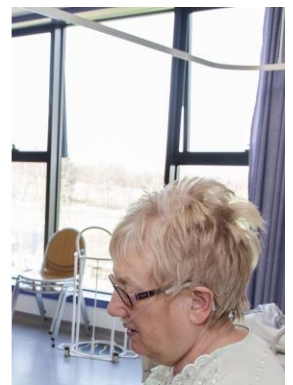




## **Annual Report and Accounts** **2017 to 2018**





**Chesterfield Royal Hospital NHS Foundation Trust**

# **Annual Report and Accounts 2017/18**

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



This document contains the following reports:

## **Annual Report and Accounts 2017/18**

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

## **Quality Accounts 2017/18**

## **Financial Accounts and Statements 2017/18**

This page is intentionally blank

# Contents

<b>Annual Report</b>	<b>AR1 – AR153</b>
<b>Our Vision</b>	<b>AR9</b>
<b>Chairman and Chief Executive’s Statement</b>	<b>AR11</b>
<b>News from the Year</b>	AR15
<b>Performance Report</b>	<b>AR21</b>
<b><i>Overview</i></b>	<b>AR21</b>
About the Trust	AR21
Chief Executive’s statement on performance	AR22
Key issues and risks affecting delivery of its objectives	AR22
Going concern disclosure	AR23
<b><i>Performance analysis</i></b>	<b>AR25</b>
Key performance measures and performance of the Trust over the year	AR25
Environmental, social, community and human rights matters	AR32
Post financial year-end important events affecting the Trust	AR45
Overseas operations	AR45
<b>Accountability Report</b>	<b>AR47</b>
<b><i>Directors’ report</i></b>	<b>AR47</b>
Directors of the Trust	AR47
Directors’ responsibility for the annual report and accounts	AR48
Cost allocation and charging guidance	AR48
Political donations	AR48
Better payment practice code	AR48
Financial disclosures	AR49

Quality governance	AR52
Other disclosures in the public interest	AR52
 <b><i>Governance of the Trust</i></b>	 <b>AR57</b>
Board of directors	AR57
Council of governors	AR76
Membership	AR84
Remuneration report	AR97
Annual statement on remuneration	AR97
Senior managers' remuneration policy	AR98
Annual report on remuneration	AR107
 <b>Staff report</b>	 <b>AR111</b>
Staff analysis	AR111
Sickness absence data	AR113
Staff policies applied during the year	AR114
Staff survey results	AR117
Expenditure on consultancy	AR121
Off-payroll engagements	AR121
Exit packages	AR123
 <b>Code of governance</b>	 <b>AR127</b>
<b>Regulatory ratings</b>	<b>AR127</b>
<b>Statement of the Chief Executive's responsibilities as Accounting Officer</b>	<b>AR135</b>
<b>Annual Governance Statement</b>	<b>AR139</b>

# Strategic summary on a page

## Our vision

is to be a first-class provider of sustainable healthcare services, delivering the best possible care to our patients and being a great place to work for our people

## Our proud to care values

Compassion

Achievement

Relationships

Environment

## Our six strategic objectives

Provide high-quality, safe and person-centred care.

Deliver sustainable appropriate and high performing services.

Build on existing partnerships and create new ones to deliver better care.

Support and develop our staff.

Manage our money wisely, foster innovation and become more efficient through improving quality of care.

Provide an infrastructure to support delivery.

## The strategic outcomes we are seeking to achieve

To be rated as 'Outstanding' by the CQC.

To have a solid foundation of core acute services meeting all national standards.

To have effective partnerships - locally through more integrated care and regionally through networked clinical service models.

To be in the top 20% of NHS employers for staff experience as measured by the national staff survey and our own Your Voice survey.

To have a low risk NHS Improvement 'Use of Resources' rating, a 'green' governance rating and to be regarded as 'well-led'

To be in the top 20% of NHS providers for PLACE scores, and to reduce CO2 emissions from 11,298 tonnes to 10,634 tonnes (2% per year). To have an IM&T capability that is fit for purpose for 2018 and beyond.

# Our hospital's values

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

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

## We will always:



### Show **COMPASSION** -

Treating our patients and colleagues with consideration, kindness and respect



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

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



### Foster **RELATIONSHIPS** -

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



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

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

# Chair and Chief Executive's Statement

These past twelve-months have been inspirational and challenging in equal measure. Through this introduction and in the pages of these annual accounts, you can build up a picture of Chesterfield Royal Hospital NHS Foundation Trust – and see for yourself what we have done throughout 2017/18 to work towards our ultimate ambition of being an outstanding organisation for all our patients, alongside creating great places for our staff to work.

We hope you find our reflections open and honest - where achievement is balanced by the improvements we still need to make; and the highs of the year are offset by some disappointments. Never complacent, we continue to listen, learn and act on all the feedback we receive and would urge patients, their relatives and carers and staff to speak up about their experiences – there's always something to learn from a compliment, concern or complaint. And from the Friends and Family test, through to Pulse Checks and the National Staff Survey there are plenty of ways both patients and staff can have their say and make a difference.

It's always disappointing to hear a member of staff say *'I'm only a....'* when describing the role they have at work. So through this overview we'd like to take the opportunity to remind our 4,000-strong team that they all matter and that they all give incredible support, commitment and downright hard work. We've experienced a difficult and challenging winter, with, amongst other things, high admission numbers, really poorly patients and snow on the ground. It's important to remember that every member of staff, whether working in our hospital, in our community-based services or in our GP surgeries counts - especially when the 'going gets tough'. We value every individual for the contribution they make to our team and we've tried really hard to illustrate how much we appreciate what they do, day-in-day out. Although we've recognised staff this year through our social media campaign #IAmTeamCRH (upwards of 5,000,000 views) congratulated them at our Applause staff recognition awards, marked their long-service commitments and given everyone a voucher for lunch, there's nothing like a heartfelt acknowledgement. We would like to take the opportunity through this report to say a huge THANK YOU to all our colleagues - in gratitude for everything they've done over the year. Saying thank you is a good practice behaviour we all need to adopt more often to recognise not just big achievements, but small acts of kindness as well.

So we make no apology for repeating a success we alluded to in last year's review of the year – and that's our Care Quality Commission (CQC) rating. The 'GOOD' we were awarded in May 2017 was celebrated with a hospital-wide tea party that involved more than 4000 cake slices – and as we all know, cake often keeps the NHS running!

However, for our Royal Primary Care (RPC) services (based in three surgeries across Chesterfield) the CQC rating has been somewhat of a trial over the past 12-months, with services rated inadequate, leading to special measures. Managing primary care services is still relatively new for the Trust. We took over a practice in trouble almost three years ago, to safeguard services for around 30,000 local people. It's been a steep learning curve for us as a Board of Directors and we've been candid about the task ahead, but with a real commitment to make this new model of care a success – leading to integration between primary and secondary care that improves care for patients.

The RPC team have done an incredible job this year embarking on an improvement plan - and whilst it's by no means complete, it has started to turn the service around. So much so that a CQC re-visit in February this year (2018) resulted in a rating of 'requires improvement', but with the domains of 'safe' and 'effective' rated 'GOOD'. Much more to do, but we hope this has given our patients an assurance that we are serious about improving their services and that staff have a renewed confidence and motivation. They deserve to be proud of this result.

We are equally proud that after many years of planning and a lengthy building scheme we finally opened our £10 million cancer unit development, which has changed the face of cancer services for the 1,500 local people diagnosed with the disease every year, as well as 9,000 people undergoing cancer treatment at any one point in time. The facility has most of our cancer services under one roof and fewer patients travel further afield for their treatment. With charitable support totalling £2.5 million we named the facility the NGS\* Macmillan Unit in recognition of their support. With their input, along with the generosity of thousands of local people and businesses, we have been able to create something that is both prestigious and enhanced. We remain in partnership with the UK's leading cancer charity, which works alongside us to provide an information centre within the unit that offers help, support and advice to a best-practice and excellent standard.

Creating a really great place for our staff to work and to be in the top 20% of NHS employers is still a huge challenge and in this regard our biggest disappointment this year is our staff survey result. The good news is that we achieved an impressive 63% response rate and we are grateful that nearly 2500 staff had their say. It gave the Board the clearest ever picture of how people feel about working here, with a much more representative sample than the 34% we achieved in 2016.

We constantly see and hear from staff who are engaged, involved and supportive. Throughout this winter there have been so many examples of staff literally going the extra mile to help each other and keep services running for our patients – bringing our values and principles to life. This feels like a real contrast to the staff survey results, which show we have a long way to go to improve the Trust as a place to work. We saw some disappointingly small steps forward, a few steps backwards, but in the main a status-quo position and you can read more about the results in this report.

We need to hold our nerve and remain determined to address this performance head-on. In June 2017 we set out on a journey to enable major culture change, launching our Listening into Action (LiA) movement to give our staff more input into decisions, improvements and transformation. We held a 'Pass It On' event in November last year, which demonstrated the range of frustrations teams across the Trust have already fixed using the LiA principles and steps - resulting in real improvements to patient care, hospital services and our workplaces. Giving staff the go-ahead to lead and champion change and to 'just do it' is a huge shift for us and we're under no illusions about the challenge. So whilst LiA - and other actions we've already taken to address issues staff highlighted in previous staff surveys - hasn't put us where we want to be just yet we are starting to narrow the gap and we're on the right track. So we agreed, as a Board, that we must keep going and finish what we've started. In June 2018 we'll begin year two of LiA - continuing to 'shake-up' the organisation to put transformation in the hands of our staff. With more than 100 quick-win improvements already under our belt through this new way of working, along with a host of 20-week fast track change projects, it's really heartening to see that staff has started to use the LiA methodology to tackle the frustrations they want to see change for the better.

We can't look back at last year without recognising that it's been one of the most financially challenging years we've ever had, putting our good financial record and excellent governance arrangements to the test. Our end of year financial results outlined in the Financial Accounts cannot be overestimated - in terms of achievement against a backdrop of unprecedented financial insecurity across Derbyshire health community. We ended 2017/18 with a deficit position of £1.8 million, but with national sustainability and transformation allocations (for meeting some performance standards) we achieved a surplus of £4 million. We are mindful that our savings ambitions for next year - at £7.9 million - are equally tough, alongside balancing capacity and demand. And we know that our partners in health and social care are also facing the same financial issues - so the joined up working we're a part of is set to be increasingly important.

The links with both South Yorkshire & Bassetlaw's Integrated Care System and Joined Up Care Derbyshire programmes have been a focus of the year as all organisations work to find ways to transform ways of working with scale and pace. Reviewing hospital services, developing new models of care and working across networks of collaboration will enable all of us to make sure our patients receive the right care, in the right place at the right time. We know that the year ahead is crucial for taking forward plans and proposals that support change on a much-bigger scale. Sharing services and making sure care is provided as close to the patient as possible, so a stay in hospital is a 'needs must' remains a focal part of this combined approach and we will be making sure we ensure our patients benefit from any proposals that set out to change how healthcare looks in future.

We can't draw our thoughts about the year to a close without paying tribute to the governors, patient participation groups and volunteers that give an incredible amount of time to the Trust every year.

The governors on our council hold the non-executives director to account and provide thought-provoking challenge that supports the Board with its decision-making and strategy. They are also invaluable representatives of the staff, public and our patients – undertaking a programme of work to support improvements to patient care and staff experience. Likewise our 150 or so volunteers enhance services across 40 areas of the hospital in roles such as buggy drivers, errand runners and mealtime assistants. Last year they gave us more than 14000 hours of their precious time and we are indebted to them. And finally, the patient participation groups in our surgeries have given their support through difficult times as Royal Primary Care works through a programme of development – including improving response times to patient calls, strengthening staffing and building a multi-disciplinary professional care model. We are grateful for their backing and willingness to engage with us.

This brief run through of twelve-months by no means covers everything, but we hope it provides a flavour of what you can go on to read about in the Annual Report, our Quality Account and our Financial Accounts and Statements. All three documents offer a true sense of our aims, objectives and ambitions and how we're doing against them.

In signing off we would like to repeat the sentiment of last year's report in relation to our staff. Our goal is to work with teams across the Trust to make it feel like a different place to work. We know that organisational culture cannot be changed overnight, but we can all contribute to the cause – simply saying thank you for a job well-done, giving people a smile and a hello and supporting a colleague who's struggling with workload may seem like small acts, but they make someone's day. If people feel valued and supported at work they will feel able to give our patients the high standard of care they deserve. And that means we all win in the end – so why wouldn't we do it?

Much more to come in 2018/19 and we look forward to telling you about it next year.



**Dr Helen Phillips**  
Chair  
23 May 2018



**Simon Morritt**  
Chief Executive  
23 May 2018

# News from the Year



## ***Improving Patient Care and Services***

The Trust was rated 'Good' by the Care Quality Commission following a plan of improvement implemented by colleagues across the hospital. A great deal of work was carried out after an inspection in 2015 resulted in a 'Requires Improvement' rating. The CQC praised the hospital, in particular for inviting patients to talk about their experiences first hand, implementing new ways of working and effective changes to clinical practice, achieving a 'green' rating in each of the five domains.

Baby Boxes were introduced to the Chesterfield Birth Centre, the first hospital in the region to provide them to new Mums. The boxes are designed to give each baby a safe place to sleep, handed out following an educational package that helps to support parents and encourage a better understanding of 'safe sleep'.

A major project to increase the capacity within Imaging saw the introduction of a second CT Scanner, creating a purpose built CT Scanning Suite. The second phase in the development, involving the expansion of the Imaging department, the introduction of a second MRI scanner and improved changing and waiting areas, is expected to be completed in Summer 2018.

A great deal of work was rewarded by the presentation and signing of The Carers' Charter, recognising the role that carers play in the treatment of patients. It's a pledge that shows a commitment to working together with the carers of patients receiving treatment at this hospital, involving them in decisions about their treatment.

The Trust took its popular Service of Remembrance into the community for the first time, holding the event at the Casa Hotel. The service is for families who have lost a baby or child, allowing them the chance to remember and share their experiences with those who have suffered a similar loss.

A major development was unveiled and opened as the NGS Macmillan Unit opened its doors to patients. The £10million building brought together most of the Trust's cancer outpatient services together under one roof and signalled the end of a successful £2.5million fundraising campaign in partnership with Macmillan Cancer Support.

Work began to redevelop our Emergency Department, providing fifty percent more capacity, expected to be completed in Summer 2018. Despite the upheaval this has brought, the ED team hit its 4 hour target three months in succession between September and November and was rated as one of the top ten in the UK throughout the winter months, featuring in a positive news story on BBC East Midlands Today.

The Trust started its own 'Listening into Action' initiative. Clinically led, the idea is to enable change by removing institutional barriers that have prevented a particular idea from happening. It follows feedback from colleagues that innovative ideas don't always reach fruition, not because the initiative won't work but because systems that can easily be altered are preventing change from happening.

A four year redevelopment of the Trust's Theatre complex, the first since it was built in 1984, was completed. Every theatre was overhauled with improved clean air flow and the most up to date equipment. Additional storage was built in to reduce the amount of equipment on display as patients were being taken to their theatre room and, for the first time, staff were provided with a dedicated area to relax and take a break.

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

The Liaison Team, based at the Royal and provided by Derbyshire Healthcare NHS Foundation Trust, was given national recognition by the Royal College of Psychiatrists' Psychiatric Liaison Accreditation Network (PLAN). The service provides treatment and support for patients with mental health and/or drug and alcohol misuse issues.

The GP streaming service moved into its new home as the Trust's Emergency Department redevelopment moved onto its next phase. The service, in partnership with DHU Health Care CIC, helps ED patients receive faster, more appropriate care by treating those who would benefit from primary care with an on-site GP. This frees up more time for urgent cases to be seen by the emergency team.

Our ED resuscitation team took part in a national world record attempt to teach CPR to as many people as possible in a two hour period. The Trust worked together with Chesterfield College, its students and the Royal College of Emergency Medicine to make the event happen in the College's Jessica Ennis Sport Hall. It attracted significant local press and social media attention with close to 200 people trained.



Our Red2Green campaign was launched, aimed at valuing patients' time in hospital and working towards a fast and effective discharge. It localised a national scheme aimed at reducing a patients' length of stay by maximising the time clinicians spend with them. The scheme is clinically led in partnership with social care.

The Royal became the first hospital in the country to open a Post Office branch. Situated within the Shop@theRoyal, the service opens seven days a week from 7am to 7pm offering a range of services to patients, visitors and staff including a bureau de change, pension service and delivery.

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

A patient book trolley service was launched, run by our volunteer service out of the Education Centre Library. Our volunteers take the trolley up to the wards and patients are able to 'borrow' a book, helping them to pass the time on a busy ward and chat to our volunteers as they pass through.

The last of twelve refurbished 'Quiet Rooms' was completed meaning that there is now one available to every ward. The rooms offer a place for patients, relatives, carers and staff to move away from the busy ward environment to have private and complex discussions or take a moment to deal with difficult news. The work and furnishings were carried out thanks to support from the Chesterfield Royal Hospital Charitable Funds.

All inpatients became involved in a Worldwide Tea Party to recognise the importance of staying hydrated and the social interactions associated with enjoying a cuppa and a piece of cake. All dietary requirements were accommodated as part of the event organised by the Dietetics and Adult Speech and Language Therapy teams.

Thanks to the intervention of the Chesterfield Royal Hospital Charitable Funds and the efforts of our clinical and volunteer teams, we were able to play Santa and give all of our inpatients a personally wrapped present on Christmas Day. The move helped to raise the spirits of our patients and bring a bit of festive cheer to the wards.

The 'No Smoking on Site' policy was reviewed and renewed with new and improved signage put up across the site. Focussing more on the health issues surrounding smoking and passive smoke, the move followed lengthy public consultation and input from partner organisations. The signage was produced in partnership with Derbyshire Healthcare.

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

Chief Executive Simon Morritt signed off a pledge to join the National Social Partnership Forum's Collective Call to Action Against Bullying'. It means the Trust agreed to promote and deliver training on raising concerns at work, cascade leadership behaviours and develop a network of Freedom to Speak Up Champions. Jenni Fellows, the Freedom to Speak Guardian Up, is leading on this work.

### ***Recognising Staff Achievement***

On 3<sup>rd</sup> April we launched #IAmTeamCRH, a social media campaign featuring a different member of staff each day, highlighting the work they do and the difference they make to the Trust. By the end of the year the posts had been viewed an estimated five million times across our social media pages with thousands of positive comments, shares and 'likes'.

Two of our Apprentices were shortlisted for the North Midlands and South Yorkshire Apprenticeship Awards. Ellie Varley, who secured a full time job within Pharmacy, and Sarah Hazeldine both won 'Apprentice of the Year' awards at our own event.

Two 'Applause' events were held in October 2017 and March 2018. The new staff recognition scheme invites people to 'thank' a colleague for going the extra mile, helping them through a difficult time or simply showing them kindness and consideration in the workplace. All nominees were invited to the event, presented with a certificate of recognition and treated to a buffet lunch with non-alcoholic bubbly.

Colleagues at the Royal received high praise from social media, the local press and directly via thanks from members of the public for how the hospital operated during extreme Winter weather. There were stories abound of colleagues walking miles in the snow, staying at the hospital in makeshift accommodation to ensure they could make their next shift and picking up workmates in 4x4s.

November saw the return of our Long Service Awards where colleagues with 20, 30, 40 and even 50 years of NHS service were recognised and honoured for their work. The event was very well attended with certificates awarded to those who had reached the landmarks alongside a glass of non-alcoholic bubbly and a slice of cake.

## Staff Health and Wellbeing



A range of health and well-being initiatives have been implemented by the Trust including the 'know your number's events that have taken place within some of our teams. The Trust has introduced a 6 month trial of a fast track physiotherapy service where staff can self-refer themselves to an in-house physiotherapy service. The aim of this service is provide staff with more rapid support when experiencing ill health related to musculoskeletal issues.

In order to support staff experiencing stress and anxiety, resilience sessions have been held, supporting both individuals and teams. A number of mental health roadshows were also held across the Trust to promote positive mental wellbeing amongst our staff teams.

A 'small acts of kindness' initiative has been introduced where items such as cereal bars, tea, coffee and fruit can be purchased for staff. This also applies to staff who have regular meetings over lunchtimes.

Our 'Royal Runners' running group continues to prove popular amongst staff and staff of all fitness levels are encouraged to join. In addition to this health and wellbeing activities such as fitness classes continue to run and these have been made more inclusive to shift workers more recently by introducing a voucher system to purchase tickets and our choir runs later in the evenings to fit in with shift patterns.

The Trust took part in a national 'Randomised Coffee Trial' to encourage colleagues from different parts of the hospital to meet each other. Those taking part were 'paired up' and invited to meet up for a cuppa to find out more about what happens in different parts of the hospital and forge new friendships.

An official pledge was made to build on work already done, protecting the rights of workers given a terminal diagnosis. The Dying to Work Charter ensures that a colleague can't be dismissed against their will as a result of their condition, recognising that work can be a welcome and therapeutic distraction.

A new 'Staff Lottery' was launched, funded entirely by the money brought in by those buying tickets. At least half of the money must go on prizes, the rest going into a 'pot' intended to provide work areas and departments with items that could improve their environment such as microwaves, fridges and radios.

A dedicated 'Staff App' was launched for mobile devices, giving wider access to a number of pages, policies and staff benefits that were previously only available on the Intranet. The app was developed following feedback from staff concerned that they didn't always have access to email or a desktop at work.

BBC East Midlands Today reported live from the Royal on the impressive high uptake of the flu vaccination from staff. The final figure was around 87% and the Trust's Senior Matron for Infection Prevention and Control spoke live on how vaccinating the workforce helps to protect themselves, their colleagues, their families and, of course, patients.

# Performance Report

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

## Overview

### About the Trust

Chesterfield Royal Hospital NHS Foundation Trust ('the Trust') is the district general hospital for Chesterfield and North Derbyshire, serving a population of more than 400,000. The Trust also provides child and adolescent mental health services, and community midwifery.

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

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

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

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

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

## Chief Executive's statement on performance

2017/18 has been another challenging year for the Trust, both in terms of financial pressures and in terms of operational delivery – balancing the two whilst still continuing to strive for quality and an exceptional patient experience. Although financial performance deteriorated through the year, to the tune of a £1.8 million deficit by year-end, the Trust ended the year £4 million in surplus, thanks in part to the award of sustainable transformation funding. And although there has been pressure on services and patient flow throughout the year, the Trust remains one of the best performing hospitals against the four-hour Emergency Department target and the 18 week referral to treatment time for routine survey.

From the Trust's scores in the national 'family and friends test', there is again evidently a high level of patient satisfaction – although some areas within the Trust have fallen below national averages at points in the year. Our biggest disappointment this year, like last year, remains the national NHS Staff Survey, where results put us in the bottom 20% of hospitals in the country in 25 out of 32 of its key findings.

## Key issues and risks

The key challenges facing the Trust are:

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

The key risks facing the Trust are:

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

### **Going concern**

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

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

This page is intentionally blank

## Performance analysis

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

The summary headline financial information for 2017/18 and 2016/17 for the Trust is shown below:

	2017/18 Planned £m	2017/18 Actual £m	2016/17 Actual £m
<b>Operating income</b>	233.365	<b>242.524</b>	235.287
<b>Of which clinical</b>	205.684	<b>213.771</b>	202.824
<b>Of which non-clinical</b>	27.681	<b>28.753</b>	32.463
<b>STF* income (incl. in non-clinical income above)</b>	6.066	<b>5.822</b>	7,550
<b>Retained Surplus/(Deficit) - before impairments</b>	5.989	<b>4.008</b>	10.321
<b>Net impairments</b>	(1.873)	<b>(0.010)</b>	13.931
<b>Retained Surplus/(Deficit) - after impairments</b>	7.862	<b>4.018</b>	(3.610)
<b>Control Total basis Surplus/(Deficit) (incl. STF)</b>	6.664	<b>4.057</b>	7.790
<b>Control Total basis Surplus/(Deficit) (excl. STF)</b>	0.598	<b>(1.765)</b>	0.240
<b>EBITDA **</b>	17.056	<b>12.141</b>	15.586
<b>Total assets</b>	188.364	<b>164.772</b>	162.098
<b>Cash and cash equivalents</b>	33.746	<b>30.548</b>	30.514
<b>Capital Investment</b>	14.155	<b>10.281</b>	18.002
<b>Actual borrowing</b>			
i) long term	13.794	<b>13.770</b>	15.820
ii) short term	2.696	<b>2.624</b>	1.880
<b>Use of Resources risk rating***</b>	1	<b>2</b>	1
<b>Cost Improvement Programme (CIP)</b>	10.300	<b>5.815</b>	8.038
<b>Efficiencies achieved</b>	4.7%	<b>2.4%</b>	3.6%

\* STF = Sustainability and Transformation Fund, see page 20 for more detail

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

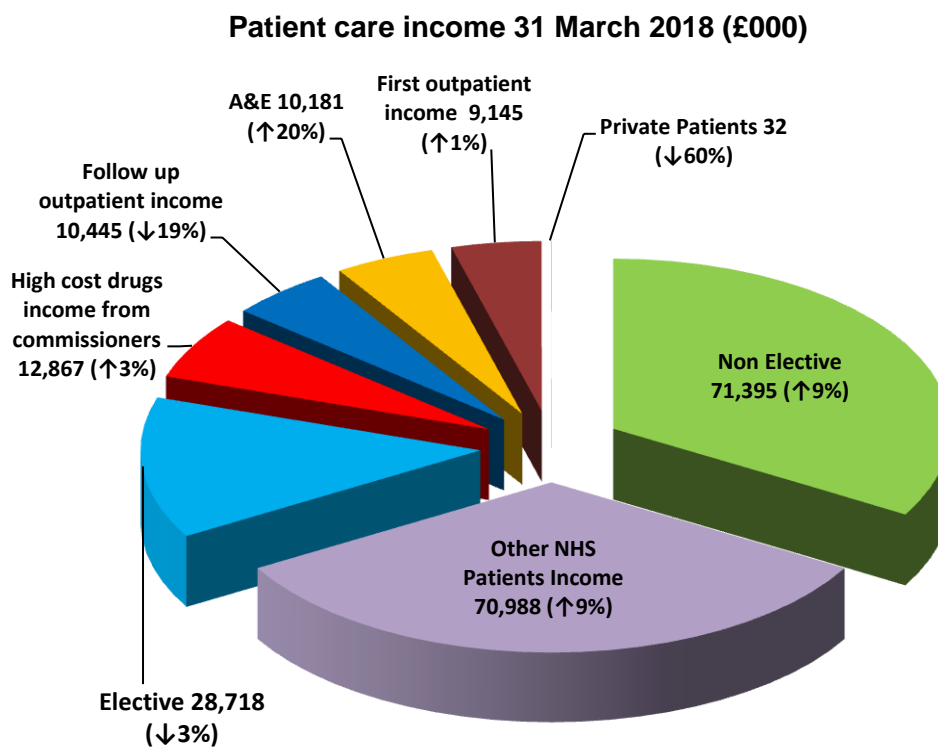
\*\*\* The Single Oversight Framework (SOF) sets out the NHS Improvement's approach to overseeing NHS providers. The SOF assesses the financial performance of providers via the "Use of Resources (UOR)" risk ratings. The scoring has been derived so that a 1 is the 'best' (lowest risk) score and 4 is the 'worst' (highest risk) score. For further details of both, see 'regulatory ratings' on page AR133 of the annual report.

## Operating Income

Operating income of £242.5m (2016/17: £235.3m) consists of patient care income and non-patient care income. These are analysed below:

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

Total income from patient care activities for the year 2017/18 increased by 5.4% to £213.8m (2016/17: £202.8m). This represents 88.1% (2016/17: 86.2%) of total income for the year. A breakdown of patient care income is shown graphically below:



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

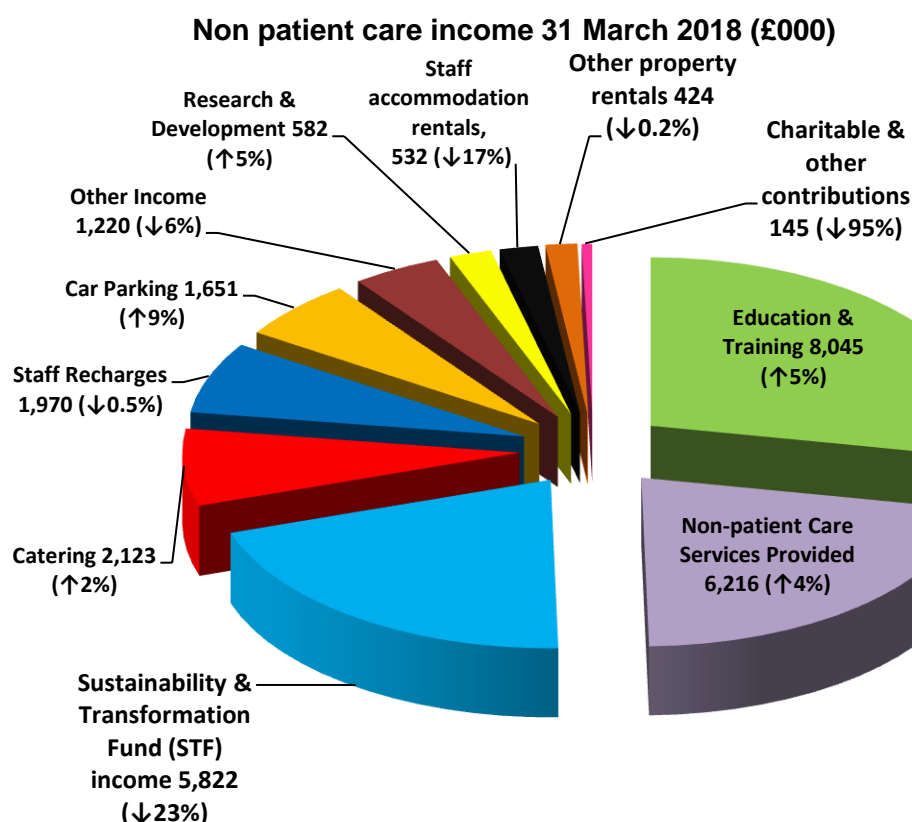
## ii) Income generated from non-patient care activities (non-clinical income)

The Health and Social Care Act 2012 states that any foundation trust that wishes to increase the share of its income from non-NHS sources (including private work) by more than 5% in any one year, must obtain prior approval from its governors. The Trust did not increase its income from non-NHS sources by more than 5% in 2017/18.

Included below are details of £28.8m (2016/17: £32.4m) of non-patient care income received, which has been generated from the provision of non-patient care services such as education and training.

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income generated from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes.

Non patient care income represented 11.9% of the total income in the year (2016/17: 13.8%). A breakdown is shown graphically below:



Included within Charitable and other contributions in 2016/17 was £2.713m relating to donations receivable from MacMillan Cancer Support for the building of a new cancer centre at the hospital.

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

## Sustainability and Transformation Fund (STF) income

Sustainability and Transformation Fund (STF) income has been made available to NHS providers, linked to the achievement of financial controls and performance targets. £5,822k (2016/17: £7,550k) relates to the Trust's total indicative STF receivable which includes £3,943k (2016/17: £6,627k) core STF and £1,879k (2016/17: £nil) general distribution STF income. In 2016/17, the Trust received an additional £229k incentive STF for over achievement of financial performance and £694k bonus STF.

## Retained Surplus/ (Deficit)

The net surplus of £4.018m was £3.844m below plan mainly due to lower than anticipated impairment reversals totalling £0.010m on the yearend valuation of the Trust's land and buildings. The surplus before net impairments was £4.008m, which was £1.981m below plan.

## Control Total Surplus/(Deficit)

The Trust signed up to a financial Control Total with its regulator NHS Improvement for the period 2017/18. This gave access, dependant on achievement of specific financial and operational targets, to the Sustainability and Transformation Fund (STF), of which the Trusts planned allocation was £6.066m.

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

	2017/18 Planned £m	2017/18 Actual £m
<b>Surplus/(Deficit) for the year</b>	<b>7.862</b>	<b>4.018</b>
Add back: Net Impairments charged to I&E	(1.873)	(0.010)
Less: Gains/losses on transfers by absorption	-	-
Less: I&E impact of capital donations	0.051	0.049
Add: Impact of prior period adjustments	-	-
<b>Adjusted financial performance (control total basis) incl. STF</b>	<b>6.040</b>	<b>4.057</b>
Tranche 1 Winter Funding adjustment	0.624	-
<b>Adjusted financial performance (Stretch control total basis) excl. STF</b>	<b>6.664</b>	<b>4.057</b>
Less: STF income	(6.066)	(5.822)
<b>Adjusted financial performance (Stretch control total basis) excl. STF</b>	<b>0.598</b>	<b>(1.765)</b>

The table above shows that the Trust achieved a control total of £4.057m against a stretch control total set by NHSI of £6.664m. The underlying stretch control total achieved excluding STF income was a deficit of £1.765m against a surplus of £0.598m set by NHSI.

## EBITDA

EBITDA decreased by £3.445m from £15.586m in 2016/17 to £12.141m for 2017/18. This reflects an increase in expenses (excluding depreciation, amortisation and impairments) of £13.349m (6.15%) and an increase in income of £7.237m (3.08%).

## Total assets

Total assets increased from 2016/17 to 2017/18 by £2.674m, which can be largely attributable to an increase in the value of property, plant and equipment due to an increase in the year end estate valuation.

## Cash and cash equivalents

Cash increased marginally by £0.034m from £30.514m to £30.548m at the end of the financial year, maintaining a strong cash position.

## Capital investment

The Trust's investment (in terms of capital expenditure) for 2017/18 is shown below. A total of £10.281m (2016/17: £18.002) was spent during the year.

£83k (2016/17: £49k) of charitable capital assets were donated to the Trust during the year from its charitable funds for relatives rooms refurbishments on the wards. During the year, £12k (2016/17: £2.713m) was donated from other bodies. The £2.713m in 2016/17 related to a contribution by MacMillan Cancer Support for the building of a new cancer centre generated from donations from the general public.



Capital investment by major scheme during 2017/18 is shown below:

Capital investment for the 2017/18 financial year		Total £000
<b>Development Schemes</b>		
	Cancer Centre (completed May 2017)	826
	Theatre Modernisation Project (completed August 2017)	376
	ED Extension (including GP Streaming)	2,442
	Imaging Department Re-organisation	1,401
<b>Maintenance Schemes</b>		
	Estates and minor works	315
	Ward refurbishments (CDU/EMU)	997
	Pharmacy Aseptic Refurbishment	294
<b>Other Expenditure</b>		
	Clinical and other equipment	1,187
	IT equipment and applications	2,443
	<b>NHS funded capital expenditure</b>	<b>10,281</b>
	Donated assets	95
	<b>Total capital expenditure</b>	<b>10,376</b>

## Borrowings

At the end of 2014/15, the Trust signed a new 10 year capital investment loan agreement with the Department of Health to part fund the Theatres Modernisation project and a new cancer centre with a fixed interest rate of 1.71%. The Trust received £10m in 2015/16, £5.6m during 2016/17 and a further £0.7m in line with expenditure spent to date on those projects. The Trust repaid £0.8m of the loan in 2017/18 and in addition, the Trust repaid £1m on its existing loan taken out during 2009/10 to fund a new wards block.

During 2017/18, the Trust also repaid £67k (2016/17: £66k) relating to the capital element of finance leases. At 31 March 2018, finance lease liabilities were £nil due to termination of the contract.

For further details please see Notes 23 and 24 to the annual accounts and financial statements in the last section of the annual report.

## Quality, productivity and efficiency

As part of our commitment to providing high quality, sustainable healthcare, the Trust is always looking at ways in which services can be run more efficiently whilst maintaining or improving quality. In 2017/18 the Trust delivered £5.8m efficiency savings against a target of £10.3m (56%).

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

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

### Activity and key standards

Activity achievement during 2017/18 compared to plan is detailed below:

Clinical activity cases	Plan 2017/18	Actual 2017/18
Elective	32,600	31,263
Non elective	37,752	39,992
Outpatients	264,966	251,296
A&E	82,431	83,437

Performance on key standards during 2017/18 is shown below\*:

- **91.95%** of patients seen within four hours in the emergency department (standard: 95%).
- **91.8%** of patients (standard: 92%) were treated within 18 weeks of referral.
- **88.7%** of patients (standard: 93%) were seen by a specialist in out-patients within two weeks of urgent GP referral for suspected cancer; and **77.1%** of patients (standard: 93%) referred by their GP with any breast symptom were also seen by a specialist within two weeks of referral.
- **94.9%** of patients (standard: 96%) were treated within one month of a decision to start first cancer treatment; **97.5%** of patients (standard: 94%) received subsequent surgical treatment within one month of a decision to treat; and **100%** of patients (standard: 98%) received subsequent anti-cancer drug treatment within one month of a decision to treat.
- **80.7%** of patients (standard: 85%) received their first definitive treatment for cancer within two months of GP or dentist urgent referral for suspected cancer, and **88.8%** of patients (standard: 90%) received their first definitive treatment for cancer within two months of urgent referral from the national screening programme.
- The Trust recorded **13** cases of Clostridium difficile against the national trajectory of 31, and the Trust's lowest number of cases to date.

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

## Environmental, social, community and human rights matters

### Sustainability report

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

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

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

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

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

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

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

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

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

## Partnerships

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

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

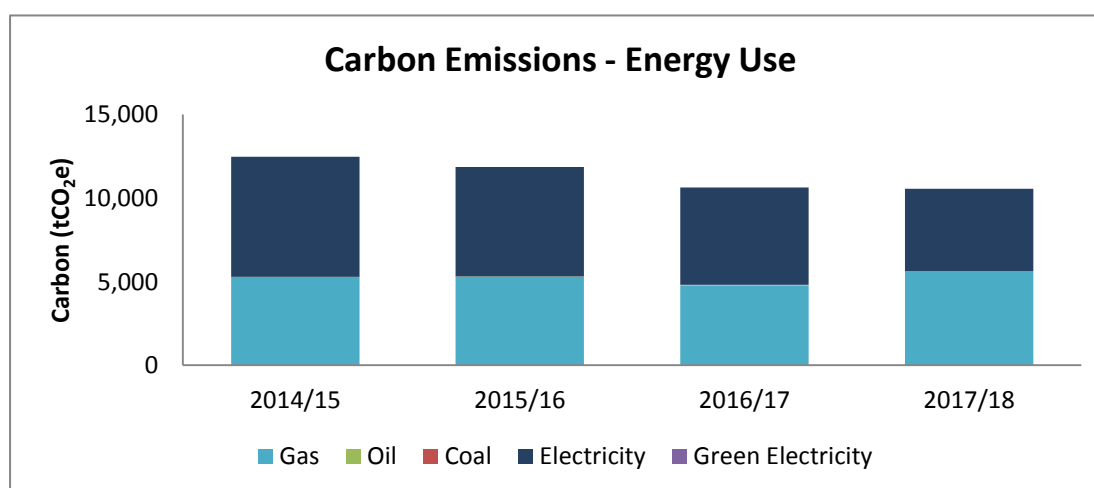
## Organisation

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

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

## Energy

Chesterfield Royal Hospital NHS Foundation Trust has spent £1,986,888 on energy in 2017/18, which is a 17.7% increase on energy spend. Our electricity costs have increased by 13% and gas around 6% from last year.



With the continued replacement of lighting to LED we have reduced our electricity consumption by around 2% from last year. Our gas consumption has increased by 16% but partly due to a colder year than 2016/2017 and an increased site area. Our overall energy tCO<sub>2</sub>e has reduced by around 1%.

Resource		2014/15	2015/16	2016/17	2017/18
Gas	Use (kWh)	25,162,886	25,271,724	22,861,932	26,524,792
	tCO <sub>2</sub> e	5,279	5,289	4,778	5,624
Oil	Use (kWh)	17,576	70,566	87,925	3,063
	tCO <sub>2</sub> e	6	23	28	1
Coal	Use (kWh)	0	0	0	0
	tCO <sub>2</sub> e	0	0	0	0
Electricity	Use (kWh)	11,598,205	11,372,507	11,259,591	11,043,504
	tCO <sub>2</sub> e	7,183	6,538	5,819	4,922
Green Electricity	Use (kWh)	0	0	0	0
	tCO <sub>2</sub> e	0	0	0	0
Total Energy CO <sub>2</sub> e		12,468	11,850	10,625	10,547
Total Energy Spend		£ 2,014,806	£ 1,997,791	£ 1,687,687	£ 1,986,888

In order to continue the carbon reduction associated with our energy usage we have joined the Carbon and Energy Fund (July 2017). This gives access to a procurement framework of companies specialising in carbon and energy reduction schemes. We are presently evaluating (April 2018) tender returns from four bidders, which propose installing technologies such as LED lighting, Photo Voltaic and combined heat and power generation in order to reduce our carbon emissions by around 1,500 tCO<sub>2</sub>e (15%).

