis demonstrated that the patients were treated appropriately but the action plan for improvement should enable more timely appropriate treatment as results will be

available faster. A re-audit is planned for October 2019.

- **Assessment of the use of Intravenous/Subcutaneous fluids inpatients in the last days of life**

Maintaining hydration at the end of life can be both emotive and controversial. Practice varies widely across the UK regarding the use of clinically assisted hydration at the end of life and decisions are often dependent on the setting, and also individual clinician or healthcare professional preference and experience of its use.

Communication between the patient and / or those important to them surrounding subcutaneous or intravenous hydration is of utmost importance, as is discussion surrounding any symptoms of dry mouth and need for mouth care. In addition, it is important to assess that if fluid is prescribed, that it is administered correctly, and, if not used at all, that this decision is clearly documented in the patient's notes.

The patient's condition should be kept under review, especially if they live longer than expected. If this is the case it is recommended to reassess the appropriateness of providing clinically assisted nutrition or hydration, as the patient's condition changes.

The objectives of the audit were:

- To assess if a discussion has taken place between healthcare professionals and the patient and/or those important to them about hydration
- To assess if there was a discussion about dry mouth and mouth care with the patient and/or those important to them
- To assess if fluids were offered; what symptoms were they prescribed for and if not prescribed, to assess why not
- If fluids were prescribed, which fluids were prescribed; what route was used; and how much was prescribed over 24 hours

- To assess if there were any problems with administering fluids; if so, what were these problems and were they documented
- To assess if fluids were prescribed and administered, how much did the patient actually receive and if the patient did not receive the prescribed amount, was the reason documented
- To assess if fluids were prescribed and administered, if they continued until the patient died; if stopped prior to death, why were they stopped.

Measurement in 2017 was undertaken. Areas of non-compliance were risk assessed and an action plan for improvement was agreed and implemented to improve assessment of the use of intravenous/subcutaneous fluids inpatients in the last days of life. The following actions were taken:

1. Introduction of a ward round sticker at Palliative Care Unit with a prompt to consider hydration in advance of the patient entering the final phase of life
2. To routinely discuss with a patient (and those important to them) about dry mouth and mouth care and for this to be considered as part of daily review of patients who are dying – this is described in the guidance for the care of the person who may be in the last hours to days of life
3. If fluids are provided, this should be reassessed, balancing potential benefits and harms and to be considered as part of daily review of patients who are dying
4. If fluids are not provided, this should be reassessed, balancing potential benefits and harms to be considered as part of daily review of patients who are dying

A re-audit was undertaken in 2018 and results compared to the first cycle of measurement. There was an improvement in compliance for all standards. The results were risk assessed and the target score was achieved. The risk score has identified the need for the next cycle of measurement to take place within 12 months. Further actions for improvement have been agreed and a new target risk score identified to further reduce the level of risk.

• Use of Trastuzumab (Herceptin) in breast cancer

Trastuzumab is used in both the adjuvant and palliative setting for patients with HER2+ve breast cancer. This monoclonal antibody therapy can have serious side effects, hence ensuring it is prescribed in the correct settings, and it is important that appropriate monitoring is carried out. NHS England requires a mandatory audit of Trastuzumab use and asked the Trust to do a short audit on its usage.

The aim of the audit was to ensure that Trastuzumab is being used in the correct setting, with appropriate tests having been performed before initiation of treatment.

The objectives of the audit were to collect information regarding the indication, prescription and monitoring of Trastuzumab using the proforma provided by NHS England.

The primary outcome measures were whether patients had a documented HER2 status and cardiac functional assessment before initiation of treatment. The audit found that 100 per cent of patients had both of these assessments performed:

The Trust are safely prescribing and monitoring as per NICE Guidance and NHS England requirements for the use of Trastuzumab (Herceptin) in breast cancer.

c. Clinical research

The number of patients receiving NHS Services provided or subcontracted by Sheffield Teaching Hospitals in 2018/19 that were recruited to studies during that period to participate in the National Institute of Health Research (NIHR) portfolio research trials was 11,641. This was 127 per cent of our end of year target. We have made excellent progress in continuing to improve our performance.

Patient and public involvement and engagement

During 2018/19, the Trust has been building on its existing infrastructure for patient and public involvement and engagement, and the

successful events and activities that took place last year.

In 2018, a set of national standards for public involvement in research was launched to improve the quality and consistency of public involvement in research. As part of this launch, organisations were invited to apply to be part of a 12 month testing process from April 2018/19, to evaluate how the six standards work in practice. From over 50 applications, the Clinical Research and Innovation Office (CRIO) submitted a successful application to test the communications standard, and was chosen as one of just ten Test Bed projects across the UK.

Locally, this means we have been working closely with our existing public involvement panels to ensure that opportunities to be involved in research are more visible to more people, there is diversity of representation in public involvement groups, and to provide/receive meaningful feedback that can be acted upon to improve the quality of public involvement. Nationally, this is giving the Trust the opportunity to share learning and experiences with a broad spectrum of research groups and institutions, and to make recommendations for the final version of the Standards. Being a Test Bed site has meant that many of our activities throughout the year have been carried out using the standards as a guide.

Events

In 2018, the annual NIHR 'I Am Research' campaign for International Clinical Trials Day was run in conjunction with celebrations for NHS70. The Trust held NHS70 celebrations on 5 July 2019 outside Sheffield Cathedral. The public involvement groups were invited to have stalls to showcase some of the outstanding research taking place at the Trust, and the opportunities for getting involved in research. There were many interactive activities and with a theme that focused on the past, present and future of the NHS. Staff and volunteers could highlight the crucial role research played in developments through the years in diagnosing, treating and preventing diseases.

To tie in with the NHS70 celebrations, the Trust held a Tea Party for Public Involvement Volunteers to thank them for their vital contribution to health research at the Trust. Nearly 40 people came together to catch up with fellow volunteers, share best practice and discuss public involvement plans at the Trust for the coming months. Attendees were also encouraged to bring along a friend or family member to find out more about being involved in research; as a result new members have been welcomed to the public involvement groups.

New panels

Opportunities for involvement in research at the Trust have broadened over the last 12 months with the initiation of several new public involvement panels in different disease areas. As a result of the Trust being successful in the application for an NIHR Biomedical Research Centre in 2017, new patient and public involvement and engagement panels for Multiple Sclerosis, and for Stroke, have been established and are already providing value to research in these areas. The Musculoskeletal Care Group was successful in securing funding from the Research Design Service Yorkshire and Humber Public Involvement Fund to establish a Musculoskeletal Public Involvement Group. They have the funding to pay for their communications to be translated into five different languages which will make involvement opportunities more accessible for more people. In the coming years the Trust wants to expand on this to try to ensure individuals can be involved on any panels regardless of language or communication requirements.

Training

The CRIO continues to offer public involvement volunteers the opportunity to attend training in research and public involvement. Going forward from 2018, the training has been adapted and improved based upon feedback from previous attendees, working with (and will continue to do so in the future) existing volunteers to ensure this training is suitable for people with differing communication needs, and to develop

new materials so that separate training sessions can be offered to people new to public involvement and those with more experience.

Communications

During 2018 new communications methods have been introduced, including social media, and a newsletter, to ensure the public are aware of activities that are taking place, opportunities for involvement, and news about how involvement in research at the Trust is benefitting patients. With Trust staff and public involvement, the pages of the CRIO website are being reviewed and updated. This will ensure the information is up-to-date and relevant, the pages are easy to navigate and people can easily direct themselves to the information that they want to find.

Staff Engagement

The first Research and Innovation Conference to increase engagement with Trust research staff and those who are interested in research took place in September 2018 and was at capacity with nearly 200 delegates attending. During the afternoon four parallel breakout sessions were run of which one was dedicated to public involvement in research. This was designed and presented by our Patient Research Ambassadors and the feedback from delegates was overwhelmingly positive. After the event, delegates commented on feeling proud and inspired by the research and innovation taking place across the Trust, and many felt more knowledgeable about where they can go to access support, and the numerous other groups that they can collaborate with to carry out research that will ultimately benefit patients.

d. Commissioning for Quality and Innovation (CQUIN Framework)

A proportion of Sheffield Teaching Hospitals NHS Foundation Trust's income in 2018/19 was conditional on 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 (CQUIN) payment framework.

Further details of the agreed goals for 2018/9 and for the following 12 month period are available electronically at:

<https://www.england.nhs.uk/publication/commissioning-for-quality-and-innovation-cquin-guidance-for-2017-2019/>

In 2018/19, £18,174,872 of our contractual income was conditional on achieving the Quality Improvement and Innovation goals agreed between Sheffield Teaching Hospitals and NHS Sheffield Clinical Commissioning Group (CCG) / NHS England. Of the 2.5 per cent of contract income associated with the National (CCG commissioned) CQUIN schemes, one per cent was linked to engagement with sustainability and transformation plans. The remaining one and a half per cent was linked to achievement of CQUIN goals.

In total across all Commissioners there were 20 different CQUIN schemes which included a focus on improving the health and wellbeing of staff, preventing ill health by risky behaviours, i.e., use of alcohol and tobacco, and the management of the prescribing of drugs for the treatment of Hepatitis C.

During 2017/18 the Trust secured £15,754k on achieving the Quality Improvement and Innovation Goals.

e. Care Quality Commission (CQC)

Sheffield Teaching Hospitals NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is fully compliant. Sheffield Teaching Hospitals NHS Foundation Trust had no conditions on registration. The Care Quality Commission (CQC) has not taken enforcement action against Sheffield Teaching Hospitals NHS Foundation Trust during 2018/19.

Sheffield Teaching Hospitals NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during 2018/19.

The Trust participated in the CQC's Local System Review (LSR) of the Sheffield Health and Social Care System during 2017/18. The CQC LSR report was published on 8 June 2018. Below is a brief summary of the report:

Key strengths:

- Most people felt they were treated with kindness and that frontline staff provided person-centred care, going the extra mile for people they cared for
- There are strengthening relationships and a strong commitment to achieve the best outcomes for the people in Sheffield
- The system works well together in a crisis and to address challenges and system pressures
- There are opportunities for increasing the scale of positive innovations being tested
- The Joint Health and Wellbeing Strategy and the Accountable Care Partnership are providing a stronger framework for joint working and delivering Shaping Sheffield and the Better Care Fund
- The development of shared agreements and approaches, such as the Community Intermediate Care Services, are making a positive impact.

Areas where the system needs to further develop/improve as a system:

- Discharges from hospital
- Fully embedding a collaborative approach with all staff and supporting staff to work in this way
- Developing joint plans for delivering services
- Better integrating the voluntary, community and social enterprise with statutory service delivery
- Involving social care providers in market shaping and service development
- Evaluating pilots and test projects
- Concerns from service users and carers relating to: Continuing Healthcare reviews and social work assessments; help and

support for carers; information on services and activities; and communication around delays in treatment.

A city-wide action plan has been developed and focuses on improving and accelerating progress on the following themes:

- A way of working that is built around acknowledging and improving older people's views and experiences and which drives a citywide vision
- A shared city-wide workforce strategy to support front-line staff in delivering this vision and in particular further develops multi-agency working
- Developing clearer governance arrangements to ensure stronger joint-working between organisations and greater involvement for the Voluntary, Community and Faith sector
- A meaningful shift to prevention at scale, supported by clear commissioning arrangements and digital interoperability
- A strong system focus on enabling the right support from the right person in the right place at the right time, to give the best possible experience.

In 2018 the Trust also welcomed inspectors from the CQC to carry out an inspection of services and care. On 4 June 2018, as part of the CQC inspection cycle, NHSI undertook an assessment of the Trust's use of resources. From 12 to 14 June 2018, the CQC carried out an unannounced inspection of the urgent and emergency, medical, surgical and end of life services provided by this Trust. An announced 'well-led' inspection took place between 11 and 13 July 2018, during which the CQC looked at the quality of leadership at the Trust and how well the Trust manages the governance of its services. During the announced inspection there were further unannounced visits to the Emergency Department and wards, with a mental health team from the CQC reviewing various records.

The Trust's Inspection Report was published on 14 November 2018 with the Trust achieving an overall rating of 'Good' with an overall rating of 'Outstanding' for responsive. The Trust-wide ratings are detailed below:

Fig: 2018 CQC Rating

Safe	GOOD
Effective	GOOD
Caring	GOOD
Responsive	OUTSTANDING
Well-led	GOOD
Overall rating	GOOD

In response to the Trust's Inspection Report, a high-level action plan was agreed to address the 41 'Must Do' and 'Should Do' recommendations identified within the report. This is a significant reduction with the Trust having received 83 recommendations following the 2015 inspection.

The high-level action plan was submitted to CQC on 12 December 2018. The implementation of the actions is being overseen by the Trust's Healthcare Governance Committee.

f. Data quality

Sheffield Teaching Hospitals NHS Foundation Trust submitted records during 2018/19 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data which included the patient's valid NHS number was:

99.9 per cent for admitted patient care

99.9 per cent for outpatient care

99.2 per cent for Accident and Emergency Care

The percentage of records in the published data which included the patient's valid General Practice Code was:

100 per cent for admitted patient care

100 per cent for outpatient care

100 per cent for Accident and Emergency Care

Sheffield Teaching Hospitals NHS Foundation Trust was not subject to a Payment by Results audit process during 2018/19. Sheffield Teaching Hospitals NHS Foundation Trust continues with the following programmes to improve its data quality:

- The Electronic Patient Record and Data Quality Team are well established and continue to support and drive forward a coordinated Data Quality agenda across the organisation
- The reporting dashboards to support improvement to Data Quality, including the Administrative Patient Safety Dashboard, is well established within the organisation
- The Data Quality Steering Group, chaired by the Assistant Chief Executive, is well established, and continues to support data quality improvement across the organisation
- The Trust systems trainers are now fully integrated within the Performance and Information function, to support users in learning from errors, and further improve training to focus on data quality
- The Administrative Profession Programme has been launched with a view to ensuring all those undertaking administrative functions are suitably trained and supported. This includes standardisation of procedures, and availability of standard operating procedures for all tasks.

The Data Security & Protection Toolkit assessment, the replacement of the Information Governance Toolkit, was submitted on March 29, 2019 and graded at 'Standards met' on 5 April 2019.

g. Patient safety alerts

Patient safety alerts are issued via the Central Alerting System on behalf of NHSI to ensure safety critical information and guidance is appropriately cascaded to the NHS and independent providers of health and social care.

The patient safety alert 'Resources To Support Safer Care For Patients At Risk Of Autonomic Dysreflexia' was issued in July 2018, with an expectation of compliance by 25 January 2019. Providers were asked to review local clinical policy and guidance relating to bowel assessment and management, including review of local training and education provision, particularly around the care of patients with spinal cord injury or neurological conditions that have led to neurogenic bowel dysfunction.

Although our review identified local policy and compliance with education and training provision, variances in practice were identified across the Trust and it was considered that to ensure full compliance that a Trust-wide bowel management policy was required. In response, a new policy was developed, however due to requiring input from various stakeholders across the Trust, this took longer than expected to finalise. The document is now complete and requires final ratification and approval at the Nursing Executive Group, in line with Trust processes. Following ratification this policy will be appropriately disseminated at which stage the Trust will be able to demonstrate full compliance and be confident in the closure of this alert. It is anticipated this will be complete by the end of April 2019.

Fig: Patient Safety Alert

Reference	Title	Issued	Deadline (action complete)	Closed
NHS/PSA/D/2017/006	Confirming removal or flushing of lines and cannulae after procedures	09/11/2017	09/08/2018	Closed
NHS/PSA/D/2016/009	Reducing the risk of oxygen tubing being connected to air flow meters	04/10/2016	04/07/2017	Closed
NHS/PSA/W/2018/002	Risk Of Death Or Severe Harm From Inadvertent Intravenous Administration Of Solid Organ Perfusion Fluids	17/04/2018	31/05/2018	Closed
NHS/PSA/R E/2018/003	Resources To Support The Safe Adoption Of The Revised National Early Warning Score (News2)	25/04/2018	21/06/2018	Closed
NHS/PSA/R E/2018/004	Resources To Support Safer Modification Of Food And Drink	27/06/2018	01/04/2019	Closed
NHS/PSA/R E/2018/005	Resources To Support Safer Care For Patients At Risk Of Autonomic Dysreflexia	25/07/2018	25/01/2019	Overdue
NHS/PSA/R E/2018/006	Resources To Support The Safe And Timely Management Of Hyperkalaemia (High Level Of Potassium In The Blood)	08/08/2018	08/05/2019	Open
NHS/PSA/R E/2018/007	Management Of Life Threatening Bleeds From Arteriovenous Fistulae And Grafts	12/11/2018	13/05/2019	Open
NHS/PSA/R E/2018/008	Safer Temporary Identification Criteria For Unknown Or Unidentified Patients	05/12/2018	05/06/2019	Open
NHS/PSA/W/2018/009	Risk Of Harm From Inappropriate Placement Of Pulse Oximeter Probes	18/12/2018	18/06/2019	Open

h. NHS Staff Survey

The response rate to the 2018 survey from STH staff was 46 per cent which was above the national average for our benchmarking group and an improvement on the 2017 Trust response rate (44 per cent).

The benchmarked findings of the 2018 survey are now presented as ten theme scores (scored out of ten) which can be seen in the table below. The Trust is benchmarked in the Combined Acute and Community Trusts group.