## Travel

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

The Trust has several measures in place to encourage staff to use more sustainable methods of travel including car share, cycling, walking, using buses and motorcycling.

Measures the Trust has in place include the cycle to work salary sacrifice scheme through which over 200 staff have purchased new bicycles. The Trust has extended cycle shelters facilities where over 332 staff currently holds keys. The Trust has also invested in cycle shelters and a cycle lane at the rear of the site.

The Trusts discounted car share scheme of has over 150 staff participating.

The Trust has negotiated with local bus companies for staff discounts to travel to and from CRH of which approx. 30 staff per month utilise.

## Waste management

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



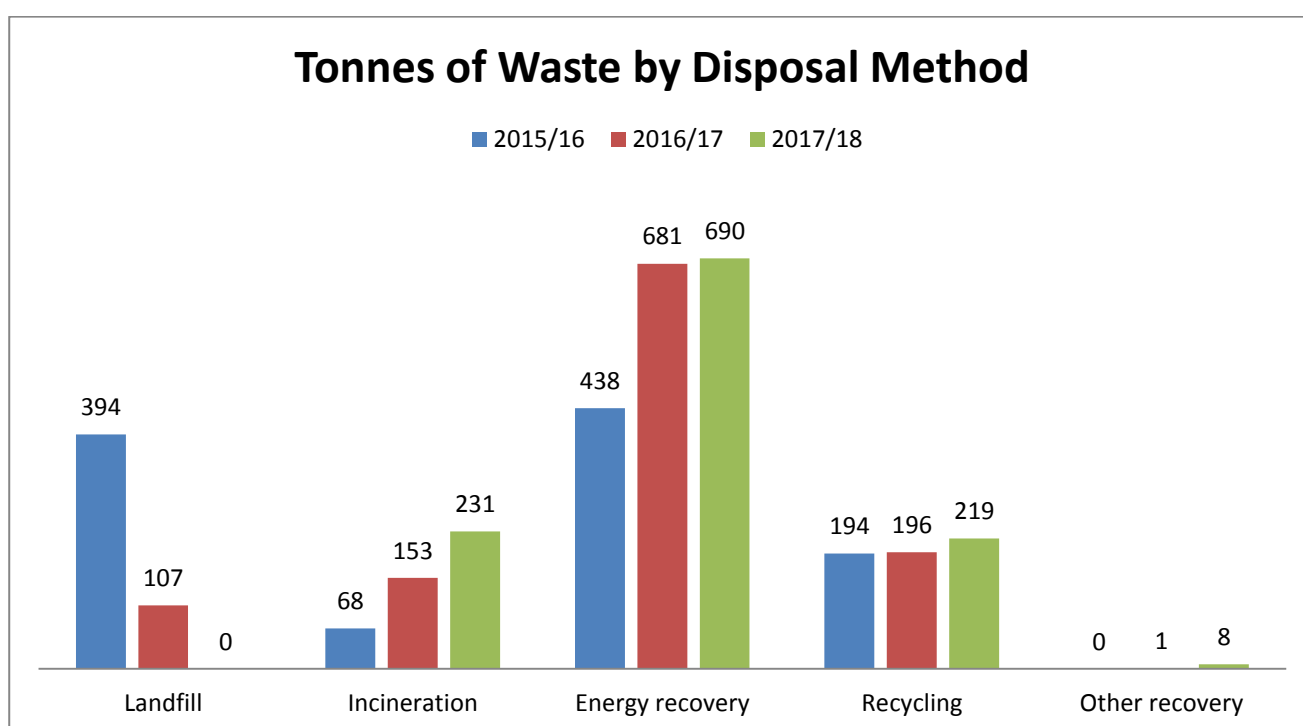
The Trust takes reasonable measures to apply the waste hierarchy to waste disposal.

The waste contracts during 2017/18 are with the following waste contractors:

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

Monthly averages for waste disposal are shown in the graph. Chesterfield Royal Hospital achieved “Zero waste to landfill” during 2017/18. This is due to the domestic and offensive waste being disposed of via Energy Recovery at Veolia’s award winning Energy Recovery Facility located locally in Sheffield. All infectious waste during 2017/18 was disposed of via High Temperature Incineration with Energy Recovery (classed as Incineration on the graph). Recycling increased by 22 tonnes between 2016/17 and 2017/18, this is due to the introduction of non-confidential paper recycling, an increase in the quantity of confidential waste and a large increase in disposal of IT electrical waste due to the IT upgrade program. Food waste from Café@theRoyal has been disposed of via anaerobic digestion since 2017; this method of disposal is classed as other recovery. The hospital receives rebates on paper and cardboard, IT electrical waste and metals and has achieved rebates of over £5k during 2017/18.

Waste		2014/15	2015/16	2016/17	2017/18
Recycling	(tonnes)	175.3	186.1	195.7	226.0
	tCO <sub>2</sub> e	3.7	3.7	4.1	4.9
Other recovery	(tonnes)	637.0	484.7	712.7	698.0
	tCO <sub>2</sub> e	13.4	9.7	15.0	15.2
High Temp disposal	(tonnes)	42.2	67.4	184.6	229.0
	tCO <sub>2</sub> e	9.3	14.8	40.6	50.4
Landfill	(tonnes)	471.0	393.0	46.0	0.0
	tCO <sub>2</sub> e	115.1	96.1	14.2	0.0
Total Waste (tonnes)		1325.5	1131.2	1138.9	1153.0
% Recycled or Re-used		0.1	0.2	0.2	0.2
Total Waste tCO <sub>2</sub> e		141.5	124.2	73.9	70.5



A number of improvements have been made to waste disposal during 2017/18:

- The domestic waste tender was completed during 2017 and the contracts commence on 1<sup>st</sup> April 2018. The contract for all of the domestic waste except for confidential waste was awarded to Veolia. Cost savings will be made by keeping the current domestic wheeled bins which will now be free of charge and keeping the static waste compactor which will be at a reduced rental. The contract for the confidential waste was awarded to Restore Datashred. Restore Datashred offered more competitive prices than the incumbent waste contractor and further cost savings have been made by opting to have the confidential waste shredded off site. A Privacy Impact Assessment was completed for the change to ensure all information governance requirements are adhered to.

- The Trust purchased a static compactor for mixed cardboard and paper in March 2017. This has resulted in the introduction of non-confidential paper recycling, an increase in the rebate received for cardboard & paper; and reduced haulage. Approximately 250 paper recycling bins are now in use across the hospital.
- A new system for the disposal of medicated IV bags and lines using a yellow bag/box has been rolled out across the Trust to make the disposal more cost effective.
- The new NGS Macmillan Cancer Centre will save approximately £1.5k per year by replacing purple biobins with purple bags for the disposal of soft cytotoxic & cytostatic waste.
- Plastic rigid containers have been introduced into the pharmacy department for safe disposal of liquid medicines.

During the next year further opportunities to increase recycling will be explored such as recycling glass and drinks cans. The government has recently announced that a bottle return scheme will be introduced in England which may provide the hospital catering and retail outlets with the opportunity to recycle bottles.

### Finite resource use – Water

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

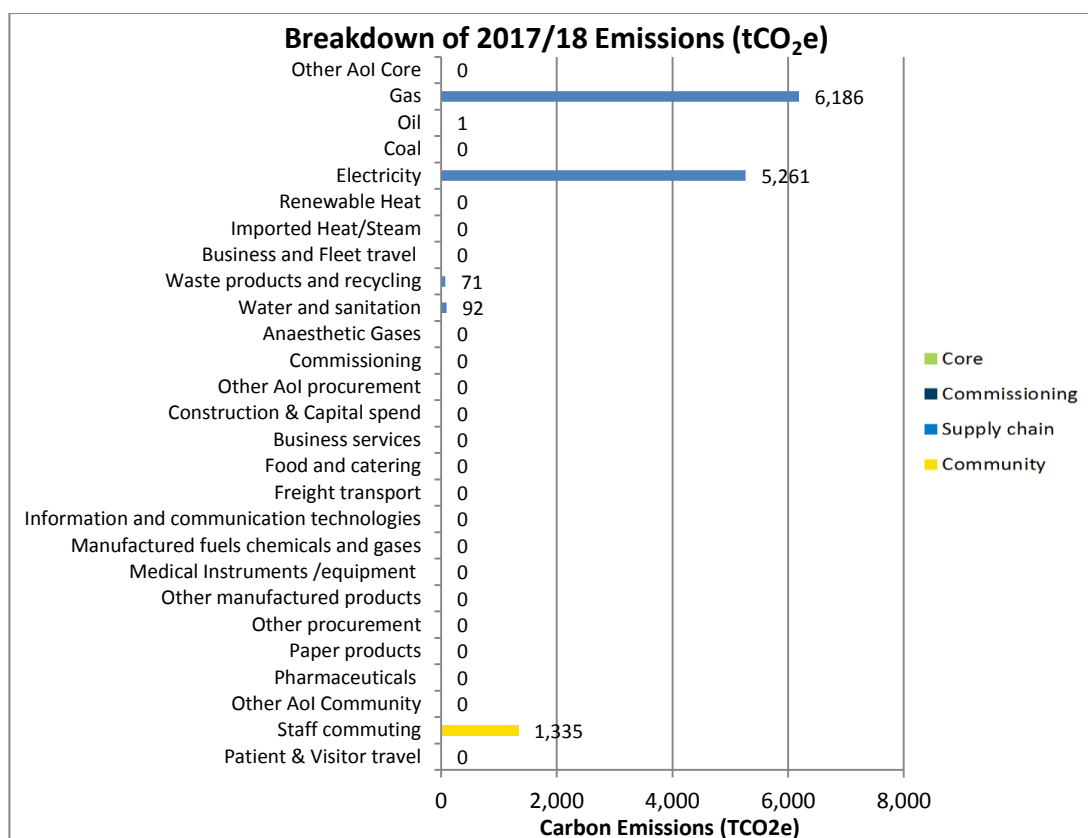
Water		2014/15	2015/16	2016/17	2017/18
Mains Water	m <sup>3</sup>	90,573	96,625	104,053	110,915
	tCO <sub>2</sub> e	83	88	95	101
Water & Sewage Spend		£ 186,440	£ 210,720	£ 232,060	£ 198,495

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

### Modelled Carbon Footprint

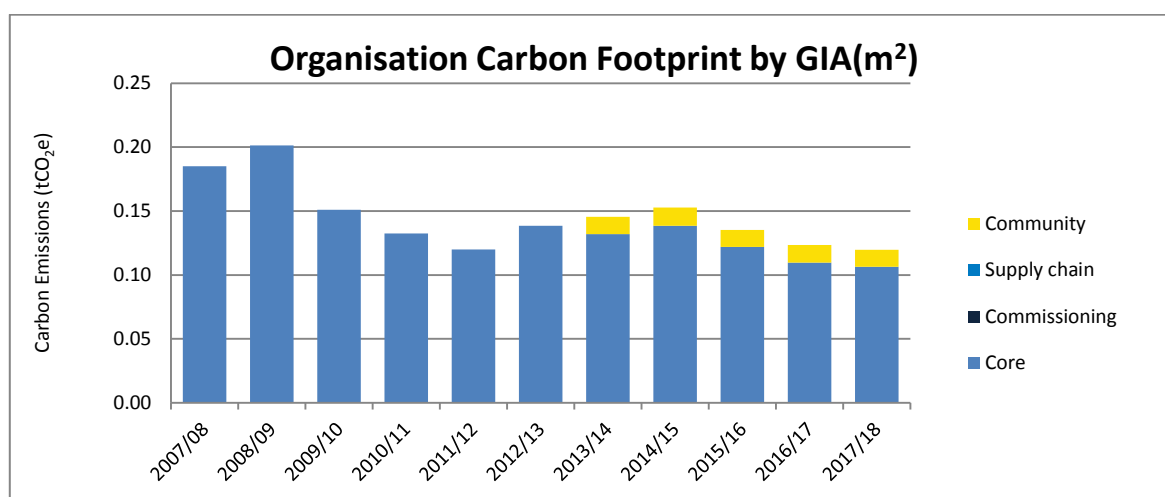
The information provided in the previous sections of this sustainability report uses the ERIC returns as its data source. However, we are aware that this does not reflect our entire carbon footprint. Therefore, the following information uses a scaled model based on work performed by the Sustainable Development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

From the data we currently have (energy and waste only) the Trust has an estimated total carbon footprint of 10,724 tonnes of carbon dioxide equivalent emissions (tCO<sub>2</sub>e).



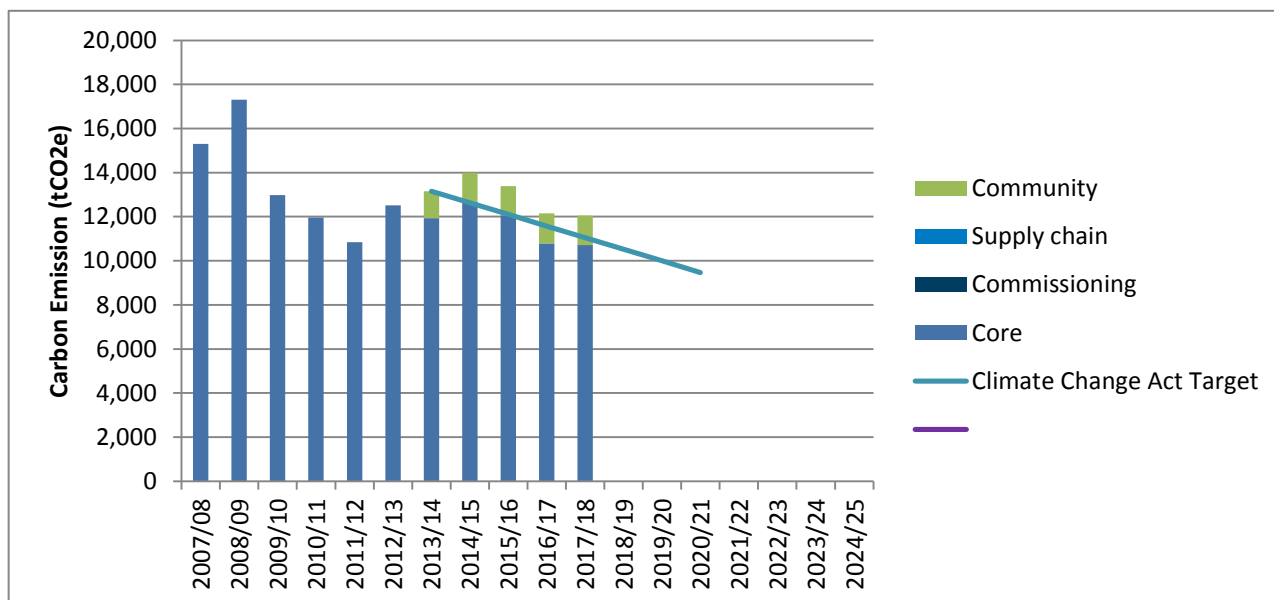
**Note:** The Trust does not currently collect data for the categories indicated zero in the chart above.

As the Trust's site has increased in area (M<sup>2</sup>) we have continued to manage our carbon footprint. We are also continuing to identify elements of our carbon footprint and add the data to fully understand our impact in order to identify ways of reducing this.



## Progress Against Targets

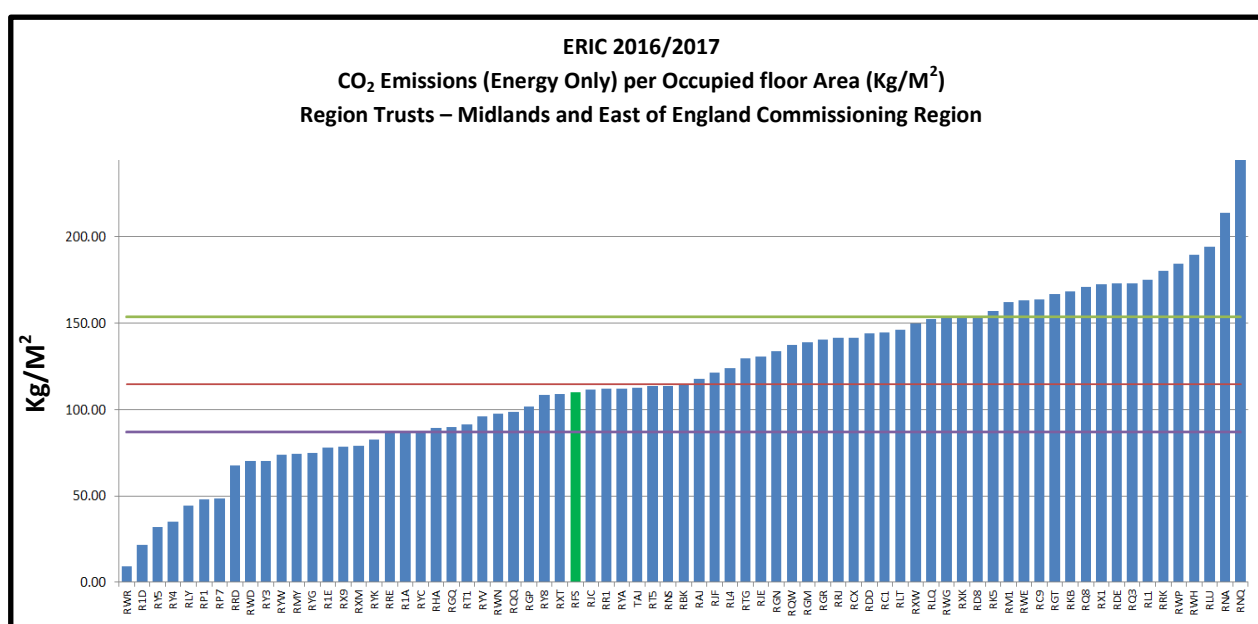
The Trust is identifying and adding data in order to fully measure its carbon footprint. The modelled trajectory with the climate change act target of 28% reduction from a 2013 baseline by 2020 is shown below:



## Benchmarking

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

### Energy Carbon Emissions 2016/2017 (2017/18 data is not available until July 2018)



## **Good Corporate Citizen Tool**

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

## **Adaptation**

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

## **Corporate Citizenship Committee**

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

The Membership of the committee is:-

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

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

## Security

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

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

<b>2016/17 578 incidents</b>	The number of reported security incidents has seen an increase of 62 incidents when compared with 2016/7. This is due to improved reporting of security incidents and an increase in activity levels within Emergency Care and across the hospital.
<b>2017/18 640 incidents</b>	

The Trust continues to raise security awareness with staff education/public awareness information. The Trust actively seeks sanctions where there is a realistic prospect of success. The number of assaults on staff during the year is shown in the table below and it is significant to note that the number of sanctions achieved for assaults not related to medical conditions is now at 66%. This is as a direct result of close co-operation between the Trust's security team and Derbyshire Police. There is a regular presence at the hospital from a Police Community Support Officer.

<b>Total number of assaults on staff 2014 to 2017 (3 year trend)</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Total number of assaults on staff	<b>89</b>	<b>84</b>	<b>113</b>
Total number of assaults due to medical condition	<b>74</b>	<b>73</b>	<b>110</b>
Total number of assaults not due to medical condition	<b>15</b>	<b>11</b>	<b>3</b>
Total number of sanctions	<b>12</b>	<b>8</b>	<b>2</b>

## Occupational health

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

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

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

## **Fire Safety**

Chesterfield Royal Hospital NHS Foundation Trust has seen much success and positive movement regarding 'fire safety' @ the Royal during 2017/18. Success in terms of the completion of projects started during the previous financial year and the method of "building fire safety systems in" rather than "inspecting such systems in" resulting in fully compliant fire safety products in the Theatre refurbishment, NGS MacMillan Cancer Unit, Endoscopy Unit, Devonshire Ward full refurbishment and a Medical Records Library extension.

Further projects saw the same level of 'fire safety' success in the 'Short Stay & Ambulatory Care unit (previously CDU), as well as ongoing projects on the extension to the Emergency Department and an extension to the Imaging Department that will house a new MRI unit.

## **Fire Safety Regulatory Authority**

The 'Grenfell *High Rise* Tower Block' fire incident in the borough of North Kensington in London on 14<sup>th</sup> June 2017 resulted in at least 71 deaths and over 70 persons injured, and is certainly a key factor in raising the profile of 'fire safety' in public buildings throughout the UK to where it is today.

As a consequence of this tragic incident, the NHS had made a formal request to all Local Authority Fire & Rescue Services in the UK to gain assurance of satisfactory fire safety standards from all NHS Trusts and care premises in their area of operation. The assurance will be met by Fire Safety Officers from Fire & Rescue Services conducting formal inspections at NHS Trusts and care premises to ensure that current fire safety arrangements in place at such premises are of a standard that meets current legislative requirements and there are satisfactory processes in place. This approach, if sufficient evidence is provided through inspection, questioning and interrogation of submitted documentation, will ensure that inspecting Fire & Rescue Service Officers are assured that the management of fire safety in these premises is to a satisfactory standard.

The inspecting officer from Derbyshire Fire & Rescue Service, (Mr Mark Neale Eyre), Station Manager, Fire Safety for the North Area – Chesterfield Fire Safety Office, visited our Trust on Thursday 6<sup>th</sup> July 2017. Mr Eyre was hosted by Russ Morrow (Head of Fire & Safety Management for CRHFT).

Mr Eyre informed the Trust's Fire Safety representative that his visit was in direct response to the Fire Safety assurance process requirement from NHS England and the Cabinet Office (CO) & Department for Communities & Local Government (DCLG) following the Grenfell Tower incident. Whilst the initial requirement was for this inspection to take place on the weekend of the 25<sup>th</sup> June, given the 24 hour notice, Derbyshire Fire and Rescue took a risk based approach and therefore focussed initially on other sites/organisations, with CRHFT considered low risk in terms of the current fire safety management arrangements in place at the Trust.

Mr Eyre's scope was the entire Trust footprint, however, would focus specific attention on a single area in order for him to get a general feel/opinion for the fire safety arrangements in place as well as the general fire safety attitude across the site. The 'theatre units' were selected for the inspection as an area that is very complex in terms of patient care and the need to maintain such care in the eventuality of an incident involving fire outbreak. Mr Eyre as part of his visit, questioned members of the Theatre team, their role in the Theatre 'fire strategy' and enquired how fire safety is maintained in the theatre environment. Mr Eyre also interrogated the documentation offered as part of the inspection and asked further questions on how CRHFT was actively managing Fire Safety at the Trust.

The feedback on the day was very positive with Mr Eyre stating his satisfaction to our combined attitude toward fire safety, the results achieved via the Fire Strategy and our commitment to ongoing awareness and pro-activeness in this discipline. This included clinical staff colleagues whom he communicated with and our external contractors (Vinci).

Mr Eyre stated that it was clear that staff from the theatre environment in conjunction with the Fire Safety representative had demonstrated that 'real intent' was in place in protecting patients and staff from any threat or outbreak of fire and the area under inspection (theatre environment) had in place, a robust fire strategy and evacuation plan should it ever be required.

As part of Mr Eyre's visit, the Trust's Fire Safety representative offered documentary evidence from our architects/designers that demonstrate the safety of the various building materials used in our projects. Mr Eyre stated he had no concerns regarding any cladding in place on our buildings and was complimentary of our preparedness, as we were the first Trust he had visited to have had all the necessary paperwork available.

The buildings within the Trust that include cladding are: Education Centre, The Den, New Ward Block and the NGS McMillan Cancer Centre.

Overall it was a very positive visit and one we can take great credit from, most importantly for our day to day approach to fire safety. A formal documented response has been received from Derbyshire Fire & Rescue Service recording the Trust as 'LOW Risk'. This is hugely positive for our Trust as it acknowledges our combined efforts, investment and attitude toward the safety of people and our assets from fire and our continuing efforts to maintain such standards.

## **Fire Safety Improvements & Acknowledgement of Trust Performance in Fire Safety**

The continued reduction in unwanted fire signals (Trust automatic and manual fire alarm & detection system); this has been positively acknowledged by Derbyshire Fire and Rescue Service in stating the lowest attendance to unwanted fire signals since the collation of their records. This again is hugely positive for our Trust and only as a consequence of the pro-active fire safety attitude from all teams and departments throughout the Trust.

Once again, Derbyshire Fire and Rescue Service have acknowledged this positive formally, congratulating the Trust in its attitude toward Fire Safety and our efforts to support the Local Fire authority whenever requested. (Station visits, Fire Safety inspections etc).

A team member from within the Safety Management team has undergone some key development during 2017, and as a consequence, is now fully qualified to undertake Fire Risk Assessments throughout the Trust. His development will continue via the Trust Fire Safety RP through coaching and mentoring, although primarily the development of a further qualified Fire Risk Assessor further cements the resilience and continuity available to the Trust.

### **Work in Progress**

The Fire Safety improvement programme will continue at the Royal and build on this recent acknowledgement by the regulator of its efforts, in the following areas:

- Continued upgrading of current fire safety systems to maintain compliance as part of specific refurbishment programmes or new build projects (Emergency Department & Imaging MRI extension)
- Continued development of Safety Management team members in the Fire Safety discipline in order to offer consistently in approach and resilience continued delivery
- Business continuity and further reducing impact to business through fire alarm signals/activations with innovation and local ownership being the driver for change
- Continued property protection and protection of assets
- Continued fire safety for all Trust users
- Continued fire safety compliance by meeting regulatory requirements

### **Objectives for 2017/18**

Continue progress in fire safety management throughout the Trust, using the successes achieved to date and to underpin the information, instruction and training delivered and produced during the next financial period.

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

There are no important events since the balance sheet date that are likely to have a material impact on both the Trust and financial statements for the year ending 31 March 2018.

### Overseas operations

The Trust has no overseas operations.

### Performance report signed by



Simon Morritt  
Chief Executive and Accounting Officer  
23 May 2018



This page is intentionally blank

# Accountability Report

## Directors' report

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

### Directors of the Trust

These directors were appointed to membership of the board of directors, and were in post during the year 1 April 2017 to 31 March 2018:

Designation	Dates	Name
Chair	1 April 2017 – 31 March 2018	Dr Helen Phillips
Chief Executive	1 April 2017 – 31 March 2018	Simon Morritt
Non-Executive Director; Deputy Chair and Senior Independent Director	1 April 2017 – 31 March 2018	Linda Challis
Non-Executive Director	1 April 2017 – 31 March 2018	Alison McKinna
Non-Executive Director	1 April 2017 – 31 March 2018	Beverley Webster OBE
Non-Executive Director	1 April 2017 – 31 March 2018	Dr David Pickworth
Non-Executive Director	1 April 2017 – 31 March 2018	Philip Severs
Non-Executive Director	1 April 2017 – 31 March 2018	David Urpeth
Non-Executive Director	1 April 2017 – 31 March 2018	Dr Jeremy Wight
Director of Finance and Contracting	1 April 2017 – 30 April 2017	Steve Hackett
Acting Director of Finance and Contracting	1 May 2017 – 13 August 2017	John Williams
Director of Finance and Contracting	14 August 2017 – 31 March 2018	Lee Outhwaite

Director of Nursing and Patient Care	1 April 2017 – 31 March 2018	Lynn Andrews
Medical Director	1 April 2017 – 31 March 2018	Dr Gail Collins
Director of People and Organisational Development	1 April 2017 – 31 March 2018	Zoe Lintin
Chief Operating Officer	1 April 2017 – 31 March 2018	Tony Campbell

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

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

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

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

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

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

### **Political donations**

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

### **Better payment practice code**

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

Details of performance are set below:

	2017/18		2016/17	
	Number	£000	Number	£000
<b>Total</b>				
Total bills paid in the period	<b>70,822</b>	<b>87,108</b>	73,149	96,830
Total bills paid within target	<b>68,042</b>	<b>81,754</b>	70,172	91,559
Percentage of bills paid within target	<b>96.1%</b>	<b>93.9%</b>	95.9%	94.6%
<b>Non NHS</b>				
Total bills paid in the period	<b>68,378</b>	<b>75,869</b>	70,855	87,202
Total bills paid within target	<b>65,942</b>	<b>72,968</b>	68,196	83,630
Percentage of bills paid within target	<b>96.4%</b>	<b>96.2%</b>	96.3%	95.9%
<b>NHS</b>				
Total bills paid in the period	<b>2,444</b>	<b>11,239</b>	2,294	9,628
Total bills paid within target	<b>2,100</b>	<b>8,786</b>	1,976	7,929
Percentage of bills paid within target	<b>85.9%</b>	<b>78.2%</b>	86.1%	82.4%

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

## Financial disclosures

### Accounting policies

NHS Improvement has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) agreed with HM Treasury. Consequently the Trust's financial statements have been prepared in accordance with the 2017/18 DH GAM. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

## **Insurance cover**

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

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

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

The income disclosures required by section 43(2A) of the NHS Act 2006 are shown on page AR26.

## **Charitable funds**

All charitable fund expenditure is classed as granted to the hospital from its charities. Property, plant and equipment plus Intangible (e.g. software) items over £5,000 are capitalised and included in the Trust's closing non-current assets on its Statement of Financial Position. The Charitable Funds Annual Report and Accounts for 2017/18 is published separately and is available from the Trust on request.

## **Future Developments**

This year (2018) the NHS turns 70. A growing and ageing population, people living with multiple and complex health issues and a challenging financial environment mean pressures on the service are greater than they have ever been. Our annual report this year reflects this position – with performance in some areas, including waiting times and treatment standards under strain.

We - like the rest of the NHS - need to adapt and evolve to meet these challenges. The Five Year Forward View, published by NHS England in October 2014 - and updated in March 2017 - sets out a series of practical steps to deliver a better, more joined-up, more responsive and more sustainable NHS.

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

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

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

With a focus on creating an improved solution to urgent care provision, work is currently underway to expand the existing ED by approximately fifty per cent. Following the recent approval of proposals to develop an Urgent Care Village, phase two of this development will commence in 2018-19. This will blur the lines between primary and secondary care to ensure people coming in through our front-door are seen by the right clinicians, in the right place for an improved experience. Working collectively with our partners, to enable a more flexible service and workforce - that together delivers both productivity and efficiency - will support the Trust to deliver better health outcomes and high-quality care.

The Trust is also currently participating within the Hospital Services Review, commissioned to review how services could be provided so that everyone in South Yorkshire and Bassetlaw has equal access to high quality, safe hospital services now and into the future. Work is focused on urgent & emergency care; maternity services; hospital services for children; gastroenterology and acute stroke (early supported discharge and rehabilitation). Outcomes from the review are due to be published in April 2018 and will inform the 2018-19 programme of work.

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

In 2017/18, research activity remained at high levels across a range of clinical specialties. Further information about the Trust's research activities can be found on page QA27 of the Quality Account, which is the section after the annual report.

### **Financial risk management**

Financial risk management is disclosed in Note 32 to the annual accounts and financial statements in the last section of the annual report and accounts.

## **Quality governance**

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

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

### **Ongoing compliance**

In July 2016 a Trust wide focused inspection was completed by the CQC along with a comprehensive inspection of the Children and Adolescent Mental Health Service (CAMHS). The focused inspection concentrated on those domains within a core service that were rated as 'requires improvement'. The inspection demonstrated clear improvements being made with eleven of the sixteen area's achieving a rating of 'Good'.

In February 2017 the Trust underwent an inspection against the Well Led domain in which a rating of 'Good' was achieved and as such the Trust has been given an overall rating of 'Good'. See Compliance with Care Quality Commission targets section on page AR133.

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

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

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

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

The accounting policies for pensions and other retirement benefits are set out in Note 1.4 to the annual accounts and financial statements in the last section of the annual report. The arrangements for senior employees' remuneration can be found in the remuneration report on pages AR97 to AR110 of the annual report.

### **Related party transactions**

Under International Accounting Standard (IAS) 24 'Related Party Disclosures' the Trust is required to disclose, in the annual accounts, any material transactions between the NHS Foundation Trust and other NHS and Government bodies, members of the Board and key management personnel and parties related to them. Any such disclosures are set out in Note 31 to the annual accounts and financial statements in the last section of the annual report.

## **External auditors**

The Trust's auditors for 2017/18 were:

KPMG  
One Snowhill  
Snow Hill Queensway  
Birmingham B4 6GH

## **External auditors**

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

The Trust did not purchase any non-audit services from the external auditors that are outside Code of Audit Practice issued by the National Audit Office (NAO) during 2017/18.

## **Disclosure of information to auditors**

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

## **Information risks and data losses in 2017/18**

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

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

There are strict rules governing the management of data, which includes the requirement to report any significant breach of confidentiality. During 2017/18, the Trust reported 0 Serious Untoward Incidents.

## **Management of information security**

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

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

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

## Annual monitoring

Each year, the Trust completes an organisational self-assessment of its performance against a range of 45 individual standards related to information governance. This is known as the Information Governance Toolkit (IGT). The IGT standards are assessed on a scale of 0-3, with the goal of all NHS organisations reaching level 2 in all 45 standards.

The Trust has undertaken a full review and refresh of evidence to maintain compliance at level 2 across all standards during 2017/18.

Additionally, the Trust has further developed its partnership with 360 Assurance who have provided positive observations and assurances on IGT progress and governance. This collaborative approach involves regular meetings with 360 Assurance and full transparency on Trust Information Governance activities.

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

## Consultations

Throughout the pages of our annual report we highlight ways we are working collaboratively with health and social care partners to deliver NHS and care services that are more joined-up, more responsive and sustainable. As partners and contributors to both Derbyshire and South Yorkshire's Sustainability and Transformation Plans (STP) we are looking to create services that will improve the quality of care we provide to patients and that will also ensure our Trust is clinically, operationally and financially sound.

Re-designing services and forming new models of care must be done with input from our patients and the public to ensure they have a voice and can tell us about what matters to them.

## North Derbyshire Better Care Closer to Home

The Better Care Closer to Home public consultation ran from 29 June to 5 October 2016, with an additional clarification exercise in November that year. The consultation focused on care closer to home in place of services for:

- older people receiving inpatient care in a community hospital, usually following a spell in an acute hospital because of an illness or accident, and
- older people with dementia who currently receive services in community hospitals.

The Derbyshire commissioners subsequently confirmed their intention to proceed with the service change, including the closure of some community hospital facilities and potential for creating specialist rehabilitation beds on our site. An implementation board is established with stakeholder representation from health and social care and the third sector along with a patient voice from Healthwatch to oversee the service transition.

## **Children's Surgery and Anaesthesia, and Hyperacute Stroke Services**

The consultation in relation to Hyperacute stroke services closed in June 2017 and as expected there has been no change recommended for the service at Chesterfield Royal Hospital.

The public consultation in services for children's surgery and anaesthesia has also closed. Some concerns about the proposal to reduce the service for children's surgery commissioned locally were considered and the commissioners confirmed their intention to proceed to implementation to ensure future service sustainability across the South Yorkshire and North Derbyshire footprint. Peer review designation visits have been undertaken by clinicians within the CSA network to assess readiness of services to move to the new model and the Chesterfield Royal Hospital service significantly exceeds the requirements for this designation.

A detailed implementation plan is in development with a view to the new model being in place in the autumn 2018. It is anticipated that only small numbers of children requiring surgery out of hours will be affected by the change. The quality impact of the new way of working will be monitored through the network.

## **South Yorkshire & Bassetlaw hospital services review**

From September 2017 to May 2018 Chesterfield Royal Hospital has participated in the South Yorkshire & Bassetlaw integrated care system commissioned independent review of five services:

- emergency care,
- maternity,
- care of the acutely unwell child,
- acute stroke and rehabilitation and
- gastroenterology and endoscopy services

This review will make recommendations about future models to ensure the long term sustainability of these services. The review team have been engaging with the public through Health and Wellbeing boards and Healthwatch. The review will report in May 2018 on general (not site specific) recommendations for service transformation and reconfiguration options for commissioners to consider. Further proposals will then be developed for formal public consultation to potentially start late 2018.

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

Details of patient and public involvement activities are given on page AR80 of the annual report.

This page is intentionally blank

## GOVERNANCE OF THE TRUST

### Board of Directors

#### Introduction

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

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

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

#### Role of the board of directors

The role of the board of directors includes:

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

## **Board focus**

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

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

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

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

### **Chair**

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

### **Executive directors**

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

### **Non-executive directors**

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

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

Directors' summary biographies can be seen on pages AR63 to AR72 of the annual report. These describe the skills, experience and expertise of each current director. The board considers that the balance and completeness of these are appropriate to the requirements of the Trust's stewardship.

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

Directors' membership of board committees and attendance at meetings of the board and its committees in 2017/18 are set out on pages AR74 and AR75 of the annual report.

## **Board development**

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

Committees of the board undertake self-assessments on a regular basis and report the outcome to the board. The board regularly reviews its performance and its effectiveness as a unitary board.

## **Board committees**

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

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

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

A summary of each committee's role and activities during 2017/18 is set out below:

### **Audit and risk committee**

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

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

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

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

- Considered internal audit reports and reviewed the recommendations, management response and implementation associated with the internal audit report;
- Considered the annual report and accounts and associated documents, which included reviewing the work and findings, and considering the advice of the external auditor, to provide assurance to the board of directors;
- Provided continuing monitoring of the financial controls of the Trust;
- Reviewed and provided challenge to the board assurance framework and the high level risk report at each meeting;
- Reviewed and considered Cyber Security risk and potential contract risks;
- Considered revised standing orders, standing financial instructions and scheme of delegation;
- Considered counter fraud reports and risk assessments; and,
- Tendered for and re-appointed the internal auditor from 1 April 2018.

In 2017/18 the Trust's internal audit function has been provided by 360 Assurance. The internal audit programme is based on assuring and improving the effectiveness of risk management and the system of internal control, and is linked to the principal risks to the achievement of the Trust's strategic objectives, through the board assurance framework.

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

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

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

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

### **Remuneration committee**

See page AR108 of the annual report.

### **Finance and performance committee**

The finance and performance committee was refreshed and reconstituted as an assurance committee of the board in June 2017. The meetings are chaired by Alison McKinna, non-executive director, and its membership comprises of two non-executive director members, the chief executive, the finance director and the chief operating officer. In attendance are the deputy finance director and the foundation trust secretary. The committee is responsible for obtaining assurance that the systems for financial and performance management are robust and effective; that financial and performance metrics and priorities are built from reliable sources of information; the risks to delivery of targets and standards are being managed and that action taken will result in the intended outcomes.

The committee has reviewed the Trust's board assurance framework financial and performance risk, the financial strategy, divisional performance and financial plans; non-conformance plans and trajectories and has considered the winter resilience plan, the efficiency improvement programme and the benefits derived from it, and emerging proposals to develop an arm's length organisation.

### **Charitable funds committee**

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

During 2017/18, the committee agreed the use of the Trust's charitable funds to support a number of projects, including:

- Upgrade of relatives rooms across the Trust (£41,358);
- Installation of No Smoking Signs campaign across the Trust (£9,865);
- Provision of Sight Support Derbyshire to support Eye Centre (£33,876).