Fig: Response rate to the NHS Staff Survey: Staff involvement

2017/18		2018/19	
Trust	National Average	Trust	National Average
44%	43%	46%	41%

Fig: Staff survey results

	2018/19		2017/18		2016/17	
	Trust	Benchmarking group	Trust	Benchmarking group	Trust	Benchmarking group
Equality, diversity and inclusion	9.3	9.2	9.3	9.2	9.3	9.3
Health and wellbeing	5.9	5.9	6.1	6.0	6.1	6.1
Immediate managers	6.8	6.8	6.8	6.8	6.8	6.8
Morale	6.3	6.2	Not available	Not available	Not available	Not available
Quality of appraisals	5.6	5.4	5.5	5.3	5.5	5.4
Quality of care	7.4	7.4	7.5	7.5	7.5	7.5
Safe environment – bullying and harassment	8.4	8.1	8.4	8.1	8.4	8.2
Safe environment – violence	9.5	9.5	9.5	9.5	9.5	9.5
Safety culture	6.8	6.7	6.8	6.7	6.8	6.7
Staff engagement	7.0	7.0	7.1	7.0	7.0	7.0

Of the ten themes in the 2018 benchmarked report the Trust scored above average for five:

- Equality, Diversity and Inclusion
- Morale
- Quality of Appraisals
- Safe environment, bullying and harassment
- Safety culture

The other key themes scored as average. No theme scored below average.

The highest score was achieved in 'Equality, Diversity and Inclusion' and the lowest was 'Quality of appraisals'. There has been little significant change in theme scores since last year with only 'Quality of care' and 'Health and wellbeing' showing a statistically significant deterioration.

With regard to the health and wellbeing indicator, the Trust continues to build on work already underway to support staff and in early 2019 we introduced a new 24 hours counselling service. A financial wellbeing support service for staff was also introduced in November 2018.

The individual question data shows that the percentage of staff recommending the Trust as a place for treatment remains well above average at 81 per cent (compared to the Combined Acute and Community average of 69.9 per cent). Equally, the percentage of staff recommending the Trust as a place to work to work is above average at 67.8 per cent (compared to the benchmarking group average of 61.1 per cent).

The Trust launched a People Strategy in 2018 with ten workstreams which will address the various areas raised in the staff survey. A Trust level staff engagement action plan will be also produced, which will be underpinned by Directorate action plans. These will be monitored by the HR Strategy Group and the Human Resources and Organisational Development Committee, which is a sub group of the Board of Directors.

The Trust has also established a new Equality, Diversity, and Inclusion (EDI) Board. The Board will provide oversight to the development and implementation of the Trust's strategic approach to meeting the relevant duties set out in the Equality Act, 2010, and the policy approach of the NHS relating to meeting the duties embedded in the NHS Equality Delivery System 2.

With a diverse and broad membership including senior leaders and the Board reports to the Trust Executive Group, the EDI Board will oversee any EDI work carried out in respect of workforce, patients and service delivery.

As part of the Trust's commitment to support, celebrate and integrate all aspects of equality, inclusion and diversity, members of the Board of Directors were reverse mentored by 12 Black, Minority and Asian (BAME) staff giving them insight into what it is like being a BAME member of staff working for the Trust. This experience provided the Board of Directors with a valuable one to one opportunity to explore issues of inclusivity and identify priority areas of focus for the organisation.

The Promoting and Valuing Difference Workstream of the Trust's People Strategy oversees the development and delivery of the Workforce Race Equality Standard (WRES).

The WRES Strategy and Action Plan and Sheffield Implementation Guide and data have been uploaded to the Trust's website. Our WRES data has highlighted the work that needs to be carried out to further improve the experiences of our staff. The EDI Workforce Lead is overseeing the implementation of Trust-wide staff networks which will provide peer support for staff, act as a voice for the organisation on issues that impact on BAME, disabled and Lesbian, Gay, Bisexual and Transgender (LGBT) staff and provide advice and support on issues which are felt to be important to address.

Fig: Work Race Equality Standard (WRES)

WRES Metric	Metric Description	Ethnic Group	2017	2018	Direction	Representative Target	North 2017	National 2017
Metric 1	Percentage of BME staff in Bands 8-9, VSM (including Executive Board members and senior medical staff) compared with the percentage of BME staff in the overall workforce	BME Staff in Post	13.01	13.16	▲	19	7.50	16.30
		BME 8a + & VSM	4.20	4.30	▲	13	4.00	10.40
Metric 2	Relative likelihood of White staff being appointed from shortlisting compared to that of BME staff being appointed from shortlisting across all posts	White	1.22	1.21	▼	1.00	1.54	1.6
Metric 3	Relative likelihood of BME staff entering the formal disciplinary process, compared to that of White staff entering the formal disciplinary process	BME	1.57	1.40	▼	1.00	1.27	1.37
Metric 4	Relative likelihood of White staff accessing non mandatory training and CPD compared to BME staff	White	1.01	1.06	▲	1.00	0.99	1.22
Metric 5	KF 25. Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	White	20.47	21.03	▲	0	26.0	27.9
		BME	21.45	21.48	▲	0	27.4	28.7
Metric 6	KF 26. Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	White	19.12	18.67	▼	0	21.6	24.4
		BME	22.7	24.28	▲	0	25.1	26.5
Metric 7	KF 21. Percentage believing that Trust provides equal opportunities for career progression or promotion	White	90.18	89.94	▼	100	88.1	87.6
		BME	71.42	74.79	▲	100	77.1	75.5
Metric 8	Q17. In the last 12 months have you personally experienced discrimination at work from any of the following? B) Manager/team	White	4.51	4.53	▲	0	5.6	6.2
		BME	14.78	12.67	▼	0	13.4	13.8
Metric 9	Percentage of BME Board membership	White	100	88	▶	81	90	88
		BME	0	0	▶	19	6	7

i. Annual patient surveys

Seeking and acting on patient feedback remains a high priority. The Trust continues to undertake a wide range of patient feedback initiatives regarding the services they receive. Survey work during 2018/19 included participation in the National Survey Programme for inpatient, cancer and maternity services. National results, including comparative scores, will be available during 2019.

Throughout 2018, a series of local satisfaction surveys have been undertaken covering inpatient, outpatient and community patients, as well as a specific carers' survey.

During 2018/19, the CCQ published results from the 2017 National Inpatient Survey, 2017 National A&E Survey, 2017 National Cancer Survey, and the 2018 National Maternity Survey.

• National Inpatient Survey 2017

The National Inpatient Survey 2017 was carried out across 148 acute and specialised NHS Trusts. All adult patients (aged 16 and over) who had spent at least one night in hospital, and were not admitted to maternity or psychiatric units during July 2017, were eligible to be surveyed. 1,199 eligible patients from this Trust were sent a survey, and 529 were returned, giving a response rate of 44.1 per cent. This is compared to the national response rate of 41 per cent.

Compared to other Trusts participating in the National Inpatient Survey, the Trust scored 'about the same' as most other Trusts on the majority of questions and scored 'better' than other Trusts on six questions. This is an improvement on 2016 where the Trust scored 'about the same' as other Trusts on all questions.

In terms of the question relating to overall experience, the Trust score of 8.5 was ranked 'about the same' as the national average. This was a 'significant improvement' from the Trust 2016 score of 8.1. Overall, in the 56 questions that were used in both the 2016 and 2017 surveys, the Trust scored significantly better in

20 questions and did not score significantly worse in any questions. Results and comments from the National Inpatient Survey have been considered alongside other patient experience data, and workstreams are either planned or in place to address priority areas where improvements can be made.

• National Cancer Patient Experience Survey 2017

The National Cancer Survey 2017 was carried out across 146 acute hospital NHS Trusts on all adult patients (aged 16 and over) with a primary diagnosis of cancer, discharged following an inpatient episode, or day case attendance for cancer related treatment in the months of April, May and June 2017. A total of 2,175 eligible patients from the Trust were sent a survey, and 1,367 were returned, giving a response rate of 63 per cent. This is compared to the national response rate of 63 per cent.

The Trust scored within the expected range on 55 out of 59 questions, above the expected range on three questions and below the expected range on one question. Areas where the Trust scored above the expected range were: staff giving information about support groups, groups of doctors or nurses not talking in front of the patient as if they were not there, and staff giving information about who to contact post discharge. The area where the Trust scored below the expected range was: being given easy to understand written information about the type of cancer they had at 69 per cent compared to a National average of 73 per cent. The Trust also scored below the expected range for this question in the 2016 survey at 69 per cent.

Directorates and teams providing care for patients with cancer have used the patient comments from the National Cancer Survey, which provide substance and context to scores, to produce an action plan to improve services for patients. Actions include:

Lead Cancer Nurse to review the quality of all tumour site patient information. The majority of information is from national organisations such as Macmillan and Cancer Research UK.

The Trust Lead Nurse will discuss performance at a national level and compare how other organisations are addressing this.

- **National Maternity Survey 2018**

The 2018 survey of women's experiences of maternity services involved 130 NHS acute Trusts in England. Women were eligible for the survey if they had a live birth during February 2018, were aged 16 years or older, and gave birth in a hospital, birth centre, maternity unit, or at home. A total of 375 eligible patients from this Trust were invited to take part in the survey and 133 completed the survey giving a response rate of 35 per cent. This is a decrease from the response rate for the 2017 survey of 39 per cent and slightly below the response rate for similar trusts of 36 per cent.

Antenatal Care

- The Trust scored 'about the same' as other Trusts in all questions for antenatal care
- The Trust did not score significantly worse or better in any question from the 2017 scores

Labour and Birth

- The Trust scored 'about the same' as other Trusts in all questions for labour and birth and were not significantly higher or lower than 2017 in any question

Postnatal Care

- The Trust scored 'about the same' as other Trusts in most questions, except two where the Trust scored worse than most other Trusts. The two questions were:

Fig: National maternity survey results – postnatal care (bottom scores)

Question	Trust		National Average 2018
	2017	2018	
Found partner was able to stay with them as long as they wanted	59%	61%	70%
Told who to contact if they needed advice about any emotional changes	74%	65%	78%

The Trust scored significantly lower than 2017 in the following three questions:

Fig: National maternity survey results – postnatal care (previous year comparison)

Question	Trust		National Average 2018
	2017	2018	
Feeding your baby: Felt midwives gave consistent advice	87%	76%	80%
Care at home after the birth: Felt midwives aware of medical history	86%	74%	75%
Care at home after the birth: Given information or advice about contraception	92%	84%	89%

The Maternity Patient Experience Committee agreed an action plan to improve services for patients focusing on areas raised by the survey.

- **Friends and Family Test**

The Trust continues to participate in the Friends and Family Test (FFT), which is carried out in inpatient, outpatient, A&E, maternity, and community services. The FFT asks a simple, standardised question (*Would you recommend this service to friends and family?*) with a six point scale, ranging from 'extremely likely' to 'extremely unlikely'. During 2018/19, the total percentage of patients who scored 'extremely likely' and 'likely' across all five elements of the FFT was 93 per cent.

The Trust has also chosen to ask a follow-up question in order to understand why patients select a particular response. The FFT allows us to look in more detail at patient feedback at individual ward and service level where our scores consistently compare well nationally, with good response rates being achieved. FFT also provides us with a high volume of free-text comments as well as voice messages.

The Trust uses a number of different methods to carry out FFT depending on the patient group and care setting. Postcards remain a

reliable method of collecting the views of patients therefore this method continues to be used in most inpatient areas and within maternity services. Interactive Voice Messages and Text Messages are the main methods of carrying out FFT in A&E, outpatients and community.

To aim to increase response rates from the Emergency Department, there was a move from using SMS messaging for collecting FFT feedback to using paper cards in November 2018. The impact of this change of methodology will be evaluated after a six month period. Response rates are continually reviewed to ensure areas receive a good response rate whilst ensuring they use the most appropriate method for their area and patients.

From November 2017, the reporting of the GP Collaborative Service was moved from being reported within the Community FFT to the A&E element of the FFT, as it was suggested that the GP Collaborative might closely align with emergency / urgent services in terms of patient feedback. This would allow the Trust to more accurately benchmark against other trusts. The impact of this change on FFT scores for Community Services was monitored through 2018; however, no difference was found. GP Collaborative FFT reporting was therefore moved back to being reported within the Community Services element of the FFT in November 2018, as this is where the GP Collaborative sits managerially.

Although there are no national targets for response rates, the Trust is committed to

maintaining good response rates for FFT to ensure feedback data is robust. Therefore, the Trust works to a response rate target for inpatients of 30 per cent, A&E and maternity services 20 per cent, outpatient 9 per cent and Community Services 12.5 per cent. These response rate targets are based on previous performances to ensure existing standards are maintained.

Over the last 12 months, 145,392 FFT responses were received by STH across all areas. Inpatients (29 per cent), A&E (20 per cent), maternity (23 per cent), community (13 per cent) and outpatients (9 per cent) all achieved their locally set response rate target during this time with the exception of inpatients where the target was 30 per cent.

FFT results are monitored through monthly reports of response rates, numbers of responses, positive scores and negative scores. The report also provides the facility for all wards and departments to review anonymous patient comments relevant to their area.

The scores and response rates across all areas of FFT comparing 2017/18 with 2018/19 are detailed below.

When the Trust's response rate targets are not being met, the relevant areas are highlighted in the monthly reports. Response rates are monitored and reported on a quarterly basis in the Integrated Quality Report and monthly in FFT reports that are reviewed by the Patient Experience Committee.

Fig: Scores and response rates for FFT

FFT Area	2017/2018				2018/2019			
	Positive Score	Negative Score	Response Rate	No. of Responses	Positive Score	Negative Score	Response Rate	No. of Response
Inpatient	96%	2%	30%	37,204	96%	2%	29%	36,918
Outpatient	94%	2%	9%	80,138	95%	2%	9%	72,631
Maternity	95%	1%	28%	5,065	97%	1%	23%	4,033
Community	89%	3%	12%	9,422	90%	3%	13%	9,852
A&E	87%	7%	21%	18,230	87%	8%	20%	21,958
Trust Total	94%	3%	12%	150,059	93%	3%	13%	145,392

j. Complaints

The Trust values complaints as an important source of patient feedback. We provide a range of ways in which patients and families can raise concerns or make complaints. All concerns whether they are presented in person, in writing, over the telephone or by email are assessed and acknowledged within three working days and wherever possible, we take a proactive working approach to solving problems 'on the spot'.

During 2018/19, we received 1,997 informal concerns which we were able to respond to within two working days. If telephone calls, emails or face to face enquiries are received by the Patient Services Team (PST) and if staff feel they can be dealt with quickly by taking direct action, or by putting the enquirer in touch with an appropriate member of staff, such as a Matron or Service Manager, contacts are made and the enquiry is recorded on the complaints database as an informal concern.

If the concern or issue is not dealt with within two working days, or if the enquirer remains concerned, the issue is re-categorised as a complaint and processed accordingly.

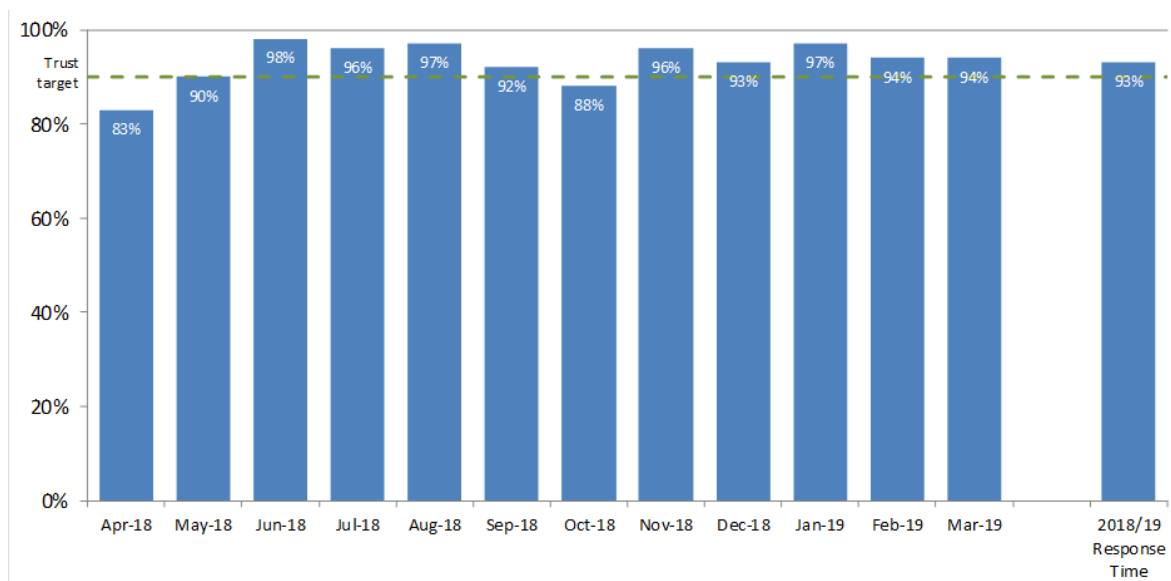
During 2018 /19, 1562 complaints requiring a more detailed and in-depth investigation were received. A monthly breakdown of formal complaints and informal concerns received during 2018/19 is provided below.

Fig: Complaints received during 2018/19 by month

	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	Total
New informal concerns received	125	132	140	140	156	159	191	193	160	229	190	182	1997
New formal complaints received	131	135	143	142	130	106	131	124	96	150	133	141	1562
All concerns combined	256	267	283	282	286	265	322	317	256	379	323	323	3559

Of the complaints closed during 2018/19, 624 (40 per cent) were upheld by the Trust. The Parliamentary and Health Service Ombudsman investigate complaints made regarding Government departments and other public sector organisations and the NHS in England. They are the final step of the complaints process, giving complainants an independent and objective body to review their complaint. During 2018/19 the Parliamentary and Health Service Ombudsman closed seven cases regarding the Trust, 13 per cent (one) of which was partially upheld and no complaints were fully upheld.

Fig: Breakdown of complaints response times by month

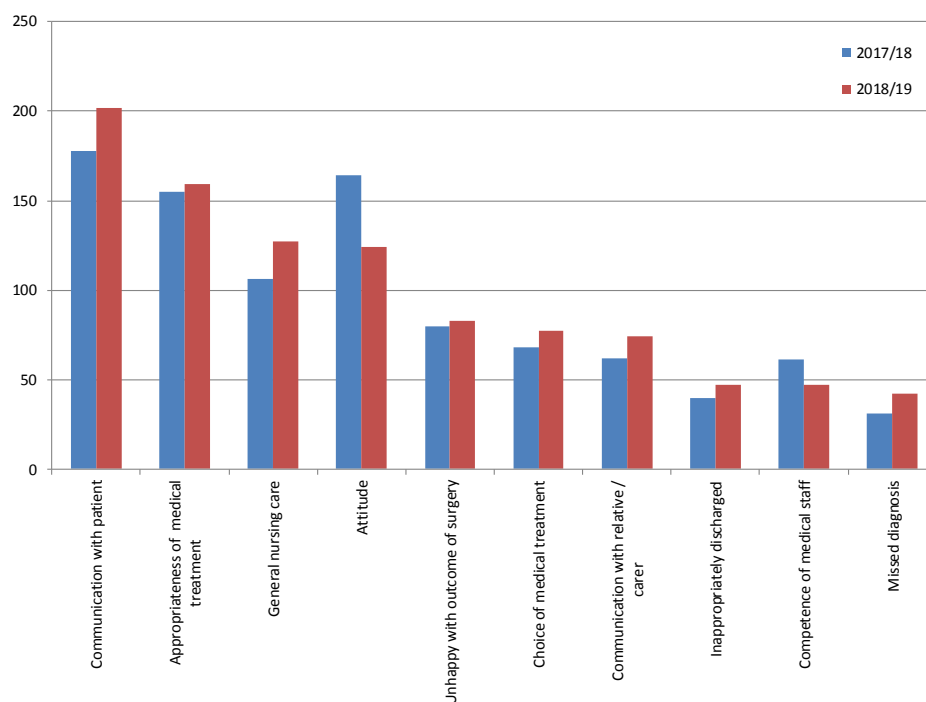


From April 2018, the target response rate for complaints to be closed within the agreed timescale was raised from 85 per cent to 90 per cent. Despite significant staffing issues within the complaints team between April and November 2018, this target was achieved in all but two months.

This reporting process ensures that at all levels the Trust is continually reviewing information, so that any potentially serious issues, emerging themes or areas where there is a notable increase in the numbers of complaints received, can be thoroughly investigated and reviewed by senior staff.

Monthly complaints reports are produced for Care Groups and Directorates showing the number of complaints received and target response times so that activity is monitored at Directorate level.

Fig: Breakdown of complaints by theme



Findings from analysis of complaints show that the top five themes of complaints are the same as those identified last year. During 2018/19, 'Attitude' has dropped out of the top three, and has been replaced by 'General nursing care'.

When presented as a percentage, complaints relating to 'Attitude' are two per cent lower this year, complaints relating to 'Communication with patient' have increased by slightly more than one per cent (1.2%) and those relating to 'General nursing care' have increased by a similar amount (1.1%). The remainder of the themes identified are comparable to last year, with a variation of less than one per cent.

We remain committed to learning from, and taking action as a result of, complaint investigations. A selection of actions taken as a result of complaints is featured in the Trust's Integrated Quality Report.

k. Mixed sex accommodation

The Trust remains committed to ensuring that men and women do not share sleeping accommodation, except when it is in the patient's overall clinical best interest, or reflects their personal choice.

During January 2019, there were two breaches of this standard. Due to a period of exceptional demand, a decision was taken after very careful consideration to temporarily place two male patients in the Respiratory Support Unit which was empty at that particular time. Overnight two female patients who required Respiratory Support Unit care were appropriately admitted to the unit, however, at that point the male patients should have been moved. The transfer did not occur before the women were placed on the ward and so a breach occurred. Explanations and apologies were offered to the patients affected. The Chief Operating Officer has undertaken a review with the Clinical Operations Team, which has highlighted the need for clear contingency plans to be in place at the time the decision is taken to use the Respiratory Support Unit in this way. This is the first time a mixed sex breach has occurred since March 2017.

l. Coroners' Regulation 28 (Prevention of future death) reports

There was one Regulation 28 sent to Yorkshire Ambulance Service and the Trust during 2018/19.

This related to a misunderstanding between the family and the GP Collaborative Service as to who would call an ambulance. A response was submitted reiterating the actions that had already been taken to reduce the risk of such a situation arising again.

m. Never Events

Never Events are defined as 'Serious Incidents that are wholly preventable as guidance or safety recommendations that provide strong systemic protective barriers are available at a national level and should have been implemented by all healthcare providers'.

During 2018/19 four Never Events occurred at the Trust. Two of these were in relation to retained foreign object post procedure and two related to wrong site surgery.

Learning from Serious Incidents and Never Events is shared through multiple forums within the Trust. Two of the Never Events involve the surgical count process and actions taken as a result include the following:

- The Trust Surgical Count Policy has been reissued to all staff within theatres
- The Trust Surgical Count Policy has now been fully implemented in the Cardiac Catheter Suite so that surgical counts are undertaken in line with current policy and clear guidance regarding the responsibility within the Cardiac Catheter Suite
- A review of how all new and updated policies and procedures are shared and implemented in the future, specifically within the Cardiac Catheter Suite, has taken place
- All surgical packs will be reviewed to ensure that all items not in line with the Surgical Count Policy are removed

- A rapid cycle audit programme of the Surgical Count Policy will be undertaken
- The implantable cardiac devices care pathway documentation has been reviewed ensuring reference to the safer surgical checklist.

The two incidents related to wrong site surgery were both in relation to the administration of injections into the incorrect site and were outside of the surgical environment. Both incidents occurred in the last quarter of 2018/19 and so the full investigation informing required actions to prevent future recurrence are not yet complete. All Serious Incidents are shared at the Trust's Safety and Risk Committees to ensure that wider learning and actions are developed and implemented.

n. Duty of Candour

To ensure the Trust continues to comply with Duty of Candour requirements during 2018/19 a number of refresher training sessions were held for staff, in conjunction with the Trust's solicitors. These sessions were well attended with over 150 staff attending. The Duty of Candour Policy is currently in the process of being updated and reviewed and will be appropriately shared and disseminated when complete.

The current process for recording incidents that trigger Duty of Candour is integrated into the Datix system to provide ongoing assurance that the requirements are being met. In order for Duty of Candour to be considered an incident has to be both classed as a patient incident and moderate, major or catastrophic severity. When this happens a trigger is instigated within Datix to consider whether Duty of Candour applies. During 2018/19 317 incidents met this criterion and of these, 190 incidents were highlighted as requiring the statutory duty to be implemented.

Further analysis has been undertaken of the remaining 127 incidents where Duty of Candour was not deemed applicable, despite being a patient incident of moderate or above severity. This identified that 23 incidents were linked to pressure ulcers which were present on the patient's admission and a further 11

were easily identifiable as being no harm incidents, confirming duty of candour did not apply.

A review of the remaining 93 incidents demonstrated no clear trends or themes. Summary compliance 'spot check' audits take place each quarter to review these incidents, ensuring Duty of Candour is applied where applicable. This provides assurance that Directorates are complying with the statutory duty. The outcomes of these audits are discussed quarterly at the Trust's Patient Safety and Risk Committee.

o. Safeguarding adults

The Trust is a partner in a network of agencies including Sheffield City Council, Sheffield Health and Social Care NHS Foundation Trust, Sheffield Children's NHS Foundation Trust, South Yorkshire Police, South Yorkshire Fire and Rescue, and NHS Sheffield CCG, who make up the Sheffield Safeguarding Partnership for Children, Young People and Adults. The Partnership Executive Board leads and holds these individual agencies to account ensuring that agencies support and empower children and adults at risk, to protect them from abuse or neglect.

The Trust provides safeguarding training and has a number of safeguarding policies, guidance and processes in place to support staff to identify and report all types of abuse of patients, carers, family members, visitors or staff. This includes the reporting of Female Genital Mutilation and radicalisation.

The Trust's Safeguarding Team supports staff to identify and assist adults at risk who are subject to domestic violence and abuse, working in particularly close collaboration with the maternity services vulnerabilities team, the Emergency Department and Human Resources.

p. Seven day services

A national Seven Day Services Forum was established by Professor Sir Bruce Keogh, NHS England (NHSE) Medical Director, in 2013 and asked to concentrate its first stage review on urgent and emergency care services

and their supporting diagnostic services. The Seven Day Services Forum's Summary of Initial Findings was presented to the Board of NHS England in December 2013. One of its recommendations was that the NHS should adopt ten evidence-based clinical standards for urgent and emergency care and supporting diagnostics to end current variations in outcomes for patients admitted to hospital at the weekend. NHSE's Board agreed to all of the Forum's recommendations, including full implementation of the clinical standards.

To support quality improvement and measure progress in the achievement of seven day hospital services the Trust has taken part in the NHS England case note review since April 2016. This covers the management of patients admitted as an emergency, measuring practice against the four priority clinical standards. The four priority clinical standards are:

Clinical Standard (2): Time to First Consultant Review

Clinical Standard (5): Consultant Directed Diagnostics

Clinical Standard (6): Consultant Directed Interventions

Clinical standard (8): Ongoing Review

Key findings from the Spring 2018 survey demonstrate that the Trust has made significant progress to meet these standards.

Clinical Standard (2) – Time to First Consultant Review:

- 81 per cent of patients were seen and assessed within 14 hours of admission
- Variations exist across the specialities with respect to time to first Consultant review
- Variations exist throughout the week for the majority of the specialities.

Clinical Standard (5): - Consultant Directed Diagnostics:

- On the whole, the data supports the view that critical and urgent patients

requiring the necessary diagnostics are receiving them in a timely manner

Clinical Standard (6) – Consultant Directed Interventions:

- The Trust has reported that hospital inpatients have timely 24 hour access, seven days a week, to Consultant-directed interventions

Clinical Standard (8) – Ongoing Review (Once Daily Review):

- Across the Trust, results demonstrate that a good proportion of patients (86 per cent) needing a once daily review generally received one
- Patients requiring a once daily review were less likely to receive one at the weekend compared to the weekday (71 per cent vs. 91 per cent).

Clinical Standard (8) – Ongoing Review (Twice Daily Review):

- The majority of patients requiring a twice daily review received one (95 per cent)
- Patients requiring a twice daily review were less likely to receive one at the weekend compared to the weekday (91 per cent versus. 97 per cent)

In November 2018, the Trust was notified by NHSI and NHSE of changes to the Seven Day Service measurement. The survey tool will be replaced by a Board Assurance Framework for measuring seven day service delivery.

This new measurement system replaces the existing self-assessment survey and consists of a standard measurement and reporting template, which all Trusts will complete with self-assessments of their delivery of the seven day service clinical standards. This self-assessment will then be formally assured by the Trust Board and the completed template submitted to regional and national seven day service leads to enable measurement against the national ambitions for seven day services.

This process and template has been designed in partnership with Trust Medical Directors to ensure that they not only produce an

assessment of seven day service delivery that is more accurate, rounded and complete but also reduce the administrative burden on Trusts by aligning with existing data collections.

The Trust is required to implement the Board assurance process from March 2019, with the assurance template completed, along with supporting evidence from local audits to allow Trust Boards to give formal assurance of the self-assessment.

The long association between the Trust and the seven day services agenda means that significant progress has been made. There is however recognition that further progress is needed and this is reflected in the Trust's financial plans. The list of projects that are directly or indirectly related to the implementation of the four clinical standards is lengthy but includes the following significant elements:

- Allocation of funding to enhance Consultant presence at the weekends
- Progress towards a 24/7 safety net of coordinated care across the Trust
- Establishing a 7/7 Consultant directed echocardiography service
- Embedding the agenda within the Workforce Strategy
- Increased Consultant presence within specific Directorates
- Increased capacity within the assessment areas
- Introduction of board rounds

The Trust is also mindful of the desired implementation of the remaining six standards and has made significant progress in several areas especially in regard to implementation of standard nine (Transfer to Community, Primary and Social Care).

q. Learning from deaths

During 2018/19, 2,806⁶ of Sheffield Teaching Hospitals NHS Foundation Trust's patients died, including 25 stillbirths. This comprised the following number of deaths which occurred in each quarter of that reporting period:

- 651 in the first quarter;
- 672 in the second quarter;
- 692 in the third quarter;
- 791 in the fourth quarter.

By 31 March 2019, 2,158⁷ Medical Examiner (ME) case record reviews (NGH deaths) and eight investigations have been carried out in relation to the deaths included in data contained within the above paragraph.

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

- 524 in the first quarter (81 per cent of all deaths);
- 556 in the second quarter (83 per cent of all deaths);
- 540 in the third quarter (78 per cent of all deaths);
- 538 in the fourth quarter (68 per cent of all deaths).

The number of deaths in each quarter for which a ME case record review and a Structured Judgement Review (SJR) was carried out was:

- 15 in the first quarter (3 per cent of ME case record reviews);
- 40 (of 41 SJRs requested) in the second quarter (7 per cent of ME case record reviews);
- 108 (of 115 SJRs requested) in the third quarter (20 per cent of ME case record reviews);

⁶ Source: Information Services 'Deaths in Hospital' report run on 2 April 2019

⁷ Assuming that all NGH deaths are reviewed by the Medical Examiner

- 56 (of 87 SJRs requested) in the fourth quarter (10 per cent of ME case record reviews).

Zero (0) representing Zero per cent (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.

These numbers have been estimated using the ME case record review and SJR. However, 14 cases have been identified for further investigation and have yet to be reviewed by the Serious Incident Group to make this decision.

As a first step SJR summaries are sent to relevant Directorates for discussion at speciality mortality and morbidity meetings where local actions can be agreed and progressed (where these are within the scope of Directorates to do so).

Already the analysis of the deaths by the Faculty of clinicians using the SJR method has identified areas of potential intervention. Some of these areas of work reflect national issues, such as the quality of notes documentation, and are correspondingly difficult to action locally although the move to an electronic patient record will help to mitigate this. Other emerging themes, such as sepsis management and Acute Kidney Injury (AKI) management, are already being addressed by different workstreams within the Trust and reinforce the need for robust work in these areas.

In addition, it is important that other themes which emerge are assigned a priority by the Trust to enable a sustainable work plan to be created with embedded metrics that allow measurement of healthcare improvement.

Discussions within the Trust both at Executive level and Directorate level will be required to create models for intervention.

There are ongoing discussions with Directorate Governance Leads, Clinicians and the SJR Faculty to evaluate the process and feedback mechanisms.

A total of 55 deaths prior to 1 April 2018 had a SJR undertaken after 1 April 2018 and one is still awaiting a SJR. Three of the 55 scored 2 (poor care). Two of these were reviewed by the Deputy Medical Director and Deputy Chief Nurse. One was amended to a 3 (good) following added context from the Directorate and further investigation has been requested for the second. The third is currently in progress.

Zero (0) representing Zero per cent (0%) of the patient deaths before the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using the ME case record review and SJR. However, one case has been identified for further investigation and is yet to be reviewed by the Serious Incident Group to make this decision.

Zero (0) representing Zero per cent (0%) of the patient deaths during 2017/18 are judged to be more likely than not to have been due to problems in the care provided to the patient.

r. Staff who speak up

Employees of the Trust have a number of ways they can raise concerns about patient safety or about any perceived bullying and harassment.

The two main policies which support staff in doing this are: the Raising Concerns at Work Policy and the Acceptable Behaviour at Work Policy.

We encourage all staff to raise concerns with their line manager or someone within their line management structure in the first instance but if they feel unable to do this we do have two Freedom to Speak Up Guardians in the Trust who are supported by a number of trained Freedom to Speak Up Advocates who are located across the organisation. Their contact details can be found on the Human Resources intranet page and are publicised on posters across the organisation.

There are regular communications to Trust employees about the Freedom to Speak Up process and all staff raising concerns through

this route receive feedback via the Guardian / Advocate who they raised their concern with and/or the investigating manager.

All staff raising genuine concerns are protected in line with whistleblowing legislation.

s. Rota gaps

Due to vacancies or unanticipated sickness some specialties have elements of their staff rota that need to be filled.

The Trust has a very successful internal locum bank, with which more than 90 per cent of Trust doctors in training are registered, and this provides a cohort of doctors who are familiar with the Trust, its processes, procedures and IT systems who can be deployed at short notice as required.

- [Deploying alternative non-medical staff to carry out clinical and non-clinical tasks where appropriate](#)

A well-established Hospital Out of Hours service is in place at both campuses, and makes efficient use of the out of hours workforce, allocating tasks to the most appropriate staff member, some of whom are non-medical. In addition to its core non-

medical and dedicated co-ordinating staff, the service relies on fixed contributions from junior medical staff from each participating specialty.

- [Novel recruitment strategies](#)

The Trust has devised innovative ways of attracting and maintaining medical staff who wish to take time out of clinical practice by creating posts catering for the needs of both the service and individuals, and this approach has met with some success. The creation of Trust Clinical Fellows, who are offered a combination of clinical work and training opportunities outside a traditional numbered training post, has also been successful, particularly in the Emergency Department.

A number of approaches have been explored relating to the training of non-medical staff to undertake tasks traditionally carried out by doctors. These include the training of Advanced Clinical Practitioners who train for between one and three years before they are fully-qualified, and the appointment of a cohort of Physicians' Assistants. At present, Physicians Assistants are not permitted to prescribe medication or order radiological investigations, and whilst plans are emerging nationally to address this, the relevant legislation is unlikely to become law for one to two years.