### **Quality assurance committee**

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



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

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

## Board of Directors

	<p><b>Chair:</b></p> <p><b>Dr Helen Phillips</b></p> <p><b>Appointed 12 April 2015 to 1 March 2018</b></p> <p><b>Re-appointed 2 March 2018 to 1 March 2021</b></p>	<p>Dr Helen Phillips is the Chair of Chesterfield Royal NHS Foundation Trust. She is also a member of the Sheffield Business School Advisory Board.</p> <p>Previously she was the Director of Customer Service and Networks with Yorkshire Water and Chair of Loop Customer Management Ltd, a Kelda Group subsidiary.</p> <p>Prior to this she was Chief Executive and Board Member at Natural England. She was employed by the Environment Agency, in a variety of roles including Head of Strategy and most recently as Director, Wales.</p>
	<p><b>Non-Executive Director:</b></p> <p><b>Linda Challis</b></p> <p><b>Appointed 1 September 2012 to 31 August 2015</b></p> <p><b>Re-appointed 1 September 2015 to 31 August 2018</b></p> <p><b>Deputy Chair and Senior Independent Director (from 5 July 2014)</b></p>	<p>Linda has a successful background in senior human resources leadership roles in the retail, telecommunications and utilities sectors, accumulating a breadth of experience in the strategic development of people and organisations. She was group HR director for United Utilities PLC, a FTSE100 company where Linda led substantial organisation and cultural change.</p> <p>Linda has brought her expertise and influencing skills in a non-executive capacity to public and not-for-profit environments. She delivered organisation development consultancy assignments with non-acute NHS organisations. She also served for six years as a non-executive director for the University for Industry (UFI) and Learndirect. She is a lay member of the Derbyshire Magistrates Advisory Committee.</p>

	<p><b>Non-Executive Director:</b></p> <p><b>Alison McKinna, BSc MCIPS MBA</b></p> <p><b>Appointed 1 September 2012 to 31 August 2015</b></p> <p><b>Re-appointed 1 September 2015 to 31 August 2018</b></p>	<p>Alison is currently associate director at Irwin Mitchell LLP. She was formerly operations director at Tribal a leading international provider of technology products and services to the education, learning and training markets.</p> <p>Alison has worked in four different industry sectors including utilities, financial services, insurance and technology (British Gas 1988-1999, Capital One 1999-2005, Crawford 2006-2009). Alison served as a non-executive director for the Derbyshire County PCT Board from 2009 and following PCT clustering became a member of the PCT Cluster Board.</p> <p>Alison completed her BSc at Durham University and her MBA at Nottingham University Business School.</p>
	<p><b>Non-Executive Director:</b></p> <p><b>Beverley Webster OBE</b></p> <p><b>Appointed 1 September 2012 to 31 August 2015</b></p> <p><b>Re-appointed 1 September 2015 to 31 August 2018</b></p>	<p>Beverley is director and shareholder of Malaczynski Burn Investment Consultancy. She has run her own businesses throughout her career initially in the manufacture of mining and construction equipment. She has been involved in mining and construction at industry level and was President of the Association of British Mining Equipment Companies for six years (1994-2000). Through this work she was awarded an OBE for services to the coal industry.</p> <p>Beverley has held a number of board roles nationally and locally connecting business and education and with charitable organisations including Neurocare who provide technology and research funding to Sheffield Teaching Hospitals.</p> <p>She is Chair of the Career Ready Advisory Board, Charlie's Trust Charity and Neurocare.</p>

	<p><b>Non-Executive Director:</b></p> <p><b>Dr David Pickworth</b></p> <p><b>Appointed 1 October 2012 to 30 September 2015</b></p> <p><b>Re-appointed 1 October 2015 to 30 September 2018</b></p>	<p>David left his practice as a GP in 2012 after 35 years. Alongside his clinical practice he has significant board experience which includes being a member of the Local Medical Committee (1978-2001), member and later non-executive director of North Derbyshire Health Authority (1988-2001) and board member of The High Peak and Dales Primary Care Trust (2002-08) where he was also clinical governance lead for two years. David is also a mental health assessor for Deprivation of Liberty, Safeguarding, and approved under section 12 of The Mental Health Act.</p>
	<p><b>Non-Executive Director:</b></p> <p><b>David Urpeth</b></p> <p><b>Appointed 1 August 2015 to 31 July 2018</b></p>	<p>David was an Equity Partner and National Head of Workplace Injuries with Irwin Mitchell Solicitors for more than 25 years which brought with it a significant amount of experience creating and implementing strategies within strict budgets. The role also placed a heavy emphasis on Human Resources.</p> <p>David is a barrister. Since January 2008 David has performed a part time judicial role as HM Assistant Coroner for South Yorkshire West as well as acting as an Advisory Board Member for Nottingham University and accepting the position of Honorary Professor at Nottingham University in 2012. David is one of the trainers for the Judicial College and an assessor for the Law Society's Personal Injury Panel.</p> <p>Throughout his career, David has gained extensive senior level experience of managing risk, independent judgment, commercial awareness and the ability to accurately and quickly analyse and assess complex information and is a valuable addition to the board.</p>

	<p><b>Non-Executive Director:</b></p> <p><b>Jeremy Wight</b></p> <p><b>Appointed 1 August 2015 to 31 July 2018</b></p>	<p>Jeremy's background is in public health, having held Director or Deputy Director of Public Health roles within Wakefield Health Authority, Sheffield Primary Care Trust and Sheffield City Council since the turn of the century.</p> <p>He gained extensive Board level experience in the NHS in eleven years on the boards of North Sheffield and Sheffield Primary Care Trusts, and as Director of Public Health for South Yorkshire and Bassetlaw PCTs during 2012-13 PCT 'clusterings'. Jeremy has also worked as a Consultant Advisor for NICE, and serves as a trustee on two charities.</p> <p>As well as his medical training and clinical experience, Jeremy has expertise in clinical governance and a wealth of experience managing budgets, including shared responsibility for a £1Bn budget for Sheffield PCT, giving him a broad understanding of the needs and perspectives of patients.</p>
-----------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



**Non-Executive Director:**

**Philip Severs**

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



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

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

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

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

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

	<p><b>Chief Executive:</b></p> <p><b>Simon Morritt</b></p>	<p>Simon joined the Trust from Sheffield Children's Hospital, where he was Chief Executive from June 2011. He has more than 25 years' experience in the NHS, which he joined in September 1989 as a general management trainee in Greater Manchester.</p> <p>After roles in Manchester, Wakefield and Doncaster he went on to be successful in number of senior positions. His first Chief Executive post was for the Doncaster Central Primary Care Trust in October 2000 and he was appointed Chief Executive of the former Bradford and Airedale Teaching Primary Care Trust (now NHS Bradford and Airedale) in October 2006.</p>
	<p><b>Medical Director:</b></p> <p><b>Dr Gail Collins BMBS, FRCPC</b></p>	<p>Dr Collins graduated from Nottingham in 1988 after initially training in general medicine and then paediatrics - gaining dual accreditation in General and community paediatrics.</p> <p>Before joining the Royal in the year 2000 she held a consultant post in Doncaster. Her first management post was as an Associate Clinical Director when acute and community children's services merged. She became a Clinical Director for the Women and Children's Directorate from 2003 - overseeing the development of an integrated children's service.</p> <p>In 2008 she became Associate Medical Director at the Trust introducing appraisal and revalidation for medical staff. When the hospital introduced a divisional structure in October 2013, Dr Collins spent a few months as Divisional Director for Surgical Services before becoming Medical Director in April 2014. She continues to maintain her interest in neurodevelopmental paediatrics one day per week.</p>



**Director of Workforce and Organisational Development:**


**Zoe Lintin**


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


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

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

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

	<p><b>Director of Nursing and Patient Care:</b></p> <p><b>Lynn Andrews</b></p>	<p>After her training Lynn's nursing experience was mainly within critical care. She then had a brief period outside the NHS as a critical adviser for Boehringer Ingelheim, before returning to nursing. In 2007 she became nurse manager at Nottingham City Hospital NHS Trust, and was also seconded to George Eliot Hospital NHS Trust as divisional general manager, gaining experience in A&amp;E and urgent care. She then moved to North Staffordshire NHS Trust (2002 – 2005) as professional head of nursing, progressing to assistant director of nursing within a year.</p> <p>Her next post was at Northampton General Hospital (2005– 2007), where she held the post of deputy nursing director. At this time she broadened her career as assistant director of nursing and patient care for the East Midland Strategic Health Authority (2007–2012). Following her secondment to Circle in July 2011, she was appointed by Circle as lead nurse in April 2012. Lynn joined the Trust in February 2014 as Director of Nursing and Patient Care.</p>
-----------------------------------------------------------------------------------	--------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p><b>Director of Finance and Contracting:</b></p> <p><b>Lee Outhwaite</b></p>	<p>Lee joined Chesterfield in August 2017. His role covers Finance, Procurement, Estates and Facilities, ICT and the Chesterfield Royal Hospital Charity. Lee has worked in the NHS, since 1993, in a number of finance roles, in Devon, Hampshire, Surrey, London and Derbyshire. He is a member of the Chartered Institute of Public Finance and Accountancy.</p> <p>Prior to this role he worked at NHS Improvement, where he was the Business Director for London. In addition to oversight of London Trusts, he was involved in a number of national policy areas. Prior to moving to the NHS Improvement, Lee was Director of Finance and Performance at Derby Teaching Hospitals NHS Foundation Trust, for seven years.</p> <p>Lee is a Trustee of the Healthcare Financial Management Association (HFMA), and chair of HFMA's committee on the NHS National Payment System. He sits on HFMA's Policy and Research committee. Lee also is a Trustee and Honorary Treasurer of Women's Work, a Derbyshire based charity. In addition, he is also currently pursuing a Professional Doctorate at Keele University, in their Public Policy and Management faculty.</p>
-----------------------------------------------------------------------------------	--------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p><b>Chief Operating Officer:</b></p> <p><b>Tony Campbell</b></p>	<p>Tony trained as a chemist and joined Rolls Royce early in his career (1983-2004), where he developed his leadership experience, initially as head of airline operations test support services, then process improvement manager, before taking up a position as advanced services manager.</p> <p>In these roles he led major change programmes for Rolls Royce, increasing in scale, value and impact. Tony wanted a different challenge, in a different sector and looked to the NHS and was successful in securing a role as general manager, obstetrics and gynaecology, with Derby Hospitals NHS Foundation Trust (2004-06).</p> <p>He took a promotion with the same Trust becoming associate director, women and children's (2006-08), before accepting a role as director of improvement (2008-11). The Trust subsequently introduced a different structure and Tony was successful in being appointed as divisional director for clinical support services &amp; cancer.</p> <p>Tony joined the Trust in February 2014 as Director of Strategy and Performance. He was appointed as Acting Chief Executive in March 2016 and in September 2016 appointed as Chief Operating Officer of the Trust.</p>
-----------------------------------------------------------------------------------	--------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

### Register of directors' interests

The Trust holds a register listing any interests declared by members of the board of directors. They must disclose details of company directorships or other positions held, particularly if they involve companies or organisations likely to do business, or possibly seeking to do business with the Trust. The public can access the register at: [www.chesterfieldroyal.nhs.uk](http://www.chesterfieldroyal.nhs.uk) or by making a request in writing to:

Foundation Trust Secretary  
 Chesterfield Royal Hospital NHS Foundation Trust  
 Chesterfield S44 5BL

or by e-mailing: [CRHFT.Communications@nhs.net](mailto:CRHFT.Communications@nhs.net)

## Contact with the directors

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

## Board of directors and council of governors

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

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

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

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

## Board of Directors Membership and Attendance - 1 April 2017 and 31 March 2018

Name	Position	Board of Directors	Council of Governors	Finance & Performance Committee	Audit & Risk Committee	People Committee	Quality Assurance Committee	Charitable Funds Committee	Remuneration Committee	Corporate Citizenship Committee
<b>Simon Morritt</b>	Chief Executive	<b>9/10</b>	5/5	<b>6/6</b>	--	--	--	--	--	--
<b>Steve Hackett</b>	Director of Finance & Contracting (until 30 April 2017)	<b>0/1</b>	1/1	--	1/1	--	--	--	--	--
<b>John Williams</b>	Acting Director of Finance & Contracting (from 1 May 2017 to 13 August 2017)	<b>2/3</b>	1/1	--	--	--	--	--	--	--
<b>Lee Outhwaite</b>	Director of Finance & Contracting (from 14 August 2017)	<b>5/6</b>	3/3	<b>4/5</b>	1/1	--	--	<b>3/3</b>		
<b>Gail Collins</b>	Medical Director	<b>9/10</b>	3/5	--	--	<b>3/6</b>	5/6	--	--	--
<b>Lynn Andrews</b>	Director of Nursing & Patient Care	<b>9/10</b>	5/5	--	--	<b>4/6</b>	6/6	--	--	--
<b>Tony Campbell</b>	Chief Operating Officer	<b>9/10</b>	3/5	<b>6/6</b>	--	<b>3/6</b>	--	--	--	--
<b>Zoe Lintin</b>	Director of Workforce & Organisational Development	<b>9/10</b>	5/5	--	--	<b>6/6</b>	--	--	--	--

<b>Helen Phillips</b>	Chair	<b>8/10</b>	4/5	--	--	3/6	--	--	<b>4/4</b>	--
<b>Linda Challis</b>	Non-Executive Director	<b>9/10</b>	4/5	--	<b>3/5</b>	<b>3/6</b>	<b>5/6</b>	--	<b>4/4</b>	--
<b>Alison McKinna</b>	Non-Executive Director	<b>9/10</b>	1/5	<b>6/6</b>	<b>4/5</b>	--	--	--	<b>3/4</b>	--
<b>David Pickworth</b>	Non-Executive Director	<b>10/10</b>	4/5	--	--	--	<b>6/6</b>	<b>3/4</b>	<b>4/4</b>	<b>4/4</b>
<b>Beverley Webster</b>	Non-Executive Director	<b>10/10</b>	3/5	--	<b>4/5</b>	--	--	<b>3/4</b>	<b>4/4</b>	--
<b>Philip Severs</b>	Non-Executive Director	<b>9/10</b>	2/5	<b>5/6</b>	<b>5/5</b>	--	--	<b>3/4</b>	<b>3/4</b>	--
<b>David Urpeth</b>	Non-Executive Director	<b>7/10</b>	3/5	<b>3/6</b>	--	--	<b>4/6</b>	--	<b>2/4</b>	--
<b>Jeremy Wight</b>	Non-Executive Director	<b>10/10</b>	3/5	--	--	<b>5/6</b>	<b>5/6</b>	--	<b>4/4</b>	--

**Notes:**

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

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

## Council of Governors

### Composition, roles and responsibilities

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

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

<b>19 public governors</b>	Elected	From seven public constituencies.
<b>4 staff governors</b>	Elected	one from medical and dental;  one from nursing and midwifery;  one from allied health professionals, pharmacists and scientists; and  one from all other staff groups.
<b>9 partner governors</b>	Appointed	two from clinical commissioning groups;  three from local authorities;  two from the education sector; and  two from the voluntary sector

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

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

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

The council of governors is specifically responsible for the:

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

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

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

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

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

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

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

Governors' membership of the council and its committees, and attendance at meetings of the council and its committees in 2017/18, are set out on pages AR84 to AR87 of the annual report.

### **Elections**

Elections are held each year to fill seats on the council of governors held by public and staff governors whose current term of office is due to expire. A report on the elections held in 2017/18 can be found on page AR89 of the annual report.

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

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

The public can access the register at: [www.chesterfieldroyal.nhs.uk](http://www.chesterfieldroyal.nhs.uk) or by making a request in writing to:

Foundation Trust Secretary  
Chesterfield Royal Hospital NHS Foundation Trust  
Chesterfield S44 5BL  
or by e-mailing: [CRHFT.Communications@nhs.net](mailto:CRHFT.Communications@nhs.net)

### **Contact with the governors**

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

### **Governors' expenses**

Governors are not remunerated, but are entitled to claim expenses for costs incurred while undertaking duties for the Trust as a governor (e.g. travel expenses to attend council of governors meetings). A total of £2931.68 was paid as expenses to governors in 2017/18 (£3,407 in 2016/17). The number of governors who held office during 2017/18 was 38 (37 during 2016/17).

### **Committees of the council of governors**

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

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

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

The membership of the three committees of the council is shown on pages AR84 to AR87 of the annual report.

## Nominations committee

The role of the nominations committee is to:

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

The nominations committee does not have decision-making powers, but will make recommendations for approval to the council of governors. The committee is chaired by Helen Phillips, the chairman of the Trust. Members of the committee are appointed, through elections held by the council, in alignment with their terms of office.

During 2017/18 the committee has undertaken the following work:

- Reviewed and agreed the appraisal processes for the council of governors;
- Reviewed the results of the council of governors appraisal and agreed the action points and report for presentation to the council of governors for review and approval;
- Reviewed the outcome of the non-executive directors' appraisals and agreed the action points and reports for presentation to the council of governors for approval;
- Considered and made recommendations on the annual review of the remuneration of the chairman and non-executive directors for the current and future years;
- Monitored the attendance and conduct of governors;
- The committee considered the governor success criteria for holding the board to account;
- Considered the revised council of governors standing orders and Trust constitution and made a recommendation for approval to the council of governors;
- Reviewed the Trust's compliance against NHS Improvement's code of governance;
- Considered the re-appointment of an existing non-executive director and made a recommendation on the re-appointment for the council of governors' approval;
- Considered the re-appointment of the existing senior independent director and made a recommendation on the re-appointment for the council of governors' approval;
- Participated in the appointment process for the new director of finance and contracting;
- Participated in the appointment process for a new non-executive director.

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

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

The role of the PPI committee is to:

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

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

- Food/Nutrition
- Cleanliness
- Environment/privacy and dignity
- Complaints and feedback, including the 'What do our patients say' report
- Site facilities, e.g. car parking, signposting
- All other aspects of customer service to patients and the public.

In addition to reporting to the Council of Governors on the work of the committee, a non-executive member of the committee presents to the board of directors a report on the work of the committee.

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

**During 2017/18 the committee has:**

- Played an active part in Trust projects and groups, including:
  - Patient Feeding and Nutrition
  - Decontamination Unit Group
  - Cancer Care Project
  - Urgent Care Village Project
  - Theatre Projects Update
  - Medicine Safety Group
  - Patient Experience Working Group
  - Lady Mayoress joint initiative with the Trust's charitable funds committee to create outdoor space (Retreat at the Royal)
- Managed a regular programme of ward visits to talk to patients about their experiences of being in hospital and to staff about patient experience on their wards. Governors have developed good relationships with Matrons and leads, who have said that they welcome the visits
- Undertaken, jointly with Trust staff, the Patient Led Assessment of the Care Environment (PLACE) inspection
- Examined and discussed reports on patient experience, complaints and concerns with Directors, including results of national surveys
- Monitored progress and development of actions being taken across the Trust to improve patient and carer experience, including:
  - End of Life Care
  - Outpatient improvement project
  - The team around the patient
  - Royal Primary Care
  - Listening into Action (LIA)
- Received presentations and commended Trust work of interest to the PPI Committee role, including:
  - Nutrition Support Nurse
  - Voluntary Services
- Reviewed and discussed Capital Programme updates at each Committee meeting, for those areas impacting on patient experience, including:
  - Theatre Upgrades
  - Cancer Centre
  - Emergency Department (ED) upgrade
  - Emergency Management Unit (EMU) and Clinical Decisions Unit (CDU) upgrade
  - Pharmacy Upgrade
  - Imaging & MRI Upgrade
  - Car parking
  - Holywell Project Board

## **Member and public engagement committee**

The Council of Governors have considered the need for a member and public engagement committee and decided to focus the associated work through existing committees and working groups.

## **Corporate Citizenship Committee**

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

- Carbon management;
- Sustainable local food;
- Equality and diversity in the workforce;
- Involvement of and with local business;
- The green travel plan including car parking on site;
- Waste management;
- The perpetual problem of smoking on site;
- Voluntary services with particular reference to hospital volunteers;
- Procurement;
- Post Office.

During 2017/2018 the committee has undertaken the following work;

- Following the re-launch of the Trust's 'No smoking on site' policy, new, validated signage has been installed thanks to funding from Charitable Funds'.
- Monitoring the Trust's action plan on carbon reduction, and national energy initiatives proposed by the NHS Sustainable Development Unit
- Monitoring the Trust's performance against the NHS 'Good Citizenship' tool;
- Monitoring and supporting the partnership with the Prince's Trust for work experience;
- Monitoring and supporting the Trust's apprenticeship scheme;
- Monitoring and supporting the Trust's volunteer programme;
- Monitoring and supporting energy reduction schemes, including LED lighting and the possibility of benefit from the gas field under the site.

Governors on the committee were particularly proud of actively encouraging energy reduction programmes including a combined heat and power installation to save both CO<sup>2</sup> and energy.

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

### **Medicines management committee**

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

### **Pathology network assurance group**

The pathology network has undergone radical change with the development of partnerships with Derby and Sheffield Hospital: a change that has taken over three years to develop. It was essential that the decision making processes were transparent and that governors had an observer role. That role was undertaken by regular attendance at project meetings. Reports and updates were shared with the council of governors regularly and were challenged robustly where necessary to ensure that the changes made were successful.

### **Catering**

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

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

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

### **Governor Induction Programme**

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

### **Infection control**

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

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

Alongside the governors appraisal, undertaking a complete review of governors effectiveness and developing an action point plan to help improve the value of the council.

### **External contracts**

Implemented annual reviews of external contracts.

### **Capital development project board**

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

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

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

### Governor attendance at Trust Committees between 1 April 2017 and 31 March 2018

Name	Representing	Vote held	Appointment from	Term (years)	Term of office ends	Council of Governors	Nominations Committee	Patient and Public Involvement Committee	Corporate Citizenship Committee
Public Governors									
Susan Bean	Chesterfield	2015	1 January 2016	3	31 December 2018	3/5		4/6	
Alan Crow	Chesterfield	2015	1 January 2016	3	31 December 2018	4/5	5/5		4/4
Ruth Grice	Chesterfield	2015	1 January 2016	3	31 December 2018	5/5			
Ruth Ludford	Chesterfield	2015	1 January 2016	3	31 December 2018	3/5			
David Lyon	Chesterfield	2016	1 January 2017	3	31 December 2019	4/5	2/5		2/4
Brian Parsons	Chesterfield	2016	1 January 2017	3	31 December 2019	4/5		5/6	3/4
Margaret Rotchell	Chesterfield	2016	1 January 2017	3	31 December 2019	5/5		6/6	
Glenis Bartle (resigned 19 September 2017)	Bolsover	2016	1 January 2017	3	31 December 2019	1/2			
Raymond Holmes <sup>1</sup>	Bolsover	2017	1 January 2018	3	31 December 2020	0/0			
Helen Ward	Bolsover	2017	1 January 2018	3	31 December 2020	0/1			
Denise Weremczuk	Bolsover	2017	1 January 2018	3	31 December 2020	5/5	5/6	6/6	

<sup>1</sup> Due to ill health, Raymond Holmes was unable to take up his seat on the Council of Governors. As the elections were uncontested, a bi-election would be held in 2018.

Barry Whittleston	Bolsover	2014	1 January 2015	3	31 December 2017	4/4		5/5	
John Rigarlsford	Derbyshire Dales & North Amber Valley	2017	1 January 2017	3	31 December 2019	4/5			
Michael Grundman	Derbyshire Dales & North Amber Valley	2016	1 January 2017	3	31 December 2019	4/5		5/6	
Liam Clarke	High Peak	2016	1 January 2017	3	31 December 2019	5/5	3/5	5/6	
Pat Boyle	North East Derbyshire	2017	1 January 2018	3	31 December 2020	1/1			
John Kirby	North East Derbyshire	2014	22 July 2015	3	31 December 2017	4/4	2/4		
Mike Gibbons	North East Derbyshire	2016	1 January 2017	3	31 December 2019	4/5		4/6	
Derek Millington	North East Derbyshire	2012	1 January 2016	3	31 December 2018	4/5	1/1		3/4
Judith Reece	North East Derbyshire	2015	1 January 2016	3	31 December 2018	4/5	1/1		
Simon Green (resigned 11 October 2017)	South Sheffield and Rotherham	2014	1 January 2015	3	31 December 2017	0/3			
Robert Jackson	South Sheffield and Rotherham	2017	1 January 2018	3	31 December 2020	1/5			
John Burton	Southern Derbyshire and West Nottinghamshire	2015	1 January 2016	3	31 December 2018	1/5			

Staff Governors									
Emma Bradley	All other staff	2016	1 January 2017	3	31 December 2019	4/5			
Janice Smith	Nursing & Midwifery	2017	1 January 2015	3	31 December 2020	4/5	4/5		3/4
Mark Luscombe	Medical and Dental	2016	1 January 2017	3	31 December 2019	4/5	2/5		
Paul Whitehouse	Allied health professionals, pharmacists & scientists	2016	1 January 2017	3	31 December 2019	1/5		2/4	
Partner Governors									
Lynn Tory	Voluntary sector	-	1 January 2017	3	31 December 2019	5/5		5/6	
Angela Parnell	Voluntary Sector	-	1 January 2017	3	31 December 2019	4/5	4/5		
Michelle Brown	University of Derby	-	1 January 2017	3	31 December 2019	3/5			
Tracey Moore	University of Sheffield	-	1 January 2017	3	31 December 2019	5/5		3/6	
Cllr John Boulton (serving remainder of Cllr Stuart Brittain's term of office)	Local Authority	-	1 January 2016	3	31 December 2018	0/2			
Cllr Stuart Brittain (stood down 22 June 2017)	Local Authority	-	1 January 2016	3	31 December 2018	0/2			
Cllr Kate Caulfield	Local Authority	-	1 October 2014	3	30 September 2017	2/5	1/5		
Cllr Brian Murray-Carr (stood down 24 May 2017)	Local Authority	-	1 January 2017	3	31 December 2019	0/1			

Cllr John Ritchie (serving the remainder of Cllr Brian Murray- Carr's term of office)	Local Authority	-	1 January 2017	3	31 December 2019	1/4			
Jayne Stringfellow	North Derbyshire CCG	-	1 March 2016	3	28 February 2019	0/5			
Jim Connolly (stood down 22 June 2017)	Hardwick Health CCG	-	1 April 2016	3	31 March 2019	0/1			

## Election of governors 2017/18

### Public constituency – November 2017

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

- two seats for the Bolsover constituency;
- one seat for the North East Derbyshire constituency; and
- one seat for the South Sheffield and Rotherham constituency.

### Staff constituency – November 2017

Elections were held for staff governors to represent the following constituencies:

- one seat for the Nursing and Midwifery constituency.

### Election turnout rates

The Trust has always had good interest in and a fair turnout for elections - and for 2017/18 rates were:

#### Public governor elections:

Constituency	No of seats	No of candidates	% Turnout at poll
Bolsover	3	3	Uncontested
North East Derbyshire	1	7	20.6%
South Sheffield and Rotherham	1	1	Uncontested

The new governors took up their seats on the council on 1 January 2018 and all appointments were made for a three-year term ending on 31 December 2020. Two of the five seats went to existing public governors who had opted to stand for re-election whilst two governors had reached the end of their third and final term of office and therefore were not eligible to stand again.

Public governor results:

Constituency	No of seats	Successful candidates
Bolsover	3	Raymond Holmes Helen Ward Denise Weremczuk
North East Derbyshire	1	Pat Boyle
South Sheffield and Rotherham	1	Robert Jackson

**Staff governor elections:**

Constituency	No of seats	No of candidates	% Turnout at poll
Nursing and Midwifery	1	1	Uncontested

The new governors took up their seats on the council on 1 January 2018 and all appointments were made for a three-year term ending on 31 December 2020. One seat went to the existing staff governor who had opted to stand for re-election.

Staff governor results:

Constituency	No of seats	Successful candidates
Nursing and Midwifery	1	Janice Smith

**Board assurance**

The board of directors confirms that elections were held in accordance with the rules stated within the Trust's constitution. This is verified in the election report of 6 December 2017, as follows:

## Election to the Council of Governors 2017: Uncontested reports

*Further to the deadline for nominations for the above elections, the following constituencies are uncontested:*

Public: Bolsover
3 to elect
The following candidates are elected unopposed: <b>Raymond Holmes, Helen Ward and Denise Weremczuk</b>

Public: South Sheffield and Rotherham
1 to elect
The following candidate is elected unopposed: <b>Robert Jackson</b>

Staff: Nursing and Midwifery
1 to elect
The following candidate is elected unopposed: <b>Janice Smith</b>

Elections are to take place in the following constituencies:

Public: North East Derbyshire

Yours sincerely



**Craig Poyser**

**Returning Officer, UK Engage**

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

## Election to the Council of Governors 2017: Contested report

*As Returning Officer at the election of members to the Council of Governors for the Public – North East Derbyshire Constituency held between Friday 10 November 2017 and Tuesday 5 December 2017, I hereby give notice that the number of votes recorded for each candidate was as follows:*

Name of Candidates	Number of votes	
Pat Boyle	268	Elected
Ronald Paul Clayton	114	
Paul Cooper	105	
Keith Jones	54	
Tony O'Malley	91	
Ashoka Sen	29	
Nick Wood	162	

*I declare that Pat Boyle is duly elected to the Council of Governors.*

Yours sincerely



**Craig Poyser**

**Returning Officer, UK Engage  
On behalf of Chesterfield Royal Hospital NHS Foundation Trust**

## Promoting elections

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

- Following an extensive tender exercise, this year the Trust worked with UK Engage (the Trust's independent scrutineers) to adopt fair electoral processes that encourage participation of all active members;
- Created a dedicated online platform to allow members to nominate themselves as well as vote online;
- Worked with local media and other organisations to feature elections and the public governor role in newspaper, magazine and radio media; and
- Ensured all members were fully informed about elections and had the opportunity to stand for a governor seat.

## Membership

### Community membership overview 2017/18

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

### Our community membership – overall size and movements in 2017/18

	Last year	Estimated for next year
At year start (1 April 2017)	14,737	14,317
At year-end (31 March 2018)	14,317	14,500

At 1 April 2018, the Trust had a community membership base of 14,317. In 2018/19 the Trust will aim to achieve a net increase in membership of around 200 to stabilise numbers at around 14,500.

## Constituencies

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

<b>Chesterfield Borough</b>	All council wards
<b>Bolsover District</b>	All council wards
<b>North-East Derbyshire District</b>	All council wards
<b>Derbyshire Dales District and Amber Valley District</b>	The council wards of Alfreton, Alport, Belper Central, Belper East, Belper North, Belper South, Bakewell, Bradwell, Calver, Carsington Water, Chatsworth, Codnor and Waingroves, Crich, Darley Dale, Dovedale and Parwich, Hartington and Taddington, Hathersage and Eyam, Heage and Ambergate, Ironville and Riddings, Lathkill and Bradford, Litton and Longstone, Masson, Matlock All Saints, Matlock St Giles, Ripley, Ripley and Marehay, Somercotes, Stanton, Swanwick, Tideswell, Wirksworth, Wingfield, Winster and South Darley
<b>High Peak Borough</b>	The council wards of Barms, Blackbrook, Burbage, Buxton Central, Chapel East, Chapel West, Corbar, Cote Heath, Hayfield, Hope Valley, Limestone Peak, New Mills East, New Mills West, Sett, Stone Bench, Temple and Whaley Bridge

<b>South Sheffield and Rotherham</b>	The council wards of Anston and Woodsetts, Beauchief and Greenhill, Beighton, Birley, Dinnington, Dore and Totley, Ecclesall, Fulwood, Gleadless Valley, Graves Park, Mosborough, Nether Edge, and Wales
<b>Southern Derbyshire and West Nottinghamshire</b>	The council wards of Bull Farm and Pleasley Hill, Carlton, Duffield, Heanor and Loscoe, Heanor East, Heanor West, Kilburn Denby and Holbrook, Kirkby in Ashfield Central, Kirkby in Ashfield East, Kirby in Ashfield West, Langleys Mill and Aldercar, Manor, Market Warsop, Meden, Netherfield, Park Hall, Selston, Shipley Park Horsley and Horsley Woodhouse, Sutton in Ashfield Central, Sutton in Ashfield East, Sutton in Ashfield North, Sutton in Ashfield West, Warsop Carrs, Welbeck, Woodhouse, Worksop East, Worksop North, Worksop North East, Worksop North West, Worksop South and Worksop South East

## Membership analysis

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

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

	31 March 2018 actual members	31 March 2018 eligible membership**
<b>Age report</b>		
0-16*	1	165,037
17-21	10	50,982
22+	12,986	683,857
Age not provided by member	1,320	0
<b>Total</b>	<b>14,317</b>	<b>899,876</b>
<b>Ethnicity report</b>		
White	11,220	849,306
Mixed	21	9,395
Asian or Asian British	86	14,554
Black or Black British	48	5,630
Other	0	3,180
Ethnicity not provided by member	2,942	17,811
<b>Total</b>	<b>14,317</b>	<b>899,876</b>
<b>Gender report</b>		
Male	5,828	441,672
Female	7,790	458,204
Gender not provided by member	699	0
<b>Total</b>	<b>14,317</b>	<b>899,876</b>

<b>Socio-Economic report**</b>		
AB	3,688	55,329
C1	4,032	75,828
C2	3,236	64,205
DE	3,338	75,939
Unknown	23	628,575
<b>Total</b>	<b>14,317</b>	<b>899,876</b>

\*\* Breakdown of 899,876,000 – from updated Census data

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

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

#### **Staff membership overview 2017/18**

<b>Staff membership at 31 March 2018</b>
4,338

The staff constituency comprises:

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

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

The staff constituency is broken down into four classes:

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

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

**Breakdown of staff membership within constituencies:**

Constituency	Number of members (at 31 March 2018)
Medical and Dental	474
Nursing and Midwifery	1,762
Allied Health Professionals, Pharmacists and Scientists	668
All Other Staff	1,434
<b>Total</b>	<b>4,338</b>

Class	Membership %
Medical and Dental	10.9%
Nursing and Midwifery	40.6%
Allied Health Professionals, Pharmacists and Scientists	15.4%
All Other Staff	33.1%
<b>Total</b>	<b>100.0</b>

**Developing a representative membership**

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

## Membership recruitment objectives

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

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

## Engaging our membership

The Trust now has 14,672 local people registered as members (including affiliates) and a further 4,338 staff members. This is an audience of over 19,000 people to seek views and opinions from. It is vital that both the Trust and governors are able to reach and interact with this large audience.

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

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

## Direct contacts

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

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

## Remuneration report

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

### Introduction

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

### Annual statement on remuneration

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

There were no major decisions on senior managers' remuneration during 2017/18.

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

There were no substantial changes to senior managers' remuneration during 2017/18.



## Senior managers' remuneration policy

### Future policy table

#### Executive directors

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

#### Notes on future policy table

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

#### Non-executive directors

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

## Salary and Pension entitlements of senior managers

### Remuneration 2017/18

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

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

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

## Remuneration 2016/17

Name and Title	2016-17						
	Salary and Fees for Director duties (a)	Salary and Fees for Clinical duties (a)	Taxable Benefits* (b)	Annual Performance-Related Bonus (c)	Long-Term Performance-Related Bonus (d)	Pension Benefits (e)	Total Remuneration
	(bands of £5,000) £000	(bands of £5,000) £000	£s to the nearest £100	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
<b>Executive Directors</b>							
<b>Mr Simon Morritt</b> Chief Executive (from 26 September 2016)	85 - 90	0	0	0	0	37.5 - 40	125 - 130
<b>Mr Tony Campbell</b> Chief Operating Officer (from 26 September 2016)  Acting Chief Executive (until 25 September 2016)	130 - 135	0	0	0	0	30 - 32.5	160 - 165
<b>Mr Steven Hackett</b> Director of Finance and Contracting (until 30 April 2017)	135 - 140	0	0	0	0	40 - 42.5	175 - 180
<b>Mr Terry Alty *</b> Director of Corporate Administration (until 12 August 2016)	120 - 125	0	0	0	0	0	120 - 125
<b>Ms Lynn Andrews</b> Director of Nursing and Patient Care	115 - 120	0	0	0	0	25 - 27.5	145 - 150
<b>Dr Gail Collins</b> Medical Director	40 - 45	135 - 140	100	0	0	100 - 102.5	280 - 285
<b>Mr George Briggs</b> Acting Chief Operating Officer (until 25th September 2016)	95 - 100	0	0	0	0	0	95 - 100
<b>Mrs Zoe Lintin</b> Director of Workforce and Organisational Development (from 6 March 2017)  Acting Director of Workforce and Organisational Development (from 1 August 2016 until 5 March 2017)	60 - 65	0	0	0	0	30 - 32.5	90 - 95
<b>Mrs Amanda Rawlings</b> Director of Workforce and Organisational Development (until 31 July 2016)	20 - 25	0	0	0	0	0	20 - 25
<b>Non - Executive Directors</b>							
<b>Dr Helen Philips</b> Chair	45 - 50	0	0	0	0	n/a	45 - 50
<b>Mrs Linda Challis</b> Senior Independent Director	15 - 20	0	0	0	0	n/a	15 - 20
<b>Mrs Alison McKinna</b> Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
<b>Ms Beverley Webster</b> Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
<b>Dr David Pickworth</b> Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
<b>Mr Philip Severs</b> Non-Executive Director	15 - 20	0	0	0	0	n/a	15 - 20
<b>Mr David Urpeth</b> Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
<b>Dr Jeremy Wight</b> Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15

\*Salary includes £80k payment for Mutually Agreed Resignation Scheme (MARS) agreed in 2015/16

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

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

**Remuneration - Definitions of Table Column Headings**

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

**Column (a) Salary and Fees**

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

Salary includes:

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

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

Salary excludes:

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

**Column (b) Taxable Benefits**

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

Taxable benefits include:

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

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

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

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

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

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

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

#### Column (e) Pension Benefits

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

Pension benefits include:

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

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

$$\text{Increase} = ((20 \times \text{PE}) + \text{LSE}) - ((20 \times \text{PB}) + \text{LSB}) - \text{Employee pension contributions during the year}$$

Where:

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

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

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

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

## Changes to Board Members During 2017/18

The following changes were made to the Board of Directors during 2017/18:

### Executive Directors

*Director of Finance and Contracting:* Mr Steve Hackett, Director of Finance and Contracting left the Trust on 30 April 2017. Mr John Williams was appointed Acting Director of Finance and Contracting from 1 May 2017. Mr Outhwaite was appointed the Director of Finance and Contracting from 14 August 2017. Mr John Williams returned to the role of Deputy Director of Finance and Contracting from this date.

### Non-Executive Directors

*Chair:* Dr Helen Phillips was re-appointed for a further three year term from 2 March 2018.

*Non-Executive Directors:* Mr Philip Severs indicated his wish to step down from his Non-Executive Director and Audit and Risk Committee chair role for personal reasons. However has agreed to remain in post to provide continuity until his replacement has been recruited.

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

HM Treasury requires all public sector bodies to disclose the median remuneration of the reporting entity's staff and the ratio between this and the mid-point of the banded remuneration of the highest paid Director. The calculation is based on full-time equivalent staff as at the reporting period end date e.g. 31 March 2018, on an annualised basis.

	2017/18	2016/17
Mid-point of the Band of Highest Paid Director's Total Remuneration	<b>£177,500</b>	£177,500
Median Total Remuneration	<b>£24,269</b>	£24,407
Ratio	<b>7.3</b>	7.3

The mid point of the banded remuneration of the highest paid director in the financial year 2017/18 was **£177,500** (2016/17: £177,500). This is **7.3** times (2016/17: 7.3 times) the median remuneration of the Trust's staff, which was **£24,269** (2016/17: £24,407).

In 2017/18, 3 employees (2016/17: 4) received remuneration in excess of the highest-paid director. Remuneration ranged from £187,200 to £244,225. The highest remuneration at this level is due to annualising and pro-rating locum medical consultant sessions to full-time equivalent. For example, a locum medical consultant worked 196.5 sessions each at a cost of £576 per session, which equates to £244,225 when this is annualised.

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

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

In respect of those individuals shown on pages 63 to 72 of the annual accounts and financial statements who have been paid more than £150,000 (the Prime Minister's salary), the Trust has satisfied itself that the level of remuneration is warranted in terms of the requirements of the role, the need to attract and retain individuals of the right caliber, and the need to equip the board of directors with the skills and experience necessary to ensure the effective stewardship of the organisation.