3. Quality performance information 2018/19

These are the Trust priorities which are encompassed in the mandated indicators that the organisation is required to report and have been agreed by the Board of Directors. The indicators include:

- Six that are linked to patient safety;
- Eleven that are linked to clinical effectiveness; and
- Thirteen that are linked to patient experience

Fig: Quality Performance Information

Prescribed Information	2016/17	2017/18	2018/19
<p>The value and banding of the Summary Hospital-Level Mortality Indicator (SHMI) for the Trust for the reporting period.</p> <p>National Average: 1 .00 Highest performing Trust score: 0 .69 Lowest performing Trust score: 1 .27 (Figures for October 17 - September 18)</p> <p>The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the Trust for the reporting period.</p> <p>National average:33.6% Highest trust score: 59 .5% Lowest trust score: 14.3% (Figures for October 17 - September 18)</p>	<p>0.98 Banding: as expected</p> <p>29 .0%</p>	<p>0.96* Banding: as expected</p> <p>27.4%*</p>	<p>Oct 17 – Sept 18</p> <p>0.96 Banding: as expected</p> <p>26.6%</p>

Sheffield Teaching Hospitals NHS Foundation Trust considers that these data are as described as the data are extracted from the NHS Digital SHMI data set.

The SHMI makes no adjustment for palliative care because there is considerable variation between trusts in the way that palliative care codes are used. Adjustments based on palliative medicine treatment specialty would mean that those organisations coding significantly for palliative medicine treatment specialty would benefit the most in terms of reducing the SHMI value (the ratio of Observed/Expected deaths would decrease because the expected mortality would increase).

Hence, SHMI routinely reports percentage patient deaths with palliative care coding as a contextual indicator to assist with interpretation of data.

Sheffield Teaching Hospitals NHS Foundation Trust is taking the following actions to improve this coding rate, and so the quality of its services, by implementing an additional step whereby the Coding Department receive a monthly report from the Palliative Care Service which details every patient seen.

The Trust is also now producing a coding report which informs the position that the code for specialist palliative care has been entered to optimise the expected deaths model calculation for HSMR.

Both reports have taken effect from October 2018.

*The SHMI reported in last year's Quality Report was qualified by the annotation that this was derived from the most recent rolling 12 month period i.e. October 2016 - September 2017. SHMI results are published five months and three weeks in arrears because of the need to validate the data nationally. The value for April 2017 - March 2018 was released on 20 September 2018 and reported as 0.96. This can be validated via the NHS Choices website.

** O/E ratio is the ratio of observed deaths divided by expected deaths

Prescribed Information	2016/17 Finalised	2017/18 Provisional	2018/19 Provisional
Patient Report Outcome Measures (PROMs)			
The Trust's EQ5D patient reported outcome measures scores for:			
(i) Groin hernia surgery			
Trust score:	0.077	0.077	No longer part of the National PROMs programme
National average:	0.089	0.089	
Highest score:	0.140	0.122	
Lowest score:	0.000	0.000	
(ii) Varicose vein surgery			
Trust score:	*	*	No longer part of the National PROMs programme
National average:	0.096	0.096	
Highest score:	0.134	0.134	
Lowest score:	0.000	0.000	
(iii) Hip replacement surgery primary			
Trust score:	0.417	0.449	0.527
National average:	0.445	0.468	**
Highest score:	0.537	0.566	**
Lowest score:	0.310	0.376	**
(iv) Hip replacement surgery revision			
Trust score:	0.291	*	0.343
National average:	0.292	0.289	**
Highest score:	0.362	0.322	**
Lowest score:	0.239	0.227	**
(v) Knee replacement surgery primary			
Trust score:	0.317	0.376	0.382
National average:	0.324	0.338	**
Highest score:	0.404	0.417	**
Lowest score:	0.242	0.234	**
(vi) Knee replacement surgery revision			
Trust score:	0.249	*	0.169
National average:	0.273	0.292	**
Highest score:	0.297	0.328	**
Lowest score:	0.000	0.196	**

* Denotes that there are fewer than 30 responses as figures are only reported once 30 responses have been received.

** Denotes data not yet released

PROMs scores represent the average adjusted health gain for each procedure. Scores are based on the responses patients give to specific questions on mobility, usual activities, self-care, pain and anxiety after their operation as compared to the scores they gave pre-operatively. A higher score suggests that the procedure has improved the patient's quality of life more than a lower score.

Please note that groin hernia and varicose vein have been removed from the programme from October 2017.

Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described as the data is taken from the NHS Digital PROMs data set. Sheffield Teaching Hospitals NHS Foundation Trust is taking the following actions to improve this score, and through this the quality of its services, by:

- Implementing decolonisation pre operatively with an aim to reduce post-operative infections rates.
- Facilitated ward move to be nearer theatres for all arthroplasty patients - Theatres started piloting a spot type probe attached to the patient from the Theatre Admissions Unit through to recovery, to monitor the patient's temperature throughout this journey. This supports NICE guidance that recommends maintaining the patient's temperature greater than 36 degrees to assist in wound healing and a reduction in Surgical Site Infections.

Measures of Quality Performance	2016/17	2017/18	2018/19
Readmissions			
The percentage of patients aged: 0 to 15; and	0%	0%	0%
16 or over, readmitted to a hospital, which forms part of the Trust within 28 days of being discharged from a hospital which forms part of the Trust during the reporting period.	14.7%	14.88%	16.49%
<i>Comparative data is not available</i>			
Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described as the data is taken from the Trust's Patient Administration System, Lorenzo.			
Sheffield Teaching Hospitals NHS Foundation Trust intends to take the following actions to improve this percentage, and through this the quality of its services, continuing to enhance assessment areas such as the Frailty Unit on the NGH site and the Urology Assessment Unit on the RHH site that both serve to reduce readmissions and improve pathways for patients. Expanding our ambulatory care offering is also a priority in the coming months. An Action Plan has been developed to address any areas within the Trust where readmissions may be higher than comparative Trusts. This work will be overseen by the Central Readmissions Group.			
Responsiveness to personal needs of patients			
The Trust's responsiveness to the personal needs of its patients during the reporting period.	74.7%	80.4%	93%
National average: 92% (this is based on the average scores across all NHS trusts who are contracted with Picker Europe, the CQC's national surveys contractor)			
The Trust score is made up of the following: Did you get enough help from staff to eat your meals? – 86% Do you think the hospital staff did everything they could to help control your pain? – 94% Treated with respect and dignity – 99%			
Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described as the data is provided by National CQC Survey Contractor.			
Sheffield Teaching Hospital NHS Foundation Trust continues to take action to improve this rate, and so the quality of its services, by implementing local surveys during 2019/20 to enhance our understanding of patient needs. The final programme for the additional local surveys is currently being agreed.			

Measures of Quality Performance	2016/17	2017/18	2018/19
<p>Patients risk assessed for venous thromboembolism (VTE)s</p> <p>The percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period.</p> <p><i>Comparative data is not available</i></p> <p>Sheffield Teaching Hospital NHS Foundation Trust considers that this data is as described as the data is taken directly from the Trust's Electronic Patient Record.</p> <p>Sheffield Teaching Hospitals NHS Foundation Trust continues to take the following actions to improve this percentage, and through this the quality of its services, by having established processes in place that check if a patient has had a VTE risk assessment. Where this has not been completed this is followed up and completed.</p>	95.2%	95.29%	95.04%
<p>Rate of Clostridium Difficile</p> <p>The rate per 100,000 bed days of cases of C.difficile infection reported within the Trust amongst patients aged two or over during the reporting period.</p> <p><i>Comparative data is not available</i></p> <p>*This is the final figure for 2017/18 following the review of quarter 4 cases post publication of the 2017/18 Quality Report</p> <p>**The rate shown is provisional until the Public Health England denominator rates are published. The denominator used is the 2017/18 figure as this is unlikely to change significantly.</p> <p>During 2018/19 there have been 84 <i>C.difficile</i> Hospital Onset/Healthcare associated episodes detected within the Trust. The national threshold for such episodes for 2018/19 was 86</p> <p>All Hospital Onset/Healthcare Associated cases have a root cause analysis to identify if there has been any possible lapse in care. At publication (as of the end of Quarter 3) 10 cases have been highlighted as possibly having a lapse in care. Quarter 4 cases are still being reviewed.</p> <p>Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described as the data is provided by Public Health England.</p> <p>Sheffield Teaching Hospitals NHS Foundation Trust continues to take a range of actions to improve this rate, and through this the quality of its services, by having a dedicated plan as part of its Infection Prevention and Control Programme to continue to reduce the rate of <i>C.difficile</i> experienced by patients admitted to the Trust.</p>	20.3	15.2*	15.4**

Measures of Quality Performance	2016/17	2017/18	2018/19
Percentage of patients who waited less than 62 days from urgent referral to receiving their treatment for cancer			Q1, Q2 & Q3 data used
Urgent GP referral for suspected cancer			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	83%	78.94%*	74.53
National Standard	85%	85%	85%
NHS Cancer Screening Service referral			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	96.31%	91.84%*	87.80%
National Standard	90%	90%	90%
*This figure is different from last year as it represents the whole year (April 2017 – March 2018)			
<i>Data Source: Open Exeter National Cancer Waiting Times Database</i>			
Rate of patient safety incidents			April to Sept 2018
The number and, where available, rate of patient safety incidents reported within the Trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death.	20,089	21,313*	11,358**
Number of incidents reported			
The incident reporting rate is calculated from the number of reported incidents per thousand bed days and the comparative data used is from the first 6 months of 2018/19.	37.15	39.2*	44.2**
**Cluster average: 44.5 / Highest performing Trust score: 107.4 / Lowest performing Trust score: 13.1			
The number and percentage of patient safety incidents that resulted in severe harm or death	18 (0.1%)	50* (0.2%)	32** (0.3%)**
**Cluster reporting data: 19 (0.3%) / Highest reporting Trust: 87 (0.4%) / Lowest reporting Trust: 0 (0%)			
* The figures for 2017/18 are different to those documented in last year's Quality Report as they have now been validated.			
**Full information for the financial year 2018/19 is not available from the National Reporting and Learning System (NRLS) until September 2019. Data reported covers April to September 2018.			
Sheffield Teaching Hospitals NHS Foundation Trust encourages reporting of all incidents and as a result has seen the numbers of reported incidents increase, reflecting a continually improving safety culture. The numbers of incidents reported are monitored by the Patient and Occupational Safety and Risk Committee's and at local Directorate governance meetings.			
<i>To note: As this indicator is expressed as a ratio, the denominator (all incidents reported) implies an assurance over the reporting of all incidents, whatever the level of severity. There is also clinical judgement required in grading incidents as 'severe harm' which is moderated at both a Trust and national level. This clinical judgement means that there is an inherent uncertainty in the presentation of the indicator which cannot at this stage be audited</i>			

Measures of Quality Performance	2016/17	2017/18	2018/19
Maximum six week wait for diagnostic procedures			
Sheffield Teaching Hospitals NHS Foundation Trust achievement.	98.93%	92.95%	98.75%
National Standard	99%	99%	99%
Accident and Emergency maximum waiting time of 4 hours from arrival to admission/ transfer/ discharge			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	86.77%	88.64%	87.30%
National Standard	95%	95%	95%
MRSA blood stream infections			
Hospital Onset bacteraemia cases in Sheffield Teaching Hospitals NHS Foundation Trust	2	3	2
Trust assigned cases in Sheffield Teaching Hospital NHS Foundation Trust (No longer applicable)	2	3	n/a
Sheffield Teaching Hospitals NHS Foundation Trust threshold for Hospital Onset episodes.	0	0	0
The Trust assigned category was introduced for the 2013/14 and ceased as 2017/18			
Patients who do not need to be admitted to hospital who wait less than 18 weeks for GP referral to hospital treatment			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	93.16%	94.4%	91.6%
National Standard	95%	95%	95%
Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	93.5%	95.7%	93.4%
National Standard	92%	92%	92%
Patients who require admission who waited less than 18 weeks from referral to hospital treatment			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	85.4%	88.21%	85.2%
National Standard	90%	90%	90%
Never Events (Count)			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	6	3	4
Hospital Standardised Mortality Ratio (HSMR)			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	105%	107%*	108%
National Standard	100%	100%	100%
<i>Data source: Dr Foster</i>			
*This figure is different from last year as it represents the whole year (April 2017 – March 2018) and an annual benchmark rather than February 2017 – January 2018 as reported in last year's Quality Report.			

Measures of Quality Performance	2016/17	2017/18	2018/19
Certification against compliance with requirements regarding access to healthcare for people with a learning disability			
Does the NHS Foundation Trust have a mechanism in place to identify and flag patients with learning disabilities and protocols that ensure that pathways of care are reasonably adjusted to meet the health needs of these patients?	Yes	Yes	Yes
Does the NHS Foundation Trust provide readily available and comprehensible information to patients with learning disabilities about treatment options, complaints procedures and appointments?	Yes	Yes	Yes
Does the NHS Foundation Trust have protocols in place to provide suitable support for family carers who support patients with learning disabilities?	Yes	Yes	Yes
Does the NHS Foundation Trust have protocols in place to routinely include training on providing healthcare to patients with learning disabilities for all staff?	Yes	Yes	Yes
Does the NHS Foundation Trust have protocols in place to encourage representation of people with learning disabilities and their family carers?	Yes	Yes	Yes
Does the NHS Foundation Trust have protocols in place to regularly audit its practices for patients with learning disabilities and to demonstrate the findings in routine public reports?	Yes	Yes	Yes
Data Completeness for Community Services			
Referral to treatment information:			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	65%	62%	59.94%
National Standard	50%	50%	50%
Referral information:			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	100%	100%	100%
National Standard	50%	50%	50%
Treatment activity information:			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	100%	100%	100%
National Standard	50%	50%	50%

Measures of Quality Performance	2016/17	2017/18	2018/19
<p>Friends and Family Test - Staff who would recommend the Trust (from Staff Survey)</p> <p>The percentage of staff employed by, or under contract to, the Trust during the reporting period who would recommend the Trust as a provider of care to their family or friends.</p> <p>National average: Combined Acute and Community Trusts – 69.9%. All Trusts – 70.9%</p> <p>Highest performing Trust score:(Combined Acute and Community Trusts): 90.3%</p> <p>Lowest performing trust score: (Combined Acute and Community Trusts): 49.2%</p> <p>Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described, as the data is provided by the national CQC survey contractor.</p> <p>Sheffield Teaching Hospitals NHS Foundation Trust continues to take the following actions to improve this percentage, and through this the quality of its services, by seeking staff views and involving them in improving the quality of patient services via Listening into Action, Microsystems Academy, Staff Friends and Family Test and our ongoing staff engagement work.</p>	81%	81%	81%
<p>Friends and Family Test - Patients who would recommend the Trust</p> <p>The percentage of patients who attended the Trust during the reporting period who would recommend the Trust as a provider of care to their family or friends.</p> <p>The Friends and Family Test (FFT) scores are now recorded taking the percentage of respondents who 'would recommend' our service which is taken from ratings One (Extremely Likely) and Two (Likely).</p> <p>Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described, as the data is collected by the Healthcare Communications, verified by UNIFY and reported by NHS England.</p> <p>Sheffield Teaching Hospital NHS Foundation Trust continues to take the following actions to improve this rate, and through this the quality of its services:</p> <ul style="list-style-type: none"> • A monthly report is circulated across the Trust informing staff of scores and response rates, as well enabling them to review the comments that patients have left about their experience • Monthly FFT scores are compared with the 12 month Trust score as well as the 12 month national score to monitor performance • The Patient Experience Committee monitors FFT 	<p>All areas 93%</p> <p>Inpatient 96%</p> <p>A&E 86%</p> <p>Maternity 96%</p> <p>Outpatient 94%</p> <p>Community 88%</p>	<p>All areas 94%</p> <p>Inpatient 96%</p> <p>A&E 88%</p> <p>Maternity 95%</p> <p>Outpatient 94%</p> <p>Community 89%</p>	<p>All areas 94%</p> <p>Inpatient 96%</p> <p>A&E 87%</p> <p>Maternity 97%</p> <p>Outpatient 95%</p> <p>Community 90%</p>

scores for all elements of the FFT to identify any trends or concerns and takes the necessary action should the positive score fall in any particular area of the Trust. This moved from a monthly to a quarterly basis in December 2018 to allow for sufficient numbers of responses to be received for any change to be statistically significant

4. Statements from our Partners on the Quality Report

Governor involvement in the Quality Board

Three governors are currently members of the Quality Board. Our role is to assist the Quality Board in choosing the appropriate priorities regarding improving quality of care for patients.

This year, all members of the Trust, governors, visitors and staff have had an opportunity to help the Trust decide its priorities to improve the patient experience. Nearly 1,500 people responded to this request and the members of the Quality Board are prioritising and responding to these objectives.

The Quality Board continues to observe and respond to best practice and uses this as a benchmark for other objectives.

We are welcomed and encouraged at all stages of report writing, including contributing to the content and wording and will ensure that work continues to influence good patient care.

Kath Parker, Patient Governor
12th April 2019

Statement from NHS Sheffield Clinical Commissioning Group

NHS Sheffield Clinical Commissioning Group (CCG) has reviewed the information provided by Sheffield Teaching Hospitals NHS Foundation Trust (STHFT) 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.

STHFT provides a very wide range of general and specialised services, and it is right that all of these services should aspire to make year-on-year improvements in the standards of care they can achieve. The report fairly articulates where this has been achieved and also where this has been more challenging.

During 2018/19 the Trust has achieved a number of key Constitutional standards and key quality performance measures which includes achievement in the incomplete 18ww target and diagnostics. However, the Trust has

continued to experience challenges in the delivery of the 95% A&E target and a number of the cancer wait targets.

The CCG's overarching view is that STHFT continues to provide, overall, high-quality care for patients, with dedicated, well-trained, specialist staff and good facilities. This quality report evidences that the Trust has achieved positive results in a number of its key objectives for 2018/19. Where issues relating to clinical quality have been identified in-year, the Trust has been open and transparent and the CCG has worked closely with the Trust to provide support where appropriate to allow improvements to be made.