## Pension Benefits 2017/18

Name and title	Real Increase (Decrease) in Pension Sum at Pension Age	Real Increase (Decrease) in Lump Sum at Pension Age	Total Accrued Pension at Pension Age at 31 March 2018	Lump Sum at Pension Age Related to Accrued Pension at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2017	Real Increase (Decrease) in Cash Equivalent Transfer Value	Employer's Contribution to Stakeholder Pension	Total Pension Entitlement at 31 March 2018
	(Bands of £2500) £000	(Bands of £2500) £000	(Bands of £5000) £000	(Bands of £5000) £000	£000	£000	£000	£000	(Bands of £5000) £000
Mr Simon Morritt	2.5 - 5	2.5 - 5	60 - 65	150 - 155	1,093	992	92	n/a	210 - 215
Chief Executive (from 26 September 2016)									
Mr Lee Outhwaite	0 - 2.5	(5) - (2.5)	45 - 50	115 - 120	716	660	31	n/a	160 - 165
Director of Finance and Contracting (from 14 August 2017)									
Mr John Williams	0 - 2.5	0 - 2.5	10 - 15	25 - 30	148	131	5	n/a	40 - 45
Acting Director of Finance and Contracting (from 1 May to 13 August 2017)									
Mr Steven Hackett	0 - 2.5	(2.5) - 0	45 - 50	120 - 125	738	699	3	n/a	165 - 170
Director of Finance and Contracting (until 30 April 2017)									

<b>Ms Lynn Andrews</b>	<b>2.5 - 5</b>	<b>10 - 12.5</b>	<b>50 - 55</b>	<b>150 - 155</b>	<b>1,004</b>	<b>872</b>	<b>123</b>	<b>n/a</b>	<b>200 - 205</b>
<b>Director of Nursing and Patient Care</b>									
<b>Dr Gail Collins</b>	<b>2.5 - 5</b>	<b>0 - 2.5</b>	<b>60 - 65</b>	<b>175 - 180</b>	<b>1,228</b>	<b>1,113</b>	<b>104</b>	<b>n/a</b>	<b>240 - 245</b>
<b>Medical Director</b>									
<b>Mr Tony Campbell</b>	<b>2.5 - 5</b>	<b>7.5 - 10</b>	<b>20 - 25</b>	<b>65 - 70</b>	<b>497</b>	<b>406</b>	<b>87</b>	<b>n/a</b>	<b>90 - 95</b>
<b>Chief Operating Officer</b>									
<b>Mrs Zoe Lintin</b>	<b>5 - 7.5</b>	<b>12.5 - 15</b>	<b>15 - 20</b>	<b>35 - 40</b>	<b>222</b>	<b>123</b>	<b>98</b>	<b>n/a</b>	<b>55 - 60</b>
<b>Director of Workforce and Organisational Development</b>									

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

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

## **Service contract obligations**

The information required per paragraph 2.38 of the Foundation Trust Annual Reporting Manual for 2017/18 is set out below under the section headed 'Service contracts for senior managers'.

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

The information required per paragraph 2.39 of the Foundation Trust Annual Reporting Manual for 2017/18 is set out below under the section headed 'Service contracts for senior managers'.

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

The information required per paragraph 2.40 of the Foundation Trust Annual Reporting Manual for 2017/18 is set out below under the section headed 'Remuneration policy'. The Trust has not consulted with employees when determining the remuneration policy for senior managers. Benchmarking of remuneration with other foundation trusts takes place periodically.

## **Annual report on remuneration**

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

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

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

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

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

<b>Post title</b>	<b>From</b>
<b>Chief Executive</b>	<b>26.09.16</b>
<b>Director of Finance and Contracting</b>	<b>14.08.17</b>
<b>Director of Nursing and Patient Care</b>	<b>03.02.14</b>
<b>Medical Director</b>	<b>01.04.14</b>
<b>Chief Operating Officer</b>	<b>01.12.16</b>
<b>Director of Workforce and Organisational Development</b>	<b>01.12.17</b>

### **Remuneration committee**

The remuneration committee is chaired by Linda Challis, senior independent director, and has delegated responsibility for the remuneration and terms of service for the chief executive and executive directors of the Trust. Its responsibility includes all aspects of salary, provision for other benefits including pensions, arrangements for termination of employment and other contractual terms. The nomination and selection of candidates for appointment as chief executive or executive director is undertaken separately by an appointment committee.

The membership of the remuneration committee consists of all the non-executive directors, as set out on pages AR62 and AR72 of the annual report. The committee met on four occasions during the year. The key items of business in the year were talent management and future succession planning for executive director posts and for posts which became vacant. In addition, executive remuneration policy and executive objectives and portfolios were considered.

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

### **Remuneration policy**

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

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

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

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

## Remuneration of the chair and non-executive directors

The nominations committee of the council of governors has responsibility for the appointment, remuneration and appraisal of the chair and non-executive directors. Full details of membership and of the work undertaken by the committee during 2017/18 may be found on pages AR74 and AR75 of the annual report.

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

## Directors' expenses

A total of **£8,309** was paid as expenses to executive and non-executive directors in 2017/18 (£5,851 in 2016/17). The number of directors who held office during 2017/18 was 16 (16 during 2016/17). Information on governors' expenses is set out on page AR78 of the annual report.

## Payments for loss of office

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

## Payments to past senior managers

No payments or awards were made to past senior managers.

## Remuneration report signed by



**Simon Morritt**  
Chief Executive and Accounting Officer

**23 May 2018**

## STAFF REPORT

### Analysis of staff costs

Staff costs for 2017/18 and 2016/17 are shown in the table below.

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

	2017/18			2016/17		
	Total	Permanent	Other	Total	Permanent	Other
	£000	£000	£000	£000	£000	£000
Salaries and Wages	113,692	112,518	1,174	107,393	106,175	1,218
Social Security Costs	10,859	10,859	0	10,264	10,264	0
Apprenticeship Levy						
Pension Cost - Employer Contributions to NHS Pension Scheme	14,499	14,499	0	13,726	13,726	0
Pension Cost - Other schemes	12	12	0	10	10	0
Termination Benefits	23	23	0	29	29	0
Temporary Staff - External Bank	5,143	0	5,143	3,504	0	3,504
Temporary Staff - Agency / Contract Staff	13,489	0	13,489	14,126	0	14,126
	<b>158,242</b>	<b>138,436</b>	<b>19,806</b>	<b>149,052</b>	<b>130,204</b>	<b>18,848</b>
Employee Costs Capitalised as Part of Assets	737	614	123	922	798	124
Total Staff Costs (Excluding Capitalised Costs)	<b>157,505</b>	<b>137,822</b>	<b>19,683</b>	<b>148,130</b>	<b>129,406</b>	<b>18,724</b>

## Analysis of average staff numbers (WTE Basis)

An analysis of average staff numbers is shown below.

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

	2017/18			2016/17		
	Total	Permanent	Other	Total	Permanent	Other
	WTE	WTE	WTE	WTE	WTE	WTE
Medical and Dental	426	343	82	415	358	57
Administration and Estates	763	718	45	710	701	9
Healthcare Assistants and Other Support Staff	1,158	1,020	138	1,077	972	105
Nursing, Midwifery and Health Visiting Staff	1,059	967	92	1,090	966	124
Scientific, Therapeutic and Technical Staff	275	267	8	261	249	12
Healthcare Science Staff	95	91	4	96	93	3
Social Care Staff	7	7	0	8	8	0
Total	3,782	3,413	369	3,657	3,347	310
Of which: Number of Employees (WTE) Engaged on Capital Projects	19	18	1	21	20	1

## Gender analysis

Number of staff as at 31 March 2018

	Male	Female
Senior managers <sup>3</sup>	6	7
Other staff	667	3453

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

## Sickness absence data

Sickness absence data expressed in average working days lost (per WTE) for the Trust for 2017/18 and 2016/17 is shown below.

	2017/18	2016/17
	Number	Number
<hr/>		
Total days lost*	44,396	36,534
Total staff years	3,413	3,347
<b>Average working days lost (per WTE)</b>	<b>13</b>	<b>11</b>
*Total days lost is split as follows:		
- long term	26,917	22,201
- short term	<u>17,479</u>	<u>14,333</u>
<hr/>		
	44,396	36,534

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

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

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

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

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

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

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

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

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

- The Staff Forum – a forum between staff representatives from across the Trust and our Hospital Leadership Team. The agenda for every forum is set by the staff representatives who then have the opportunity to directly discuss the chosen subjects with the hospital Executives and Senior Leaders. A viewing gallery is also provided for any other member of staff to observe and listen to the discussions;
- Staff surveys – the national staff survey provides all staff with the opportunity to express how they feel about working at the Trust. In addition to the annual national staff survey, a 'Your Voice' internal survey is also carried out on a quarterly basis;
- Pay-slip bulletin - information relevant to everyone (corporate development, employment issues etc.) circulated to every member of staff with their monthly pay-slip;
- Intranet - the staff only section of the Trust's website facility. Staff can access policies and procedures, patient information, an on-line telephone directory and up-to-date news about the Trust - including performance reports and minutes from key meetings such as the council of governors and board of directors;
- Email briefings - regular briefings to all staff via their personal email accounts, on a variety of subjects affecting the Trust - from departmental moves to briefings on clinical issues;
- Staff magazine – 'Life@theRoyal' – an informal online newsletter focusing on staff and the roles they play in the organisation;
- Posters, leaflets, reports - produced specifically for staff;
- Membership magazine – Membership Matters is distributed online to all community and staff members of the Trust every quarter and updates the Trust's membership on service developments, proposals and plans;
- Service improvement programmes and training empower staff to put forward and implement ideas for innovation and service improvement. This has been supported further through the commencement of Listening into Action (LiA) in 2017. LiA aims to give our staff the empowerment to put their ideas into action and bring about change across the workforce.
- A freedom to speak up guardian has been appointed as an avenue for staff to discuss and raise any concerns they may have with an objective individual outside of their immediate work area. Freedom to speak up Champions are also available in local areas throughout the Trust.

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

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

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

Information on health and safety performance and occupational health is shown on pages AR42 and AR41 respectively.

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

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

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

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

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

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

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

The Trust's prepares an annual self-assessment of compliance with NHSCFA Standards for Providers which resulted in an overall green rating for 2017/18.

During the reporting year, the counter fraud programme of work has focussed on addressing areas of identified fraud risk through the delivery of a risk based programme of counter fraud activities. Where fraud is identified or suspected it is formally investigated in accordance with the Trust's Fraud, Bribery and Corruption Policy. During 2017/18, eight referrals of suspected fraud, bribery or corruption were made to the CFS.

## Staff survey results

### Approach to staff engagement

Chesterfield Royal Hospital has invested resource into improving staff engagement. Let's talk CARE and Your Voice were both introduced to provide staff with a platform from which to share their comments and views about the care we deliver and what the Trust is like as a place of work. This work has been developed further through the introduction of a staff forum in 2016 and a refreshed set of People Priorities for 2017/18 which were agreed through listening sessions with groups of staff across the Trust. The Trust Board has agreed to continue with the same People Priorities for 2018/19 in recognition that these were reached through listening to staff views and will take time to embed. The introduction of Listening into Action in 2017 will additionally support increased engagement across the organisation.

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

The Trust also places a great deal of importance on the national staff survey results as an indicator to how staff feel about working at the Trust. In 2016 and 2017, the staff survey was a full census approach and all staff were therefore invited to participate. In 2017, the Trust had a 63% response rate which was much higher than the 45% national average.

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

- Ensured that our workforce priorities focus on what matters to our staff and our patients.
- Introduced a new approach to staff recognition with involvement of staff representatives. This has a focus on reward linked to the demonstration of our Proud to CARE values and successful celebration events have taken place in October 2017 and March 2018.
- Simplifying our appraisal process to encourage better conversations between leaders and team members. From April 2018, we have introduced a new approach called the 'Appraisal Season' which enables our Leaders to plan for appraisals to take place between April and June every year. Continuous conversation and feedback on performance should take place all year with the formal appraisal planned within these months to support the prioritisation and importance of appraisal.
- The continuation of People Committee, as a sub-committee to the Board, to ensure there is accountability, assurance and a robust governance structure to support the delivery of the Trust's people agenda.
- The implementation of a range of staff health and wellbeing initiatives which will have an increased positive impact and support for our staff.
- The continuation of our People Strategy for 2018/19 which was developed through a series of listening sessions with groups of staff across the Trust.

- Increased focus on Equality, Diversity and Inclusion in relation to workforce with an action plan in place and the development of our objectives through Listening into Action.
- Developed a clear action planning guidance tool to support leaders with addressing the key priorities from their local staff survey results. The focus from the 2017 staff survey results is to continue with a focus on the actions that will have the highest impact for improving how staff feel.

### Summary of Performance

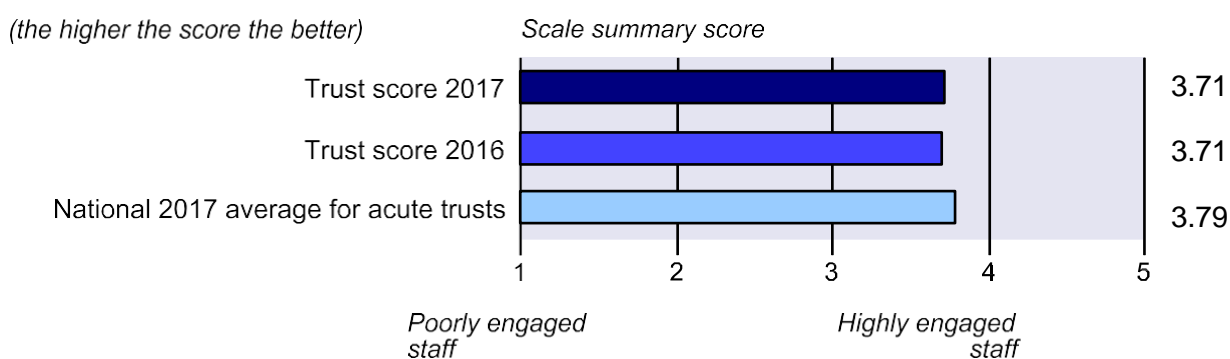
	2016		2017	
Response rate	CRH	National average	CRH	National average
	34%	41%	63%	45%

For 2017, out of a total **32 Key Findings** - 5 scores ranked as better than average; 2 ranked as average; 25 scores ranked as below/worse than average and 14 ranked in the worst 20% for all acute Trusts.

The 2017 staff survey results show an improvement in some areas from 2016, however, they are broadly very similar and therefore disappointing for the Trust. Staff experience will continue to be a key priority for 2018/19.

### Staff engagement

The overall staff engagement score for Chesterfield in 2017 is **3.71**, which ranks as being below average when compared with other acute trusts (180).



This overall indicator of staff engagement is calculated using the questions that make up Key Findings 1, 4 and 7; and relate to the following aspects of staff engagement:

- Staff members' perceived ability to contribute to improvements at work (KF7)
- Staff member's willingness to recommend the Trust as a place to work or receive treatment (KF1)
- Extent to which staff feel motivated and engaged (KF4).

## Top 5 ranking areas

The results below highlight the five Key Findings for which Chesterfield Royal Hospital NHS Foundation Trust compares most favourably with other acute trusts in England:

**KF26:** staff experiencing harassment, bullying or abuse from staff in last 12 months

**KF21:** staff believing that the organisation provides equal opportunities for career progression or promotion

**KF27:** staff / colleagues reporting most recent experience of harassment, bullying or abuse

**KF20:** staff experiencing discrimination at work in the last 12 months

**KF23:** staff experiencing physical violence from staff in last 12 months

## Bottom 5 ranking areas

The results below highlight the five Key Findings for which Chesterfield Royal Hospital NHS Foundation Trust compares least favourably with other acute trusts in England:

**KF29:** staff reporting errors, near misses or incidents witnessed in the last month

**KF7:** staff able to contribute towards improvements at work

**KF22:** staff experiencing physical violence from patients, relatives or the public in last 12 months

**KF2:** staff satisfaction with the quality of work and care they are able to deliver

**KF24:** staff / colleagues reporting most recent experience of violence

## Priorities highlighted for 2017/2018

### *Staff Engagement*

Staff engagement and understanding the reasons for our 2017 Staff Survey results will be a key focus across the Trust. This will involve leadership accountability for engagement and clear action plans and measures for improving how staff feel about working at the Trust. The Trust is very pleased with the 63% response rate to the 2017 Staff Survey and this excellent response rate will enable us to identify key areas for development and support throughout 2018/19.

### *Leadership*

We have introduced a new leadership expectations framework to support leaders in demonstrating behaviours in line with our values. This is in the process of embedding across the Trust and we plan to run a programme of leadership development throughout 2018/19 with support from the East Midlands Leadership Academy.

### *Communication*

We have introduced a proactive communication strategy that links to our vision - and the values, objectives and outcomes that support it. Communication within this strategy is multi-directional and focuses on engaging to improve dialogue and communication flows, with leaders who see communication as a core competence and responsibility.

### *Recruitment and retention*

There is ever increasing demands being placed across our services and recruiting and retaining staff is of a top priority. Filling vacancies, reducing and removing agency spend and retaining staff is one of the top issues that staff raise. Progress has been made in relation to agency spend and initiatives to reduce this further are ongoing. The retention of staff is of a high priority, particularly within areas where we have challenging vacancy rates.

### *Workforce model*

Our workforce model in some parts of the Trust is becoming challenging and in the long term unsustainable with national skills shortages in some occupational areas. Throughout 17/18 we have closely assessed the current design and skills of its current workforce to plan effectively for the future and develop career pathways. This work has resulted in the introduction of new roles such as the Advanced Clinical Practitioner, the Assistant Practitioner and the Nursing Associate. This has been a key area of development for the Trust and work continues into 2018/19.

### *Managing change*

Our Management of Change policy continues to be in place and was used for our most recent large scale divisional restructure. This policy centres around staff involvement in change and meaningful consultation and improvements across the Trust have been made in relation to how we manage change.

### *Getting the basics right*

Staff comment that there are issues with the basics across the Trust such as processes, IT, a place to eat lunch and have a break etc. which impacts on their day to day functioning. The introduction of the Staff Forum has supported the resolution of some of these areas and ensured that there is ownership by a senior leader for improvement in some of the areas which cannot be resolved quickly. This has been further supported through the development and communication of our IT strategy and the introduction of Listening into Action.

### *Equality, Diversity and Inclusion*

The Trust has developed the Equality, Diversity and Inclusion agenda and views this as a key priority for continuation with an approach which values the benefits of a diverse and inclusive workforce.

## Expenditure on Consultancy

Expenditure on consultancy in 2017/18 was £590,676 (2016/17: £140,102).

## Off-payroll arrangements

### Policy statement

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

**Table 1:** For all off-payroll engagements as of 31 March 2018, for more than £245 per day and that last for longer than six months:

Total number of existing engagements as of 31 March 2018	3
Of which:	
Number that have existed for less than one year at the time of reporting	3
Number that have existed for between one and two years at the time of reporting	Nil
Number that have existed for between two and three years at the time of reporting	Nil
Number that have existed for between three and four years at the time of reporting	Nil
Number that have existed for four or more years at the time of reporting	Nil

**Table 2:** For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £245 per day and that last for longer than six months:

Number of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	9
Of which:	
Number assessed as within the scope of IR35	2
Number assessed as not within the scope of IR35	7
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	2
Number of engagements reassessed for consistency/assurance purposes during the year	2
Number of engagements that saw a change to IR35 status following the consistency review	2

**Table 3:** For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018:

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

## Information on staff exit packages

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

**Table 1: Total staff exit packages for 2017/18:**

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

**Table 2: Total staff exit packages for 2016/17:**

	<b>2016/17</b>					
<b>Exit Package Cost Band</b>	<b>Number of Compulsory Redundancies</b>	<b>Cost of Compulsory Redundancies £000</b>	<b>Number of Other Departures Agreed</b>	<b>Cost of Other Departures Agreed £000</b>	<b>Total Number of Exit Packages by Cost Band</b>	<b>Total Cost of Exit Packages by Cost Band £000</b>
<b>&lt; £10,000</b>	0	0	12	29	12	29
<b>£10,001 - £25,000</b>	1	13	0	0	1	13
<b>Total Number of Exit Packages by Type</b>	1	13	12	29	13	42

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

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

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

**Table 3:** Total staff exit packages – other non-compulsory payments for 2017/18 and 2016/17 were:

	2017/18		2016/17	
	Number of Payments Agreed	Total Value of Agreements £000	Number of Payments Agreed	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual Payments in Lieu of Notice	16	23	12	29
Exit Payments following Employment Tribunals or Court Orders	1	2	0	0
Non-Contractual Payments requiring HM Treasury Approval*	0	0	0	0
<b>Total</b>	<b>17</b>	<b>25</b>	<b>12</b>	<b>29</b>
Of which:				
Non-Contractual Payments made to individuals where the payment value was more than 12 months of their annual salary	0	0	0	0

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

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

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

**Accountability report signed by**



**Simon Morritt**  
Chief Executive and Accounting Officer

23 May 2018



This page is intentionally blank

# Code of Governance

## Code of governance

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

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

Reference	Information	Location
A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	Pages AR57, AR73, AR74 and AR75
A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.	Pages AR47, AR58 to AR62, AR75, AR79 and AR84 to AR87.
A.5.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	Pages AR76 and AR84 to AR87
ARM	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	Pages AR58 to AR62 and AR84 to AR87

B.1.1	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	Page AR47 and AR58
B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	Pages AR58 and AR63 to AR72
ARM	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated.	Pages AR63 to AR67, AR79 and AR111
B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	Page AR79
ARM	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	Page AR79
B.3.1	A chairman's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.	Page AR63
B.5.6	Governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Page AR84

ARM	<p>If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012.</p> <p>* Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance).</p> <p>** As inserted by section 151 (6) of the Health and Social Care Act 2012)</p>	This power has not been exercised in 2017/18
B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	Pages AR59 and AR79
B.6.2	Where there has been external evaluation of the board and /or the governance of the Trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the Trust.	This has not occurred in 2017/18
C.1.1	<p>The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy.</p> <p>Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).</p>	<p>Page AR48</p> <p>Page AR150</p>
C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	Pages AR59-AR57 and AR152

C.2.2	<p>A Trust should disclose in the annual report:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	Page AR60
C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	This has not arisen during 2017/18
C.3.9	<p>A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include:</p> <ul style="list-style-type: none"> <li>the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed;</li> <li>an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and</li> <li>if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.</li> </ul>	Pages AR53 to AR51 and AR59 to AR60
D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	This has not arisen during 2017/18
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	Pages AR73 and AR78

E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	Pages AR58 and AR77
E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Pages AR84 to AR96
ARM	<p>The annual report should include:</p> <ul style="list-style-type: none"> <li>• Brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership;</li> <li>• Information on the number of members and the number of members in each constituency; and</li> <li>• Summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership including progress towards any recruitment targets for members.</li> </ul>	Pages AR76 to AR96
ARM	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.	Pages AR72 and AR78

The board of directors confirms that in relation to those provisions within the Code of Governance for which the Trust is required to 'comply or explain', the Trust was compliant throughout the year to 31 March 2018 in respect of those provisions of the Code save for the following exceptions, which the Code requires the Trust to disclose:

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

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

# NHSI Single Oversight Framework

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

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

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy.

The segments are as follows:

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

The Trust is in segment 2 and has been since the introduction of the Single Oversight Framework. This segmentation information is the Trust's position as at 31 March 2018. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

## Care Quality Commission (CQC)

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

Further information about the Trust's compliance with CQC requirements is set out on page AR52.

This page is intentionally blank

**Statement of the  
Chief Executive's Responsibilities as  
Accounting Officer  
2017/18**

This page is intentionally blank

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

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Chesterfield Royal Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Chesterfield Royal Hospital NHS Foundation Trust and of its income and expenditure, items of other comprehensive income 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 Group Accounting Manual and the NHS Foundation Trust Annual Reporting 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;
- assess Chesterfield Royal Hospital NHS Foundation Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve Chesterfield Royal Hospital NHS Foundation Trust without the transfer of its services to another public sector entity [1].

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 them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

The Accounting Officer is also responsible for ensuring that the use of public funds complies with the relevant legislation, delegated authorities and guidance.

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

**Signed by**

A handwritten signature in blue ink, appearing to read 'S Morritt', with a stylized, overlapping 'A' at the end.

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

**23 May 2018**

[1] The standard wording of the last bullet is “use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so”. The only circumstance under which an Accounting Officer would prepare the accounts on a non-going concern basis is if they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

**Annual Governance Statement**  
**2017/18**

This page is intentionally blank

# Annual Governance Statement 2017/18

## Scope of responsibility

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

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

- East Midlands Leadership Academy Board
- East Midlands Acute Trust Chief Executives' Partnership;
- Derbyshire Health and Wellbeing Board
- South Yorkshire Mid Yorkshire North Derbyshire (SYMND) Working Together Group
- Better Care Closer to Home Implementation Board
- Working Together Group - Chief Executives' Group and Trust Chairs/Chief Executives'
- South Yorkshire and Bassetlaw (SYB) Integrated Care Systems (ICS) Collaborative Partnership Board
- STP Planned Care Steering Group
- Joined up Care Derbyshire – Provider Alliance Group
- Joined up Derbyshire Board
- WTP – Specialty Collaborative Working Project Group
- NHS Providers' group for Chairs and Chief Executives
- Destination Chesterfield Board

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

## Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Chesterfield Royal Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. This system of internal control has been in place in Chesterfield Royal Hospital NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

## Capacity to handle risk

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

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

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

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

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

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

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

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

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

### Remuneration committee

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

### **Audit and risk committee**

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

### **Quality assurance committee**

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

### **Finance and performance committee**

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

### **People Committee**

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

### **Charitable funds committee**

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

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

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

## Leadership of the risk management process

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

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

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

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

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

## Staff empowerment and training (risk management)

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

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

## Stakeholder Communications

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

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

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

## **Council of governors**

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

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

## **Staff**

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

## **Public and service users**

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

## **Partner organisations**

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

## **Risk and control framework**

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

## Policy for the management of risk

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

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

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

All operational risks are entered onto the Datix risk management system which is used to produce reports for all levels of management, the assurance committees, the council of governors and the board of directors. Each score on the matrix impact trajectory has an identifier which shows how that level of risk could impact on the Trust in terms of finance, reputation and operations.

## Board assurance framework

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

During 2017/18, the assurance committees have reviewed the board assurance framework, providing the board of directors with assurances on the effectiveness of the systems of internal control. The board assurance framework is a living document, framed around the critical success factors to the delivery of the Trust's five-year strategic outcomes. The Board of Directors receives and discusses the Board Assurance Framework at each meeting and monitors the progress of actions identified to mitigate the gaps in control and assurance.

## Quality Account

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

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

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

In addition:

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

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

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

The external auditors have reported a clean audit opinion (based on limited testing) on the referral to treatment waiting times – 18-week wait for incomplete pathways, and on the A&E four hour wait indicators.

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

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

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

## **Clinical audit**

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

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

## **Information governance assurance programme**

Information governance (IG) remains a high priority for the Trust. The Trust has a Caldicott Guardian (Medical Director) and Senior Information Risk Officer (SIRO – Director of Finance and Contracting). The Trust has an information governance group, established to oversee all information governance issues which reports to the Trust's Board via the Audit and Risk Committee and to HLT as required. Each division and corporate team has appointed an information asset owner (IAO) to provide leadership at local level.

Information governance risks are managed in accordance with Trust risk management standards, and, where appropriate, recorded on the risk register. Each IT system has a designated system manager, with defined responsibilities, including risk management and responsibility for identifying IG risks.

All staff are governed by a code of confidentiality, and access to data held on IT systems is restricted to authorised users. Information governance training is incorporated in the Trusts essential training programme and all staff are required to undertake IG training to national standards.

The annual information governance self-assessment exercise has taken place using the Information Governance Toolkit provided by Health and Social Care Information Centre. The Trust has undertaken a full review and refresh of evidence to maintain compliance at level 2 across all standards during 2017/18.

Additionally, the Trust has further developed its partnership with 360 Assurance who have provided positive observations and assurances on IGT progress and governance. This collaborative approach involves regular meetings with 360 Assurance and full transparency on Trust Information Governance activities.

There have been no IG incidents during 2017-18. The Trust continues to strengthen its IG capabilities and is well placed to secure longer term compliance with the standards.

## **Compliance with NHS pension scheme regulations**

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 in to 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.

## **Compliance with equality, diversity and human rights legislation**

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

## **Compliance with climate change adaptation reporting to meet the requirements under the Climate Change Act 2008**

The Trust has undertaken risk assessments and carbon reduction delivery plans are in place in accordance with emergency preparedness and civil contingency requirements as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the adaptation reporting requirements are complied with.

## **Compliance with Care Quality Commission targets**

In July 2016 a Trust wide focused inspection was completed by the CQC along with a comprehensive inspection of the Children and Adolescent Mental Health Service (CAMHS). The focused inspection concentrated on those domains within a core service that were rated as 'requires improvement' following the previous inspection in February 2015. The inspection demonstrated clear improvements being made with eleven of the sixteen areas achieving a rating of 'Good'.

In February 2017 the Trust underwent an inspection against the Well Led domain in which a rating of 'Good' was achieved and as such the Trust has been given an overall rating of 'Good'.

The CRHFT Provider report (visit July 2016) highlights three 'must do' recommendations; a 'must do' recommendation is where there is clear evidence that a regulation (Fundamental Standard) has not been met. One of these recommendations was addressed immediately and work is ongoing to ensure that we have robust processes in place in relation to the remaining two.

The CAMHS Report (visit July 2017) highlighted three 'must do' recommendations associated with a breach of one regulation (Regulation 17 – Good Governance). All of the actions to address these areas are complete.

The well led report highlighted two 'should do' recommendations as follows:

- *The trust should take action to increase the response rate for the annual NHS Staff Survey. A number of changes were made in 2017, including the use of paper surveys, protected time at work for staff to complete the survey and increased personal communication with staff in local areas. The Executive Directors have each increased their visibility and support in identified areas to enable greater engagement and understanding of the value of completing the survey and in raising the profile of the action departments are taking to respond to last year's survey. This has resulted in a response rate of 63%, which is in the highest 20% of acute trusts in England (national average 44%), and compares with a response rate of 33% in this trust in the 2016 survey.*

- *The trust should take action to improve the overall staff engagement score in the NHS Staff Survey.* The key trust-wide action to improve engagement has been the introduction of Listening into Action (LiA) which was launched in May 2017. Through LiA the Trust engages with employees so they can contribute to the success of the organisation, in a way that makes them feel proud. LiA is one element of the Trust's engagement framework, which also includes Leadership, communication and health and well-being, which is monitored via the People Committee. Each element of the engagement framework is underpinned by a plan of implementation, improvement or action. See pages AR117 to AR120.

The Trust has not received any further visits and did not participate in any special reviews or investigations by the CQC during 2017/18.

### **Quality governance arrangements**

The board takes clear responsibility for ensuring the quality and safety of services offered by the Trust and has developed robust structures and reporting mechanisms to ensure that quality goals are identified, monitored and, where performance is sub-standard action is taken to rectify the situation. The key board committee is the Quality Assurance Committee which is supported in this role by the Audit and Risk committee.

The Trust's Quality Governance System remains as described within the Operational Plan 2017-19. Following the divisional restructure in 2017 and the establishment of Care Units, the Governance system is currently under review to reflect the new structure.

NHS Improvement guidance sets out how providers should carry out developmental reviews of their leadership and governance using the framework as part of their own continuous improvement. These developmental well-led reviews should be carried out by providers every three to five years. NHS Improvement agreed to an extended timetable for the Trust enabling the Board to progress in its development programme during 2018-19.

### **Compliance with the NHS constitution**

The Trust operates with regard to the NHS constitution in all its decisions and actions concerning its staff and service users. The constitution has been revised to meet the requirements identified in the Health and Social Care Act 2012.

A periodic statement is provided to the board of directors on the Trust's compliance with the requirements of the NHS constitution.

### **Description of the principal risks facing the Trust during 2017/18**

The following principal risks were identified in 2017/18:

- Inability to meet regulatory core standards in respect of essential quality and safety standards will have an impact on the quality of care for our patients and regulatory CQC compliance;
- Failure to ensure the Trust learns from incidents and patient experience feedback will impact on the quality of care given to patients;
- Poor patient experience, poor patient outcomes for patients, reputational damage and negative staff morale;

- Failure to deliver the ambitions of the Clinical Services Strategy to transform and build efficiency within the portfolio of core services based on business modelling and analysis and to divest non-core services that are not sustainable or affordable;
- Failure to maximise opportunities to implement integrated care models that: a) Reduce inappropriate admissions; and b) Streamline pathways;
- Risk that Royal Primary Care is not able to offer the appropriate range of services to patients in a sustainable way;
- Failure by the Derbyshire and South Yorkshire partners to agree and implement the ambitions of the respective Sustainability and Transformation Plans (STP);
- The choice of potential partners is influenced by the failure to establish a clear sense of the 'shape' of the Trust and the strengths and weaknesses of the service portfolio;
- Failure to develop a specific strategy for managing key strategic relationships;
- Failure to develop and embed a sustainable and affordable workforce plan that delivers the right people in the right place at the right time with the right skills;
- Failure to build staff engagement via the seven priority themes of the "Engagement Framework";
- Failure to engage, support and develop our leaders via the "Leading the Chesterfield Way" framework;
- Not developing or delivering a robust Operational Plan;
- Not enabling an organisational culture that focuses on continuous improvement supported by the right resources, tools and techniques;
- Not providing the organisational form, funding and resource to deliver the strategy, both within the organisation and linking to the STP agendas;
- Not developing and delivering an IT strategy that is supported by the Board, and effectively communicated to staff.

These risks have been mitigated during the year through close monitoring and performance, but some will continue to be principal risks in the year ahead. The risks are aligned with the key issues and risks identified in the chief executive's statement on performance.

The principal risks to compliance with the provider licence condition 4 (FT governance) is that the Trust does not achieve its financial targets and some operational targets. The action taken to mitigate this, has been the establishment of the board's finance and performance committee to closely review, monitor and challenge financial and operational performance and agree action to mitigate in-year pressures and improve performance, as well as scrutinising plans to meet longer-term challenges.

In making its corporate governance statement for 2017/18, the Trust will have assured itself of the validity of the statement through identification of the information and evidence available to support each part of the statement, and the testing of the robustness of this with each of its four key assurance committees, i.e. the audit and risk committee, the finance and performance committee, the quality assurance committee and the people committee prior to the board approving the final statement.

One high risk issue was formally reported as a result of the Internal Audit 2017/18 work to date. This was part of the Cyber Security review. The proposed Data Security Standards suggest that organisations should adopt recognised security standards, and the Trust does not currently have the accreditations that might be expected. An external Cyber Security review has since assessed the Trust against the Cyber Essentials standards, highlighting a number of areas requiring remediation work. A plan is now in place and work progressing.

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

During the year the board of directors has received regular reports informing of the economy, efficiency and effectiveness of the use of resources. The reports provide detail on the financial, clinical and performance of the Trust during the previous period and highlight any areas through benchmarking or traffic light system where there are concerns. The executive directors of the Trust supply these reports. The Board has also been given the opportunity for an in depth walk through of the financial annual accounts.

Internal audit has reviewed the systems and processes in place during the year and published reports detailing the required actions within specific areas to ensure economy, efficiency and effectiveness of the use of resources is maintained. The outcomes of these reports are graded according to the level of outstanding risks within the area. This Annual Governance Statement takes account of the limited (red) assurance opinions given in a number of the internal audit reports, although these do not constitute any significant risk as the recommendations and associated action plans arising are being tracked by the audit and risk committee.

NHS Improvement introduced the Single Oversight Framework during the year, and providers are segmented based on the level of support each provider needs. The Trust has been segmented as '2', where targeted support is offered. The Trust further obtains assurance of its systems and processes and tests its benchmarking by working with other NHS and external organisations, and also through the NHS Providers, where foundation trusts share good practice.

### **Review of effectiveness**

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

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit and risk committee, the finance and performance committee, the people committee and the quality assurance committee, and plans to address weaknesses and ensure continuous improvement of the system is in place. My review is also informed by:

- ISA 260 audit highlights memorandum 2017/18;
- Confirmation by NHS Improvement through segmentation under the Single Oversight Framework;
- Continued compliance with the Care Quality Commission's standards.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the committees identified above, by the board of directors' monitoring of corporate and divisional performance, by the publication of audit reports in line with their work programme by internal audit during the year, and by the evidence of the assessment of the Trust and the capacity and capability of the board of directors by NHS Improvement in relation to its financial management, governance arrangements and risk management systems.

### **Conclusion**

There are no significant internal control issues that have been identified during the period 1 April 2017 to 31 March 2018 that require disclosure in this statement.

### **Signed by**



**Simon Morritt**  
Chief Executive and Accounting Officer

**23 May 2018**



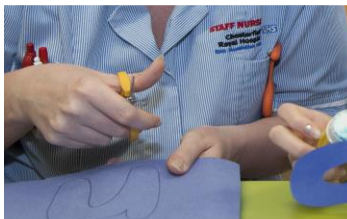
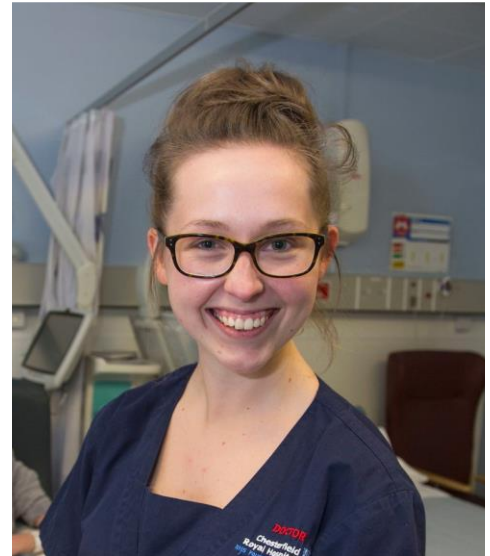
## **Annual Report 2017 to 2018**

Chesterfield Royal Hospital NHS Foundation Trust

Calow

Chesterfield

Derbyshire S44 5BL



## Quality Account 2017 to 2018



This page is intentionally blank

# Contents

## Part One

What is the Quality Account?	QA – 5
About Chesterfield Royal Hospital	QA – 5
Performance against key targets	QA – 5
Statement on quality from the Chief Executive	QA – 9

## Part Two

Priorities for improvement:	QA – 11
2.1 Clinical effectiveness	QA – 12
2.2 Patient safety	QA – 15
2.3 Patient experience	QA – 19
2.4 Statements of assurance from the Board	QA – 23

## Part Three

Review of Quality Performance	QA – 33
3.1 Clinical effectiveness indicators	QA – 33
3.2 Patient safety	QA – 43
3.3 Patient experience	QA – 51

## Annexes

Feedback on our Quality Account	QA – 73
Statement of directors' responsibilities in respect to the quality account	QA – 79
External auditor's limited assurance statement	QA – 81

This page is intentionally blank

# Part One

## What is the Quality Account?

The Quality Account is our opportunity to share with you information about how well we have delivered services which are safe, effective and offer our patients a good experience. We publish a Quality Account each year so that we can show progress against our key standards and let you know our priorities for the coming year.

### About Chesterfield Royal Hospital NHS Foundation Trust

We serve a North Derbyshire population of more than 400,000, providing a full range of acute services – plus community midwifery, specialist children's services, GP & primary care services and a 24 hour emergency department. Find out more about us on page 7.

## Performance against key targets

### Areas where we achieved our targets

#### National targets

- ✓ **Hospital Standardised Mortality Rate:** For April to November 2017 the HSMR is 104, and this is within expected range
- ✓ **Summary Hospital Mortality Index:** SHMI is published quarterly using a rolling 12 months; for the latest reporting periods the Trust has had a rate which is 'as expected'.
- ✓ **VTE Assessment:** We aim to meet the national standard for VTE assessment, which is now set at 95% of all admitted patients. We performed consistently against this standard and maintaining compliance at over 95%.
- ✓ **Re-admission rates:** Overall our re-admission rates are lower than the national average.
- ✓ **Hospital acquired pressure ulcers:** we reduced our rate of hospital acquired pressure ulcers (grade 2-4) by over 50%
- ✓ **C-difficile rates:** The number of hospital-acquired C. difficile infections has increased slightly to 13 from 10 in 2016/17 however this remains below the trajectory of 31. There have been no cases of MRSA reported this year.
- ✓ **National inpatient survey:** For this survey, published in May 2017, the Trust scored better than other trusts for one question; the remaining 64 questions are performing 'about the same' as other trusts.
- ✓ **National Emergency Department (ED) survey** - Of the 35 questions asked in 2016, the Trust scored 'about the same' as other trusts for 34 questions. 1 question demonstrated 'better' performance than other trusts.
- ✓ **National Children and Young Person's Survey** - Results for the trust were positive; of the 63 questions asked, the Trust scored 'about the same' as other trusts for 58 questions. Three questions demonstrated 'better' performance than other trusts (relating to hospital food, suitability of ward and staff communication with patients).

### Local targets

- ✓ **Dignity audit:** Over 95% of patients said they were treated with courtesy, kindness, compassion and respect when asked as part of the Trust's first dignity audit (quarter three 17/18), and over 90% of patients said that they and/or their family/carers were involved at all stages of their care.
- ✓ **GP Survey:** Over 90% of Royal Primary Care patients who have taken part in our local GP survey to date say they had confidence in the person they saw.
- ✓ **No patient harms:** We achieved our aim to increase the percentage of patients who received no new harms in hospital.

### Areas where we did not achieve our targets

#### National targets

- ✗ **Cancer waiting times:** This has been a challenging year for patient activity and admissions therefore some of our cancer targets were not met.
- ✗ **Seven day services audit:** We have seen a decrease in this standard from April to September 2017.
- ✗ **Reduction in falls rate:** The incidence of falls trust wide is currently at 6.12 per 1000 bed days for 17/18, slightly above the 6.6 target.
- ✗ **Waiting time in the Emergency Department : A&E -** We missed the national target of 95% or more of our patients waiting four hours or less before a decision to treat, admit or discharge.
- ✗ **Referral to Treatment Time:** At the 31st March 2018, 91.8% (standard 92%) of patients on incomplete pathways had been waiting less than 18 weeks.

#### Local targets

- ✗ **Increase in incident report:** the rate of incidents per 1,000 bed days has decreased over the last 3 periods.

# Introducing our hospital

April 2017 - March 2018



**Chesterfield  
Royal Hospital**  
NHS Foundation Trust

We serve a North Derbyshire  
population of more than

**400,000**



Our budget is

**£235  
Million**



We have

**3,900 Staff**  
and **150 Volunteers**



We provide a full  
range of acute services  
– plus community  
midwifery, specialist  
children's services,  
GP & primary care  
services & 24 hour ED



We have more than

**20 Wards**

With around

**550 Beds**



Over the year we will care for more than

**30,000** patients after a  
planned operation



Over the year we  
will have treated

**70,000**

patients in the  
emergency department

This year we will  
look after about

**38,000**

patients admitted to hospital  
for a medical emergency



At least

**218,000**

patients will be seen in  
our out-patient clinics  
this year



**3,000 Babies**

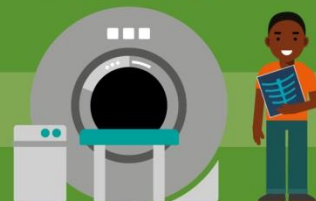
will be born at the hospital over the year



We will carry out more than

**170,000**

x-rays and scans



We will test around

**1.9 Million**

pathology samples this year



Correct as at January 1 2018 (version 3)

This page is intentionally blank

# Statement on Quality

Our hospital, our community based services and our GP surgeries open their doors to more than 400,000 patients every year. Whether they're coming to us for an appointment, a diagnostic test, a planned operation - or they are admitted to a ward for an urgent medical emergency - we want the best experience for all of them. The achievements on these pages – and our honest assessment of where we still need to improve – illustrate that we are serious about continual development and learning.

As we head towards our ultimate goal of achieving an 'outstanding' Care Quality Commission rating, it's rewarding to see that this Quality Account reflects the tremendous work our 4,000 strong team of staff put in to ensure safe, personal and effective care. I am delighted to present a set of quality measures that show how every member of staff makes a valuable and respected contribution. Those giving direct care - on our wards and in our clinics - make sure our patients are safe from harm, are well-cared for and have everything they need on the road to recovery, or at the end of their life. Those who support our doctors, nurses and therapists play an equally valuable role. Without our porters patients with suspected sepsis wouldn't receive timely antibiotics; without our domestics our rates of hospital-acquired infections wouldn't be so low - and without our laboratory staff the swift diagnosis of illness and disease would be much harder to deliver. These are just a few examples of the variety of people that come together to provide patients with an exceptional service. What they do - and everyone else in-between - really contributes to the notion of 'quality' and a positive patient experience.

In the Quality Account this year you will see progress and achievement. There have been strides forward in the diagnosis and treatment of sepsis, national recognition for reducing bloodstream E-Coli infection and new ways of responding with immediacy to patients whose observations show a deteriorating position. Improving communication with patients and their families or carers has also taken centre stage, including making sure they feel empowered and able to ask questions about their care and treatment. Building on last year's developments we're using real-time patient feedback to listen to what patients and relatives say and to make some real-time changes as a result.

There are still areas that we need really focus on – there is always room for improvement especially in areas where we are not yet achieving national or local targets. We have set out our commitments for the coming year within this report and my colleagues Lynn Andrews, our Director of Nursing & Patient Experience and Dr Gail Collins, our Medical Director continue to inspire, encourage and support teams across the Trust as they strive to improve the quality of the services they provide and the care they give.

To the best of my knowledge all the data and information presented in the 2017/18 Quality Account report is true and accurate - and it has been approved by the Trust's Board of Directors. I am delighted that this year, in assessing the concept of dignity, 95% of patients said they were treated with courtesy, compassion and respect. I hope that this fact, along with all the other information in our report, gives you confidence that we remain committed to giving our patients the best possible care.



**Simon Morritt**  
**Chief Executive**  
**23 May 2018**

This page is intentionally blank

# Part Two

## Priorities for improvement

In 2017/18 we identified three areas for quality improvement which cover the effectiveness of care and treatments that patients receive, patient safety, and patient feedback about the care provided.

**Clinical Effectiveness priority:** Improving care through evidence based care

**Patient Safety priority:** Reducing patient harm (Sign up to Safety)

**Patient Experience priority:** Improving patient experience with a focus on communication

These three priorities were chosen as they reflect the quality of care across the organisation and are key indicators within the Trust's Quality Strategy; we therefore continue to focus on these areas in 2017/18.

Progress against each of these priorities will be reported via regular performance reports which are presented to the Board of Directors, Quality Assurance Committee and Council of Governors. In addition, these reports are shared with our Clinical Commissioners, Derbyshire Health watch and Derbyshire County Council Overview and Scrutiny Committee. The following section looks at our progress to date and plans for improvement for 2018/19.



## 2.1 Clinical Effectiveness

### Priority 1: Improving care through evidence-based care

Evidence based care is the use of recognised best evidence in making clinical decisions about the care of each patient. Three key drivers for evidence-based care at Chesterfield Royal are;

- NICE (National Institute for Health and Care Excellence) guidance - The role of NICE is to improve outcomes for people using the NHS and other public health and social care services by developing guidance and advice for health and social care practitioners.
- Care Bundles - A care bundle is a set of interventions that, when used together, significantly improve patient outcomes. These reflect nationally agreed best practice.
- Learning from deaths – All NHS organisations are now required to review patient deaths and mortality rates, to consider any themes from these and ensure learning actions are taken forward.

In terms of NICE Guidance during 2017/8, we have continued to ensure that:

- We review new NICE guidance within 90 days of publication and identify whether or not we are compliant. Clinical leads are asked to consider to if there are risks relating to the implementation of new guidance and if an audit should be considered.
- Where the Trust is not meeting the guidance or cannot prove that it is, an improvement plan is developed and implemented to put in place the necessary changes. If we are not able to make the necessary changes within 3-6 months, we use our risk registers to record the impact of non-compliance and to monitor action required until compliance is achieved.

With respect to care bundles we continue to focus on three priority areas – Sepsis, Saving Babies' Lives and nursing care audits.

### Management of SEPSIS

SEPSIS is a life threatening condition that arises when the body's response to an infection injures its own tissues and organs.

The Trust continues to give a high priority to the rapid recognition and management of patients with suspected SEPSIS using the best practice recommendations outlined in NICE Guidelines. The Trusts SEPSIS team is now fully established and meets weekly to review all Audit findings and agree actions required across the organisation. This has Consultant Medical and senior nursing representation from all bed holding divisions, Infection Prevention & Control Team IP&CT, Critical Care Outreach Team, Microbiology and Pharmacy.

Over past year the trust has:

- Invested in a substantive SEPSIS Nurse Practitioner who sits within the already established IP&CT to ensure appropriate education , audit and real time feedback relating to the safe and effective management of SEPSIS is robust and continuous
- Developed videos for both the general public and staff on how the trust manages suspected SEPSIS
- Delivered continuous education utilising various opportunities including, formal training sessions, point of care, ward huddles and ward / department meetings
- Instigated an Emergency 2222 SEPSIS call to promote this being treated as a time critical emergency.

- Procured a Blood Gas analyser for the Emergency Management Unit to allow point of care testing for Lactate measurement to aid prompt diagnosis indicators of SEPSIS.
- Had a challenging year in relation to the sepsis CQUIN and the performance targets included within this. At the end of Q3 2017/18, 94.1% of our patients were screened for sepsis in an emergency or as an inpatient with 84.25% of these patients receiving their required antibiotics within 1 hour. It is predicted that this performance will continue to improve with the actions above.

### **Saving Babies' Lives**

There has never been a safer time to have a baby in England, nationally the stillbirth and neonatal mortality rate has fallen by a fifth in the last decade, The national ambition to reduce the rate of stillbirths, neonatal and maternal deaths in England by 50% by 2030. The Maternity Service at Chesterfield Royal Hospital has invested in the following strategies to achieve this vision.

The Saving Babies Lives care bundle has been implemented by the Trust from April 2016 to address unwarranted variation by bringing together four key elements of care based on best available evidence and practice in order to help reduce stillbirth rates, these are:

- Reducing smoking in pregnancy through offering all women carbon monoxide testing in pregnancy and referring to smoking cessation services.
- Risk assessment and surveillance for foetal growth restriction through the implementation of the customised growth charts, the trust is participating in a research project from April 2018 with 12 other maternity units to assess the impact and outcomes of this intervention for our local population.
- Raising awareness of reduced foetal movements: The maternity service has implemented the RCOG information leaflet and guidance on the management of reduced foetal movements in pregnancy. There are now two midwife sonographers who are trained to perform scans in the third trimester of pregnancy to monitor the growth and wellbeing of babies when women who are referred to pregnancy assessment with reduced foetal movements.
- Effective foetal monitoring in labour: The trust has invested in master classes for all clinicians involved in Cardio Tocography gram (CTG) interpretation and has worked in collaboration with the East Midlands network to develop a regional guideline on the interpretation of foetal heart rate monitoring and assessing the competency of the relevant clinicians.

Implementing these strategies has enabled the Maternity service at Chesterfield Royal Hospital to improve outcomes for mothers and babies and this has been evidenced in 2017 with the maternity service achieving the national ambition of a reduction of stillbirths to 1.4 per 1000 births.

The next steps for the maternity service at CRH are not only to continue with the vision of making maternity services safer but to also achieve the ambitions of Better Births (2016) which aims to ensure women have access to more personalised, kinder, professional and more family friendly care; where every woman has access to information to enable her to make decisions about her care; and where she and her baby can access support that is centred around their individual needs. The aspiration is for this to be achieved through working in collaboration with our partners across Derbyshire through delivery of the Maternity Transformation plan (MTP) for Derbyshire. This Maternity Transformation Plan (MTP) sets out the five-year plan for Derbyshire to deliver these ambitions, building upon what we already know about our area and on the experiences of the people who use our services.

## **Nursing Care Audits**

The aim of the nursing care audits is to bring together a range of measures that provide a strategic overview and focus on the fundamentals of nursing care; by reviewing patient assessment and care planning to reduce the risk of harm and improve patient outcomes. This data forms part of the ward dashboard which will further facilitate the triangulation of information.

The nursing care audit is undertaken monthly on each ward. Ward level results are then fed back to ward/department Matrons and their Senior Matrons. Heads of Nursing/Midwifery receive ward, divisional level and feedback Trust wide. The Director and Deputy Director of Nursing and Patient Care receive Trust and Divisional level audit data. The Heads of Nursing/Midwifery ensure that results and improvement plans are presented to the divisional quality governance groups, via the quality report which is then presented to QDG.

Relevant Quality improvement groups then receive the data e.g. in-patient falls, pressure ulcers, hydration and nutrition, deteriorating patient / pain management and discharge will incorporate appropriate actions into the improvement plan. It is hoped that by focusing on one area at a time for maximum impact, improvements will be seen more quickly.

The initial priorities have been hydration and clinical observations. In March we achieved the 80% improvement target for hydration and work is ongoing to improve compliance with clinical observations.

### **Clinical Effectiveness: What are we going to do?**

The Trust has identified the following areas for improvement in 2018/19:

- Continue to drive improvements with regard to Sepsis, ensuring that all patients receive antibiotics within 60 minutes of diagnosis.
- Continue to implement our 'Saving Babies' Lives' improvement plan including the introduction of customised growth charts and the delivery of a 'Saving Babies' Lives' study day as part of essential training for maternity staff.
- Nursing Care audit data will continue to be monitored and local level action taken in response to this either by individual wards or via relevant steering groups.
- Moving forward, a review of the criteria for seven day services audit is to be completed and a business case has been produced focused on investment that would create the best clinical value for the level of additional resource.

## 2.2 Patient Safety

### Priority 2: Reducing Avoidable Harm to Patients

Chesterfield Royal Hospital NHS Foundation Trust is committed to delivering sustainable high quality safe clinical care for all our patients. We are committed to reduce avoidable harm and have placed patient safety at the heart of the Trust's Quality Strategy.

Through participation in Sign up to Safety, the Trust Board and staff have committed to:

- 1) **Continually learn** - We will learn from harm events and near misses to ensure that patients are protected.
- 2) **Honesty** - We will continue to foster an open and honest culture, and positively embrace our duty of candour offering face to face meetings with patients and their relatives when something has gone wrong.
- 3) **Collaborate** - We will work in partnership to positively influence the safety and effectiveness of care across the health community.
- 4) **Supporting** - We will ensure staff are informed about patient safety issues through the governance structures of the organisation and staff forums.



In line with the Trusts Quality Strategy a number of priority areas for 2017/18 were identified. These priorities, the action to date and plans for the coming year, are as follows:

### **Recognising and responding to deteriorating patients:-**

Ensure that we always monitor patients appropriately while they are in hospital and take action if they show signs of deterioration. During 2017/18, the Trust has:

- Developed and launched a trust-wide observations policy
- Held a number of staff focus groups which has provided a greater understanding of how we care for deteriorating patients.
- Using the feedback from staff focus groups, results of nursing care audit and learning from *clinical incident investigations developed deteriorating* patients improvement delivery plan
- Introduced a revised observation chart to reflect updated national guidance and facilitate identification of escalation actions.

In 2018/19, we will:

- Introduce trust-wide “deteriorating patient” stickers to strengthen effective treatment of patients who are deteriorating
- Review delivery of essential education programme with a view to greater utilise skill drills to improve recognition of deteriorating patient
- Explore alternative incident investigation methodologies to strengthen learning from clinical incidents involving deteriorating patients

### **Improving Communication at handover, transfer and discharge**

To reduce the number of incidents relating to poor communication at handover, transfer and discharge of patients and thereby reducing the risk of harm. During 2017/18 we have:

- Introduced accountability handovers; these handovers promote individual accountability for the care of patients by encouraging staff to review and challenge practice and foster dual responsibility for ensuring the standard of communication at handover.
- Worked with colleagues in the community on a 2-year project to introduce discharge to assess and manage (D2A) pathways, these pathways are aimed at reducing delayed discharges for patient who are medical fit for discharge. Ensuring patients receive assessments closer to home.
- Introduced a multi-agency discharge hub, with CRHFT staff working alongside DCC social workers and DCHS staff. Aimed at improving communication between acute and primary care for our more complex patients.
- Implemented a Red day/Green day initiative, which aims to reduce delays for patients being discharged throughout their discharge journey by making non value adding days (from a patient’s perspective) visible and a daily topic of conversation for all staff.

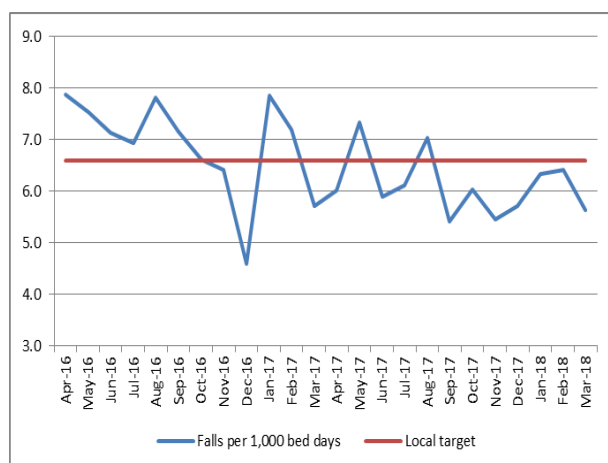
- Reviewed and updated the trust discharge policy for adults, reflecting changes made for discharge to assess. Including a discharge SOP to support all trust staff.
- Introduced a trusted assessor shared document between CRHFT and DCHS, allowing single assessment and communication between agencies.

During 2018/19 we plan to build on this work by:

- Continuing to participate in the D2A pathway project, working closely with our community colleagues within the discharge hub, to ensure patients are placed in the safest environment to allow for a period of rehabilitation or further assessment.
- Undertake a review and relaunch of our Transfer Policy to strengthen processes in place to ensure patients are transferred throughout the hospital in a safe and timely manner
- Develop our discharge lounge facility to allow next day discharges to be safely managed in an overnight bed facility. The aim is to improve communication and education to patients and carers at the point of discharge
- Integrate the Red2Green process within the current IT infrastructure. Enabling review of patients in real time and reducing duplication tasks.
- Undertake a review and relaunch of our Transfer Policy to strengthen processes in place to ensure patients are transferred throughout the hospital in a safe and timely manner.

## Patient Falls

The Trust's aim was to reduce the number of in-patient falls, specifically those that cause harm. During 2017/18, we have seen a reduction in the rate of falls per 1,000 beds days from 6.90 in 2016/17 to 6.12 in 2017/18 as shown below. For more details of action taken in relation to falls see section 3.2.4.



In line with recommendations from the national inpatient falls audit during 2018/19 we are aiming to reduce the rate of falls with harm per 1,000 beds days by 20% compared with falls with harm in 2017/18.

### Reducing Infection Risks

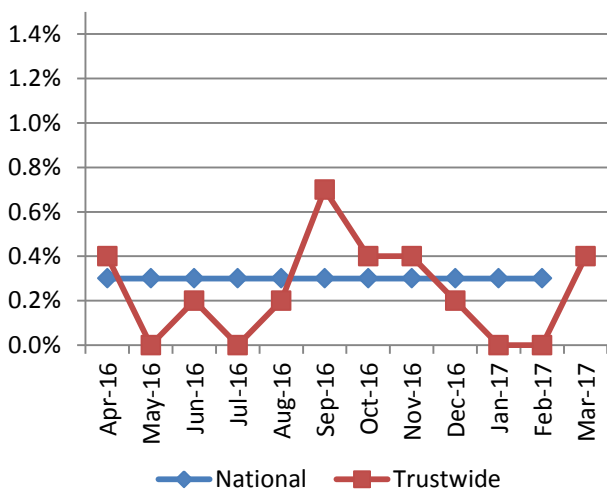
Senior Nursing staff from the Infection Prevention & Control (IP&C) team are members of the Derbyshire wide E.coli reduction working group to support the whole Health Economy response in reducing the total numbers seen across the county. As a result of this, NHS Improvement have praised the Trust for the excellent contribution made in reducing *Escherichia coli (E-Coli)* bloodstream infections, based on the Quality Premium 2017-18. This used the 2016/17 data as the baseline.

Although, this has been a difficult ambition to achieve, the Trust is one of 59 who have achieved a 10% or greater reduction in the hospital onset E-Coli bloodstream infections. Chesterfield Royal Hospital NHS Foundation Trust baseline numbers were 61 in 2016, 36 in 2017, equivalent to a 41% reduction in cases. Senior Nursing staff have been asked to share their improvement plans/work so they can provide others that have not yet made the reductions, with some key actions that will assist them in their improvement journey.

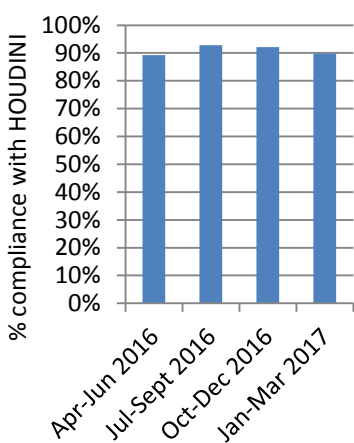
In 2017/18 we aimed to maintain low levels of hospital-associated C.difficile, MRSA bacteraemia and catheter-associated urinary tract infections. Over the year, the Trust has:

- The Trust has performed well in relation to C. difficile (see section 3.2.3 for further detail) and, as demonstrated by the graph below, we have maintained low levels of Catheter-associated infections, as measured by the Safety thermometer.
- In addition we have continued to audit practice in relation to the nursing led catheter removal protocol (HOUDINI) to ensure that duration is kept to a minimum. The HOUDINI initiative provides a tool to assist the nurse with the decision making process for the removal of a urinary catheter. Audit data suggests that compliance with HOUDINI has been maintained throughout year.

**Safety Thermometer – Prevalence of Catheter Associated Urinary Tract Infections**



**Compliance with HOUDINI**



## 2.3 Patient Experience

### Priority 3: Improving Patient Experience

Patient feedback and engagement work over 2017/18 suggests that the key factors influencing patient perception of the Trust are:

- **Communication** – the right information, at the right time, in the right way
- **Empowering patients** - patients and those close to them have the confidence to ask questions and make informed decisions about their care and treatment
- **Emotional support** - patients and those close to them receive the emotional support they need

These themes will be reflected in the Quality Strategy refresh in 2018; work is ongoing to improve and maintain a positive patient experience, particularly in these areas.

#### What have we done?

- Initiated a programme of upgrade work to improve the Emergency Department
- Signed up to NHS England's Always Events<sup>®</sup> programme, which advocates co-production with service users and staff to identify, develop, and achieve reliability in person- and family-centred care delivery processes
- Designed an 'About Me' passport document, with patient/public involvement, to support patient communication with staff
- Developed a set of Dignity Standards, in collaboration with staff and patients, and an audit tool to ensure these standards are monitored
- Implemented an Outpatients Pledge, setting out the Trust aim to provide first-class treatment and care



- Initiated improvements in effective communication within clinics, particularly around providing information about wait times, as part of the outpatient project and the Trust's Listening into Action (LiA) initiative; this is currently being trialled in Dermatology
- Introduced new feedback forms, designed by children and young people on Nightingale Ward, to improve how we listen to the voices of children and young people
- Developed a Service User Partnership Project, whereby patients volunteer to be involved in staff education sessions, to ensure that the patient is at the centre of education and training
- Appointed a Carers Liaison Officer, as a contact point for carers and staff, to ensure carers continue to be supported and involved in patients' care as appropriate
- Developed a process to ensure written patient information is kept up to date, via the 'patient leaflet database'
- Improved clarity of SMS reminders for outpatient appointments
- Created a patient apology pack for any patient cancelled on the day due to unforeseeable non-clinical reasons, which contains: a personalised letter, vouchers for coffee and cake at Costa©; and either free parking or transport home
- Worked with relatives and carers to upgrade twelve quiet rooms, which provide calming, relaxing spaces where carers can take a break, where patients can have time away from a clinical setting and where people can have private conversations.
- Continued sharing patient stories at Trust Board and other meetings across the Trust to support the emotional recovery process for patients and those close to them and to ensure we listen to and learn from these stories, identifying areas of good practice or missed opportunities
- Improved access for patients contacting Royal Primary Care by telephone, by recruiting additional staff and resolving technical issues with the telephone provider company
- Implemented Customer Care Training for Royal Primary Care staff
- Developed a patient newsletter and rolling information screens with rolling health information at Royal Primary Care sites
- Run successful health campaigns, such as cervical screening, at Royal Primary Care
- Improved the environment of Royal Primary Care sites
- Initiated a programme of focused patient feedback to ensure the views of our Royal Primary Care patients are heard
- Introduced "crystal clear" results, which tells patients which results they need to telephone the practice for; this was part of a Listening into Action project

# Our out-patient pledge

**NHS**  
Chesterfield  
Royal Hospital  
NHS Foundation Trust

When you visit us as an out-patient we will always aim to give you first-class treatment and care.

We will meet this pledge by living up to our CARE values



## Compassion - we will...

Care for you in a professional, positive and friendly way



Always treat you with dignity and respect



Appreciate that your time is important and do our best to see you promptly



Put you and your family or carers at the heart of all we do



## Achievement - we will...

Aim to give you a positive experience



Provide you with effective treatments



Think about new ways to meet your needs



Make sure you're safe in our care



## Relationships - we will...

Be open and honest with you, your family and carers



Work with all those involved in your care



Keep your information confidential and safe



Make sure we tell you what's happening and let you know if there are any delays



## Environment - we will...

Care for you in a place that is clean, safe and tidy



If you feel we are not living up to our values or you have not been kept informed, please raise this with any member of the staff in the area.

We will listen to your concerns, do our best to put things right straight away or we'll ask a senior member of our team to talk to you.

### Outpatient Pledge

## What have we achieved?

- Patient feedback consistently highlights staff attitude and good service as key influences on patient perception of positive experience
- Over 95% of patients said they were treated with courtesy, kindness, compassion and respect when asked as part of the Trust's first dignity audit (quarter three 17/18), and over 90% of patients said that they and/or their family/carers were involved at all stages of their care
- 2017/18 has seen a reduction in the number of formal complaints with the theme of communication (79) compared to 2016/17 (103)
- Results from Trust's local 'We want to be' survey, for those inpatients who feel they are treated with dignity and respect, remain stable and consistently rate as 'excellent', with scores of 90% and above for quarters one to three (2017/18)
- Over 90% of Royal Primary Care patients who have taken part in our local GP survey to date say they had confidence in the person they saw
- Improved Friends and Family Test response rates on Nightingale Ward following the introduction of bespoke Children and Young Peoples' surveys, although further improvements are required to reach national average.
- Royal Primary Care joined Jo's campaign to increase uptake of cervical screening; as a result 14% of previous non-attenders, presented for screening.

## What are we going to do?

- Improve the use of Social Media to offer additional methods for patients and service users to provide feedback
- Hold a week of patient and public engagement events to celebrate NHS England's Experience of Care Week and National Patient Experience week in April 2018
- Review and refine the communication training that is currently available for staff
- Finalise the series of "It's OK to Ask Us" leaflets, aimed at empowering patients to ask questions
- Launch patient communication cards, so that patients can quickly and easily inform staff if they have any communication needs
- In partnership with patients and staff, develop guidance on caring for transgender patients at Chesterfield Royal Hospital
- Update our equality objectives through the Trust's Listening into Action programme
- Complete the first Always Event in Maternity Services
- Roll out the Always Events improvement methodology across the Trust
- Recruit to a team of dedicated Patient Experience Volunteers and to a team of End of Life Volunteer Companions
- Review and refine outpatient appointment letters to improve quality of information
- Continue developing the Trust's real time system to
- Undertake focused work with the Deaf Forum to improve the experiences of patients from the deaf community
- Hold a Dignity and Respect week in October 2018, to reiterate the Trust's Dignity standards and celebrate the compassionate care demonstrated by our staff; this will be an annual event
- Launch a set of tools to support patients with autism who attend the Trust for care and treatment
- Continue to improve accessibility by telephone for patients of Royal Primary Care
- Improve the model of care and optimise the workforce at Royal Primary Care so that patients see the right person at the right time
- Develop the role of Royal Primary Care receptionist to Care Navigator, so that they are able to make brief assessments of patient need, recognise emergencies and signpost to appropriate support
- Royal Primary Care will work with the Carer's Liaison Officer to improve support and signposting for carers and continue to evolve the Carer's Champion role
- Royal Primary Care is developing bespoke surveys to ensure the voice of the child and young person is heard.

## 2.4 Statements of assurance from the Board

### 2.4.1 Review of Services

During 2017/18 the Chesterfield Royal Hospital NHS Foundation Trust provided and/or sub-contracted 43 relevant health services.

The Chesterfield Royal Hospital NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these relevant health services.

The income generated by the relevant health services reviewed in 2017/18 represents 100% of the total income generated from the provision of relevant health services by the Chesterfield Royal Hospital NHS Foundation Trust for 2017/18.

### 2.4.2 Participation in Clinical Audits and Confidential Enquiries

We see participation in national audits as an important part of our work seeking to improve services not only at this hospital but across the country. During 2017/18, 41 national clinical audits and four national confidential enquiries covered relevant health services that Chesterfield Royal Hospital NHS Foundation Trust provides.

During that period Chesterfield Royal Hospital NHS Foundation Trust participated in 40 (98%) national clinical audits and 4 (100%) national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Chesterfield Royal Hospital NHS Foundation Trust was eligible for and participated in, and for which data collection was completed during 2017/18, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.



## National Clinical Audits

National Clinical Audit and Clinical Outcome Review Programmes	Did the Trust participate?	No. of cases submitted as a % of the number of cases required for 2017/18
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes	100%
BAUS Urology Audits: Percutaneous nephrolithotomy (PCNL)	Yes	100%
Bowel Cancer (NBOCAP)	Yes	On target
Cardiac Rhythm Management (CR)	Yes	100%
Case Mix Programme (CMP)	Yes	On target
Child Health Clinical Outcome Review Programme	Yes	100%
Congenital Heart Disease (CHD)	Yes	100%
Diabetes (Paediatric) (NPDA)	Yes	100%
Elective Surgery (National PROMs Programme)	Yes	See PROMS section
Endocrine and Thyroid National Audit	Yes	On target
Falls and Fragility Fractures Audit programme (FFFAP)	Yes	100%
Fractured Neck of Femur	Yes	100%
Inflammatory Bowel Disease (IBD) programme	Yes	100%
Learning Disability Mortality Review Programme (LeDeR)	Yes	On target
Major Trauma Audit	Yes	100%
Maternal, Newborn and Infant Clinical Outcome Review Programme	Yes	100%

<b>Medical and Surgical Clinical Outcome Review Programme</b>	Yes	100%
<b>National Audit of Breast Cancer in Older Patients (NABCOP)</b>	Yes	On target
<b>National Audit of Dementia</b>	Yes	100%
<b>National Audit of Rheumatoid and Early Inflammatory Arthritis</b>	No	Not yet started nationally
<b>National Audit of Seizures and Epilepsies in Children and Young People</b>	Did not run 2017-18.	CRH is registered for start of project in Spring 2018 w/b 23 April 2018
<b>National Bariatric Surgery Registry (NBSR)</b>	Not applicable	Not yet started nationally
<b>National Cardiac Arrest Audit (NCAA)</b>	Yes	100%
<b>National Chronic Obstructive Pulmonary Disease Audit programme (COPD)</b>	Yes	100%
<b>National Comparative Audit of Blood Transfusion programme</b>	Yes	100%
<b>National Diabetes Audit - Adults</b>	Yes	100%
<b>National Emergency Laparotomy Audit (NELA)</b>	Yes	91%
<b>National End of Life care audit</b>	Did not run 2017-18.	Not yet started nationally
<b>National Heart Failure Audit</b>	Yes	100%
<b>National Joint Registry (NJR)</b>	Yes	100%
<b>National Lung Cancer Audit (NLCA)</b>	Yes	100%
<b>National Audit of Breast Cancer in Older Patients (NABCOP)</b>	Yes	100% - 3 year audit from April 2016
<b>National Bowel Cancer Audit (NBOCAP)</b>	Yes	100% - continuous data collection
<b>National Ophthalmology Audit</b>	Yes	100%
<b>Oesophago-gastric Cancer (NAOGC)</b>	Yes	100%

<b>Pain in Children</b>	Yes	100%
<b>Procedural Sedation in Adults (care in emergency departments)</b>	Yes	100%
<b>Prostate Cancer</b>	Yes	100%
<b>Sentinel Stroke National Audit programme (SSNAP)</b>	Yes	100%
<b>Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme</b>	Yes	100%
<b>UK Parkinson's Audit</b>	Yes	100%

### National Confidential Enquiries 2017-18

During 2017/18 hospitals were eligible to enter data in up to 4 NCEPOD studies. A summary of the studies in which Chesterfield Royal participated are included below:-

<b>Study title</b>	<b>Did the Trust participate?</b>	<b>No. of cases submitted as a percentage of the number of cases required for 2017/18</b>
<b>Acute Heart Failure</b>	Yes	100%
<b>Perioperative Diabetes</b>	Yes	100%
<b>Chronic Neurodisability</b>	Yes	100%
<b>Young People's Mental Health</b>	Yes	100%

The reports of 26 national clinical audits were reviewed by the provider in 2017/18 and Chesterfield Royal Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- Put in place dementia champions on all wards and provide out of hours support for staff supporting patients with dementia. Reduce the number of bed moves for patients with dementia.
- Put in place a new rota to provide more availability of senior doctors in the Emergency Department
- Produce a patient leaflet to make expectant mothers more aware of reduced fetal movements.
- Management to liaise with Critical Care to implement 'Ward Based Epidural Care' and to scope the implementation of an Enhanced Nurse Specialist role.
- Introduce a nurse led clinic to maximise contact with patient and family to increase chance of decreasing HbA1c in children with diabetes.

The reports of 167 local clinical audits were reviewed by the provider in 2017/18 and Chesterfield Royal Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- Plans are underway to develop a pathway for virtual fracture clinics.
- Introduce stickers for the Emergency Department drug card for an O2 prescription. This will be added to all ED paper drug cards to increase awareness prior to ED moving to electronic prescribing
- Junior doctors ward rounds to include a nutrition assessment for patients undergoing bowel surgery and a ward round sticker to be introduced.

- Re-launch and raise awareness of the referral criteria to the hospital palliative care team throughout CRH. This will also be added to the electronic referral system.
- Raise awareness of management of neonatal sepsis by designing a neonatal sepsis poster and creating a neonatal sepsis management pro-forma to be displayed in the paediatric doctor's office.

### 2.4.3 Research

Participating in clinical research demonstrates the Trust's commitment to improving quality of care and contributing to wider community health improvement. We are actively involved in clinical research to provide access to new treatments for local people – and to support advancement in clinical care.

The number of patients receiving relevant health services provided or sub-contracted by Chesterfield Royal Hospital NHS Foundation Trust in 2017/18 that were recruited during that period to participate in research approved by a research ethics committee was 452. Of this number, 320 patients were recruited to NIHR portfolio studies and 132 patients were recruited to non-portfolio studies.

Between 1 April 2017 and 31 March 2018 a total of 36 new studies were approved. Of this total, 26 studies were NIHR portfolio adopted (15 were recruiting studies, 8 were patient identification only, 1 was continuing care only and 2 were data collection only). 10 non-portfolio studies were approved. During this same timescale 9 NHS to NHS letters of access were issued by researchers and 8 letters of access were issued to researchers employed by academic institutions in conjunction with research passports.

The Research Department achieved the following in 2017-18:

- More work on the implementation of findings  
This has been achieved through feedback at individual meetings e.g. Colorectal Annual Business Meeting, Quality Assurance Committee and the provision of study results to individual clinicians
- Work with senior managers regarding the research five year strategy  
Meetings have taken place with senior managers and a business case supporting the five year strategy will be finalised in April 2018.
- Joint work with Primary Care at the Royal  
Royal Primary Care has agreed to act as participant identification centre for studies feeding into the main research team. Finance for one day per week nurse support to develop this work and provide guidance and education within Royal Primary Care
- Increased engagement with Sheffield Teaching Hospitals  
Joint meetings have included a cancer review meeting to agree new governance arrangements for oncology studies and agree some joint working arrangements
- Joint working with Kings Mill Hospital  
Several joint meetings have taken place and a joint team day event is planned for April 24<sup>th</sup> 2018 to share ideas and best practice
- Team expansion – Liver Specialist Nurse  
The liver specialist (Fibroscan) nurse is in place and the research department has provided guidance, advice and line management for the nurse and the supporting implementation group
- Continued legal and regulatory compliance  
Review of research documentation practices has taken place and an action plan to ensure GDPR compliance has been developed. This will be agreed at a research IG meeting on April 3<sup>rd</sup> 2018.

#### **2.4.4 Goals Agreed with Commissioners**

A proportion of Chesterfield Royal Hospital NHS Foundation Trust income in 2017/19 is conditional on achieving quality improvement and innovation goals agreed between Chesterfield Royal Hospital NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework. For the first time this programme of work covers two years.

Further details of the agreed goals for 2017/19 are available electronically at:

<http://www.chesterfieldroyal.nhs.uk/news/annualreport/qualityaccounts/index>

For 2016/17 the total income dependent upon achieving quality improvement and innovation goals was £4,181k, of which we achieved £3,989k. For 2017/19 the total income dependent upon achieving quality improvement and innovation goals is £4,982k.

#### **2.4.5 What Others Say About the Provider**

##### **Care Quality Commission Registration**

Chesterfield Royal Hospital NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is 'registered with the CQC with no conditions attached to registration'.

The Care Quality Commission has not taken enforcement action against Chesterfield Royal Hospital NHS Foundation Trust during 2017/18.

##### **Care Quality Commission Special Reviews/Investigations**

Chesterfield Royal Hospital NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

## CQC Ratings – May 2017

	Safe	Effective	Caring	Responsive	Well-Led	Overall
Medical Care (including older people's care)	Requires Improvement	Not inspected	Not inspected	Good	Not inspected	Unable to aggregate
Surgery	Good	Good	Not inspected	Not inspected	Not inspected	Unable to aggregate
Critical Care	Good	Not inspected	Not inspected	Not inspected	Not inspected	Unable to aggregate
Maternity and Gynaecology	Good	Not inspected	Not inspected	Not inspected	Not inspected	Unable to aggregate
Services for Children and Young People	Requires Improvement	Not inspected	Not inspected	Not inspected	Not inspected	Unable to aggregate
End of Life Care	Good	Requires Improvement	Good	Requires Improvement	Good	Requires Improvement
Outpatients and Diagnostic Imaging	Requires Improvement	Not inspected	Good	Good	Good	Good
Children and Adolescent Mental Health Services	Requires Improvement	Good	Good	Requires Improvement	Good	Requires Improvement
Overall	N/A	Good	Good	N/A	Good	Good

### CQC Inspection of Royal Primary CARE (RPC)

In July 2016 a Trust wide focused inspection was completed by the CQC along with a comprehensive inspection of the Children and Adolescent Mental Health Service (CAMHS). The focused inspection concentrated on those domains within a core service that were rated as 'requires improvement'. The inspection demonstrated clear improvements being made with eleven of the sixteen area's achieving a rating of 'Good'. In February 2017 the Trust underwent an inspection against the Well Led domain in which a rating of 'Good' was achieved and as such the Trust has been given an overall rating of 'Good'.

The CRHFT Provider report (visit July 2016) highlights three 'must do' recommendations; a 'must do' recommendation is where there is clear evidence that a regulation (Fundamental Standard) has not been met. One of these recommendations one was addressed immediately and work is ongoing to ensure that we have robust processes in place in relation to the remaining two.

The CAMHS Report (visit July 2017) highlighted three 'must do' recommendations associated with a breach of one regulation (Regulation 17 – Good Governance). All of the actions to address these areas are complete.

The well led report highlighted two 'should do' recommendations as follows:

- The trust should take action to increase the response rate for the annual NHS Staff Survey. A number of changes were made in 2017, including the use of paper surveys, protected time at work for staff to complete the survey and increased personal communication with staff in local areas. The Executive Directors have each increased their visibility and support in identified areas to enable greater engagement and understanding of the value of completing the survey and in raising the profile of the action departments are taking to respond to last year's survey. This has resulted in a response rate of 63%, which is in the highest 20% of acute trusts in England (national average 44%), and compares with a response rate of 33% in this trust in the 2016 survey.
- The trust should take action to improve the overall staff engagement score in the NHS Staff Survey. The key trustwide action to improve engagement has been the introduction of Listening into Action (LiA) which was launched in May 2017. Through LiA the Trust engages with employees so they can contribute to the success of the organisation, in a way that makes them feel proud. LiA is one element of the Trust's engagement framework, which also includes Leadership, communication and health and well-being, which is monitored via the People Committee. Each element of the engagement framework is underpinned by a plan of implementation, improvement or action. See section 3.3.3 for further information.