The CCG jointly agreed the identified priority areas for improvement in 2019/20 which are reflected in the locally agreed Service and Development Improvement Plan. Our aim is to pro-actively address issues relating to clinical quality so that standards of care are upheld whilst services continue to evolve to ensure they meet the changing needs of our local population. The CCG will continue to set the Trust challenging targets whilst at the same time incentivise them to deliver high quality, innovative services.

Submitted by Beverly Ryton on behalf of:

Mandy Philbin, Chief Nurse, and Cath Tilney,
Deputy Director of Contracting

3rd May 2019

Statement from Sheffield City Council Healthier Communities and Adult Social Care Scrutiny Policy Development Committee

We'd like to thank the Teaching Hospitals Trust for sharing their Quality Account with us. We're pleased to note that the Trust has engaged more widely in identifying priority objectives for this year, and look forward to seeing improvements in areas that really matter to people using health services in Sheffield.

We're pleased to see the detailed narrative on progress of last year's quality priorities,

however we would welcome a 'measure of success' to let us know if progress has been good enough, and whether the objectives have been met.

We noted last year that urgent suspected cancer GP referral to treatment times for cancer were below the National Standard, and note again with disappointment that performance in this area has dropped further during 2018/19. We want to understand where the hold ups in the pathway are, and will be looking for evidence of improvement over the coming year.

We're pleased to note that the number of staff who would recommend the Trust as a place for treatment, and as a place to work is higher than average. We'd like to take this opportunity to thank all the staff at the Trust for their hard work in delivering such important services for the City.

We look forward to increasing our engagement with the Trust during 2019/20, as we consider developments through the Accountable Care Partnership in Sheffield, and as we look at the Hospital Services Programme through our work on the South Yorkshire, Derbyshire, Nottinghamshire and Wakefield Joint Health Overview and Scrutiny Committee.

16th April 2019

Statement from Healthwatch Sheffield

Thank you for inviting us to comment on this year's Quality Account. We value our relationship with the Trust and your enthusiasm to involve Healthwatch Sheffield in the development and oversight of your quality priorities. We are pleased to participate in the Quality Board, which supports the management of quality objectives.

We are broadly satisfied with the progress reported against 2018/19's quality objectives. We welcome the progress made on the priority to 'implement and evaluate at least one major co-production project and develop a plan for embedding this approach more widely'. We encourage the Trust to embed principles of co-production and shared decision making, such

as in-depth discussions with patients and their carers wherever possible.

Following on from last year, we welcome the continued roll out of Falls Safety Huddles across the Trust, and the resulting reduction in falls.

Last year we highlighted the importance of implementation of the Accessible Information Standard (AIS) with regard to two specific quality objectives. We encourage you to work closely with patients and carers with sensory impairments to measure whether the changes being made are having a positive impact on them.

Specifically, in light of the problems experienced by Deaf patients in receiving equal access to your services, and the action plan you have in place, we would have expected progress against this to have been mentioned in your Quality Account.

We welcome the progress made in standardising letter templates, and we are pleased that engaging with patients widely to evaluate these remains priority for 2019/20. We look forward to working with you on this through the Patient Experience Committee (PEC).

We are pleased to note that in all but two months, you met the target of 90% response times for complaints, which had been raised from the previous target of 85%. However, this year a small number of people told us they were not satisfied with the substance of responses to their complaints; timeliness is not the only indicator of a well-functioning complaints system.

We broadly welcome your quality objectives for 2019/20 and we strongly support the Trust's inclusion of patients and visitors in deciding which areas to focus on in the 2019/20 quality objectives. We are particular pleased to see the Trust's explicit commitment to patient involvement, especially with patients whose experiences are less well understood.

Healthwatch Sheffield works with Sheffield's diverse communities to bring their views and experiences to commissioners and providers.

This year, we have shared experiences of trans patients, patients with disabilities, young people, asylum seekers and refugees and BAMER communities. We hope the Trust will make full use of our findings and our networks in order to hear a wider range of views.

The Quality Account generally reflects what people have shared with us this year about their experiences. Throughout the year patients and carers have been keen to recognise the impact of staff members who kept them well informed and had a positive attitude, and reported feeling looked after because of this.

Waiting times and communication with patients following appointments were the areas that patients and carers we heard from felt were most in need of improvement. In four of the six measures for waiting times which are reported on in the 'Measures of Quality Performance' section, the Trust reports falling slightly below national standards. It would have been useful to see some discussion of this in the Quality Account, and how improvements will be made.

We note the Trust has acknowledged specific areas for improvement based on the results of the National Maternity Survey 2018. This is consistent with feedback we have received from patients who told us their partner was not able to stay with them for as long as they wanted them to.

We look forward to working the Trust this year as part of the Quality Board and Patient Experience Committee.

1st May 2019

Statement of Directors' Responsibilities for the Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS Foundation Trust Boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS Foundation Trust Boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, Directors are required to take steps to satisfy themselves that:

The content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19 and supporting guidance Detailed Requirements for Quality Reports 2018/19.

The content of the Quality Report is not inconsistent with internal and external sources of information including:

- Board minutes and papers for the period April 2018 to April 2019
- papers relating to quality reported to the Board over the period April 2018 to April 2019
- feedback from Commissioners dated 3 May 2019
- feedback from Governors dated 12 April 2019
- feedback from local Healthwatch organisations dated 1 May 2019
- feedback from Overview and Scrutiny Committee dated 16 April 2019
- the Trust's draft complaints report to be published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 13 May 2019

- the latest national patient surveys, dated June 2018 (Inpatients), January 2019 (Maternity) and September 2018 (Cancer)
- the latest national staff survey published February 2019
- the Head of Internal Audit's annual opinion of the Trust's control environment discussed at the Audit committee of 20 May 2019
- CQC inspection report dated 14 November 2018

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.

The Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board of Directors



Tony Pedder OBE

Chairman

21 May 2019



Kirsten Major

Chief Executive

21 May 2019

Auditor's Report

Independent Auditor's Limited Assurance Report to the Council of Governors of Sheffield Teaching Hospitals NHS Foundation Trust on the Quality Report

We have been engaged by the council of governors of Sheffield Teaching Hospitals NHS Foundation Trust to perform an independent assurance engagement in respect of Sheffield Teaching Hospitals 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 national priority indicators as mandated by NHS Improvement:

- maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers; and
- percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the NHS Foundation Trust Annual Reporting Manual issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's Detailed Requirements for External Assurance on

Quality Reports for Foundation Trusts 2018/19; and

- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and supporting guidance and the six dimensions of data quality set out in the Detailed Requirements for External Assurance on Quality Reports.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and supporting guidance, and consider the implications for our report if we 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 for the period April 2018 to April 2019;
- Papers relating to quality reported to the Board over the period April 2018 to April 2019;
- Feedback from NHS Sheffield Clinical Commissioning Group, dated 3 May 2019;
- Feedback from Governors, dated 16 April 2019;
- Feedback from the Healthwatch Sheffield, dated 1 May 2019;
- Feedback from Sheffield City Council Healthier Communities and Adult Social Care Scrutiny Policy Development Committee, dated 16 April 2019;
- The Trust's 'Annual Complaints Report 2018/19' published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- The latest national patient surveys;
- The latest national NHS staff survey, dated February 2019;

- Care Quality Commission inspection report, dated 14 November 2018;
- The Head of Internal Audit's annual opinion over the Trust's control environment for the period April 2018 to March 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 Teaching Hospitals NHS Foundation Trust as a body, in reporting Sheffield Teaching Hospitals NHS Foundation Trust's quality agenda, performance and activities.

We permit the disclosure of this report within the annual report for the year ended 31 March 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 indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Sheffield Teaching Hospitals NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International

Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- limited testing, on a selective basis, of the data used to calculate the indicator 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 that 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 non-mandated indicators, which have been

determined locally by Sheffield Teaching Hospitals NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2019:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance
- the Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's Detailed Requirements for External Assurance on Quality Reports for Foundation Trusts 2018/19; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and supporting guidance.



Cameron Waddell
Partner, for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Salvus House
Aykley Heads
Durham
DH1 5TS

23 May 2019

Independent Auditor's Limited Assurance Report to the Council of Governors of Sheffield Teaching Hospitals NHS Foundation Trust

Opinion on the financial statements

We have audited the financial statements of Sheffield Teaching Hospitals NHS Foundation Trust ('the Trust') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as interpreted and adapted by the Government Financial Reporting Manual 2018/19 as contained in the Department of Health and Social Care Group Accounting Manual 2018/19, and the Accounts Direction issued under section 25(2) of Schedule 7 of the National Health Service Act 2006 ('the Accounts Direction').

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;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006 and the Accounts Direction issued thereunder.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust in

accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Our response and key observations
<p>Revenue recognition</p> <p>Auditing standards include a rebuttable presumption that there is a significant risk in relation to the timing of income recognition, and in relation to judgements made by management as to when income has been earned.</p> <p>The pressure to manage income to deliver forecast performance in a challenging financial environment increases the risk of fraudulent financial reporting leading to material misstatement and means we are unable to rebut the presumption.</p> <p>We consider specific risks in relation to revenue recognition to be in the following areas:</p> <ul style="list-style-type: none"> • recognition of income and receivables around the year end; • recognition of Provider Sustainability Fund (PSF) income during the year. 	<p>Our approach involved a range of substantive procedures including:</p> <ul style="list-style-type: none"> • testing of income and year-end receivables for accuracy, completeness and occurrence; • testing receipts in the pre and post year-end period to ensure they have been recognised in the right financial year; • reviewing intra-NHS reconciliations and data matches provided by the Department of Health and Social Care and challenging management and reviewing supporting information where significant mismatches remain; and • testing of PSF income to year end confirmation from NHS Improvement. <p>There were no significant findings arising from our work on revenue recognition.</p>
<p>Land and building valuations</p> <p>Land and buildings are the Trust's highest value assets accounting for £320m of the Trust's £391m Property, Plant and Equipment balance. Management engages Cushman and Wakefield as an expert to assist in determining the current value of land and buildings to be included in the financial statements. Such valuations are subject to a significant degree of estimation and judgement. Changes in the value of land and buildings may impact on the Statement of Comprehensive Income depending on the circumstances and the specific accounting requirements of the Group Accounting Manual.</p>	<p>Our approach involved evaluating the design and implementation of controls to mitigate the risk and:</p> <ul style="list-style-type: none"> • assessing the scope and terms of engagement with Cushman and Wakefield; • assessing how management use Cushman and Wakefield's report to value land and buildings in the financial statements; • reviewing the valuation methodology used, including testing the underlying data and assumptions (including the application of the new Royal Institute of Chartered Surveyors (RICS) guidance issued in year); • assessing the competence, skills and objectivity of Cushman and Wakefield; and • considering the reasonableness of the valuation by comparing the valuation output with market intelligence and challenging the Trust and the valuer where required. <p>There were no significant findings arising from our work on the valuation of land and buildings.</p>

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures, and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£20m
Basis for determining materiality	Approximately 1.8% of operating expenses from continuing operations
Rationale for benchmark applied	Operating expenses from continuing operations was chosen as the appropriate benchmark for overall materiality as this is a key measure of financial performance for users of the financial statements.
Performance materiality	£16m
Reporting threshold	£300k

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the Accounting Officer made subjective judgements such as making assumptions on significant accounting estimates.

We gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates. We considered the risk of acts by the Trust which were contrary to the applicable laws and regulations including fraud. We designed our

audit procedures to respond to those identified risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the National Health Service Act 2006.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the Trust's accounting processes and controls and its environment and considered qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our tests included, but were not limited to:

- obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by irregularities including fraud or error;
- review of minutes of board meetings in the year; and
- enquiries of management.

As a result of our procedures, we did not identify any Key Audit Matters relating to irregularities, including fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed under 'Key audit matters' within this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not

express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We are also required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. The Accounting

Officer is responsible for assessing each year whether or not it is appropriate for the Trust to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2018/19; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Annual Governance Statement	
<p>We are required to report to you if, in our opinion:</p> <ul style="list-style-type: none"> the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2018/19; or the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements. 	<p>We have nothing to report in respect of these matters.</p>
Reports to the regulator and in the public interest	
<p>We are required to report to you if:</p> <ul style="list-style-type: none"> we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006 because we have a reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; or we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006. 	<p>We have nothing to report in respect of these matters.</p>

The Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We have nothing to report in this respect.

Responsibilities of the Accounting Officer

The Chief Executive as Accounting Officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by Schedule 10(1)(d) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in

place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary.

Use of the audit report

This report is made solely to the Council of Governors of Sheffield Teaching Hospitals NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

Certificate

We certify that we have completed the audit of Sheffield Teaching Hospitals NHS Foundation Trust in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.



Cameron Waddell
For and on behalf of Mazars LLP

Salvus House
Aykley Heads
Durham
DH1 5TS

23 May 2019

Financial Statements

Foreword to the accounts

Sheffield Teaching Hospitals NHS Foundation Trust

These accounts for the year ended 31 March 2019 have been prepared by the Sheffield Teaching Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of schedule 7 of the National Health Service Act 2006 in the form which Monitor, operating as NHS Improvement, has, with the approval of the Secretary of State for Health, directed, and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of that Act.

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.

Signed:



Kirsten Major
Chief Executive

Date: 21 May 2019

Statement of Comprehensive Income for the year ending 31 March 2019

		2018/19	2017/18
	Note	£'000	£'000
Operating Income from continuing operations	3.1 & 3.3	1,135,341	1,077,062
Operating Expenses from continuing operations	4.1	(1,129,579)	(1,072,470)
OPERATING SURPLUS		5,762	4,592
Finance Costs:			
Finance income	7.1	646	217
Finance expense- financial liabilities	7.2	(3,034)	(3,083)
Finance expense- unwinding of discount on provisions	19	(9)	(3)
Public Dividend Capital Dividends payable	29	(8,991)	(10,274)
Net Finance Costs		(11,388)	(13,143)
Gains on disposal of assets		65	190
(DEFICIT) FROM CONTINUING OPERATIONS		(5,561)	(8,361)
Other comprehensive income:			
Impairments		(12,928)	(24,257)
Revaluation		19,434	19,877
Other reserve movements		1	0
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		946	(12,741)

The notes on pages 154 to 187 form part of these accounts.

All income and expenditure is derived from continuing operations, and the deficit is attributable to the owners of the Trust (the Taxpayer).

Statement of Financial Position

		31 March 2019	31 March 2018
	Note	£'000	£'000
Non-current assets:			
Intangible assets	8.1 & 8.3	8,402	9,726
Property, plant and equipment	9.2	391,218	416,116
Investments	11	0	0
Trade and other receivables	13.2	6,268	4,761
Total non-current assets		405,888	430,603
Current assets:			
Inventories	12.1	13,812	13,172
Trade and other receivables	13.1	68,532	53,997
Current asset investments	14	0	0
Cash	21	94,033	74,914
Total current assets		176,377	142,083
Current liabilities:			
Trade and other payables	15.1	(104,281)	(97,360)
Borrowings	16.1	(2,427)	(2,432)
Provisions due within one year	19	(2,983)	(889)
Other liabilities	17.1	(15,866)	(14,977)
Total current liabilities		(125,557)	(115,658)
Total assets less current liabilities		456,708	457,028
Non-current liabilities:			
Borrowings	16.2	(36,873)	(39,370)
Provisions due after one year	19	(2,975)	(2,765)
Other liabilities	17.2	(2,169)	(1,446)
Total non-current liabilities		(42,017)	(43,581)
TOTAL ASSETS EMPLOYED		414,691	413,447
FINANCED BY:			
Taxpayers' equity			
Public Dividend Capital		329,560	329,262
Revaluation reserve	20	38,370	32,949
Income and expenditure reserve		46,761	51,236
TOTAL TAXPAYERS' EQUITY		414,691	413,447

The financial statements on pages 149 to 187 were approved by the Board on 21 May 2019 and were signed on behalf of the Board by



Kirsten Major, Chief Executive
Date: 21 May 2019

Statement of changes in Taxpayers' Equity

		Total	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
	Note	£'000	£'000	£'000	£'000
Taxpayers' Equity at 1 April 2018		413,447	329,262	32,949	51,236
(Deficit) for the year		(5,561)			(5,561)
Transfers between reserves	20	0		(1,085)	1,085
Impairments	20	(12,928)		(12,928)	
Revaluation gains on property, plant and equipment	20	19,434		19,434	
Public Dividend Capital received		298	298		
Other Reserve Movements		1			1
Taxpayers' Equity at 31 March 2019		414,691	329,560	38,370	46,761
Taxpayers' Equity at 1 April 2017		426,119	329,193	38,904	58,022
(Deficit) for the year		(8,361)			(8,361)
Transfers between reserves	20	0		(1,575)	1,575
Impairments	20	(24,257)		(24,257)	
Revaluation gains on property, plant and equipment	20	19,877		19,877	
Public Dividend Capital received		69	69		
Taxpayers' Equity at 31 March 2018		413,447	329,262	32,949	51,236

Statement of Cash Flows

		2018/19	2017/18
	Note	£'000	£'000
Cash flows from operating activities			
Operating surplus from continuing operations		5,762	4,592
Non-cash income and expenditure:			
Depreciation and amortisation	4.1	23,608	28,783
Net Impairments	4.1	33,480	17,164
Income recognised in respect of capital donations (cash and non-cash)	3.1	(1,387)	(824)
(Increase) / Decrease in Trade and other Receivables		(17,027)	477
(Increase) / Decrease in Inventories		(640)	1,468
Increase in Trade and other Payables		8,652	4,698
Increase in Other Liabilities		1,612	1,347
Increase / (Decrease) in Provisions		2,295	(83)
Other operating cashflows		(1,212)	(500)
Net cash generated from operations		55,143	57,122
Cash flows from investing activities:			
Interest received		624	194
Purchase of investments		(105,000)	0
Proceeds from settlement of investments		105,000	0
Purchase of intangible assets		(1,209)	(475)
Purchase of Property, Plant and Equipment		(24,682)	(34,143)
Sales of Property, Plant and Equipment		65	390
Receipt of Cash Donations to purchase capital assets		1,212	500
Net cash used in investing activities		(23,990)	(33,534)
Cash flows from financing activities:			
Public Dividend Capital received		298	69
Loans repaid		(1,446)	(1,446)
Capital element of finance lease rental payments		(456)	(287)
Capital element of Private Finance Initiative Obligations		(624)	(643)
Interest paid		(997)	(1,063)
Interest element of finance lease		(72)	(78)
Interest element of Private Finance Initiative obligations		(1,967)	(1,942)
Public Dividend Capital Dividend paid		(8,476)	(11,740)
Cash flows from other financing activities		1,706	126
Net cash used in financing activities		(12,034)	(17,004)
Increase in cash and cash equivalents		19,119	6,584
Cash and Cash equivalents at 1 April	21	74,914	68,330
Cash and Cash equivalents at 31 March	21	94,033	74,914

Accounting policies for the year ending 31 March 2019

1. Accounting policies

NHS Improvement in exercising the statutory functions conferred on Monitor, has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health and Social Care (DHSC) Group Accounting Manual (GAM) which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DHSC GAM 2018/19, issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FRoM) 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 DHSC GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS Foundation Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Going Concern

The Trust's annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

1.2 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 and certain financial assets and financial liabilities.