The Trust's primary care services are also subject to CQC inspection. Royal Primary Care 1 (RPC 1), known as the Grange was inspected in February 2018 and the report was published on the 4<sup>th</sup> April. The table below shows the ratings for RPC1.

	Safe	Effective	Caring	Responsive	Well-led	Overall population group
<b>Older people</b> Feb 18	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement	Requires Improvement
<b>People with long term conditions</b> Feb 18	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement	Requires Improvement
<b>Families, children and young people</b> Feb 18	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement	Requires Improvement
<b>Working age people and the recently retired</b> Feb 18	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement	Requires Improvement
<b>People in vulnerable circumstances</b> Feb 18	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement	Requires Improvement
<b>People experiencing poor mental health</b> Feb 18	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement	Requires Improvement
<b>Overall key question</b> Feb 18	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement	
<b>Overall location</b> Feb 18	Requires Improvement					

The report shows that the practice has moved from "Inadequate" to "Requires Improvement", taking it out of special measures. The service has also achieved an overall rating of "Good" in the Safe and Effective domains.

During the inspection the CQC found that significant work had been undertaken to address the findings of the initial inspection, including:

- Development of a clear strategy, vision and values, which had been communicated to staff to ensure they understand their contribution
- Appointment of a lead GP (Divisional Director) to provide clinical leadership
- Review and interpretation of NICE guidance and the management of alerts issued by the Medicines and Healthcare products Regulatory Agency (MHRA)
- Evidence of a quality improvement programme, including a multidisciplinary audit programme
- A successful recruitment campaign using innovative methods to attract new staff

The inspectors acknowledged that some actions are part of a longer-term approach to quality and identified areas where improvements are required, including:

- Review of chaperone arrangements to increase patient awareness and ensure compliance with the policy
- Improve uptake of annual health checks for learning disability patients
- Review the procedure for management of uncollected prescriptions
- Appropriate identification and support for carers

The report identifies one regulatory breach, Regulation 17 – Good Governance, which requires the practice to continue to work towards improving patient experience, in particular assessing and monitoring access to appointments and ensuring that information on how to make a complaint is clearly displayed, accurate and consistent.

An improvement plan has been developed to address the findings and ensure that we build in improvements to date, with the aim of achieving a “Good” rating in all domains within 12 months.



#### 2.4.6 Data Quality

Chesterfield Royal Hospital NHS Foundation Trust submitted records during 2017/18 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data which included the patient's valid NHS number was:

- 99.9% for admitted patient care
- 100% for outpatient care and
- 99.6% for accident and emergency care.

The percentage of records in the published data which included the patient's valid General Medical Practice Code was:

- 100% for admitted patient care;
- 100% for outpatient care; and
- 99.9% for accident and emergency care.

Chesterfield Royal Hospital NHS Foundation Trust Information Governance Assessment Report overall score for 2016/17 was 67% and was graded level 2 compliant.

Chesterfield Royal Hospital NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2017/18 by the Audit Commission; however the Trust commissioned its own audit as part of the annual Information Governance requirements. The audit was carried out by a team of Clinical Classifications Service Approved Clinical Coding Auditors.

There is wide recognition within the National Health Service of the importance of good quality coded clinical data and the fundamental role it plays in the management of hospitals and audits are undertaken to assess the accuracy and completeness of the coded data as well as investigating the quality and depth of the information contained in the source documentation.

The audit included a random selection of 200 episodes covering all specialties undertaken at the Trust and the results were as follows:

- Primary diagnosis correct – 98%
- Secondary diagnosis correct – 97.63%
- Primary procedures correct – 99.09%
- Secondary procedures correct – 98.68%

The figures exceed the recommended 90% accuracy for primary diagnoses and procedures and are well above the 80% accuracy for secondary diagnoses and procedures required for Information Governance purposes at Level 2.

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

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

# Part Three

## Review of Quality Performance

This section includes a range of information relating to our quality performance in 2017/18. Whilst this is not an exhaustive list it gives an overview of our performance in both hospital-wide and service specific indicators in relation to the three domains of quality:

- **Clinical Effectiveness**
- **Patient Safety**
- **Patient Experience**

### 3.1 Clinical Effectiveness Indicators

#### 3.1.1 Reduction in avoidable mortality / Learning from deaths

##### How is mortality measured?

Mortality rates are a measure of the number of deaths (in general, or due to a specific cause) in a particular population over a specified time period (usually one year). Mortality measures are a standard part of assessing how a hospital performs and have received increased attention following the Francis, Berwick and Keogh Reports. There are two key mortality measures applied to hospitals:

- 1) **Hospital standardised mortality rate (HSMR)** – Like many other hospitals, we use an independent organisation called Healthcare Evaluation Data (HED) to monitor our HSMR for in-hospital deaths. The HSMR sets the mortality rate for England (the national average) at 100 and hospitals are then compared to this, so a HSMR of less than 100 is better than average and a HSMR of more than 100 is worse than average. HED will alert us if a score for a particular diagnosis group is raised by a statistically significant amount; we then initiate a quality improvement project to establish if the quality of our care is below the required standard.
- 2) **Summary hospital mortality index (SHMI)** – This is the measure published nationally by the NHS Information Centre. The SHMI is similar to HSMR but also includes deaths that have occurred within 30 days of discharge from the hospital. The SHMI calculates a score like the HSMR, but for SHMI the national rate is set at 1.

Both measures take into account the type of patients a hospital admits e.g. age, why they were admitted (diagnosis), what else is wrong with them (co-morbidities), and then describes the hospital as falling into one of three bandings, as follows:

- The Trust's mortality rate is 'higher than expected'
- The Trust's mortality rate is 'as expected'
- The Trust's mortality rate is 'lower than expected'

##### What did we set out to do?

For our HSMR and SHMI data to remain within the 'expected range' as measured on HED and benchmarked against other similar sized trusts. Ideally this should be reducing year on year.

## Did we achieve this?



### Hospital Standardised Mortality Rate

For April to November 2017 the HSMR is 104, and this is within expected range

### Summary Hospital Mortality Index

SHMI is published quarterly using a rolling 12 months; as the table below shows for the latest reporting periods the Trust has had a rate which is 'as expected'.

Period	Summary Hospital Mortality Index		Proportion of patient deaths with palliative care coded at either diagnosis or specialty level	
	Chesterfield Royal	National average (Range)	Chesterfield Royal	National average (Range)
<b>Oct 16 – Sept 17</b>	1.03 'as expected'	1.0 (0.72 - 1.24)	22.8%	31.5% (11.5% - 59.8%)
<b>Jul 16 – Jun 17</b>	1.01 'as expected'	1.0 (0.72 – 1.22)	23.6%	31.1% (11.2% - 58.6%)
<b>Apr 16 – March 17</b>	1.01 'as expected'	1.0 (0.70 – 1.21)	25.1%	30.7% (11.1% - 56.9%)
<b>Jan 16 – Dec 16</b>	0.99 'as expected'	1.0 (0.69 – 1.18)	26.2%	30.1% (7.3% - 55.9%)
<b>Oct 15 – Sept 16</b>	0.94 'as expected'	1.0 (0.69 – 1.16)	26.7%	29.7% (0.4%-56.3%)
<b>July 15 – June 16</b>	0.97 'as expected'	1.0 (0.69 – 1.17)	25.0%	29.2% (0.6%-54.8%)
<b>April 15 – March 16</b>	0.98 'as expected'	1.0 (0.68 – 1.18)	26.1%	28.5% (0.6%-54.6%)
<b>Jan 15 - Dec 15</b>	0.98 'as expected'	1.0 (0.67 – 1.17)	26.5%	27.6% (0.2%-54.7%)
<b>Oct 14 –Sept 15</b>	0.97 'as expected'	1.0 (0.65 – 1.18)	27.4%	26.6% (0.2%-53.5%)
<b>July 14 – June 15</b>	0.95 'as expected'	1.0 (0.66 – 1.21)	27.9%	26.0% (0.0%-52.9%)
<b>Apr 14 – Mar 15</b>	0.93 'as expected'	1.0 (0.67-1.21)	27.7%	25.74% (0.0%-50.85%)

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The Trust has continuously focussed on mortality, reviewing the care of patients with conditions where mortality rates appear higher than expected and taking action to address any concerns identified and to ensure learning.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services, by:

- Publishing and launching our mortality policy based on the recommendations in the National Guidance on Learning from Deaths.
- Exceeding our target of 90% compliance in screening all inpatient deaths.
- Providing a regular report in relation to deaths, reviews, investigations and learning to the Board in order that the executives remain aware and the non-executives can provide appropriate challenge.

For this year's Quality Account 2017/18 we are required to include the information below regarding our mortality review process:

	<i>Prescribed information</i>	<i>Form of statement</i>
27.1	The number of its patients who have died during the reporting period, including a quarterly breakdown of the annual figure.	<p>During 2017/18 the total number of adult patients that died [1451] at Chesterfield Royal Hospital NHS Foundation Trust was 1451.</p> <p>This comprised the following number of deaths which occurred in each quarter of the reporting period 2017/18:</p> <p>[339] in the first quarter;  [325] in the second quarter;  [367] in the third quarter;  [420] in the fourth quarter.</p>
27.2	The number of deaths included in item 27.1 which the provider has subjected to a case record review or an investigation to determine what problems (if any) there were in the care provided to the patient, including a quarterly breakdown of the annual figure.	<p>By 31<sup>st</sup> March 2018, [120] case record reviews and [23] investigations have been carried out in relation to [1451] of the deaths included in item 27.1.</p> <p>We define 'investigations' as the number of Serious incident (SI) investigations completed in the Trust where patients have died [23], this is the number signed off by the CCG in the period following our SI review process.</p> <p>In [143] cases a death was subjected to both a case record review and an investigation.</p> <p>The number of deaths in each quarter for which a case record review or an investigation was carried out was:</p> <p>[38] in the first quarter;  [32] in the second quarter;  [36] in the third quarter;  [37] in the fourth quarter.</p>

27.3	<p>An estimate of the number of deaths during the reporting period included in item 27.2 for which a case record review or investigation has been carried out which the provider judges as a result of the review or investigation were more likely than not to have been due to problems in the care provided to the patient (including a quarterly breakdown), with an explanation of the methods used to assess this.</p>	<p>[1] representing [0.07]% 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.</p> <p>In relation to each quarter, this consisted of:  [0] representing [0]% for the first quarter;  [0] representing [0]% for the second quarter;  [1] representing [0.27]% for the third quarter (policy introduced and process agreed);  [0] representing [0] % for the fourth quarter (Data not yet available)</p> <p>These numbers have been estimated using the summary information from the Structured Judgement reviews available to date.</p> <p>During the third quarter 2017/18 we introduced the Learning from Deaths policy and aligned our SI process to the mortality process which identified the one case above. As this process becomes more robust, we expect more learning outcomes to be captured.</p>
27.4	<p>A summary of what the provider has learnt from case record reviews and investigations conducted in relation to the deaths identified in item 27.3.</p>	<p>As a result of the structured judgement reviews we have identified a number of examples of good practice, as well as areas for improvement. There are some recurrent themes from case record reviews and investigations; in particular fluid balance management and prescription, and delays in making early escalation decisions.</p> <p>Failure to discuss death certification with consultants identified as an early concern has improved</p> <p>A theme of delays in decision making about end of life care had been identified and learning shared through the End of Life Care Group.</p> <p>A detailed review of all Congestive Heart Failure patient deaths in 2017 has been completed following an alert. No clinical care delivery problems were identified. The findings identified the need for earlier intervention and support for patients at end of life to access palliative Care services and this is being addressed through an increase in capacity in the current team.</p>

27.5	A description of the actions which the provider has taken in the reporting period, and proposes to take following the reporting period, in consequence of what the provider has learnt during the reporting period (see item 27.4).	As 27.4 above
27.6	An assessment of the impact of the actions described in item 27.5 which were taken by the provider during the reporting period.	Actions and recommendations from investigations are being taken forward following SI review and shared at divisional Governance meetings and the Trust Quality Delivery Group.
27.7	The number of case record reviews or investigations finished in the reporting period which related to deaths during the previous reporting period but were not included in item 27.2 in the relevant document for that previous reporting period.	Our mortality review process at Chesterfield Royal did not start fully until our mortality policy was in place at the end of Sept 2017; therefore this information is not available.
27.8	An estimate of the number of deaths included in item 27.7 which the provider judges as a result of the review or investigation were more likely than not to have been due to problems in the care provided to the patient, with an explanation of the methods used to assess this.	As 27.7 above
27.9	A revised estimate of the number of deaths during the previous reporting period stated in item 27.3 of the relevant document for that previous reporting period, taking account of the deaths referred to in item 27.8.	As 27.8 above.

### What are we going to do next?

- The Trust will focus on the in depth reviews of patient deaths to ensure the process is robust and effective. This will include a 'must-do' list of certain patient groups, any alerts generated by HED and a random sample of cases.
- The Trust will work to improve the governance processes and structures for deriving learning from reviews and acting on this learning linking with the serious incident process where necessary.
- The Trust is engaging with relatives via the bereavement questionnaire however we will consider how we can strengthen this process further to ensure relatives feel engaged with the mortality process.

### Data quality

Data for the HSMR is made available by HED and SHMI is published by the NHS Digital; both indicators use data submitted to HES (Hospital Episodes Statistics) in line with standard national definitions.

### 3.1.2 Cancer Waiting Times








Timely diagnosis and treatment for cancer is key to improving survival rates. To reflect the importance of this there are a range of national standards against which we are monitored.

#### What did we set out to achieve?

We set out to meet the national targets for Cancer Waiting Times so that patients are diagnosed and treated speedily.

#### Did we achieve this?

This has been a challenging year for patient activity and admissions therefore some of our cancer targets were not met.

Standard	Trust Performance 2017/18				
	Target	2015/16	2016/17	2017/18	Achieved
Percentage of patients seen by a specialist within 2 weeks of urgent GP referral for suspected cancer.	93%	94.0%	93.1%	88.7%	
Percentage of patients seen by a specialist within 2 weeks of GP referral with any breast symptom except suspected cancer	93%	96.7%	93.3%	77.1%	
Percentage of patient treated within one month (31 days) of a decision to treat	96%	99.5%	98.6%	94.9%	
Percentage of patients receiving subsequent anti-cancer drug treatment within one month (31 days) of a decision to treat	94%	100%	100%	100%	
Percentage of patients receiving subsequent surgical treatment within one month (31 days) of a decision to treat	94%	100%	97.5%	97.5%	
Percentage of patients receiving their first definitive treatment for cancer within two months (62 days) of a GP or dentist urgent referral for suspected cancer <sup>4</sup>	85%	88.5%	81.9%	80.7%	
Percentage of patients receiving their first definitive treatment for cancer within two months (62 days) of urgent referral from a national screening programme <sup>1</sup>	90%	92.8%	94.2%	88.8%	

<sup>1</sup> The calculation of performance against these standards takes account of all cancer patients referred to Chesterfield Royal Hospital irrespective of where their treatment actually takes place, whether it is in Chesterfield or Sheffield.

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The Cancer Pathway Team work very closely with the clinical and divisional management staff delivering cancer care to ensure that patients are seen and treated as quickly as possible. Performance is shared internally within the Trust and externally with our commissioners and GP Lead via a monthly Cancer Performance Report.
- All breaches are formally reviewed by the clinical leads and divisional management teams to identify learning and improvement action in order to prevent avoidable delays and provide a smooth diagnostic, treatment or transfer of treatment pathway for the patient.

The Trust has already implemented a number of improvements that are delivering improved performance, which include:

- Implementation of E-Referral system across all services and introduction of a new 2 Week Wait e-referral proforma to ensure appropriate referrals into services with sufficient clinical information;
- Implementation of new clinic timetables to secure additional 2WW and follow up capacity, and deliver more daily clinics across the week within the Breast, Lower GI and Gynaecology pathways;
- Successful implementation of a new pathway for on-site lung diagnostics from January 2018, a key requirement of the nationally published optimal Lung pathway;
- Securing additional resource within the Cancer Pathway Team to support improved Patient Level Tracking.
- Enhancement of the Inflex cancer tracking database to improve the functionality including automated escalations from March 2018, and to provide electronic capture of data for tumour site Multi-Disciplinary Team's by end Jun 2018;
- Restructuring and increasing resource at divisional operational level to recruit service managers across Care Units, responsible for developing and improving their services in line with demand and capacity and the changing needs of patients;



- Holding awareness session for key groups of staff within the Trust to raise the profile and clinical importance of cancer targets and performance;
- Holding monthly Cancer Operations Group meetings and bi-monthly Cancer Steering Group meetings, where Divisional Directors and external stakeholders support continuous improvement; and
- Working closely with colleagues across the South Yorkshire Bassetlaw & North Derbyshire Cancer Alliance to deliver system wide improvement in cancer services and performance.

The Trust has also recently appointed a Macmillan Cancer Transformation Lead who is engaging with Clinical Leads and Divisions to progress pathway mapping and improvement that will support sustainable compliance, including:

- Review of the Urology cancer diagnostic pathway;
- Support implementation of straight to test pathways in line with the Lung and Colorectal optimal pathways;
- Implementation of a new local pathway for patients with vague symptoms;
- Analysis of current timed pathways against national published guidance and update of tumour site specific 62 Day improvement plans; and
- Development of the 3 year Cancer Transformation Programme that will be launched in March 2018.

#### **What are we going to do next?**

Continue to refine and improve diagnostic pathways to ensure that we meet the regionally agreed Standard to be implemented in 2020; and continue to provide timely treatment for patients on local pathways and surpassing national standards.

#### **Data quality**

We are confident that the data we use for these indicators is accurate. Referrals are automated between the hospital Patient Administration System and the cancer database Infoflex which automatically triggers the calculations and drives the tracking of the patients through the relevant pathways. Pathway data is captured into this system and is reconciled onto Open Exeter with other provider data where shared pathways exist.

### **3.1.3 Percentage of patients risk-assessed for Venous Thromboembolism (VTE)**

VTE is a condition in which a blood clot (a thrombus) forms in a vein. It most commonly occurs in the deep veins of the legs; this is called deep vein thrombosis. It may then subsequently dislodge and move to the lungs; this is called a pulmonary embolus. An estimated 25,000 people in the UK die from venous thromboembolism (VTE) every year.

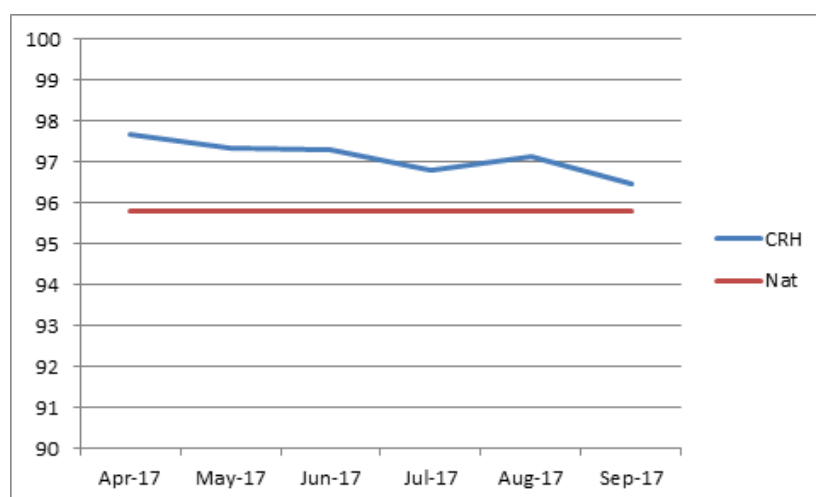
#### **What did we set out to achieve?**

Reduce the risk of our patients developing a hospital associated thrombosis. In order to do this we assess patients when they are admitted to hospital and offer preventative measures to those at increased risk. We aim to meet the national standard for VTE assessment, which is now set at 95% of all admitted patients (national target).

### Did we achieve this?

Yes – as the table below shows we performed consistently against this standard and maintaining compliance at over 95%.

Period	Chesterfield Royal	Achieved
April-June 2017	97.44%	✓
July –September 2017	96.80%	✓
October – December 2017	97.16%	✓



The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- An electronic risk assessment tool was successfully introduced in 2012, which requires completion of the risk assessment prior to any drug prescribing.

The Chesterfield Royal Hospital NHS Foundation Trust intends to take the following actions to improve this score and so the quality of its services, by:

- Continuing to be a VTE Exemplar Centre – a kite mark or excellence in VTE prevention – which demonstrates that we are delivering best practice.
- Completing a review for all cases of Hospital Associated Thrombosis and identify actions required to reduce the risk.

### What are we going to do next?

Continue to exceed the national standard for VTE assessment of 95% of all admitted patients.

### Data quality

We are confident that the information we use for this indicator is accurate. It is published by the NHS Information Centre, based on submissions from the Trust that are collected in line with standard national definitions.

### 3.1.4 Readmissions

By ensuring that patients discharge from hospital is well-planned we can avoid (or reduce to a minimum) the numbers of patients who need to be re-admitted quickly. Most emergency re-admissions are not normally part of the original treatment plan or care pathway - and many may be potentially avoidable.

### What did we set out to do?

Maintain re-admission rates at less than the national average (local target).

### Did we achieve this?

Yes - Overall our re-admission rates are lower than the national average.

<b><i>Patients</i></b>	<b><i>National<sup>2</sup></i></b>	<b><i>Chesterfield Royal</i></b>		
	<b><i>2011/12</i></b>	<b><i>2015/16</i></b>	<b><i>2016/17</i></b>	<b><i>2017/18</i></b>
<i>Patients aged 16 and over</i>	<i>11.2%</i>	<i>6.2%</i>	<i>6.2%</i>	<i>6.71%</i>
<i>Patients aged 0 to 15</i>	<i>10.2%</i>	<i>9.2%</i>	<i>9.5%</i>	<i>9.64%</i>
<b><i>Overall</i></b>	<b><i>11.7%</i></b>	<b><i>6.4%</i></b>	<b><i>6.5%</i></b>	<b><i>6.93%</i></b>

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- We continuously monitor readmission rates to detect any areas where these are higher than expected and take action to address any concerns identified.

The Chesterfield Royal Hospital NHS Foundation Trust intends to take the following actions to improve this score and so the quality of its services, by:

- Reviewing the discharge process to ensure that patients are discharged at the right time with the right package of care in place to support them.

### Data quality

We are confident that the information shown here is accurate. Data for this indicator is calculated internally using data from our Patient Administration System in line with standard national definitions. This process was subject to an external audit in 2017/18 and no concerns were identified.

### Seven day hospital services

The seven day services programme in the NHS is designed to ensure patients that are admitted as an emergency, receive high quality consistent care, whatever day they enter hospital.

27 trusts across England were early adopters of four priority clinical standards and have worked towards implementing these standards by April 2017.

---

<sup>2</sup> No national comparator has been made available on the NHS Information Centre website since 2011/12, therefore we are reporting this as the latest national figure.

All other trusts, including Chesterfield Royal, are being supported to meet the four standards identified as being 'must do' by 2020. This will ensure patients:

- don't wait longer than 14 hours to initial consultant review (Standard 2)
- get access to diagnostic tests with a 24-hour turnaround time - for urgent requests, this drops to 12 hours and for critical patients, one hour (Standard 5)
- get access to specialist, consultant-directed interventions (Standard 6)
- with high-dependency care needs receive twice-daily specialist consultant review, and those patients admitted to hospital in an emergency will experience daily consultant-directed ward rounds (Standard 8).

An initial national audit of standard 2 was completed in April 2017 with a re-audit completed in September 2017. All standards will be audited in April 2018.

A summary of the results is included below:-

#### Did we achieve this?



##### Seven day services audit

As the table below shows we have seen a decrease in this standard from April to September 2017.

Key priority	April 2017	Sept 2017
Standard 2: Patients reviewed by a consultant within 14 hours of admission to hospital.	Weekday: 72.3% Weekends: 73% <u>70.3% overall</u> (Nationally reported figures)	Weekday:69% Weekends:45% <u>62% overall</u> (Trust reported figures)

## 3.2 Patient Safety

### 3.2.1 Safety Thermometer

To monitor patient harm within the hospital the Trust undertakes a monthly audit using a tool called the Safety Thermometer. This is part of a national patient safety programme and is an improvement tool for measuring, monitoring and analysing patient harms and harm free care. The Safety Thermometer measures four key harms every month that can affect patients when they are in hospital:

- Pressure ulcers
- Falls
- Catheters/Urinary tract infections
- Venous thromboembolisms (blood clots)

### What did we set out to achieve?

We aimed to achieve the following local targets:

- Ensure that 97% of patients will receive no new harms.
- In addition, we set targets relating to pressure ulcers, falls and venous thromboembolisms (VTE) which are detailed in the relevant sections.

### Did we achieve this?



#### New Harms

As the table below shows we did achieved our aim to increase the percentage of patients who received no new harms.

Standard	National rate	Chesterfield Royal Hospital		
		2015/16	2016/17	2017/18
% of patients with <b>no</b> new harms	97.6%	97.1%	97.9%	97.7%

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

We have continued to focus on implementation of best practice in all four which has led to the further improvement in the overall harm-free rate.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services, by:

- Continuing to audit practice in relation to the nursing led catheter removal protocol (HOUDINI) to ensure that duration is kept to a minimum. The HOUDINI initiative provides a tool to assist the nurse with the decision making process for the removal of a urinary catheter.

Actions taken in relation to pressure ulcers, falls and VTEs are detailed in the relevant sections.

### What are we going to do next?

The key measures to reduce harm are detailed in the Patient Safety priority and the specifics relating to pressure ulcers, falls and VTE's are detailed in the relevant sections of this report.

#### Data quality

We are confident that the information shown here is accurate. Data for this indicator is collected by senior nursing staff using the national tool and in line with national guidance. In addition, the harms identified are double-checked by the relevant specialist nurses.

### 3.2.2 Pressure Ulcers

Pressure ulcers are an injury that breaks down the skin and underlying tissue. They are caused when an area of skin is placed under pressure. They are sometimes known as "bedsores" or "pressure sores".

Pressure ulcers can range in severity from patches of discoloured skin to open wounds that expose the underlying bone or muscle. Pressure ulcers tend to affect people with health conditions that make it difficult to move, especially those confined to lying in a bed or sitting for prolonged periods of time. By ensuring that we identify those patients at risk of developing a pressure ulcer and taking steps to reduce their risk, such as pressure relieving mattresses, maintaining movement and ensuring patients have the right diet and plenty of fluids.

### What did we set out to achieve?

We aimed to achieve the following local targets

- Reduce the rate of hospital acquired pressure ulcers (grade 2-4) to below 0.5 per 1,000 bed days in line with 2016/17 out –turn.

### Did we achieve this?



#### Pressure Ulcers

As the table below shows we reduced our rate of hospital acquired pressure ulcers (grade 2-4) by over 50%

	Grade	2015/16	2016/17	2017/18
No. of hospital acquired pressure ulcers	2	177	55	60
	3	42	45	40
	4	1	0	0
	Total	220	100	108
Rate per 1,000 bed days (Grade 2-4)		1.2 (↓ 52%)	0.5 (↓ 58%)	0.5 =

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The continued focus on pressure ulcers and actions detailed below has led to a sustained reduction in pressure ulcers.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services, by:

- Delivering staff education at ward level focusing on the common themes which contribute to the development of pressure ulcers within the hospital. In addition, all relevant new staff receive Pressure Ulcer Prevention training at Corporate Induction
- Ensuring staff are aware of how well their area is performing on a monthly basis.
- Providing enhanced support for wards who have an increased incidence of pressure ulcers
- Reviewing documentation to better evidence skin assessments and repositioning regimes
- Production of “Top Tips” guide to increase awareness to all staff in providing pressure ulcer prevention.

### What are we going to do next?

We aim to sustain, or improve upon, the current rate of pressure ulcers by:

- Continuing to monitor and build upon the current incident review process to encourage shared learning and increased knowledge
- Embed PROTECT ME campaign aimed at empowering staff to identify early signs of pressure damage and to be more proactive in preventing pressure damage
- We have sustained our data from last year however there has been a slight decrease (11%) in the severity of damage.
- There has been a refocus and relaunch of the Pressure Ulcer Improvement Plan with the aim of “no pressure ulcers reported as serious incidents”
- The patient information leaflet has been revised to be more reader friendly.
- The Pressure Ulcer Team have completed an audit of inherited pressure ulcer healing rates which showed that 78% of patients admitted with existing pressure damage were noted to be either healed or progressing towards healing on discharge. These results have been presented at Wound UK Annual conference and a paper is to be published
- Future plans are to look at a replacement plan for bedside chairs to ensure all patients are provided with good high density foam pressure redistributing cushions when sitting out as standard.
- Education is still ongoing and we are introducing a full annual study day specifically for the prevention and management of pressure ulcers.

### 3.2.3 Hospital Acquired Infections

Hospital or healthcare acquired infection causes significant harm and is a major concern to patients. There has been very significant decline in rates of MRSA and C. difficile infection in Chesterfield Royal Hospital in recent years but we are keen to reduce this further.

#### What did we set out to achieve?

Achieve the national targets in relation to MRSA and C. difficile and the local target in relation to E-Coli.

#### Did we achieve this?

Criterion	2015/16		2016/17		2017/18	
	Target	No.	Target	No.	Target	No.
C.difficile	31	15 ✓	31	10 ✓	31	13 ✓
MRSA	0	2 ✗	0	1 ✗	0	0 ✓
E-coli	0	60	0	47	0	37

The number of hospital-acquired C. difficile infections has increased slightly to 13 from 10 in 2016/17 however this remains below the trajectory of 31. There have been no cases of MRSA reported this year.

## Tuberculosis

In order to support the ongoing development of the tuberculosis (TB) service the Lead nurse for Infection Prevention and Control / TB now attends both the East Midlands TB Control Board and the National Workforce group, these meetings are held quarterly, influencing the National Strategy for TB Service provision.

TB service provision across the UK is widely provided by standalone TB Teams these can vary from an individual to larger teams' dependant on the caseload and geographical location. The vast majority are hosted in primary care with a few in secondary care.

The Chesterfield Royal model of Integrated Service provision for IP&C / TB was presented at the National TB Board during 2017 and was very well received. Subsequently NHSI have been working with the Infection Prevention Society and National TB board and are considering recommending the CRHFT model as a best practice model.

In addition to the information above, data is reported nationally relating to the number of hospital-acquired C. difficile infections per 100,000 bed days, as shown below

Period	Chesterfield Royal	National average (Range)
2016/17	5.1	13.2 (0.0-82.7)
2015/16	8.6	14.9 (0.0-66.0)
2014/15	18.2	15.1 (0.0-62.2)
2013/14	19.0	14.7 (0.0-37.1)
2012/13	21.0	17.4 (0.0-31.2)
2011/12	23.4	21.8 (0.0-58.2)
2010/11	28.5	29.6 (0.0-71.2)

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The Trust has continued to analyse infection control incidents and implement action to reduce the incidence of hospital acquired infections.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services, by:

- Monthly infection control audits to monitor compliance with MRSA screening and decolonisation policy.
- Continuing to review the care of all patients who develop C. difficile or MRSA bacteraemia in hospital to identify any lapses in care and share learning from these across the organisation.

## Data Quality

The data for these indicators are collected by the infection control team using data from their IT system (ICNET) which links directly to the laboratory information system, and where appropriate, in line with national definitions. The process for infection surveillance was subject to an internal audit in 2009/10 and the process for C. difficile was subject to external audit in April 2011. Neither of these audits identified any significant concerns.

### 3.2.4 Patient Falls

Across England and Wales, approximately 152,000 falls are reported in acute hospitals every year; a significant number of falls result in death or severe or moderate injury, at an estimated cost of £15 million per annum for immediate healthcare treatment alone.

In addition to these financial costs, there are additional costs that are more difficult to quantify. The human cost of falling includes distress, pain, injury, loss of confidence and loss of independence, as well as the anxiety caused to patients, relatives, carers, and hospital staff.

#### What did we set out to achieve?

Reduce the incidence of falls per 1,000 bed days to below 6.6 per 1,000 bed days.

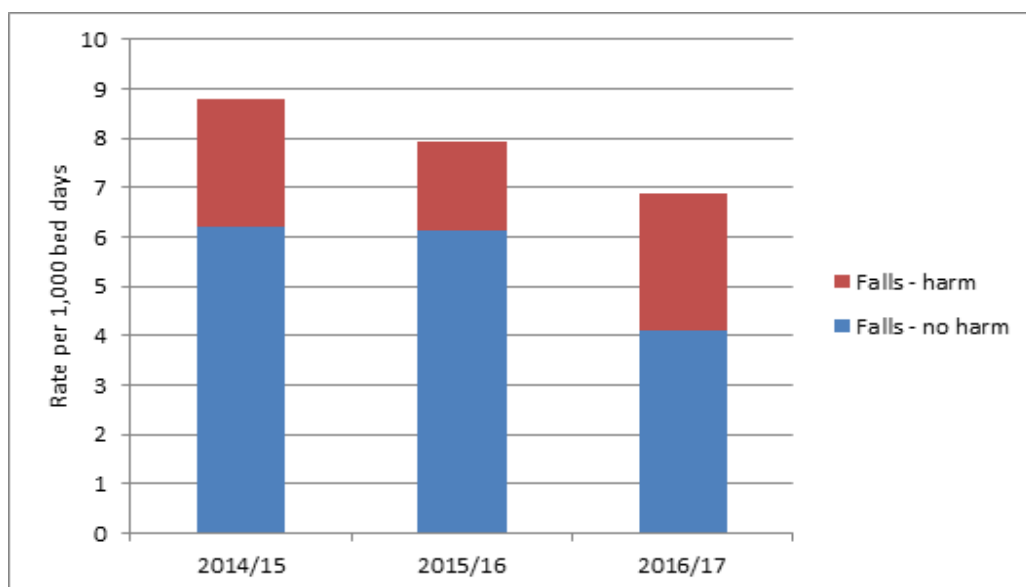
#### Did we achieve this?



#### Reduction in falls rate

The incidence of falls trust wide is currently at 6.12 per 1000 bed days for 17/18, slightly above the 6.6 target.

The graph below shows the number of falls reported, per 1000 bed days over the past three years, split into those which resulted in harm and those which resulted in no harm.



The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- Over the past year the Trust has continued to take action to reduce falls and harm from falls.
- Chesterfield Royal Hospital NHS Foundation Trust has participated in the Royal College of Physicians National Audit of Inpatient Falls and has revised the falls improvement plan in line with findings and recommendations.
- Focus is on embedding interventions in place and ensuring they happen consistently, for each patient at risk of falls, at every opportunity.

### What are we going to do next?

In line with the RCP approach the Trust intend to continue to focus on reduction in number of falls, but particularly falls with harm. We aim to further reduce the number of falls with harm per 1000 bed days by March 2019. Actions to support this are identified on the inpatient falls improvement plan and this is monitored through the inpatient falls safety group and the Trust Quality Delivery Group.

### Data Quality

The falls data is drawn from our incident reporting system which was last subject of an internal audit in 2016. This audit did not identify any significant concerns.

### 3.2.5 Patient safety incidents

Our primary role is to provide our patients with high-quality care that is safe and people-centred. However, we know that things can go wrong and when they do it is our job to be honest and open about what happened, so we can learn from our errors and prevent them recurring. Our staff have a duty to report patient safety incidents, such as medication errors, hospital falls, pressure ulcers development or clinical errors.

To check how we are doing we measure the number and rate of patient safety incidents that staff report; and the number and percentage of patient safety incidents that results in severe harm or death.

### What did we set out to achieve?

We aimed to achieve the following local targets:

- Increase the number of incidents and near misses that are reported. It is an accepted view that high levels of incident reporting are a sign of a good safety culture within a healthcare system.
- Support the investigation of incidents and the identification of root causes to enable changes in practice to be made and shared.

### Did we achieve this?



#### Increase in incident report

As the table below shows the rate of incidents per 1,000 bed days has decreased over the last 3 periods.

	All incidents reported		Incidents that resulted in severe harm or death	
	No.	Rate per 1,000 bed days	No.	% of all incidents reported
Apr 17- Sep 17	2168	24.6	23	1.06%
Apr 16 – Mar 17	5487	31.4	28*	0.51%
Apr 15 – Mar 16	5361	31.1	12	0.23%
Apr 14– Mar 15	5812	33.5	16	0.28%

\*data updated from published NRLS data due to data cleansing

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The Trust has continued to promote incident reporting and local data shows that there has been a slight increase in incident reporting over the past year. Feedback from staff indicates that the time taken to report incidents may be a barrier to reporting, particularly when the hospital is busy.
- There has been an increase in the number of incidents resulting in severe harm or death. Our internal data shows this is primarily due to increased reporting of incidents relating to recognising when patients are deteriorating. A greater understanding of the importance of reporting incidents involving deteriorating patients is thought to have contributed to this increase.

### **What have we done?**

- Re-launched the incident management policy and strengthened investigation methods for incidents resulting in serious harm or death to improve learning from these types of incidents
- Shared regular incident performance reports with divisions to identify and improve reporting and investigation patterns
- Listened to staff via focus groups to understand the reasons for under-reporting of incidents. As a result of staff feedback a review of the Trust's incident reporting form was undertaken. A revised and simplified form is due to be launched in April 2018
- Established a deteriorating patient working group to review and support implementation of learning from incidents involving deteriorating patients

### **Duty of Candour**

The Trust is committed to open communication with patients and their families and carers. The same is true when things don't go to plan; saying sorry is not an admission of liability – it's the right thing to do. In June 2017 the Trust refreshed the Being Open (Duty of Candour) Policy and introduced a "Keeping Patients Safe" leaflet to facilitate these open and honest conversations with patients and their families and carers.

To support the launch of the revised Policy a communication and education programme was undertaken throughout the Trust. The Divisions are also provided with regular performance reports to assist them to ensure a consistent approach to duty of candour communications is achieved throughout the Trust

## 3.3 Patient Experience

### 3.3.1 Friends and Family Test

Ensuring that our patients have a good experience in our hospital is one of our key priorities. However, to meet this objective we also need to demonstrate we are committed to listening to our patients and are willing to act on their concerns and views. Their feedback about our services (from their experiences) will help us to improve what we do.

To check what our patients think about their recent hospital experience we use a range of measures, including the national indicator known as the Friends and Family test. This asks patients:

- “How likely is it that you would recommend this service<sup>3</sup> to your friends and family?”

The headline score is the percentage of patients who would recommend the service.



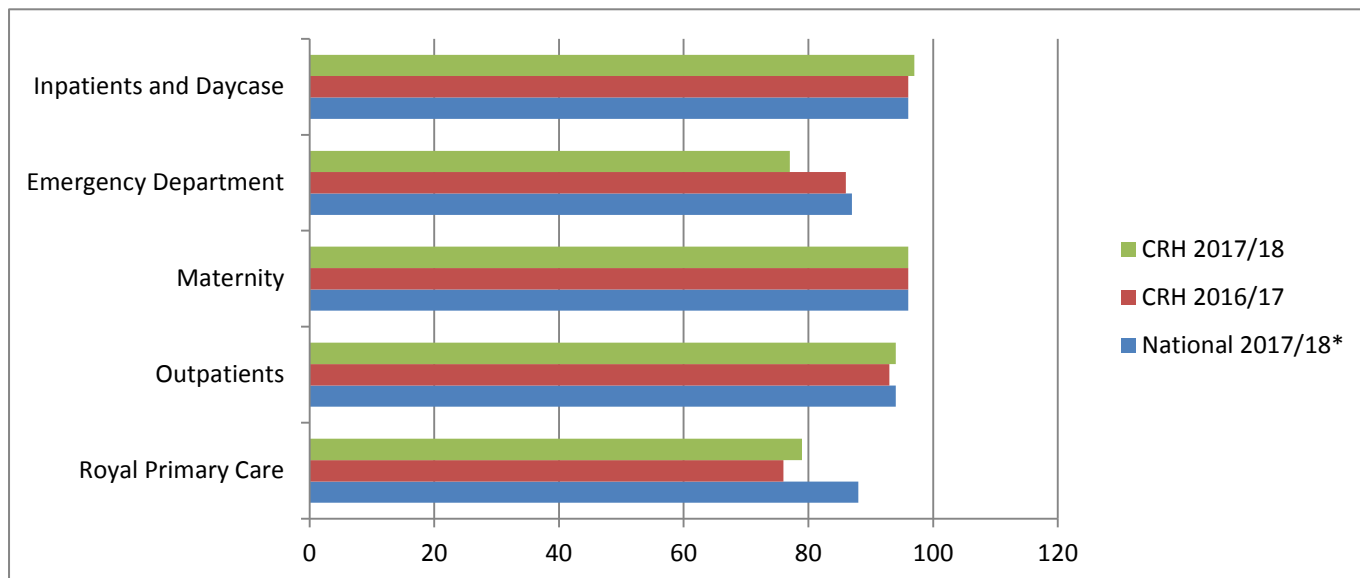
<sup>3</sup> This service may include: this ward, this emergency department, this out-patient clinic; or this maternity service

## What did we set out to achieve?

We aimed to improve patient experience by continuing to use the Friends and Family Test (local target)

## Did we achieve this?

As the graph shows the Trust's Friends and Family scores are in line with the national average for all areas, except the Emergency Department.



\*National data based on April 2017 to January 2018.

NB – due to data submission methods, no data was collected nationally for maternity in November 2017

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

The Trust uses a real-time patient feedback system which allows staff to review patient feedback in a timely manner. The system also allows the Trust to identify the themes arising from patient comments. Overall, the vast majority of comments are positive, highlighting a good service and positive staff attitude, particularly our compassionate kind and friendly staff. We continually review the feedback received through the friends and family test to identify where improvements can be made. For the Emergency Department we are below the national average.

Actions identified in response to negative comments include:

### Emergency Department

The Emergency Department is currently going through an upgrade programme, which will expand the department by approximately 50 percent. It is anticipated that this work will lead improvements in patient experience relating to dignity and respect and efficiency. The Team in ED have also developed processes to improve timely pain relief and communication of wait times.

## Outpatients

Key opportunities identified from the negative opinions left in patient comments related to:

- The information contained within appointment letters
- Organisation of appointments, including cancellations
- Information provided regarding delays in clinics

The Trust's Outpatient Improvement Programme aims to address these issues and a Patient Involvement Strategy is currently in development, to ensure that patients remain at the heart of planning any changes and improvements. In addition, the Trust's Listening into Action (LiA) programme includes projects reviewing appointment text messages and letters, to ensure the right information is given at the right time.

## Inpatients

**Communication** – whilst most of our feedback around communication is good, we still have opportunities for improvement, particularly around the information and explanations that are given to patients by staff. The Trust is in the process of reviewing communication training needs to ensure that staff are offered the most appropriate training and development.

**Respect and Dignity** is consistently a key indicator of inpatient experience. Patients, public and staff have helped the Trust to produce written standards, describing the behaviours expected to ensure that patients and those close to them are treated with Dignity and Respect. These were launched in October 2017, with support from Trust Dignity Champions and a "Dignity and Respect Week" will be held annually in October to promote these standards. Standards are also audited quarterly and results from the first audit at the end of 2017 were positive.



**Empowering patients** – feedback from patients often suggests that they do not like to ‘bother staff when they are busy’ or that they do not feel comfortable asking questions. Therefore, the Trust wishes to support patients to feel confident to ask the right questions at the right time. Staff and patients are working together to develop a set of leaflets, which are aimed at empowering patients to ask questions, including at discharge from an inpatient ward and during surgery consent, outpatient and GP appointments. In addition, the Trust has launched Red and Green bed days, which aim to ensure that a patient’s time as an inpatient is used as efficiently as possible; this includes making patients aware of four key questions that they should ask staff:

1. What is the matter with me?
2. What is going to happen today?
3. What is needed to get me home?
4. When am I going home?

It is expected that a patient should know the answer to these questions, which will help to avoid delays in discharge and any unnecessary frustration and confusion for the patient.

**Carers** – In order to ensure that carers continue to be identified, involved as partners in care and supported, the Trust continues with the carers action plan and has recently appointed a Carer’s Liaison post. This role is instrumental in offering support to staff, patients and carers and also links in with GP surgeries, social care and local community and support groups to ensure this source of support is publicised.

## **Maternity**

Whilst Maternity services receive very few negative comments from service users, the following opportunities for improvement have been identified:

- Information and Explanations Given – communication with women and their partners/companions could be improved in terms of what can be expected with any physical and emotional changes or needs
- Emotional support – women often feel that emotional support is not always available at the right time, particularly for postnatal care in the community

Maternity services are acting as a pilot site for the NHS England Always Events programme, which the Trust signed up to in January 2017; Always Events are described as “aspects of the patient experience that are so important to patients and family members that health care providers must aim to perform them consistently for every individual, every time”. A key component of Always Events is co-production between staff and service users. This means that staff and service users will work together to decide what is important for patient experience and how this can be improved. This is a long-term project that involves testing and refining any changes to make sure they are sustainable.

## Royal Primary Care

The majority of opportunities for improvement identified via patient comments are for access via telephone and the ability to get appointments at a suitable time for patients. This is reflected in local surveys that have been developed to ensure the voice of the patient is being heard.

Royal Primary Care has a robust patient experience improvement plan in place and work has already begun on work to improve patient experience, including:

- Telephone access
- Customer Care Training
- Communication with patients regarding test results
- Ensuring the patient sees the right person at the right time

Improvements are continuously monitored via FFT and a local quarterly survey, based on questions from the national GP survey

### What are we going to do next?

We will continuously monitor and act upon patient feedback to optimise patient experience at the Trust. In addition, we will continue to develop our real time patient feedback system to enable us to track the impact of improvements.

### Data Quality

Friends and Family data is collected regularly from patients and those close to them.

This information is drawn from individual patient responses to the Friends and Family question which we ask using a range of methods; postcards given out by staff, electronically via tablets or online and a link to an on-line survey sent via a text message for outpatients, all of which are in line with national guidance. The Trust commissions an independent organisation to collate and analyse our responses.

For Royal Primary Care, data was only submitted for RPC1 during 2016/17; RPC2 did not come under formal ownership of the Trust until April 2017.

Over the year we have aimed to increase our response rates however some areas remain below our local targets and therefore we cannot be certain as to the reliability of this data.

### 3.3.2 National Patient Surveys

In line with our aim to be the hospital of first choice for local people, patient satisfaction and positive feedback is seen as a key indicator of success. We conduct a wide range of patient and public involvement work each year, however one of the key indicators of patient satisfaction are the national patient surveys – where questions are rated, using three categories:

- better than most other Trusts in the survey
- about the same as most other Trusts in the survey
- worse than most other Trusts in the survey

### What did we set out to achieve?

We aimed to ensure that the Trust results were at as good as, or better than, other Trusts (local target).

### Did we achieve this?

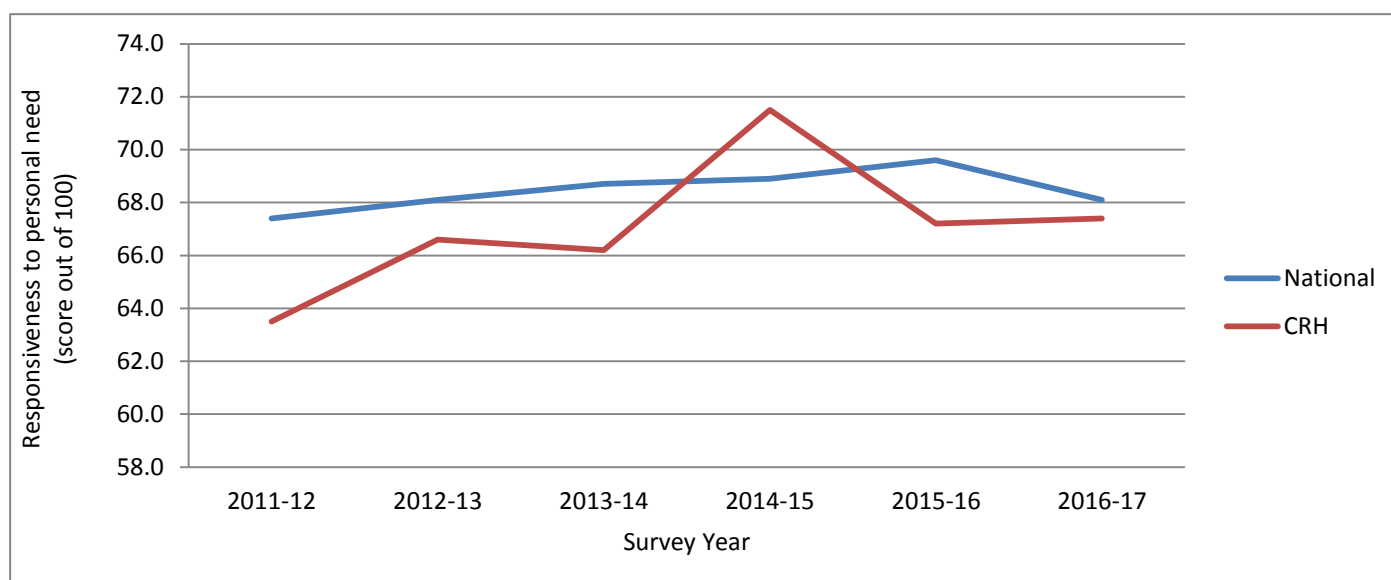
The following tables detail the results for those national patient surveys where results were published in 2017/18.

**National inpatient survey** - For this survey, published in May 2017, the Trust scored better than other trusts for one question; the remaining 64 questions are performing 'about the same' as other trusts.

National Inpatient Survey	Performance	2016/17	2015/16	2014/15
	Better	1 (2%)	0	2 (3%)
	About the same	64 (98%)	62 (100%)	58 (97%)
	Worse	0	0	0

In addition to the results for individual questions in the inpatient survey, Trusts are scored with regard to responsiveness to the personal needs of its patients. This indicator is based on the average score of five questions from the National Inpatient Survey. Figure 1 demonstrates that, nationally, the indicator has seen a slowly incremental trend, although it has fallen in 2016/17. Chesterfield Royal Hospital (CRH), however, declined in 2015/16 whilst demonstrating a slight improvement in 2016/17.

Figure 1 – Responsiveness to the Personal Needs of Patients

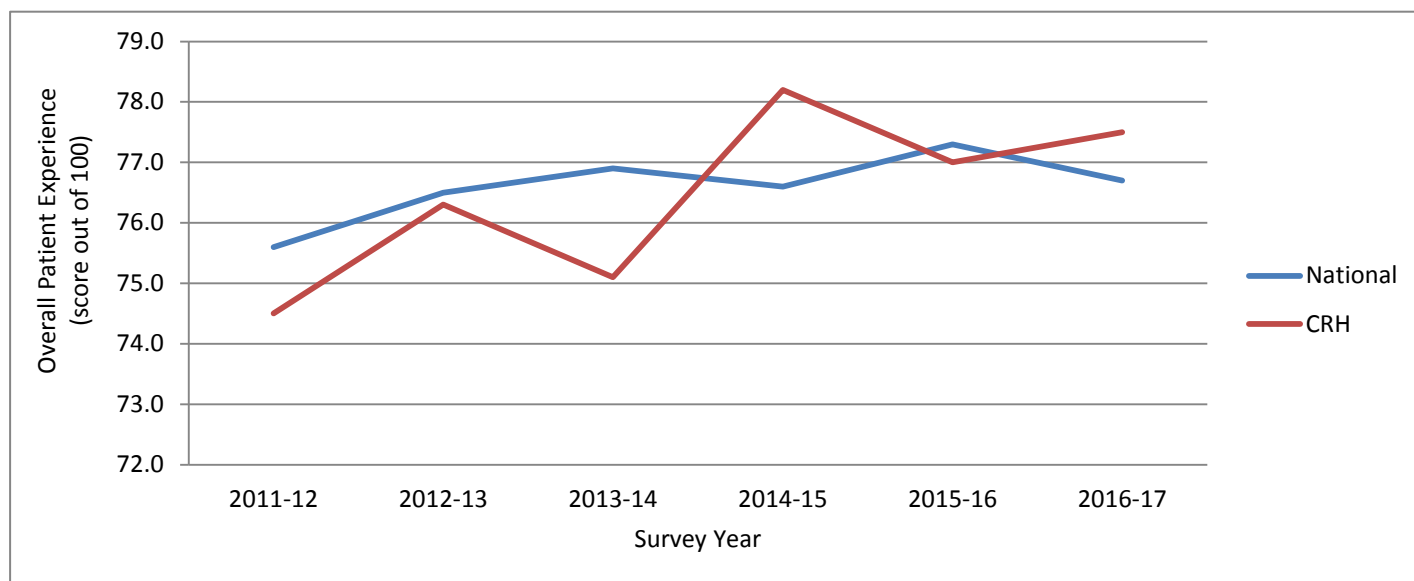


A further indicator measures the overall patient experience of hospital care based on a range of questions from the National Inpatient Survey (19 questions) relating to:

- Access and waiting
- Safe, high quality co-ordinated care
- Better information more choice
- Building closer relationships
- Clean, comfortable and friendly place to be

Figure 2 demonstrates that the value has fluctuated both nationally and locally, with little national change overall. For 2016/17, an increase in overall patient experience is evident for CRH, whilst nationally the score has declined slightly.

Figure 2 – Overall Patient Experience of Hospital Care



The Chesterfield Royal Hospital NHS Foundation Trust consider that this data is as described for the following reasons:

- Of the 65 questions within the 2016 survey, the Trust demonstrated improvement in 37 questions, 7 of which were statistically significant and sat within in the following sections:
- **The hospital and ward** – relating to improvements in single sex bathroom and shower facilities, cleanliness and food
  - **Doctors** – an increase in patients who had confidence and trust in doctors
  - **Nurses** – an increase in patients who had confidence and trust in nurses
  - **Overall experience** - an increase from 7.8 in 2015 to 8.1 in 2016
- There was a statistical deterioration in 2 questions within the ‘Leaving Hospital’ section relating to information given to patients on discharge; however both of these remain within the expected range.

### How will we improve?

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve scores in the national inpatient survey:

The Trust’s Quality Strategy refresh will include a focus on information and explanations given to patients; we will ensure this incorporates information given on discharge. In addition, Care Units will develop focused improvement actions based on the results of the 2017 inpatient survey, which is due for publication in summer 2018.

**National Cancer Patient Experience Survey** - Of the 59 questions asked in 2016, 54 were within the expected range, which is a positive result. Three questions were “better than expected”; 2 related to primary care and the third related to waiting time to being seen. Two were worse than expected and related to being given the name of a clinical nurse specialist and receiving information on getting financial help. There were no questions with a statistically significant change since 2015 and the expected range methodology was not used prior to the 2015 survey.

National Cancer Patient Experience Survey	Performance	2016/17	2015/16
	Better	3 (5%)	2 (4%)
	About the same	54 (92%)	49 (94%)
	Worse	2 (3%)	1 (2%)

### How will we improve?

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve scores in the national cancer patient experience survey:

The Trust has an improvement plan in place for the National Cancer Patient Experience Survey, which aims to improve:

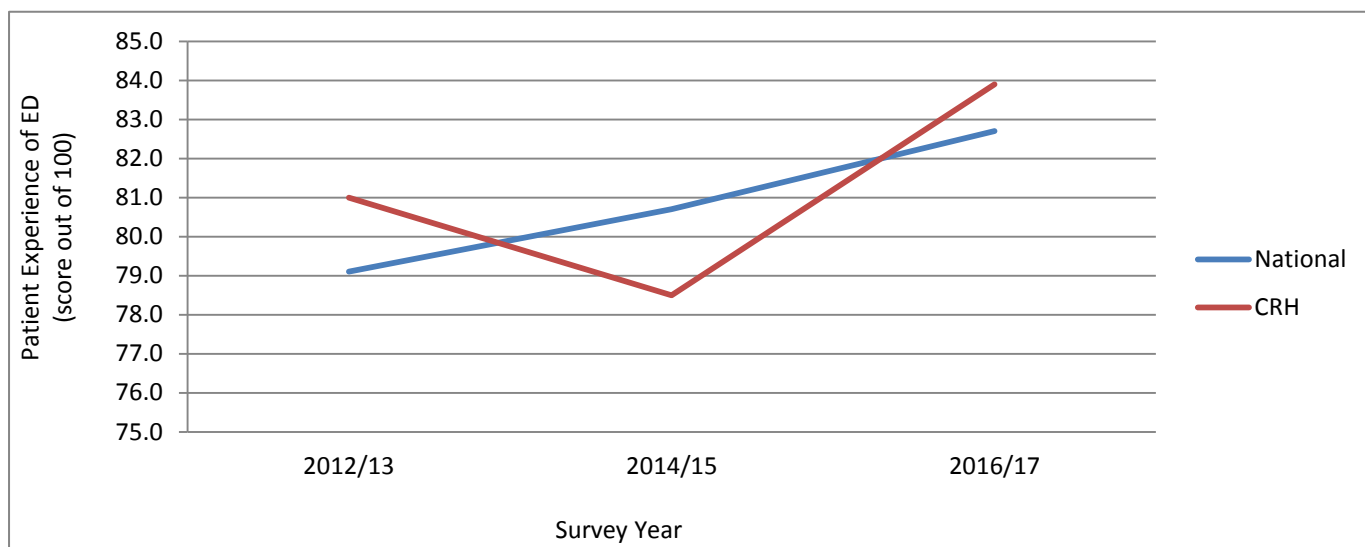
- Availability and capacity of Clinical Nurse Specialists to support patients through treatment
- Support for people with cancer, particularly around financial help
- Provision of Health Needs Assessments, which can help with practical and emotional support

**National Emergency Department (ED) survey** - Of the 35 questions asked in 2016, the Trust scored 'about the same' as other trusts for 34 questions. 1 question demonstrated 'better' performance than other trusts.

National Emergency Department Survey	Performance	2016/17	2014/15	2012/13
	Better	1 (3%)	1 (3%)	3 (8%)
	About the same	34 (97%)	33 (97%)	33 (89%)
	Worse	0	0	1 (3%)

An additional indicator for the National ED survey, alongside the individual responses, uses the average score of five questions to assign an overall score for patient experience of ED services. Figure 2 demonstrates an increasing trend for this indicator nationally over the previous three years. Chesterfield Royal Hospital saw a decline in 2014/15; however, there was an increase in score for the most recent survey in 2016/17, which is also above the national average.

Figure 3 – Patient experience of Emergency Department (ED) services



The Chesterfield Royal Hospital NHS Foundation Trust consider that this data is as described for the following reasons:

- Of the 35 questions asked, the Trust scored 'about the same' as other trusts for 34 questions. 1 question demonstrated 'better' performance than other trusts, which was: "Were you given enough privacy when discussing your condition with the receptionist?".
- Patients' overall experience rated at 8.1, which is 'about the same' as other trusts.
- 6 further questions scored towards the top end of the expected range; these related to wait times, dignity and respect, test results and availability of refreshments.
- 2 areas for improvement, where the Trust was in danger of scoring lower than expected, related to communication with patients and those close to them.

### How will we improve?

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve scores in the national Emergency Department survey:

A key aspect of the Quality Strategy is communication with patients. In addition, as part of the ED refurbishment project new pathways and processes are being implemented, which are anticipated to improve communication with patients.

**National Children and Young Person's Survey** - Results for the trust were positive; of the 63 questions asked, the Trust scored 'about the same' as other trusts for 58 questions. Two questions had fewer than 30 respondents, meaning that no score is awarded due to lack of reliability. Three questions demonstrated 'better' performance than other trusts (relating to hospital food, suitability of ward and staff communication with patients). Results for 2016 are not comparable with previous surveys owing to differences in the methodology used. The survey was first carried out in 2014 and repeated in 2016.

National Children and Young Person's Survey	Performance	2016/17	2014/15
	Better	3 (5%)	7 (13%)
	About the same	58 (95%)	46 (87%)
	Worse	0	0

### How will we improve?

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve scores in the national Children and Young Person's survey:

The Paediatric Team have developed an improvement plan based on an analysis of the comments from the national survey. As a result, the following have occurred:

- Improvements to Nightingale Ward's parent's room, to improve the environment and available facilities
- Staff training to improve understanding of allergies
- Awareness raising with staff regarding the availability of leaving gifts for children to ensure these are given consistently

**National Maternity Survey** - Of the 51 patient experience questions asked, eight questions scored better than expected (relating to support from and confidence in midwives, cleanliness, partner involvement and skin to skin contact between mother and baby) and one question scored worse than expected (information regarding postnatal check up with GP. Four questions have shown a significant decline in scores since the 2015 survey (mostly relating to availability of staff in the 'labour and birth' section of the survey).

National Maternity Survey	Pathway	Performance	2016/17	2015/16	2013/14
	Antenatal Care	Better	1 (8%)	1 (8%)	1 (11%)
		About the same	11 (92%)	11 (92%)	8 (89%)
		Worse	0	0	0
	Labour and birth	Better	3 (16%)	10 (53%)	9 (53%)
		About the same	16 (84%)	9 (47%)	8 (47%)
		Worse	0	0	0
	Postnatal Care	Better	4 (20%)	3 (16%)	8 (44%)
		About the same	15 (75%)	13 (68%)	9 (50%)
		Worse	1 (5%)	3 (16%)	1 (6%)

## How will we improve?

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve scores in the national Maternity survey:

Always Events (aspects of the patient experience that are so important to patients and family members that health care providers must aim to perform them consistently for every individual, every time ) are being implemented within the department which will ensure any improvements made are patient-centred, meaningful and relevant for those people who access maternity services. National survey results will be shared with the co-production project group (staff, patients and partners/companions/carers).

## National GP Survey

In addition the Trust participates in the national GP survey for Royal Primary Care. Chesterfield Royal Hospital became caretaker of Holywell Medical Group in May 2015; this became Royal Primary Care 1 in July 2017 when services officially became part of the Trust's portfolio of services; Royal Primary Care 2 (Blue Dykes) came under ownership of the Trust in April 2017.

Two key indicators aiming to capture the experience of patients of accessing GP services look at~:

- The percentage of patients who report their experience of making a GP appointment as 'fairly good' or 'very good'
- The percentage of patients who describe their overall experience of this surgery as good

Figures four and five show that the Trust scored below average for these in the 2017 survey

Following the national GP survey results in 2017, Royal Primary Care implemented a quarterly local survey, based on questions from the national survey. Results show overall improvement since the most recent national GP survey in 2017, however, this has not yet met national average.

Figure 4 - % of patients who describe their experience of making an appointment as good

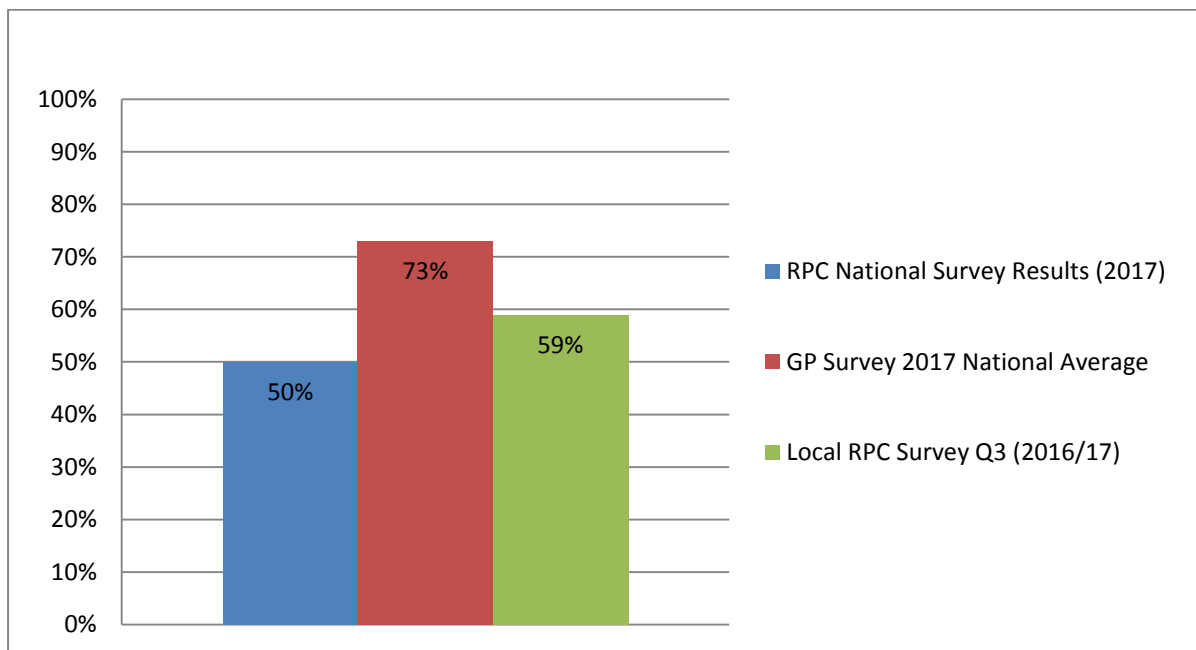
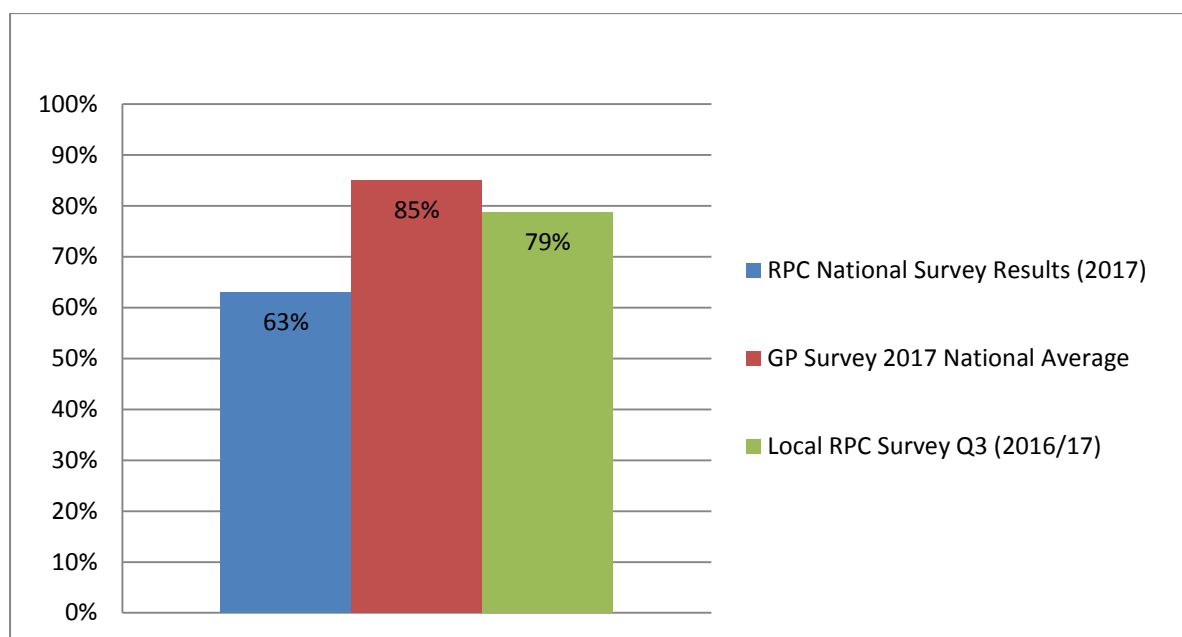


Figure 5 - % of patients who describe their experience of this surgery as good



### How will we improve?

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve scores in the national GP survey:

Royal Primary Care has an improvement plan based on the findings of the national GP survey and the quarterly local survey. This ensures that services are continuously working towards improving the following aspects of patient experience:

- Telephone access and responses
- Patient/public perception of Receptionists
- Access to online appointments
- Access to clinicians
- Communication within appointments

In addition, Royal Primary Care undertake quarterly local surveys to monitor those national questions where opportunities for improvement have been identified from previous surveys.

### Progress Monitoring

Progress against all of these ambitions is being monitored via our Friends and Family Test, local “we want to be” survey, local GP surveys and national survey results, alongside Always Events projects, ad hoc engagement work and individual service surveys. We will ensure that improvement opportunities identified from patient feedback are reflected in our quality strategy work.

### What are we going to do next?

We will continue to drive improvements in patient experience via our Quality Strategy and monitor progress through our patient feedback mechanisms.

### Data Quality

The data for these indicators is taken from data published nationally by the Care Quality Commission.

Combined data for RPC calculated by using an average of percentages scored for RPC1 and RPC2.

### 3.3.3 National Staff Surveys

As well as asking patients how they feel about the services we deliver, the annual staff survey includes a friends and family question, which reflects the proportion of staff who would recommend the Trust as a provider of care to their friends and family.

#### What did we set out to achieve?

An increase in the proportion of staff who would recommend the Trust as a provider of care (local target).

#### Did we achieve this?



#### National Staff Survey

As the table below shows the proportion of staff who would be happy with the standard of care provided by the trust if a friend or relative needed treatment has increased.

Period	Chesterfield Royal	National Average
2017/18	66%	71%
2016/17	63%	70%
2015/16	67%	70%
2014/15	60%	65%

In summary, our results for 2017 show:

- An improvement in four of the 32 key findings
- No change in 25 of the 32 key findings
- A deterioration in three of the 32 key findings

## Our top ranking scores

The five key findings where we compare most favourably with other similar acute trusts in England:

Key Finding	Trust score	National Average
KF20. % experiencing discrimination at work in last 12 months (the lower the score the better)	<b>10%</b>	<b>12%</b>
KF21. % believing the organisation provides equal opportunities for career progression / promotion (the higher the score the better)	<b>89%</b>	<b>85%</b>
KF23. % experiencing physical violence from staff in last 12 months (the lower the score the better)	<b>2%</b>	<b>2%</b>
KF26. % experiencing harassment, bullying or abuse from staff in last 12 months (the lower the score the better)	<b>21%</b>	<b>25%</b>
KF27. % reporting most recent experience of harassment, bullying or abuse (the higher the score the better)	<b>47%</b>	<b>45%</b>

## Our bottom ranking scores

The five key findings where we compare least favourably with other similar acute trusts in England:

Key Finding	Trust score	National Average
KF2. Staff satisfaction with the quality of work and care they are able to deliver (the higher the score the better)	<b>3.75</b>	<b>3.91</b>
KF7. % able to contribute towards improvements at work (the higher the score the better)	<b>62%</b>	<b>70%</b>
KF22. % experiencing physical violence from patients, relatives or the public in last 12 months (the lower the score the better)	<b>21%</b>	<b>15%</b>
KF24. % reporting most recent experience of violence (the higher the score the better)	<b>62%</b>	<b>66%</b>
KF29. % reporting errors, near misses or incidents witnessed in last month (the higher the score the better)	<b>86%</b>	<b>90%</b>

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons

- We receive our report from Picker, outlining our performance in each of the staff survey questions against the 48 other trusts Picker works with. The full output from the NHS staff survey 2017, benchmarking our position against 92 equivalent sized acute trusts, has been shared. The information is supplied to trusts in two ways:

**Full feedback report:** lengthy report with detailed data from the 2017 survey on the 32 key findings by directorate, occupational groups and demographic groups, and details of each question included in the questionnaire. The feedback reports also contain data required for the Workforce Race Equality Standard (WRES).

**Summary feedback report:** a summary of the key data from the full feedback report. It contains results from the 2017 survey on the 32 key findings and includes the top and bottom rankings, local changes since 2016 (if this data is available), and benchmarked analysis against other organisations of a similar type. This is the report which is typically shared within organisations as its format is more user-friendly and shows comparisons over time and with the national average.

Key Findings are calculated through a process of amalgamation and assessment of all the questions in the survey. As in previous years, there are two types of Key Finding:

- percentage scores, i.e. percentage of staff giving a particular response to one, or a series of, survey questions
- Scale summary scores, calculated by converting staff responses to particular questions into scores. For each of these scale summary scores, the minimum score is always 1 and the maximum score is 5

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by:

- Leading the Chesterfield Way, Listening into Action, Health and Well-Being initiatives, Applause staff recognition, focus on improving flexible working practices and culture - and a more accountable and robust staff survey action planning process within divisions - are some of the recent improvements (within 2015-17) that the Board has supported. These have been designed to improve staff engagement and narrow the gap between us and other acute Trusts nationally, whilst continuing to evolve our culture.



**What are we going to do next?**

In response to the themes identified we are developing Trust-wide and local improvement plans; at a Trust level the actions identified include:

- Appraisal Season to be adopted April 2018 , supporting further improvement in completion rate and quality of appraisal conversations
- Learning from Incidents strategy introduced – includes a focus on reporting through awareness raising and support. Currently working through implementation plan
- Increased focus on staff mental health by the Health & Well-Being committee e.g. resilience training offered for individuals and teams
- Flexible working work stream and actions now in place, to improve practices and promote culture of flexibility across the Trust.

### 3.3.4 A&E indicators

Waiting time in Emergency Departments is a high profile indicator of performance. The key measure is the proportion of patients who wait four hours or less before a decision to treat, admit or discharge.

#### What did we set out to achieve?

We aimed to ensure that 95% or more of our patients wait four hours or less before a decision to treat, admit or discharge.

#### Did we achieve this?



#### Waiting time in the Emergency Department -

We missed the national target of 95% or more of our patients waiting four hours or less before a decision to treat, admit or discharge.

	Percentage of patients spending four hours or less in ED			
	Target	2017/18	2016/17	2015/16
Chesterfield Royal	95%	92.0%	87.2%	93.3%
National <sup>4</sup>		88.4%	89.0%	91.9%

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- Like many organisations the Trust has struggled to achieve this challenging target due to an increasing number of patients attending ED who require admission to a hospital bed.
- As the data shows we have performed better than the national average by extending the hours for GP streaming at the front of ED and improving patient flow across the organisation to reduce delays to admission.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by:

- Continuing to work to develop our urgent care village to ensure that patients are seen in a timely manner by the most appropriate professional.

#### What are we going to do next?

We aim to improve our performance in the coming year by focusing on the flow of patients through the department by extending our Emergency Department and working with partners to ensure patients are seen by the most appropriate healthcare professional.

### Data Quality

The data for these indicators are collected from our Patient Administration System in line with national definitions. This indicator was subject to external audit in 2017/18 and no concerns were identified.

### 3.3.5 Referral to treatment waiting times

In order to ensure that patients receive timely treatment the Trust monitors the % of patients on incomplete pathways who have been waiting less than 18 weeks. These patients may have been seen in clinic by a hospital doctor, and they may have had tests, but haven't yet started full treatment (or been discharged) and so they have an "incomplete pathway".

#### What did we set out to achieve?

We aimed to achieve the national target of 92%.

#### Did we achieve this?



#### Referral to Treatment Time

At the 31<sup>st</sup> March 2018, 91.8% (standard 92%) of patients on incomplete pathways had been waiting less than 18 weeks.

Standard	2017/18	2016/17	2015/16
% of patients on incomplete pathways, who have been waiting less than 18 weeks	91.8%	92.8%	93.3%

The Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- Staff have worked hard throughout the year to ensure delays are minimised with additional appointments being made available where necessary, however due to high demand in a number of areas and the need to cancel some non-urgent elective activity as part of our winter plan we have narrowly missed the target.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by:

- Recovery plans are in place in all relevant specialities to provide additional capacity where necessary.

#### What are we going to do next?

We aim to achieve the national standard.

### Data Quality

The data for these indicators are collected from the Trust's Patient Administration System in line with national definitions and the data is reported monthly in the Performance Dashboard. This indicator was subject to external audit in **2017/18** and no concerns were identified.

### 3.3.6 Patient Reported Outcome Measures

Patient Reported Outcome Measures (PROMs) assess the quality of care delivered to NHS patients from the patient perspective. Currently covering four clinical procedures, PROMs calculate the health gains after surgical treatment using pre- and post-operative surveys.

The procedures are:

- hip replacements
- knee replacements
- groin hernia
- varicose veins

PROMs have been collected by all providers of NHS-funded care since April 2009.

PROMs measure a patient's health status or health-related quality of life at a single point in time, and are collected through short, self-completed questionnaires. This health status information is collected before and after a procedure and provides an indication of the outcomes or quality of care delivered to NHS patients.

PROMs are collated quarterly, and due to information captured, the surveys run at least 2 quarters behind. Therefore, the data included is for the last full year (2015/16). The data for 2016-17 for hips and knees is currently only provisional, Groin Hernia and Varicose Veins have been finalised.

	<b>Health Status Questionnaire Participation Rates</b>	
	<b>Finalised data for April 2015 to March 2016 (Published August 2017)</b>	
	<b>National</b>	<b>CRH</b>
Groin Hernia	57.4%	<b>74.9%</b>
Hip Replacement	86.9%	<b>104.3%</b>
Knee Replacement	96.4%	<b>100.0%</b>
Varicose Vein	32.8%	<b>85.1%</b>
	<b>Provisional data Hips and Knees for April 2016 to March 2017 &amp; Final data Groin Hernia and Varicose Vein April 2016 to March 2017 (Published February 2018)</b>	
	<b>National</b>	<b>CRH</b>
Groin Hernia	57.8%	<b>73.2%</b>
Hip Replacement	85.9%	<b>105.3%</b>
Knee Replacement	94.6%	<b>100.5%</b>
Varicose Vein	35.0%	<b>85.1%</b>

As the tables above show, participation rates are meeting in excess of the national average.

The Trust's ranking has been calculated against national data via NHS Digital (Health and Social Care Information Centre, HSCIC).

## Groin Hernia

Year	Actual participation %	Nat Avg	Ranking from all relevant Trusts
2015/16	74.9%	57.4%	98 / 292
2016/17	73.2%	57.8%	103 / 297

## Hip Replacement

Year	Actual participation %	Nat Avg	Ranking from all relevant Trusts
2015/16	104.3%	86.9%	82 / 340
2016/17	94.6%	85.9%	59 / 312

## Knee Replacement

Year	Actual participation %	Nat Avg	Ranking from all relevant Trusts
2015/16	100.0%	96.4%	144 / 340
2016/17	100.5%	105.3%	127 / 312

## Varicose Vein

Year	Value	Nat Avg	Ranking from all relevant Trusts
2015/16	85.1%	32.8%	9 / 153
2016/17	85.1%	35.0%	5 / 123

**Chesterfield Royal Hospital NHS Foundation Trust considers that this data is as described for the following reasons:**

PROMS are collated quarterly and due to the information captured, the surveys run at least two quarters behind. Therefore, the data included is for the last full year (2015/16) and part year of 2016/17. It should be noted that a higher figure than national average indicates a better performance.

**The Trust intends to take the following actions to improve these outcomes scores, and the quality of its services by:**

- Liaising with surgeons from the Trauma and orthopaedic department to ascertain why there is a difference in results for Hips and Knees.
- The Clinical Audit Department are speaking with surgical leads around Hernia operations to ascertain why patients are reporting worsening outcomes post-op.
- The Clinical Audit Department will continue to work with the Pre-assessment team to ensure that the participation rate remains as high as possible, matching the pre-op questionnaire response with the operation date. This will increase the chances of the post-operation questionnaire to be returned and the Trust target of 70% participation rate to be met.

### **Data Quality**

The data for these indicators is taken from data published nationally by the NHS Information Centre. This information is drawn from individual patient responses to questionnaires administered pre and post-surgery. This process is administered by an independent organisation commissioned by the Department of Health.



This page is intentionally blank

## Feedback on our Quality Account

We have shared the draft Quality Account with North Derbyshire Clinical Commissioning Group, the Trust's Council of Governors, Derbyshire Health watch and the Derbyshire County Council Improvement and Scrutiny Committee for comment prior to publication.