1.3 Basis of consolidation

With effect from 1 April 2017, Sheffield Hospitals Charity became an independent charity, rather than being an NHS Charity. The Trust has established that it is not a corporate Trustee of any of its supporting or linked Charities and does not have the power to exercise control so as to obtain economic benefits, meaning consolidation is not appropriate. Additionally the transactions and balances are immaterial in the context of the Trust operations.

The Trust has a number of minor interests (<£400k) in the following entities, none of which are material to the Trust's operations, and are thus not consolidated on the grounds of materiality:

Name	Nature of Relationship
Epaq Systems Ltd	Minor share-holding in low net worth company
Zilico	Minor share-holding in low net worth company
Elaros 24/7 Ltd	Minor share-holding in low net worth company
Wetwash (formerly Independent Care Products Ltd)	Minor share-holding in low net worth company
Devices for Dignity Ltd	No return to the Trust
Medipex Ltd	No return to the Trust
Legacy Park Ltd	No return to the Trust

1.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed.

Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Basis of consolidation/Interests in other entities – see note 1.3.

Sources of estimation uncertainty

Management do not consider that there are any estimates which create a significant risk of causing a material uncertainty. However, the following are areas of estimation or judgement which have a major effect on the amounts recognised in the financial statements:

- Plant, Property and Equipment Valuations and Useful economic lives – see paragraph 1.11 and note 9.5
- Revenue Estimates – see paragraph 1.5
- Allowances for credit losses – see paragraph 1.24 and note 13.3
- Provisions – see paragraph 1.20 and note 19.

1.5 Revenue

The transition to IFRS 15 (Revenue from contracts with customers) has been completed in accordance with paragraph C3 (b) of the Standard, applying the Standard retrospectively recognising the cumulative effects at the date of initial application. In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows:

- As per paragraph 121 of the Standard, the Trust will not disclose information regarding the performance obligations part of a contract that has an original expected duration of one year or less
- The Trust is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard, where the right to consideration corresponds directly with value of the performance completed to date.
- The FReM has mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

The main source of revenue for the Trust is contracts with commissioners in respect of healthcare services. Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued in the same manner as other revenue.

Where income is received for a specific performance obligation that is to be satisfied in the following financial year, that income is deferred. The method adopted to assess progress towards the complete satisfaction of a performance obligation is based on the average speciality tariff applicable to each spell and adjusted for the portion of work completed at the end of the financial year.

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 that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.6 Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees, including non-consolidated performance pay earned but not yet paid. The cost of annual leave 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

Retirement benefit costs NHS Pensions

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP

practices and other bodies, allowed under the direction of the Secretary of State 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.

1.7 Other expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.8 Grants payable

Where grant funding is not intended to be directly related to activity undertaken by a grant recipient in a specific period, the Trust recognises the expenditure in the period in which the grant is paid. All other grants are accounted for on an accruals basis.

1.9 Value Added Tax (VAT)

Most of the activities of the NHS Foundation Trust are outside the scope of VAT.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.10 Corporation Tax

Foundation Trusts currently have a statutory exemption from Corporation Tax on all their activities.

1.11 Property, Plant and Equipment

Recognition

Property, Plant and Equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is held for use in delivering services or for administrative purposes; it is probable that future economic benefits will flow to, or service potential will be supplied to the Trust
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably and either
- the item individually has a cost of at least £5,000; or
- collectively, has a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control

Property, plant and equipment are also capitalised where they form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their individual useful economic lives.

Measurement

All property, plant and equipment is measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus (with no plan to bring it back into use) are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period.

Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost, modern equivalent asset basis.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the service 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, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset, and thereafter to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income /net expenditure in the Statement of Comprehensive Income.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating

expenses.

Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Useful Economic Lives of Property, Plant and Equipment

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are set out in note 9.5 to the accounts.

1.12 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset.

Expenditure on research is not capitalised; it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Measurement

Intangible assets acquired separately are initially recognised at cost. The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria for recognition are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market, or, where no active market exists, at the lower of amortised replacement cost (modern equivalent assets basis) and value in use where the asset is income generating. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

Revaluations and impairments are treated in the same manner as for Property, Plant and Equipment.

Useful Economic Lives of Intangible Assets

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in note 8.4 to the accounts.

1.13 Depreciation, amortisation and impairments

Freehold land, assets under construction or development and assets held for sale are not depreciated / amortised.

Otherwise, depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible assets, less any residual value, on a straight-line basis over their estimated useful lives. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful life, unless the Trust expects to acquire the asset at the end of the lease term, in which case the asset is depreciated in the same manner as for owned assets.

At each financial year end, the Trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure.

1.14 Donated assets

Donated non-current assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are treated in the same way as for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.15 Government funded assets

Government grant funded assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.16 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.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the commencement of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Comprehensive Income.

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.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

The Trust as lessor

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.

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.

1.17 Private Finance Initiative (PFI) transactions

PFI transactions that meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with IAS 17, the underlying assets are recognised as Property, Plant and Equipment at their current value, together with an equivalent finance lease liability.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- payment for the fair value of services received
- repayment of the finance lease liability, including finance costs, and
- payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Services received

The cost of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'

PFI assets, liability and finance costs

The PFI assets are recognised as property, plant and equipment when they come into use. The assets are measured initially at fair value or, if lower, at the present value of the minimum lease payments, in accordance with the principles of IAS 17. Subsequently, the assets are measured at current value in existing use.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the initial value of the assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'finance costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at cost.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised.

The deferred income is released to operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.18 Inventories

Inventories are valued at the lower of cost and net realisable value, using the First In, First Out (FIFO) cost formula.

1.19 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.

1.20 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

Early retirement provisions are discounted using HM Treasury's pension discount rate of positive 0.29% (2017/18: positive 0.10%) in real terms.

For general provisions, nominal discount rates are being applied from 2018/19 (previously real rates). Nominal rates do not take account of inflation and therefore entities are required to also inflate the cash flows relating to general provisions accordingly. General provisions are subject to four separate discount rates according to the expected timing of cash-flows from the Statement of Financial Position date:

Period	Period Definition for expected cash flows	2018/19 Nominal Rate (%)	2017/18 Real Rate (%)
Short term	Up to and including 5 years	0.76%	-2.42%
Medium term	Over 5 years and up to and including 10 years	1.14%	-1.85%
Long term	Over 10 years and up to and including 40 years	1.99%	-1.56%
Very long term	Exceeding 40 years	1.99%	-1.56%

1.21 Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to the NHS Resolution, which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS foundation trust is disclosed at note 19, but is not recognised in the Trust's accounts.

1.22 Non clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

1.23 Contingent liabilities and contingent assets

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Trust's control; or
- a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably.

A contingent liability is disclosed (in note 24.1), unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed (in note 24.2) where an inflow of economic benefits is probable.

1.24 Financial assets

Recognition and de-recognition, measurement and classification

Financial assets are recognised when the Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or when the asset has been transferred and the Trust has transferred substantially all of the risks and rewards of ownership or has not retained control of the

asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices where possible.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

Financial assets at amortised cost

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are those held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest.

Financial assets at fair value through profit and loss

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

Impairment

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the Trust recognises a loss allowance representing expected credit losses on the financial instrument.

The Trust adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

Invoiced contract receivables and Non-invoiced contract receivables are largely with other public sector bodies where the risk of credit losses are low and where income and receivable balances are subject to nationally agreed processes and timetables as outlined below. Credit losses on other contract assets, which are not material, are assessed on a case by case basis as relevant and appropriate.

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

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 the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

1.25 Financial liabilities

Recognition and de-recognition, and measurement

Financial liabilities are recognised when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired.

Financial liabilities at fair value through profit and loss

Derivatives that are liabilities are subsequently measured at fair value through profit or loss, Embedded derivatives that are not part of a hybrid contract containing a host that is an asset within the scope of IFRS 9 are separately accounted for as derivatives only if their economic characteristics and risks are not closely related to those of their host contracts, a separate instrument with the same terms would meet the definition of a derivative, and the hybrid contract is not itself measured at fair value through profit or loss.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability. In the case of DHSC loans, that would be the nominal rate charged on the loan.

1.26 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital is a type of public sector equity finance, which represents the Department of Health and Social Care's investment in the Trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

An annual charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health and Social Care as PDC dividend. The charge is calculated at the real rate set by the Secretary of State with the consent of HM Treasury (currently 3.5%) on the average relevant net assets of the Trust. Relevant net assets are calculated as the value of all assets less all liabilities, except for:

- donated assets (including lottery funded assets)
- average daily cash balances held with the Government Banking Service (GBS) and National Loans Fund (NLF) deposits (excluding cash balances held in GBS accounts that relate to a short term working capital facility)
- any PDC dividend balance receivable or payable

The average relevant net assets is calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health and Social Care, the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.27 Foreign currencies

The Trust's functional currency and presentational currency is pounds sterling, and figures are presented in thousands of pounds unless expressly stated otherwise. Transactions denominated in a foreign currency are translated into sterling (the functional currency) at the spot exchange rate on the date of the transaction.

1.28 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. Details of third party assets are given in note 21 to the accounts.

1.29 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 its own risks (with insurance premiums then being included as normal revenue expenditure).

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

1.30 Transfer of functions from other NHS bodies

For functions that have been transferred to the Trust from another NHS body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net loss/gain corresponding to the net assets/liabilities transferred is recognised within income/expenses, but not within operating activities.

For property, plant and equipment assets and intangible assets, the cost and accumulated depreciation/amortisation balances from the transferring entities' accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the trust has transferred to another NHS body, the assets and liabilities are de-recognised from the accounts as at the date of transfer. The net loss/gain corresponding to the new assets/liabilities transferred is recognised within expenses/income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

1.31 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

1.32 Accounting Standards that have been issued but have not yet been adopted

The DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2018/19. These Standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2020/21, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

The application of the Standards as revised are not expected to have a material impact on the accounts of the Trust. IFRS 16 will require the trust to recognise a liability and associated right of use asset for leases currently classified as operating leases, where the underlying asset does not fall to be classed as low value.

2. Segmental analysis

The Trust has determined that the Chief Operating decision maker (as defined by IFRS8: Operating Segments) is the Board of Directors, on the basis that all strategic decisions are made by the Board.

The Board reviews the operating and financial results of the Trust on a monthly basis and considers the position of the Trust as a whole in its decision making process, rather than as individual components which comprise the total, in terms of allocating resources. Consequently the Board of Directors considers that all the Trust's activities fall under the single segment of provision of healthcare, and no further segmental analysis is therefore required.

3. Income

3.1 Operating Income from activities (by nature)

	2018/19 £'000	2017/18 £'000
Operating income from activities		
Elective income	173,699	169,164
Non Elective income	199,066	190,793
Outpatient income	121,166	115,445
A&E Income	22,890	21,848
Other NHS Clinical income*	335,215	325,853
Income re Community Services	67,171	66,256
Private Patient Income	3,374	3,849
Agenda For change Pay Award Central Funding	11,244	0
Total operating income from activities	933,825	893,208
Other operating income		
Research and development	41,302	39,379
Education and training	53,638	51,841
Received from NHS Charities - Donation of physical assets (non-cash)	0	92
Received from other bodies - Cash donations for capital acquisitions	63	0
Received from NHS Charities - Receipt of grants / donations for capital acquisitions	1,149	500
Received from other bodies - Receipt of grants / donations for capital acquisitions	175	232
Non-patient care services to other bodies	51,609	47,665
Provider Sustainability Funding income	40,100	27,567
Other**	12,497	15,873
Operating lease income	983	699
Operating lease income - contingent rent	0	6
Total other operating income	201,516	183,854
Total Operating Income	1,135,341	1,077,062

*Other NHS Clinical Income consists mainly of high cost drugs (£130,853k), Non drugs cost per case income (£38,405k), Critical Care Income (£49,137k), with the balance of £116,820k relating to sundry block contract income across a range of specialties.

** Other Operating Income 'Other' consists of sundry income from the provision of various facilities to staff, patients and public on STH sites. The largest individual components (covering 51% of the other total income) relate to the provision of car-parking, catering and nursery facilities.

3.2 Income from Commissioner Related Services

Commissioner Requested Services for the year totalled £979,440k (2017/18 £937,217k).

Non Commissioner Requested Services were £155,901k (2017/18 £139,845k).

3.3 Operating lease income

	2018/19	2017/18
	£'000	£'000
Rents recognised as income in the period	983	699
Contingent rents recognised as income in the period	0	6
	983	705

Future minimum lease payments due

	2018/19	2017/18
	£'000	£'000

Re Land

- not later than one year;	29	33
- later than one year and not later than five years;	108	110
- later than five years.	269	294

Total

406	437
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Re Buildings

- not later than one year;	870	646
- later than one year and not later than five years;	2,805	1,832
- later than five years.	5,518	2,953

Total

9,193	5,431
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Total - All categories

- not later than one year;	899	679
- later than one year and not later than five years;	2,913	1,942
- later than five years.	5,787	3,247

Total

9,599	5,868
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3.4 Operating Income from activities (by source)

	2018/19	2017/18
	£'000	£'000
Clinical Commissioning Groups and NHS England	907,574	877,651
NHS Foundation Trusts	83	87
NHS Trusts	0	0
Department of Health and Social Care (DHSC)	11,244	0
Local Authorities	5,064	5,468
NHS Other	1,887	2,170
Non NHS: Private patients	2,726	3,129
Non NHS: Overseas patients (non-reciprocal)	648	720
NHS injury scheme (formerly the Road Traffic Act Scheme)	4,219	3,816
Non NHS: Other***	380	167
Total Operating Income from activities by source	933,825	893,208

***Non NHS Other income from activities comprises income from prescription charges.

3.5 Overseas Visitors (relating to patients charged directly by the Trust)

	2018/19	2017/18
	£'000	£'000
Income recognised in year	648	720
Cash payments received in year (relating to invoices raised in current and previous years)	340	159
Amounts added to provision for impairment of receivables (relating to invoices raised in current and previous years)	232	397
Amounts written off in year (relating to invoices raised in current and previous years)	97	47

4. Operating Expenses

4.1 Operating Expenses by nature:	2018/19	2017/18
	£'000	£'000
Purchase of Healthcare from NHS and DHSC Bodies	20,014	17,889
Purchase of Healthcare from non NHS and DHSC bodies	22,549	21,719
Staff and Executive Directors' costs	663,386	633,240
Non-Executive Directors' costs	178	187
Drugs costs	155,278	148,262
Supplies and services - clinical	98,409	101,930
Supplies and services - general	8,142	8,206
Establishment	8,549	8,021
Research and Development	29,501	27,975
Transport	929	839
Premises	39,313	36,739
Movement in credit loss allowance	505	1,195
Change in provisions discount rate	(42)	33
Depreciation on property, plant and equipment	20,725	26,731
Amortisation of intangible assets	2,883	2,052
Net Impairments of property, plant and equipment	33,420	16,979
Net Impairments of intangible assets	60	185
Operating lease costs	960	880
Audit services - statutory audit*	54	54
Other auditor remuneration-audit related assurance services (quality report review)	9	9
Clinical negligence	13,699	10,700
Legal fees	1,486	1,580
Consultancy costs	1,038	1,183
Internal audit costs	154	157
Training, courses and conferences	3,224	2,313
Redundancy	238	0
Charges to operating expenditure for on-SoFP for IFRIC 12 Schemes	633	611
Insurance	781	652
Other Services	2,737	1,620
Losses, ex gratia & special payments	29	64
Other	738	465
Total Operating Expenses	<u>1,129,579</u>	<u>1,072,470</u>

4.2 Auditors Liability:	2018/19	2017/18
	£'000	£'000
Limitation on Auditors' liability	Unlimited	Unlimited

*An analysis of the work of the Auditors and the associated fees for the respective work is included on page 38 of the Annual Report.

4.3 Arrangements containing an operating lease - current year expenditure

	2018/19 £'000	2017/18 £'000
Minimum lease payments	1,174	880
Contingent rents	0	0
Less sublease payments received	(214)	0
Total	960	880

4.4 Arrangements containing an operating lease - future years' commitments

	2018/19 £'000	2017/18 £'000
Future minimum lease payments due:		
Within 1 year	1,210	675
Between 1 and 5 years	2,266	1,262
After 5 years	265	348
Total	3,741	2,285

5. Staff Costs

5.1 Employee Expenses

	2018/19 £'000	2017/18 £'000
Salaries and wages	541,262	515,055
Social Security Costs	46,990	45,199
Apprenticeship Levy	2,545	2,429
Employer contributions to NHSPA	62,428	59,438
Other pension costs	230	103
Agency / contract staff	9,931	11,016
Total	663,386	633,240

The above figure of £663,386k is net of the amount of £1,435k (2017/18 £548k) in respect of capitalised salary costs included in fixed asset additions (notes 8.1 and 9.1).

In 17/18 the capitalised salary recharge value includes retrospective VAT recovery on contractor charges. The VAT recovery position was concluded with HMRC in April 2017.

Further details of staff numbers and costs can be found within the Staff Report on pages 59 to 62 of the Annual Report.

5.2 Early Retirements Due to Ill Health

	2018/19	2017/18
	Number	Number
Number of early retirements agreed on the grounds of ill health	11	15
	£'000	£'000
Cost of early retirements agreed on grounds of ill health	827	674

These costs were borne by the NHS Pensions Agency.

6. Performance on payment of debts

The Better Payment Practice Code requires the Trust to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. The Trust's performance against this code is set out below:

	2018/19	2017/18
	Number	Number
Number of non NHS invoices paid	215,342	212,507
Number of non NHS invoices paid within 30 days	206,235	201,249
Percentage of invoices paid within 30 days	95.77%	94.70%
	£'000	£'000
Value of non NHS invoices paid	410,976	411,575
Value of non NHS invoices paid within 30 days	396,843	394,605
Percentage of invoices paid within 30 days	96.56%	95.88%
Amounts included within Interest Payable (Note 7.2) arising from claims made under the Late Payment of Debts (Interest) Act 1998	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0

7. Financing

7.1 Finance Income	2018/19	2017/18
	£'000	£'000
Bank account interest	601	217
Investment interest	45	0
Total	646	217

7.2 Finance costs - interest expense	2018/19	2017/18
	£'000	£'000
Capital loans from the Department of Health and Social Care	996	1,063
Finance Lease interest	72	78
Finance Costs in PFI Obligations		
Main Finance Costs	1,125	1,165
Contingent Finance Costs	841	777
Total	3,034	3,083

7.3 Impairment of assets	2018/19	2017/18
	£'000	£'000
Loss or damage from normal operations	151	284
Abandonment of assets in course of construction	93	420
Changes in market price	55,754	38,959
Reversal of impairments	(22,518)	(22,499)
Net Impairments charged to operating expenses	33,480	17,164

The above value includes impairment charges in relation to the Hadfield block. Further details can be found on pages 25 to 27 of the Annual Report.

8. Intangible Non-Current Assets

8.1 Intangible non-current assets 2018/19

	Total	Intangible assets under construction	Software Licenses
	£'000	£'000	£'000
Gross Cost at 1 April 2018	18,719		18,719
Additions - purchased / internally generated	1,619	1,613	6
Impairments charged to operating expenses	(61)	(61)	0
Additions – donated	0		0
Reclassifications	0	(1,552)	1,552
Disposals	(262)		(262)
Gross cost at 31 March 2019	20,015	0	20,015
Amortisation at 1 April 2018	8,993		8,993
Provided during the year	2,883		2,883
Impairments	3		3
Reversal of Impairments credited to operating expenses	(4)		(4)
Reclassification	0		0
Disposals	(262)		(262)
Amortisation at 31 March 2019	11,613	0	11,613
Net Book Value at 31 March 2019	8,402	0	8,402

8.2 Intangible non-current assets 2017/18

	Total	Intangible assets under construction	Software Licenses
	£'000	£'000	£'000
Gross cost at 1 April 2017	18,522		18,522
Additions - purchased / internally generated	391	185	206
Impairments charged to operating expenses	(185)	(185)	0
Additions – donated	0		0
Disposals	(9)		(9)
Gross cost at 31 March 2018	18,719	0	18,719
Amortisation at 1 April 2017	6,950		6,950
Provided during the year	2,052		2,052
Impairments	0		0
Reclassification	0		0
Disposals	(9)		(9)
Amortisation at 31 March 2018	8,993	0	8,993
Net Book Value at 31 March 2018	9,726	0	9,726

8.3 Analysis of intangible non-current assets

	2018/19	2017/18
	£'000	£'000
Net Book Value		
- Purchased	8,399	9,706
- Donated	3	20
Total 31 March	8,402	9,726

8.4 Economic life of intangible non-current assets

	Min Life Years	Max Life Years
Software licences	5	8

9 Property, Plant and Equipment - Non-Current Assets

9.1 Property, Plant and Equipment 2018/19

	Total £'000	Land £'000	Buildings excluding dwellings £'000	Dwellings £'000	Assets under construction £'000	Plant & machinery £'000	Transport equipment £'000	Information technology £'001	Furniture & fittings £'000
Gross Cost at 1 April 2018	547,624	10,097	336,449	1,880	23,040	137,429	1,151	26,955	10,623
Additions - purchased	21,354	36	1,989	0	17,248	1,487	109	59	426
Additions - donated	175	0	0	0	0	175	0	0	0
Additions - assets purchased from cash donations	1,212	0	11	0	174	1,027	0	0	0
Impairments charged to operating expenses	(55,786)	(1,536)	(54,095)	(123)	(32)	0	0	0	0
Impairments charged to revaluation reserve	(12,944)	(288)	(12,316)	(340)	0	0	0	0	0
Reversal of impairments credited to operating expenses	22,518	1,194	21,173	151	0	0	0	0	0
Reversal of impairments credited to revaluation reserve	16	0	16	0	0	0	0	0	0
Reclassifications	0	0	20,821	33	(26,993)	3,590	0	1,557	992
Revaluations	6,033	1,684	3,857	492	0	0	0	0	0
Disposals	(9,341)	0	(1)	0	0	(6,426)	(28)	(1,747)	(1,139)
Cost or valuation at 31 March 2019	520,861	11,187	317,904	2,093	13,437	137,282	1,232	26,824	10,902

Accumulated Depreciation at 1 April 2018	131,508	0	13,332	146	0	87,112	948	23,002	6,968
Provided during the year	20,725	0	8,607	64	0	9,534	73	1,542	905
Impairments recognised in operating expenses	152	0	0	0	0	137	0	0	15
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	(13,401)	0	(13,286)	(115)	0	0	0	0	0
Disposals	(9,341)	0	(1)	0	0	(6,426)	(28)	(1,747)	(1,139)
Depreciation at 31 March 2019	129,643	0	8,652	95	0	90,357	993	22,797	6,749

9.2 Analysis of Property, Plant and Equipment

Net book value	358,492	10,516	281,617	1,593	13,371	43,284	234	4,015	3,862
- Purchased at 31 March 2019	1,199	0	0	0	0	1,199	0	0	0
- Finance Leases at 31 March 2019	2,587	0	2,587	0	0	0	0	0	0
- PFI at 31 March 2019	2,806	0	2,793	0	0	0	0	0	13
- Government granted assets at 31 March 2019	26,134	671	22,255	405	66	2,442	5	12	278
Total at 31 March 2019	391,218	11,187	309,252	1,998	13,437	46,925	239	4,027	4,153

The Trust has undertaken a revaluation of the land and property estate at 1st April 2018 based on an alternative site valuation model with newly appointed expert advisors providing an updated valuation estimation which is compliant with RICS standards. Further details regarding the impact of this revaluation can be found in the Director of Finance's report on pages 25 to 27 of the Annual Report.

9.3 Property, Plant and Equipment 2017/18

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation at 1 April 2017	568,223	14,710	367,476	2,076	10,165	135,563	1,099	25,677	11,457
Additions - purchased	34,672	0	258	0	29,691	4,594	52	0	77
Additions - donated	324	0	92	0	0	232	0	0	0
Additions - assets purchased from cash donations	500	0	43	0	332	116	0	0	9
Impairments charged to operating expenses	(39,068)	(2,991)	(35,709)	(133)	(235)	0	0	0	0
Impairments charged to revaluation reserve	(24,348)	(1,622)	(22,726)	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	22,500	0	22,496	3	1	0	0	0	0
Reversal of impairments credited to revaluation reserve	91	0	91	0	0	0	0	0	0
Reclassifications	0	0	11,179	0	(16,914)	3,589	0	1,685	461
Revaluations	(6,689)	0	(6,623)	(66)	0	0	0	0	0
Disposals	(8,581)	0	(128)	0	0	(6,665)	0	(407)	(1,381)
Cost or valuation at 31 March 2018	547,624	10,097	336,449	1,880	23,040	137,429	1,151	26,955	10,623

Accumulated Depreciation at 1 April 2017

Provided during the year	139,513	0	25,332	252	0	83,674	860	21,971	7,424
Impairments recognised in operating expenses	26,731	0	14,342	118	0	9,839	80	1,436	916
Reversal of impairments credited to operating expenses	411	0	126	0	0	266	8	2	9
Reclassifications	0	0	0	0	0	0	0	0	0
Other Revaluations	(26,566)	0	(26,342)	(224)	0	(2)	0	0	0
Disposals	(8,581)	0	(128)	0	0	(6,665)	0	(407)	(1,381)
Depreciation at 31 March 2018	131,508	0	13,332	146	0	87,112	948	23,002	6,968

9.4 Analysis of Property, Plant and Equipment

Net book value									
- Purchased at 31 March 2018	371,603	9,628	283,039	1,574	22,791	47,152	187	3,937	3,295
- Finance Leases at 31 March 2018	1,542	0	0	0	0	1,542	0	0	0
- PFI at 31 March 2018	14,361	0	14,361	0	0	0	0	0	0
- Government granted assets at 31 March 2018	2,855	0	2,838	0	0	0	0	0	17
- Donated at 31 March 2018	25,755	469	22,879	160	249	1,623	16	16	343
Total at 31 March 2018	416,116	10,097	323,117	1,734	23,040	50,317	203	3,953	3,655

9.5 Economic life of property, plant and equipment

	Minimum Life (Years)	Maximum Life (Years)
Land	Infinite	Infinite
Buildings excluding dwellings	14	58
Dwellings	28	39
Plant & Machinery	5	15
Transport Equipment	7	7
Information Technology	5	8
Furniture & Fittings	10	10

9.6 Non-property valuations

Depreciated historical cost is the basis for determining fair value for the Trust's non-property assets. This is not considered to be materially different from fair value.

9.7 Property valuations

	Land	Buildings excluding dwellings	Dwellings
	£'000	£'000	£'000
Net book value of assets covered by valuation method			
Modern Equivalent Asset (no Alternative Site)	0	0	0
Modern Equivalent Asset (Alternative Site)	11,187	309,252	0
Market value in existing use	0	0	1,998
Fair value (surplus PPE land and buildings)	0	0	0
Total at 31 March 2019	11,187	309,252	1,998

The Trust has undertaken a revaluation of the land and property estate at 1st April 2018 based on an alternative site valuation model with newly appointed expert advisors providing an updated valuation estimation which is compliant with RICS standards. Further details regarding the impact of this revaluation can be found in the Director of Finance's report on pages 25 - 27 of the Annual Report.

10. Non-current assets for sale and assets in disposal groups 2018/19

There were no non-current assets for sale and assets in disposal groups in either financial year.

11. Non-current asset investments

The Trust has holdings in the following companies that are commercially developing intellectual property. The Trust's holdings in these companies carry a minimal value (less than £500k) at the Statement of Financial Position date (31 March 2019 and 31 March 2018). None of the entities are material to the Trust's operations, nor classified as subsidiaries, associates or joint ventures under relevant accounting standards.

Companies in which the trust owns shares

	Shareholding
Epaq Systems Ltd	43.59%
Elaros 24/7 Ltd	11.90%
Wetwash Ltd (Formerly Independent Care Products)	10.00%
Zilico Ltd	4.30%

Companies limited by guarantee

Devices for Dignity Ltd	Member
Medipex Ltd	Member
Olympic Legacy Park Ltd	Member

12. Inventories

12.1 Inventories by category	2018/19 £'000	2017/18 £'000
Drugs	5,829	6,140
Energy	304	304
Other (implantable devices, etc.)	7,679	6,728
Total Inventories	13,812	13,172

12.2 Inventories recognised in expenses	2018/19 £'000	2017/18 £'000
Inventories recognised in expenses	107,585	106,969
Write down of inventories recognised as an expense	64	65
Total Inventories recognised in expenses	107,649	107,034

13. Receivables

13.1 Trade and other receivables falling due within one year	2018/19 £'000	2017/18 £'000
Contract receivables *	68,913	
Contract assets *	0	
NHS receivables *		36,937
Allowance for impaired receivables (note 13.3)	(5,133)	(4,754)
Prepayments	3,490	3,630
Accrued income *		7,346
Interest receivable	56	34
Public Dividend Capital dividend receivable	376	891
VAT receivable	423	892
Other receivables **	407	9,021
Total falling due within one year	68,532	53,997

13.2 Trade and other receivables falling due after more than one year

Contract receivables - NHS Injury Scheme **	6,268	4,761
Total falling due after more than one year	6,268	4,761
Total Trade and Other Receivables	74,800	58,758

*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 NHS receivables, other receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

** NHS Injury Scheme is included within Contract receivables following the application of IFRS 9 in 2018/19.

13.3 Allowances for credit losses (doubtful debts)

	Total	Contract receivables and Contract assets	All other receivables
	£'000	£'000	£'000
At 1 April 2018	4,754	0	4,754
Impact of IFRS 9 (and IFRS 15) implementation on 1 April 2018 balance	0	4,754	(4,754)
New allowances arising	962	962	0
Reversals of allowances	(457)	(457)	0
Utilisation of allowances	(126)	(126)	0
Total allowance for credit losses at 31 March 2019	5,133	5,133	0
Loss recognised in expenditure	505	505	0

13.4 Credit losses and impairment of receivables

The Trust has no material category of receivable which requires generic expected credit losses to be recognised.

Receivables are impaired when there is evidence to indicate that the Trust may not recover, in full, sums due. This can be on the basis of legal advice, insolvency of debtors, or other economic factors. Impaired receivables are written off only when all reasonably possible means of recovery have been exhausted. The nature of the Trust's business generally means that no collateral is held against outstanding receivables.

NHS receivables are considered recoverable because the majority of trade is with Clinical Commissioning Groups (CCG's) as commissioners for patient care services.

As CCG's are funded by the Government to purchase NHS patient care services, credit scoring is not considered necessary. Similarly, other receivables with related parties are with other Government bodies, so credit scoring is not considered necessary.

Prepayments and accrued income are neither past their due date, nor impaired.

Other trade receivables become due immediately as the Trust does not offer extended credit terms.

14. Current asset investments

	2018/19	2017/18
	£'000	£'000
Additions	105,000	0
Disposals	(105,000)	0
Cost or valuation at 31 March	0	0

15. Payables**15.1 Trade and other payables**

	2018/19	2017/18
	£'000	£'000
Amounts falling due within one year:		
NHS payables	14,547	13,926
Trade payables	24,745	21,549
Trade payables - capital	7,741	9,447
Other payables	9,014	8,889
Accruals	35,143	31,040
Social Security and other taxes	13,091	12,509
Public Dividend Capital payable	0	0
Total current trade and other payables	104,281	97,360
Amounts falling due after more than one year:		
Total non-current trade and other payables:	0	0
Total non current trade and other payables	0	0
Total trade and other payables	104,281	97,360

15.2 Early retirements and outstanding pension contributions included in payables above

	2018/19	2017/18
	Number	Number
- Number of cases involved	0	0
	£'000	£'000
- To buy out the liability for early retirements over 5 years	0	0
Outstanding Pensions Contributions at 31 March	8,730	8,300

16. Borrowings**16.1 Current borrowings**

	2018/19	2017/18
	£'000	£'000
Capital Loans from the DHSC	1,469	1,445
Obligations under finance leases	384	363
Obligations under Private Finance Initiative contracts	574	624
Total current borrowings	2,427	2,432

16.2 Non-current borrowings

Capital Loans from the DHSC	18,954	20,400
Obligations under finance leases	823	1,300
Obligations under Private Finance Initiative contracts	17,096	17,670
Total non-current borrowings	36,873	39,370
Total borrowings (current and non-current)	39,300	41,802

17. Other liabilities**17.1 Current other liabilities**

	2018/19	2017/18
	£'000	£'000
Deferred Income	15,866	14,977
Total current other liabilities	15,866	14,977

17.2 Non-current other liabilities

Deferred Income	2,169	1,446
Total non-current other liabilities	2,169	1,446
Total other liabilities (current and non-current)	18,035	16,423

18. Financial obligations

18.1 Finance lease obligations

	2018/19 £'000	2017/18 £'000
Gross lease liabilities	1,320	1,849
of which liabilities are due		
- not later than one year;	439	435
- later than one year and not later than five years;	881	1,414
- later than five years.	0	0
Finance charges allocated to future periods	(113)	(186)
Net lease liabilities	1,207	1,663
Ageing of net lease liabilities		
- not later than one year;	384	363
- later than one year and not later than five years;	823	1,300
- later than five years.	0	0
	1,207	1,663

18.2 Liabilities arising from financing activities

	Total £'000	DHSC Loans £'000	Finance Lease with non-DHSC group counterparty £'000	PFI £'000
Carrying value at 1 April 2018	41,802	21,845	1,663	18,294
Impact of applying IFRS 9 as at 1 April 2018	25	25	0	0
Financing cash flows - principal	(2,526)	(1,446)	(456)	(624)
Financing cash flows - interest	(2,194)	(997)	(72)	(1,125)
Interest charge arising in year	2,193	996	72	1,125
Carrying Value at 31 March 2019	39,300	20,423	1,207	17,670

18.3 Private Finance Initiative (PFI) obligations (on statement of financial position)

	2018/19 £'000	2017/18 £'000
Gross PFI liabilities	29,801	31,549
of which liabilities are due		
- not later than one year;	1,662	1,749
- later than one year and not later than five years;	6,351	6,323
- later than five years.	21,788	23,477
Finance charges allocated to future periods	(12,131)	(13,255)
Net PFI liabilities	17,670	18,294
Ageing of PFI liabilities		
- not later than one year;	574	624
- later than one year and not later than five years;	2,327	2,163
- later than five years.	14,769	15,507
	17,670	18,294

18.4 Amounts included in operating expenses payable to service concession operator	2018/19	2017/18
	£'000	£'000
Interest charge	1,125	1,165
Repayment of finance lease liability	624	643
Service element	633	611
Capital lifecycle maintenance	484	382
Contingent rent	841	777
	3,707	3,578

18.5 Amounts included in operating expenses in respect of PFI transactions deemed to be in the categories listed below	2018/19	2017/18
	£'000	£'000
Service Element	633	611
Depreciation	55	341
	688	952

18.6 Finance charges in respect of Private Finance Initiative (PFI) transactions

Finance charges in respect of PFI transactions are shown under note 7.2.

18.7 PFI scheme details

Estimated capital value of PFI scheme	£2,587K
Contract start date	December 2004
Contract handover date	March 2007
Length of project (years)	32
Number of years to end of project	17 years, 9 months
Contract end date	December 2036

18.8 The Trust is committed to make the following payments for the total service element for on-SoFP PFI service concessions for each of the following periods

	2018/19	2017/18
	£'000	£'000
Hadfield Block:		
- Within one year	648	632
- 2nd to 5th years (inclusive)	2,759	2,691
- Later than 5 years	10,843	11,556
	14,250	14,879

18.9 Total future payments committed in respect of PFI	2018/19	2017/18
	£'000	£'000
Hadfield Block:		
- Within one year	3,800	3,707
- 2nd to 5th years (inclusive)	16,175	15,777
- Later than 5 years	63,509	67,688
	83,484	87,172

The PFI scheme is a scheme to design, build, finance and maintain a medical ward block on the Northern General Hospital site (Sir Robert Hadfield Block). The Trust is entitled to provide healthcare services within the facility for the period of the PFI arrangement. The contract contains payment mechanisms which provide for deductions in the unitary payment made by the Trust in instances of poor performance and unavailability. These mechanisms have been enacted during the 2018/19 financial year in cash terms, pending contractual resolution.

The unitary charge for the scheme is subject to an annual uplift for future price increases. The operators are responsible for providing a managed maintenance service for the length of the contract, after such time these responsibilities revert to the Trust.

Future unitary charge payments will be uplifted based on actual changes in RPI. In terms of assessing future commitments it is assumed that future indexation will be 2.5% p.a. for all remaining years of the contract.

19. Provisions for liabilities and charges

	Current		Non Current	
	2018/19 £'000	2017/18 £'000	2018/19 £'000	2017/18 £'000
Pensions relating to former staff	213	204	2,935	2,725
Legal claims	430	685	40	40
Agenda For Change	0	0	0	0
Other	2,340	0	0	0
Total	2,983	889	2,975	2,765

	2018/19					2017/18	
	Total £'000	Pensions relating to former staff £'000	Legal claims £'000	Agenda For Change £'000	Redundancy £'000	Other £'000	Total £'000
At 1 April	3,654	2,929	725	0	0	0	3,734
Change in discount rate	(42)	(42)	0	0	0	0	33
Arising during the year	3,458	512	599	0	0	2,347	639
Utilised during the year	(541)	(198)	(336)	0	0	(7)	(379)
Reversed unused	(580)	(62)	(518)	0	0	0	(376)
Unwinding of discount	9	9	0	0	0	0	3
At 31 March	5,958	3,148	470	0	0	2,340	3,654
Expected timing of cashflows							
Within one year	2,983	213	430	0	0	2,340	2,340
Between one and five years	884	844	40	0	0	0	0
After five years	2,091	2,091	0	0	0	0	0

Pensions relating to former staff represents the liability relating to staff retiring before April 95 (£502k) and Injury Benefit Liabilities (£2,646k).

Injury Benefits are payable to current and former members of staff who have suffered injury at work. These cases have been adjudicated by the NHS Pensions Authority.

The value shown is the discounted present value of payments due to the individuals for the term indicated by Government Actuary life expectancy tables, and the actual value of this figure represents the main uncertainty in the amounts shown.

Legal claims relate to:

- Claims brought against the Trust for Employers Liability or Public Liability. These cases are handled by NHS Resolution who provide an estimate of the Trust's probable liability.
- Actual costs incurred are subject to the outcome of legal action. Costs in excess of £10,000 per case are covered by NHS Resolution and not included above. The provision for such cases totals £395k.
- A number of other legal cases, not being handled by the NHS Resolution, are also recorded under this heading. These total £75k.

Other Provisions:

- The Trust has recognised a provision of £2,340k in respect of potential future pension liabilities which will be charged by the NHS Pensions Agency in respect of final pay controls.
- £356,637k is included in the provisions of NHS Resolution at 31/03/2019 in respect of clinical negligence liabilities of the Trust (31/3/2018 £333,018k).

20. Revaluation Reserve	Total Revaluation Reserve £'000	Revaluation Reserve - intangibles £'000	Revaluation Reserve - property, plant and equipment £'000
Revaluation reserve at 1 April 2018	32,949	0	32,949
Transfer by absorption	0	0	0
Impairments	(12,928)	0	(12,928)
Revaluations	19,434	0	19,434
Transfers to other reserves	(1,085)	0	(1,085)
Other recognised gains and losses	0	0	0
Revaluation reserve at 31 March 2019	38,370	0	38,370
Revaluation reserve at 1 April 2017	38,904	0	38,904
Transfer by absorption	0	0	0
Impairments	(24,257)	0	(24,257)
Revaluations	19,877	0	19,877
Transfers to other reserves	(1,575)	0	(1,575)
Other recognised gains and losses	0	0	0
Revaluation reserve at 31 March 2018	32,949	0	32,949
21. Cash and cash equivalents		2018/19 £'000	2017/18 £'000
At 1 April		74,914	68,330
Net change in year		19,119	6,584
At 31 March		94,033	74,914
Analysed as cash held:			
- At Commercial Banks and in hand		1,163	159
- At Government Banking Service		92,870	74,755
Cash and cash equivalents as in the Statement of Financial Position		94,033	74,914
Third party assets held by the NHS Foundation Trust		2018/19 £'000	2017/18 £'000
Monies held on behalf of patients (see note 27)		5	4

22. Capital Commitments

Commitments under capital expenditure contracts at the Statement of Financial Position Date were £23.9m (31 March 2018, £10.1m)

	Property, Plant & Equipment 2018/19 £'000
The major components of these commitments are as follows:	
Scheme:	
Lift Refurbishment - Royal Hallamshire Hospital	3,923
Theatre Refurbishment - A Floor, Royal Hallamshire Hospital	3,681
Theatre Refurbishment - Firth Wing, Northern General Hospital	2,984
Musculoskeletal Integrated Hub - Royal Hallamshire Hospital	2,758
Modular Wards - Northern General Hospital	2,325
Link Bridge between Weston Park Hospital and Jessop Wing	2,163
Pharmacy Aseptic Unit, Weston Park Hospital	2,136
Other	3,893
Total	<u>23,863</u>

23. Events after the reporting period

There are no events after the reporting period to highlight.

24. Contingencies

24.1 Contingent Liabilities

	2018/19 £'000	2017/18 £'000
Gross value	(180)	(233)
Amounts recoverable	0	0
Net contingent liability	<u>(180)</u>	<u>(233)</u>

Contingencies represent the consequences of losing all current third party legal claim cases (see note 19).

24.2 Contingent Assets

The Trust is currently involved in an ongoing contractual dispute which may result in future economic benefits relating to past events. Income has been recognised in the financial statements only when it meets the criteria detailed in the Department Of Health and Social Care Group Accounting Manual. The ongoing dispute may result in additional future economic benefits, however these have not been recognised in the financial statements due to uncertainty around the amount of these economic benefits, given the present status of the contractual dispute.

25. Related Party Transactions

Sheffield Teaching Hospitals NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Sheffield Teaching Hospitals NHS Foundation Trust. Details of Directors' remuneration and pension benefits can be found in the Remuneration Report in the Annual Report. The Declaration of Directors' interests is to be found on page 34 of the Annual Report.

The Department of Health and Social Care is regarded as a related party. During the year Sheffield Teaching Hospitals NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

The Trust considers other NHS Foundation Trusts and NHS bodies to be related parties, as they and the Trust are under the common control of Monitor (NHS Improvement from 1 April 2016), and the Department of Health and Social Care. During the year the Trust contracted with certain other Foundation Trusts and Trusts for the provision of clinical and non-clinical support services.

The main entities with whom the Trust has transacted are listed below:

	2018/19		2017/18	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
NHS Sheffield CCG	416,275	335	401,904	119
NHS Bassetlaw CCG	6,248		6,118	
NHS North Derbyshire CCG	20,632		21,573	
NHS Barnsley CCG	24,683	179	24,325	
NHS Rotherham CCG	24,562		22,772	
NHS Doncaster CCG	12,071	27	13,100	12
NHS Hardwick CCG	3,473		3,468	
NHS Wakefield CCG	1,664		1,749	
NHS North Lincolnshire CCG	1,704		1,356	
NHS Lincolnshire West CCG	1,226		1,248	
NHS England	427,304	(30)	401,487	4
Health Education England	54,728	12	52,031	37
Community Health Partnerships		422		(108)
NHS Resolution	0	14,285	59	11,198
National Blood Authority	498	6,130	476	5,894
Doncaster and Bassetlaw Hospitals NHS Foundation Trust	7,688	11,081	7,257	11,111
Sheffield Health and Social Care NHS Foundation Trust	1,174	2,637	1,381	2,695
Sheffield Children's NHS Foundation Trust	9,857	4,566	9,612	4,537
Barnsley Hospital NHS Foundation Trust	5,668	2,418	5,243	1,793
Chesterfield Royal NHS Foundation Trust	3,096	4,189	2,157	3,718
The Rotherham NHS Foundation Trust	4,479	2,810	4,115	2,404
Bradford Teaching Hospitals NHS Foundation Trust	50	2,548	98	2,642
Calderdale and Huddersfield NHS Foundation Trust	63	1,185	36	1,177
Hull University Teaching Hospitals NHS Trust	195	1,923	260	1,905
Leeds Teaching Hospitals NHS Trust	248	7,138	168	7,200
Mid Yorkshire Hospitals NHS Trust	159	929	107	913

In addition, the Trust has had a number of material transactions with other joint enterprises, government departments and other central and local government bodies. Most of these transactions have been with the Department of Education in respect of The University of Sheffield, and with Sheffield City Council in respect of joint enterprises. Income from the University of Sheffield and Sheffield City Council totalled £3,948k and £4,870k respectively.

Expenditure on goods and services was in the sum of £14,268k from the University of Sheffield and £5,502k from Sheffield City Council.

Of the Trust's total receivables of £74,800k at 31 March 2019, (£58,758k at 31 March 2018, note 13) £61,329k (£44,284k at 31 March 2018) was receivable from NHS bodies. This sum comprises, in the main, monies due from Commissioners in respect of health care services invoiced, but not paid for, at the Statement of Financial Position date, as well as Provider Sustainability Funding.

The remainder of the balance comprises monies owed from NHS Trusts and Foundation Trusts in respect of clinical support services provided.

£3,860k was receivable from the University of Sheffield at 31 March 2019, (31 March 2018, £3,327k) in respect of clinical and estates support services provided

Payables falling due within one year of £104,281k (31 March 2018, £97,360k, note 15.1) include £14,547k owing to NHS bodies (31 March 2018, £13,926k). This sum includes monies owing to other NHS Trusts and Foundation Trusts for clinical support services received.

During the year the Trust purchased healthcare from Thornbury Private Hospital in the sum of £3,524k (2017/18 £4,420k) and from Claremont Hospital in the sum of £5,018k (2017/18 £5,784k). Certain of the Trust's clinical employees have an interest in these companies. Certain Clinical services were provided to these organisations.

Indebtedness at 31 March 2019 stood at £68k and £118k owing from Claremont and Thornbury respectively, whilst negligible sums were owed.

Certain members of the Trust's Governors' Council are appointed from key organisations with which the Trust works closely. These governors represent the views of the staff and of the organizations with and for whom they work.

This representation on the Governors' Council gives important perspectives from these key organisations on the running of the Trust, and is not considered to give rise to any potential conflicts of interest.

The Trust is a significant recipient of funds from Sheffield Hospitals Charity. Grants received in the year from this Charity amounted to £2.3m (2017/18 £1.7m).

The Trust has also received revenue and capital payments from a number of other charitable funds.

During the year, certain of the trustees of the charitable trusts from whom the Trust has received grants were members of the NHS Foundation Trust Board.

26 Financial Instruments

26.1 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.

Carrying values of financial assets as at 31 March 2019 under IFRS 9

	Held at fair value amortised cost £'000	Held at fair value through P&L £'000	Held at fair value through OCI £'000	Total £'000
Receivables excluding non financial assets	70,511	0	0	70,511
Other investments / financial assets	0	0	0	0
Cash and cash equivalents at bank and in hand (at 31 March 2019)	94,033	0	0	94,033
Total at 31 March 2019	164,544	0	0	164,544

Carrying values of financial assets as at 31 March 2018 under IAS 39

	Loans and receivables £'000	Assets at fair value through the SoCI £'000	Held to maturity £'000	Available-for-sale £'000	Total £'000
Receivables excluding non financial assets	46,024	0	0	0	46,024
Cash and cash equivalents at bank and in hand	74,914	0	0	0	74,914
Total at 31 March 2018	120,938	0	0	0	120,938

26.2 Financial liabilities by category

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

Carrying values of financial liabilities as at 31 March 2019 under IFRS 9	Held at amortised cost £'000	Liabilities at fair value through the SoCI £'000	Total £'000
Borrowings excluding Finance lease and PFI liabilities	20,423		20,423
Finance lease obligations	1,207		1,207
Obligations under Private Finance Initiative contracts	17,670		17,670
Trade and other payables excluding non financial assets	82,176		82,176
Provisions under contract	0		0
Total at 31 March 2019	121,476	0	121,476

Carrying values of financial liabilities as at 31 March 2018 under IAS 39	Other financial liabilities £'000	Liabilities at fair value through the SoCI £'000	Total £'000
Borrowings excluding Finance lease and PFI liabilities	21,845		21,845
Finance lease obligations	1,663		1,663
Obligations under Private Finance Initiative contracts	18,294		18,294
Trade and other payables excluding non financial assets	75,962		75,962
Provisions under contract	0		0
Total at 31 March 2018	117,764	0	117,764

26.3 Maturity of financial liabilities

	2018/19 £'000	2017/18 £'000
In one year or less	84,603	78,395
In more than one year but not more than two years	2,316	2,400
In more than two years but not more than five years	6,616	6,844
In more than five years	27,941	30,125
Total	121,476	117,764

26.4 Fair values of financial assets and liabilities at 31 March 2019

The fair value of the Trust's financial assets and liabilities at 31 March 2019 equates to the book value. The book value of financial assets and liabilities is shown in notes 26.1 and 26.2.

Financial risk management

Financial reporting standard IFRS7 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. Due to the continuing service provider relationship that the Trust has with Clinical Commissioning Groups, and the way those Clinical Commissioning Groups are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's Treasury Management operations are carried out by the Finance Department, within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the Board of Directors. 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 sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust has borrowings for capital expenditure, but is subject to affordability as confirmed by the FT Financing Facility. The borrowings are for a maximum remaining period of seventeen years and nine months (17 years, 9 months), in line with the associated assets, and interest is charged at 4.80% and 4.59%, fixed for the life of the respective loans. The Trust therefore has low exposure to interest rate fluctuations in this area. The Trust also has borrowings in respect of leasing and its PFI contract which incur fixed interest rates of 4.00% and 6.32% respectively. Exposure to interest rate risk is therefore low as these borrowings are fixed.

Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in the Trade and other receivables note.

Liquidity risk

The Trust's operating costs are largely incurred under contracts with Clinical Commissioning Groups, or the Department of Health and Social Care, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its internally generated resources. The Trust is not, therefore, exposed to significant liquidity risks.

27. Third Party Assets

The Trust held £5,001 at bank and in hand at 31 March 2019 (£3,846 at 31 March 2018), which related to monies held on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts (see note 21)

28. Losses and Special Payments

	2018/19		2017/18	
	Number	Value £'000	Number	Value £'000
Losses				
Cash Losses	5	0	1	0
Fruitless payments and constructive losses	0	0	1	3
Bad debts and claims abandoned	133	126	101	85
Stores losses (including damage to buildings and property)	14	100	28	87
	152	226	131	175
Special Payments				
Extra-contractual payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
Compensation payments	2	26	1	15
Special severance payments	0	0	0	0
Ex-gratia payments	69	15	88	17
	71	41	89	32
Total Losses and Special Payments	223	267	220	207

No individual items exceeding £300,000 were incurred in either year. These losses are reported on an accruals basis.

29. Public Dividend Capital Dividend

The Trust is required to absorb the cost of capital at a rate of 3/5% of average net relevant assets, and to pay a dividend based on this rate to HM Treasury. The rate of 3.5% is applied to the Trust's net relevant assets, which are abated by the value of donated assets and average daily cleared balances held with the Government Banking Service. This resulted in a dividend of £8,991k (2017/18 £10,274k).

For more information or if you would like this document provided in a different language or large print please contact:

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