### Quality Accounts – Statement from the Trust's Council of Governors

The Council of Governors would like to comment on the following areas:

- **Listening into Action (LiA)** – The Council appreciate the progress which has been made with reference to LiA and are pleased that the programme will continue for an additional year. The Council looks forward to continuing to receive regular updates.
- **End of life care** – The Trust has made significant improvements to the end of life care offered by the hospital, which has been supported by participation in a national initiative from NHS improvement. The Council of Governors feel that the development of a new training video shows real innovation to ensure that learning is not lost.
- **Outpatient Improvement Project** – The Trust is taking action to improve patient experience for those people who use our outpatient services. Whilst the Council acknowledges that work in outpatients has been required for some time and progress may have been slower than perhaps desired, they are pleased that there has been a renewed focus and that an Outpatient Programme Manager has been appointed; Governors look forward to seeing further developments and monitoring progress.
- **Volunteers** – The Council of Governors received an excellent presentation, which gave an overview of the Trust's voluntary services and of the plans and priorities for voluntary services. Governors felt that involving a volunteer in presenting added impact to the messages being conveyed. The Council is very supportive of the Young Person's project and wish to commend this initiative, as they believe it will help to gain additional views of children and young people, as well as offering a pathway for young people to access employment in healthcare services. The Council recognise the added value that volunteers bring to the hospital and support the Trust's buddying system, which provides a support structure and helps volunteers to gain additional skills. Whilst Governors are supportive of recruitment of End of Life volunteer companions, they do feel that this should be handled sensitively to ensure, the right people are brought into this role and that an appropriate support system is established.
- **The Team Around the Patient** – The Council understand there can be difficulties associated with recruitment of nursing staff; they feel it is positive to see innovative solutions, which are well-led to ensure that quality and safety is provided. Whilst Governors realise the project is in its infancy and that work is progressing; they look forward to seeing the results, as they feel it is of benefit to both patient experience and staff development.
- **Royal Primary Care** – The Council recognises that Royal Primary Care has presented some challenges for those involved and that it may have required additional input to that which was expected initially. They are, however, pleased to see that a sound management structure has been developed; they appreciate that work is continuing and are supportive of this. Governors are willing to engage with Royal Primary Care, to ensure that they are integrated into the hospital and the Council will continue to be sighted on progress made in relation to Royal Primary Care.

- **Nutrition Support Nurse** – Governors were pleased to receive a presentation from the Trust’s Nutrition Support Nurse, who explained her role and that of the Nutritional Support Team. Governors commended the work of this team, as they aim to improve patient experience and are supporting staff in improving practice.
- **Project work** – The Council are grateful to the Mayor’s appeal for raising funds for this initiative which was being underwritten by the Charitable Funds Committee.

**Project work** – Governors continues to be included on Trust project board and are active in the following:

- **Urgent Care Village Development:** this project aims to improve patient and staff experience of the urgent and emergency care pathways. The Council of Governors is pleased that work on the phased development is progressing and that building work has begun. The Council have expressed a desire to be involved in a review of Emergency Department pathways, as they hope the improvement work will help to enhance integrated working.
- **Retreat at the Royal:** this project aims to provide a tranquil outside space for patients and staff, situated near the MacMillan Centre and Relax at the Royal. This type of outside space has been found to be therapeutic for patients and the Governors are extremely supportive of this project. The Council are grateful to the Mayor’s appeal for raising funds for this initiative, which was being underwritten by the Charity Funds Committee.
- **Day case Care:** improvements in day case care have been a continued topic of discussion at the Trust’s Patient and Public Involvement Committee. Governors would like to see the development of a strategy for related improvements and have identified progress against this as a priority for the next twelve months.
- **Additional Activities:** Governors undertake an annual programme of ward visits, to gain an understanding of patient experience, good practice and opportunities for improvement. These and other activities are ongoing and the Council continues to monitor patient experience at the Trust to ensure that it is optimum.

## Statement from North Derbyshire Clinical Commissioning Group

### General Comments

NHS North Derbyshire Clinical Commissioning Group (NDCCG) is responsible for providing the commissioner statement on the quality account provided by Chesterfield Royal Hospital NHS Foundation Trust (CRHFT) and in doing so has taken account of comments made by NHS Hardwick Clinical Commissioning Group as an associate commissioner. Careful consideration has been given to the content and accuracy in line with the national guidance. NDCCG can confirm that CRHFT has produced a Quality Account that meets the required criteria and that the information provided appears to be accurate and representative of the information available to NDCCG through contract monitoring and quality assurance processes during the year.

### Measuring and Improving Performance

The Quality Account describes the quality of services provided this year by Chesterfield Royal Hospital Foundation Trust (CRHFT) measured against national, regional and local standards as detailed within the NHS contract and also within the local quality schedule and Commissioning for Quality and Innovation scheme (CQUIN). Areas in which CRHFT has performed exceptionally well include – the sustained reduction in C. difficile infections, reduced rate of hospital acquired pressure ulcers and an overall reduction in the rate of falls per 1,000 bed days.

Commissioners are pleased to note that the Trust has been recognised by NHS Improvement for their reduction in Escherichia coli (E-Coli) blood stream infections due to a 41% reduction in cases.

Last year CRHFT detailed 3 local priorities for quality improvement over the year. These were broadly described as patient safety, clinical effectiveness of care and treatments and patient feedback. It is clear that work on these areas has led to some significant achievements, including the delivery of three priority care bundles - Saving babies Lives, Sepsis and nursing care audits to bring together a range of measures that provide a strategic overview and focus on the fundamentals of nursing care with the initial priorities being hydration and clinical observations.

The Trust has worked to reduce avoidable harm to patients focusing on recognising and responding to deteriorating patients and the development of a new trust wide observation policy and chart. There has also been significant work around communication and discharges with the introduction of a multi-agency discharge hub and integrated working across the system to introduce discharge to assess and manage pathways which has directly improved patient care through the reductions in delayed discharges and ensuring that patients are assessed closer to home.

The Trust underwent an inspection by the Care Quality Commission in February 2017 against the Well Led domain in which a rating of “Good” was achieved and therefore the Trust has now been given an overall rating of “Good” and they should be commended for this improvement.

Patient satisfaction and feedback is a key indicator of success and the Trust set out to check what patients think about their hospital experiences through a range of measures including the national indicator known as the Friends and family test, the Trusts scores are line with the national average for all areas other than the Emergency Department. It is hoped that the current upgrade programme which will expand the Emergency Department will assist with this feedback in 2018/19. Commissioners have been pleased to see a lot of positive work has been undertaken in collaboration with staff, patients and carers to improve and maintain a positive patient experience. Patient feedback consistently highlights staff attitude and good service as key influences to a positive patient experience and it is encouraging to see that 95% of patients report being treated with kindness, compassion and respect in the dignity audit, in addition to a reduction in complaints.

The Trust has given high priority to the rapid recognition and management of patients with suspected SEPSIS; however the proportion of patients receiving their antibiotics within an hour has deteriorated in year. The Trust are working hard to address this with investment in a SEPSIS Nurse Practitioner, continuous education and implementation of an Emergency 2222 SEPSIS call system to promote this being treated as a time critical emergency. Commissioners expect to see an increase in performance as a result of this focus on 2018/19 and will monitor this through the usual quality improvement processes.

It is recognised that staff satisfaction and a feeling of being valued positively affects patient care, the annual staff survey contains a friends and family question to measure what proportion of staff would recommend the Trust as a provider of care, this measure has improved in the recent survey however remains below the national average. The Trust's response rate in the 2017 survey was greatly improved but overall the results remained largely similar despite a trust wide action to improve staff engagement through the introduction of Listening into Action (LiA) in May 2017. The Trust aims to continue with this work and commissioners expect to see improvements as a result of this reflected in the 2018 survey.

CRHFT priorities for improvement in 2018/19 have been identified and reflect both the national agenda and areas identified by both Governors and Commissioners, they include -

- Clinical Effectiveness – to continue to drive improvements with SEPSIS, and introduce customised growth charts as part of the Saving babies Lives improvement plan
- Patient Safety – utilize skills drills to improve recognition of the deteriorating patient
- Patient Experience – improve the use of social media for feedback

#### **Additional comments**

The Quality Account is an annual report to the public that aims to demonstrate that the Trust is assessing quality across the healthcare services provided. The Quality Account provides patients and their families with an accurate, honest and reflective account of the progress that the Trust has made throughout this year and its future plans to further enhance service provision.

NHS North Derbyshire Clinical Commissioning Group and associate commissioners look forward to continuing to work with the Trust to commission and deliver high quality patient care.

**Jayne Stringfellow**

**Chief Nurse and Quality Officer**

On behalf of NHS North Derbyshire Clinical Commissioning Group

19th April 2018

## Statement from Derbyshire Healthwatch

Healthwatch Derbyshire (HWD) is an independent voice for the people of Derbyshire. We collect feedback from people about using health and social care services, and what they think could be improved. We share these views with those who have the power to make change happen.

We gather experiences from patients and members of the public through a small team of Engagement Officers, supported by volunteers. We undertake both 'general engagement' to hear about a variety of different experiences, and 'themed engagement' which we use to explore a particular topic in more detail.

The findings of our themed engagement work is analysed and written up into reports, which include recommendations for improvement. Service providers and commissioners are then asked to respond to these recommendations. All our reports, including the responses we receive are published on the Healthwatch Derbyshire website.

The experiences gathered through our 'general engagement' are fed through to organisations on a regular basis throughout the year to give an independent account of what is working well, and what could be improved. Anyone who shares an experience with HWD is able to request a response, and we encourage organisations to consider responses carefully and indicate where learning has taken place as a result of someone's experience. The Trust reply to these comments thoroughly and with rigour, setting out learning and next steps that will follow.

We have read the Quality Account for 2017/18 prepared by the Trust with interest. We have considered if and how the content reflects some of the topics which have emerged in the feedback that Healthwatch Derbyshire has collected during the past year.

Healthwatch Derbyshire welcomes the priority around improving patient experience. Communication, Empowering patients and emotional support are all identified by the Trust as key factors, and the feedback that we collect from people in Derbyshire would also suggest that these factors are really important. We particularly hear about how important communication is, so we very much welcome work to get the right information to the right person, at the right time and will be very happy to support and contribute to this priority in the year ahead.

Healthwatch Derbyshire also welcomes the attention that the Trust gives to carers, through the creation of a carer's action plan and investment in a carer's liaison post. Healthwatch Derbyshire continues to engage with carers to find out more about their experiences of using health and social care services, to help organisations best respond to their needs.

Healthwatch Derbyshire also welcomes the opportunities for improvement identified within maternity, especially around information/explanation and communication. Again, the experiences collected by Healthwatch correlate with this theme. We wholeheartedly welcome efforts at the Trust to make improvements in these areas.

We look forward to working with the Trust in the year ahead.

## Statement from Derbyshire County Council Improvement and Scrutiny

The Health Scrutiny Committee is pleased to receive the Quality Report for the Chesterfield Royal Hospital NHS Foundation Trust for 2017/18. The Committee will take the opportunity, over the coming year, to monitor the activities and progress of the Trust and both support and challenge the Trust as appropriate.

## How to provide feedback on the Accounts

The Trust welcomes feedback on the content of its quality accounts and suggestions for inclusion in future reports. Comments should be directed to:

Lisa Howlett  
Head of Quality Governance  
Chesterfield Royal Hospital NHS Foundation Trust  
Calow  
Chesterfield  
S44 5BL

Tel: 01246 5136865  
Email: [lisa.howlett@nhs.net](mailto:lisa.howlett@nhs.net)

## Statement of directors' responsibilities in respect of the Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust annual reporting manual 2016/17 and supporting guidance
- the content of the quality account is not inconsistent with internal and external sources of information including:
  - board minutes and papers for the period April 2017 to March 2018
  - papers relating to quality reported to the board over the period April 2017 to March 2018
  - feedback from commissioners dated 24/04/2018
  - feedback from governors dated 04/04/2018
  - feedback from local Healthwatch organisations dated 14/05/2018
  - feedback from Overview and Scrutiny Committee dated 27/04/2018
  - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009,
  - the latest national patient survey 20/07/2017
  - the latest national staff survey 06/03/2018
  - the Head of Internal Audit's annual opinion over the trust's control environment dated 23/05/2018,
  - CQC inspection report dated 17/05/2017
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the quality account, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and
- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Account regulations) as well as the standards to support data quality for the preparation of the Quality Report.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.


By order of the board



**Helen Phillips**

**Chairman**

**23 May 2018**



**Simon Morritt**

**Chief Executive**

**23 May 2018**

**Independent Auditors Report  
on the  
Quality Account  
(including Limited Assurance Statement)  
2017/18**



## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF CHESTERFIELD ROYAL HOSPITAL NHS FOUNDATION TRUST ON THE QUALITY REPORT**

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

### **Scope and subject matter**

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

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways;
- 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 requirements 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 requirements in NHS Improvement's "Detailed requirements for quality reports for foundation trusts 2017/18"; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and supporting guidance, and the six dimensions of data quality set out in the Detailed guidance for external assurance on quality reports.

We read the quality report and consider whether it addresses the content requirements of the *NHS foundation trust annual reporting manual* and supporting guidance, and consider the implications for our report if we 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 2017 to May 2018;
- papers relating to quality reported to the board over the period April 2017 to May 2018;
- feedback from commissioners, dated April 2018;



- feedback from local Healthwatch organisations received in year;
- the trust's complaints reports published under regulation 18 of the Local Authority; Social Services and NHS Complaints Regulations 2009 released in year;
- the national patient surveys released in year;
- the national staff surveys released in year; and
- Care Quality Commission inspection, dated 17 May 2017.

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

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Chesterfield Royal Hospital NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Chesterfield Royal Hospital NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.



## Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Chesterfield Royal Hospital NHS Foundation Trust.

## Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the Quality Report is not prepared in all material respects in line with the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017/18 and supporting guidance;
- the Quality Report is not consistent in all material respects with the requirements in NHS Improvement's "Detailed requirements for quality reports for foundation trusts 2017/18"; and
- the indicator in the Quality Report subject to limited assurance has not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual 2017/18 and supporting guidance, and the six dimensions of data quality set out in the Detailed guidance for external assurance for quality reports.

KPMG LLP

KPMG LLP  
Chartered Accountants  
One Snow Hill  
Snowhill Queensway  
Birmingham  
B4 6GH

24 May 2018





## **Quality Account 2017 to 2018**

Chesterfield Royal Hospital NHS Foundation Trust

Calow

Chesterfield

Derbyshire S44 5BL



## Financial Accounts and Statements 2017 to 2018



This page is intentionally blank

# Contents

	Page
<b>Financial Accounts and Statements</b>	
Financial Accounts and Statements	i-43
<b>Part One</b>	
Foreword to the accounts	FA&S 5
<b>Part Two</b>	
Independent auditors report	
<b>Part Three</b>	
Statement of comprehensive income	1
Statement of financial position	2
Statement of changes in tax payer's equity	3
Statement of cash flows	5
<b>Notes</b>	
Notes to the accounts	7

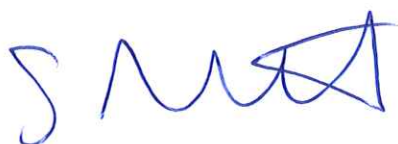
This page is intentionally blank

## FOREWORD TO THE ACCOUNTS

### **Chesterfield Royal Hospital NHS Foundation Trust**

The accounts for the year ended 31 March 2018 are set out on the following pages and comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the Notes to the Accounts.

The accounts have been prepared by Chesterfield Royal Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.



Signed ..... Date: 23 May 2018

**Simon Morritt (Chief Executive)**

This page is intentionally blank



# Independent auditor's report

## to the Council of Governors of Chesterfield Royal Hospital NHS Foundation Trust

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### 1. Our opinion is unmodified

We have audited the financial statements of Chesterfield Royal Hospital NHS Foundation Trust ("the Trust") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, the Statement of Changes in Taxpayers Equity, and the related notes, including the accounting policies in note one.

#### In our opinion:

- the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2018 and of its income and expenditure for the year then ended; and
- the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2017/18 and the Department of Health Group Accounting Manual 2017/18.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Overview

<b>Materiality:</b>	£4.70m (2017:£4.55m)
financial statements as a whole	2% (2017: 2%) of forecast revenue

#### Risks of material misstatement vs 2017

Recurring risks	Valuation of Land and Building Assets	▲
	Recognition of NHS and Non-NHS Income	◀▶

We reported in our *External Audit Plan 2017/18* that the risk associated with Valuation of Land and Building Assets was stable. However we have increased this risk as a result of our review of the valuation assumptions and methodology.

## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below, the key audit matters (unchanged from 2016/17), in decreasing order of audit significance, in arriving at our audit opinion above together with our key audit procedures to address those matters and our findings from those procedures in order that the Trust's governors as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
<b>Valuation of Land and Buildings</b> (£89.0 million; 2017: 83.6 m)  <i>Refer to page 8 (accounting policy) and page 28 (financial disclosures).</i>	<b>Subjective valuation</b>  Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property (MEAV).  There is significant judgement involved in determining the appropriate basis (EUV or MEAV) for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation, such as the condition of the asset. In particular the MEAV basis requires an assumption as to whether the replacement asset would be situated on an alternative site, with a potentially significant effect on the valuation. Furthermore an assumption is required as to whether there is a clear indication that VAT would be recovered on any replacement assets.  Between full valuations the Trust carries out an annual review to determine whether there are indications of impairment of assets due to reductions in market value, the clear consumption of economic benefits or a reduction in service potential. There is a risk that assets which have been impaired are carried at a value that is greater than their recoverable amount.  For 2017/18 the Trust commissioned a full revaluation of land and buildings from an external valuer, continuing to apply the MEAV methodology that was introduced in 2015/16. In March 2018, we were made aware that the Trust would include the assets under the MEAV net of VAT.	Our procedures included: <ul style="list-style-type: none"> <li>— <b>Assessing valuer's credentials:</b> We critically assessed the competence, capability, objectivity and independence of the Trust external valuer and considered the terms of engagement of, and the instructions issued to, the valuer for consistency with the requirements of the Department of Health Group Accounting Manual;</li> <li>— <b>Methodology choice:</b> We assessed the appropriateness of the valuation bases and assumptions. In particular we reviewed the treatment of VAT on the MEAV methodology as at 31 March 2018. We reviewed the requirements of the Department of Health Group Accounting Manual and consulted our own technical experts. We reviewed impairments to land and buildings and the assumptions on which they were based;</li> <li>— <b>Benchmarking assumptions:</b> We assessed other assumptions in the valuation model such as cost indices and location factors sense-checked the overall valuation compared to our own expectations. We compared the cost indices used by the valuer to the report issued by Gerald Eve and other entities in the region;</li> <li>— <b>Test of detail:</b> We considered the accuracy of the estates base data provided to the valuer for the purposes of the valuation by comparison to the underlying asset records held by the Trust; and</li> <li>— <b>Test of detail:</b> For a sample of assets purchased during the year and new-build assets becoming operational in the year, we considered whether the valuation basis used was consistent with the uses to which the assets would be put.</li> </ul>
		<b>Our findings</b> <ul style="list-style-type: none"> <li>— We found the resulting valuation made by the Trust in relation to land and buildings to be balanced.</li> </ul>

## 2. Key audit matters: our assessment of risks of material misstatement (cntd.)

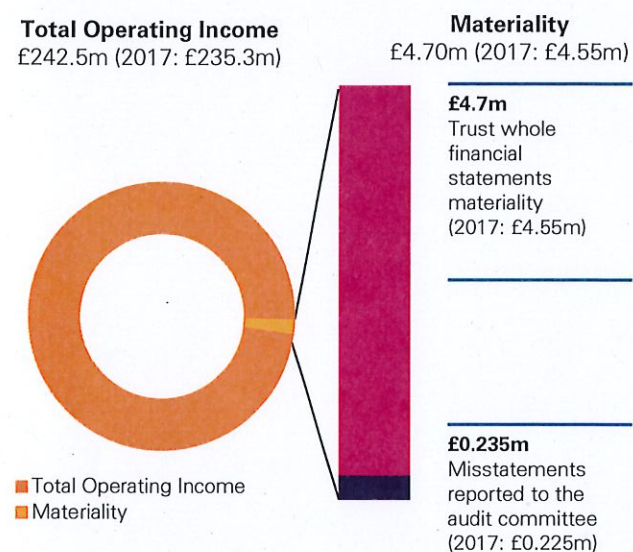
	The risk	Our response
<b>Estimation of NHS and Non-NHS Income</b> (£242.5 million; 2017: £235.3m)  <i>Refer to page 6 (accounting policy) and page 17 (financial disclosures).</i>	<p><b>Subjective estimate</b></p> <p>Of the Trust's reported total income, £235 million (2016/17: £202 million) came from the provision of healthcare services to the public under contracts with NHS commissioners. This represents 99% (2016/17: 99%) of income from activities.</p> <p>The Trust participates in the national Agreement of Balances (AoB) exercise for the purpose of ensuring that intra-NHS balances are eliminated on the consolidation of the Department of Health's resource accounts. The AoB exercise identifies mismatches between receivable and payable balances recognised by the Trust and its commissioners, which will be resolved after the date of approval of these financial statements. For these financial statements the Trust identifies the specific cause, and accounts for the expected future resolution, of each individual difference. Mis-matches can occur for a number of reasons, but the most significant arise where :</p> <ul style="list-style-type: none"> <li>• activity levels are higher or lower than planned and the Trust is in discussion with its commissioners over contract variations;</li> <li>• the Trust and commissioners record different accruals for completed spells of healthcare which have not yet been invoiced;</li> <li>• income relating to partially completed spells of healthcare is apportioned across the financial years and the commissioners and the Trust make different apportionment assumptions;</li> <li>• there is a lack of agreement over proposed contract penalties for sub-standard performance.</li> </ul> <p>Where there is a lack of agreement, mismatches can also be classified as formal disputes and referred to NHS England Area Teams for resolution.</p> <p>In 2017/18 the Trust reported £243 million ((2016/17: £235 million) of operating income, £8m (2016/17: £10 million) of which came from non-NHS bodies. This carried a greater risk in terms of recoverability.</p>	<p>Our procedures included:</p> <p><b>Tests of detail</b></p> <ul style="list-style-type: none"> <li>— We assessed the outcome of the Agreement of Balances exercise with other NHS bodies. Where there were any mismatches greater than £300,000 we identified the reasons and challenged the Directors' assessment of the level of income they were entitled to receive;</li> <li>— We tested a sample of NHS income contracts and invoices. We also tested a sample of non-NHS income transactions to invoices and subsequent receipt;</li> <li>— We tested all material contract variations for commissioner contracts to signed documents;</li> <li>— We assessed the basis upon which provisions for debt have been made. We tested the assumptions taking into account both past performance and circumstances specific to the year ended 31 March 2018; and</li> <li>— We tested a sample of income transactions around the year end to assess the completeness and accuracy of material income.</li> </ul> <p><b>Our findings</b></p> <ul style="list-style-type: none"> <li>— We found the resulting estimates made by the Trust in relation to NHS income to be balanced.</li> </ul>

### 3. Our application of materiality

Materiality for the Trust financial statements as a whole was set at £4.70 million (2016/17: £4.55 million), determined with reference to a benchmark of operating income (of which it represents approximately 2% (2017: 2%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

We agreed to report to the Audit & Risk Committee any corrected and uncorrected identified misstatements exceeding £0.235 million (2016/17: £0.225 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was all performed at the Trust's headquarters in Chesterfield.



### 4. We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### 5. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

### Remuneration report

In our opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2017/18.

### Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the Directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's position and performance, business model and strategy; or
- the section of the Annual Report describing the work of the Audit & Risk Committee does not appropriately address matters communicated by us to the Audit & Risk Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017/18, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

### 6. Respective responsibilities

#### Accounting Officer's responsibilities

As explained more fully in the statement set out on page AR137, the Accounting Officer is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

#### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

## REPORT ON OTHER LEGAL AND REGULATORY MATTERS

### **We have nothing to report on the statutory reporting matters**

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

### **We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources**

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

We have nothing to report in this respect.

### **Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

### **Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources**

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risks identified during our risk assessment are set out overleaf together with the findings from the work we carried out on each area.

Significant Risk	Description	Work carried out and judgements
<b>Sustainable Resource Deployment</b>	<p>The Trust set a challenging budget surplus to meet the NHS Improvement control total of £6.040m (excluding land and building impairments). This included Sustainability and Transformation Funding of £6.067m.</p> <p>As at month 6, the Trust was achieving the profile budget, however, this was due to higher than expected activity, which to date, has been funded by the CCGs. Through our discussions we understood that the CCGs would not be able to continue to fund this increased level of activity, therefore achieving this surplus target was an increasing key risk.</p> <p>As at 31 March 18, the Trust did not achieve the control total and the adjusted financial performance prior to the audit adjustment was £4.057m. The Trust therefore received £5.822m of the £6.066m allocated STF.</p> <p>We have not identified this as a financial statement level going concern risk, as the Trust has a strong Statement of Financial Position, with £30.548m of cash reserves, and net current assets of £29.030m.</p>	<p>Our work included:</p> <ul style="list-style-type: none"> <li>—<b>Financial Sustainability:</b> We reviewed and challenged your financial plan for the 2018/19 financial year, assessing whether the Trust has appropriately considered its long term financial health;</li> <li>—<b>Cost Improvement Plans:</b> We reviewed the Trust's CIP schemes and CIP monitoring process; and</li> <li>—<b>Underlying Surplus/Deficit:</b> We reviewed the Trust's underlying deficit calculation.</li> </ul> <p><b>Our findings on this risk area:</b></p> <ul style="list-style-type: none"> <li>—We challenged the plan for 18/19. The Trust did not deliver against its control total in 2017/18 however a revised control total for 2018/19 has reduced the future risk. The challenge for 2018/19 remains significant.</li> <li>—We agreed that the CIP schemes are aligned with the Trust's operational and financial plans and are monitored regularly. However the Trust had a CIP target of £11.9m for 2017/18, however, only £5.815m of the original planned savings schemes were delivered in year. The Trust should put arrangements in place to increase the chance of achieving its CIP.</li> <li>—We have noted that the Trust has consistently measured its underlying deficit.</li> </ul>

## **THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

## **CERTIFICATE OF COMPLETION OF THE AUDIT**

We certify that we have completed the audit of the accounts of Chesterfield Royal Hospital NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.



**Andrew Bostock**  
**for and on behalf of KPMG LLP (Statutory Auditor)**

*Chartered Accountants*  
1 Snow Hill  
Snowhill Queensway  
Birmingham  
B4 6GH  
24 May 2018

This page is intentionally blank

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
31 March 2018**

	Note	2017/18 £000	2016/17 £000
Operating Income from Patient Care Activities	4	213,771	202,824
Other Operating Income	5	28,753	32,463
Total Operating Income		242,524	235,287
Operating Expenses	6	(235,532)	(235,744)
<b>OPERATING SURPLUS</b>		6,992	(457)
<b>FINANCE COSTS</b>			
Finance Income	13	88	110
Finance Expenses	14	(331)	(330)
PDC Dividends Payable		(2,722)	(2,926)
<b>NET FINANCE COSTS</b>		(2,965)	(3,146)
Gains/(Losses) from Disposal of Assets	15	(9)	(7)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		4,018	(3,610)
<b>Other Comprehensive Income</b>			
<i>Will not be reclassified to income and expenditure:</i>			
Net Impairments	17.7	(7,576)	(3,837)
Revaluations		6,586	276
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR</b>		3,028	(7,171)

All operations are continuing.

The notes on pages 6 to 43 form part of these accounts.

**STATEMENT OF FINANCIAL POSITION**  
as at 31st March 2018

	Note	31 March 2018 £000	31 March 2017 £000
<b>NON-CURRENT ASSETS</b>			
Intangible Assets	16	4,113	5,847
Property, Plant and Equipment	17	110,054	104,331
Trade and Other Receivables	20	708	678
<b>TOTAL NON-CURRENT ASSETS</b>		<b>114,875</b>	<b>110,856</b>
<b>CURRENT ASSETS</b>			
Inventories	18	4,273	4,373
Trade and Other Receivables	20	15,076	16,355
Cash and Cash Equivalents	27	30,548	30,514
<b>TOTAL CURRENT ASSETS</b>		<b>49,897</b>	<b>51,242</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	21	(17,255)	(17,562)
Borrowings	23	(2,624)	(1,880)
Provisions	25	(223)	(212)
Other Liabilities	22	(764)	(755)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(20,866)</b>	<b>(20,409)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>143,906</b>	<b>141,689</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	23	(13,770)	(15,820)
Provisions	25	(1,601)	(1,682)
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>(15,371)</b>	<b>(17,502)</b>
<b>TOTAL ASSETS EMPLOYED</b>		<b>128,535</b>	<b>124,187</b>
<b>FINANCED BY TAXPAYER'S EQUITY</b>			
Public Dividend Capital		48,223	46,903
Revaluation Reserve	26	21,532	22,546
Income and Expenditure Reserve		58,780	54,738
<b>TOTAL TAXPAYER'S EQUITY</b>		<b>128,535</b>	<b>124,187</b>

The notes on pages 6 to 43 form part of these accounts.

These financial statements were approved by the Board of Directors on 23 May 2018 and signed on its behalf by:



Simon Morritt (Chief Executive)

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED

31 March 2018

	Total	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
	£000	£000	£000	£000
<b>TAXPAYERS' EQUITY AT 1 APRIL 2017 - brought forward</b>	<b>124,187</b>	46,903	22,546	54,738
Surplus/(Deficit) for the Year	<b>4,018</b>	0	0	4,018
Net Impairments	<b>(7,576)</b>	0	<b>(7,576)</b>	0
Revaluations - Property Plant and Equipment	<b>6,586</b>	0	6,586	0
Transfer to Retained Earnings on Disposal of Assets	<b>0</b>	0	<b>(24)</b>	24
Public Dividend Capital received	<b>1,320</b>	1,320	0	0
<b>TAXPAYERS' EQUITY AT 31 MARCH 2018</b>	<b>128,535</b>	<b>48,223</b>	<b>21,532</b>	<b>58,780</b>

The notes on pages 6 to 43 form part of these accounts.

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED  
31 March 2017**

	<b>Total</b>	<b>Public Dividend Capital</b>	<b>Revaluation Reserve</b>	<b>Income and Expenditure Reserve</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>TAXPAYERS' EQUITY AT 1 APRIL 2016 - as previously stated</b>	<b>131,358</b>	46,903	26,151	58,304
Surplus/(Deficit) for the Year	<b>(3,610)</b>	0	0	<b>(3,610)</b>
Net Impairments	<b>(3,837)</b>	0	<b>(3,837)</b>	0
Revaluations - Property Plant and Equipment	<b>276</b>	0	276	0
Transfer to Retained Earnings on Disposal of Assets	<b>0</b>	0	<b>(44)</b>	44
<b>TAXPAYERS' EQUITY AT 31 MARCH 2017</b>	<b>124,187</b>	<b>46,903</b>	<b>22,546</b>	<b>54,738</b>

The notes on pages 6 to 43 form part of these accounts.

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
31 March 2018**

	Note	2017/18 £000	2016/17 £000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Surplus from Continuing Operations		6,992	(457)
Operating Surplus/(Deficit) of Discontinued Operations		0	0
<b>OPERATING SURPLUS</b>		<u>6,992</u>	<u>(457)</u>
<b>NON-CASH INCOME AND EXPENSE:</b>			
Depreciation and Amortisation		5,254	4,874
Net Impairments		(10)	13,931
Income Recognised in Respect of Capital Donations (Cash and Non-Cash)		(95)	(2,762)
(Increase) / Decrease in Trade and Other Receivables		1,732	(5,543)
(Increase) / Decrease in Inventories		100	(76)
Increase / (Decrease) in Trade and Other Payables		861	(730)
Increase / (Decrease) in Other Liabilities		9	(25)
(Increase) / Decrease in Provisions		(72)	1
<b>NET CASH GENERATED FROM OPERATIONS</b>		<u>14,771</u>	<u>9,213</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		75	112
Purchase of intangible assets		(631)	(1,910)
Purchase of property, plant and equipment and investment property		(10,816)	(16,666)
Proceeds from sales of property, plant and equipment and investment property		47	19
Receipt of cash donations to purchase capital assets		0	2,111
<b>NET CASH GENERATED USED IN INVESTING ACTIVITIES</b>		<u>(11,325)</u>	<u>(16,334)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Public Dividend Capital Received		1,320	0
Movement in loans from the Department of Health and Social Care		(1,141)	4,552
Capital Element of Finance Lease Rental Payments		(66)	(66)
Interest Paid		(327)	(279)
Interest element of finance lease		(6)	(8)
PDC Dividend Paid		(3,192)	(3,022)
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>		<u>(3,412)</u>	<u>1,177</u>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u>34</u>	<u>(5,944)</u>
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL 2017</b>		30,514	36,458
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH 2018</b>	27	30,548	30,514
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u>34</u>	<u>(5,944)</u>

The notes on pages 6 to 43 form part of these accounts.

## NOTES TO THE ACCOUNTS

### 1 Accounting Policies and Other Information

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health & Social Care Group Accounting Manual (DHSC GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DHSC GAM 2017/18 issued by the Department of Health & Social Care. The accounting policies contained in that manual follow IFRS and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to the NHS. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of land, buildings and dwellings.

The financial statements have been prepared on a going concern basis. In reaching this conclusion, the Board of Directors have considered all the information available to them in relation to the future viability of the Trust.

#### 1.2 Consolidation

Subsidiary entities are those over which the trust has the power to exercise control or a dominant influence so as to gain economic or other benefits.

##### Charitable Funds

Chesterfield Royal Hospital NHS Foundation Trust is the Corporate Trustee to Chesterfield Royal Hospital NHS Foundation Trust General Charity (registered charity number 1052913). The Foundation Trust has assessed its relationship to the Charitable Fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The transactions are not material in the context of the group and transactions have not been consolidated. Details of any transactions with the Charity are included in note 31 Related parties.

##### Blue Dykes Surgeries

Chesterfield Royal Hospital NHS Foundation Trust entered into a partnership agreement for the Personal Medical Services (PMS) contracts of the Blue Dykes Surgeries on 11 July 2016. For 2016/17, the Trust assessed its relationship to the Blue Dykes Surgeries and determined it to be a subsidiary because the Trust was exposed to, or had rights to, variable returns and through its financial control over the entity. However, due to the immateriality, Blue Dykes was not consolidated in to the accounts of Chesterfield Royal Hospital.

From 1 April 2017, all trade relating to Blue Dykes surgeries was undertaken through Chesterfield Royal Hospital NHSFT, and as such the transactions are fully accounted for in these accounts.

##### Derbyshire Primary Care & Commercial Services Limited

Derbyshire Primary Care & Commercial Services Limited is a 100% wholly owned subsidiary of Chesterfield Royal Hospital NHS Foundation Trust. It was incorporated on 18th January 2017 to deliver primary care and other commercial services. As at 31st March 2018, the company had not commenced trading and as such, there are no transactions which need to be consolidated within these accounts.

#### 1.3 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. Income is shown gross except where an administrative arrangement exists, whereby the income is netted off with the corresponding expenditure in accordance with the DHSC GAM. The main source of income for the Trust is contracts with commissioners in respect of healthcare services.

### 1.3 Income (continued)

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred. Where income has not been received prior to the year end but the provision of a healthcare service has commenced i.e. partially completed spells, then income relating to the patient activity is accrued. The accrued income is estimated on the number of days of incomplete spells at an average daily tariff adjusted to reflect hospital case-mix.

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

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.

### 1.4 Expenditure on 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.

The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

#### *NHS Pension Scheme*

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded, defined benefit schemes that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. They are not designed to be run in a way that would enable the Foundation Trust to identify its share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contribution payable to that scheme for the accounting period. Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

### 1.5 Expenditure on Other Goods and Services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as Property, Plant and Equipment.

Expenditure is shown gross except where an administrative arrangement exists, whereby the expenditure is netted off with the corresponding income in accordance with the DH GAM.

### 1.6 Property, Plant and Equipment

#### *Recognition*

Property, Plant and Equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably and is in excess of £5,000.

Additionally, Property, Plant and Equipment will be capitalised where it is made up of a group of assets which individually have a cost of £250 and collectively have a cost of at least £5,000, are functionally interdependent, with broadly simultaneous purchase and disposal dates and are under single managerial control; or where it is part of the setting up cost, of a new building, or refurbishment of a new ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, then these components are treated as separate assets and depreciated over their useful economic lives.

## 1.6 Property, Plant and Equipment (continued)

### **Measurement**

#### **Valuation**

All Property, Plant and Equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost includes professional fees but not borrowing costs, which the DH Group Accounting Manual (DH GAM) does not allow to be capitalised and are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. All assets are measured subsequently at fair value.

For property assets, the Trust follows the revaluation model outlined in IAS 16.

Specialist buildings are valued at depreciated replacement cost (DRC) on a modern equivalent asset basis.

Non-specialised buildings are valued at market value on an existing use basis.

Assets under construction (AUC) are shown at actual expenditure incurred to date, except for significant value long term building projects which can be split into components and revalued by a professional valuer.

Revaluations are performed by professional valuers. A full revaluation will be performed at least every 5 years, and the Trust will undertake an annual review to ensure that carrying amounts are not materially different from the values that would be determined at the statement of financial position date.

For newly constructed or acquired property, a valuation is only undertaken when there is an indication that the initial cost is different to its fair value. Otherwise the asset is only revalued on the next occasion when all of the assets of that class are revalued.

Plant and equipment assets are not revalued but carried at depreciated historical cost. The DH GAM permits depreciated historical cost as a proxy to fair value when the life of the assets are short or the assets are of low value, providing that both the useful life of the asset and the consumption of economic benefit reflected by the depreciation policy are realistic.

#### **Subsequent expenditure**

Subsequent expenditure relating to an item of Property, Plant and Equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such an item will flow to the Trust and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

#### **Depreciation**

Items of Property, Plant and Equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated. Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Property assets are depreciated on a component basis over the asset lives determined by professional valuers with a range of asset life from 15 to 90 years.

Plant and equipment assets are depreciated on a straight line basis over the following asset life ranges:

Plant & machinery	5 to 20 years
Transport equipment	5 to 15 years
Information technology	2 to 15 years
Furniture & fittings	5 to 15 years

Depreciation, asset lives and any residual amounts are reviewed annually.

## 1.6 Property, Plant and Equipment (continued)

### **Revaluation gains and losses**

Revaluation gains are recognised in the Revaluation Reserve, except where, and to the extent that, they reverse a revaluation decrease that has been previously recognised in operating expenses, in which case they are recognised in Operating Income.

Revaluation losses are charged to the Revaluation Reserve to the extent that there is an available balance, and thereafter are charged to Operating Expenses.

Gains and losses recognised in the Revaluation Reserve are reported in the Statement of Comprehensive Income as an item of 'Other Comprehensive Income'.

### **Impairments**

At each reporting period end, the Trust checks whether there is any indication that any of its Property, Plant or Equipment have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine the value of the loss. In accordance with the DH GAM, impairments that are due to a loss of economic benefit or service potential in the asset are charged to operating expenses. A compensating transfer is made from the Revaluation Reserve to the Income and Expenditure Reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the Revaluation Reserve attributable to that asset before the impairment.

An impairment arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in Operating Expenses to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the Revaluation Reserve. Where, at the time of the original impairment, a transfer was made from the Revaluation Reserve to the Income and Expenditure Reserve, an amount is transferred back to the Revaluation Reserve when the impairment reversal is recognised.

Other Impairments are treated as revaluation losses. Reversals of Other Impairments are treated as revaluation gains.

### **De-recognition**

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale';and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, Plant and Equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the assets economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

## 1.7 Intangible Assets

### **Recognition**

Intangible Assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably, and where the cost is more than £5,000.

#### **• Internally generated Intangible Assets**

Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an Intangible Asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the Intangible Asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

#### **• Software**

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of Property, Plant and Equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an Intangible Asset.

### **Measurement**

Intangible Assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Following initial recognition, Intangible Assets are carried at fair value by reference to an active market, or, where no active market exists, at depreciated replacement cost.

Intangible Assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

### **Amortisation**

Intangible Assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Life ranges from 2 to 15 years.

## 1.8 Donated, Government Grant and Other Grant Funded Assets

Donated and Grant Funded Property, Plant and Equipment and Intangible Assets are capitalised at their fair value on receipt. The donation / grant is credited to income at the same time, unless the donor / grantor has imposed a condition that the future economic benefits embodied in the donation / grant are to be consumed in a manner specified by the donor / grantor. In this case, the donation / grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of Property, Plant and Equipment.

## **1.9 Revenue Government and Other Grants**

Government Grants are grants from Government bodies other than income from Clinical Commissioning Groups (CCGs) or NHS Trusts for the provision of services. Where a grant is used to fund revenue expenditure, it is taken to the Statement of Comprehensive Income to match that expenditure.

## **1.10 Inventories**

Inventories are valued at the lower of cost and net realisable value using the first-in-first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of inventories.

## **1.11 Cash and Cash Equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash Equivalents are investments that mature in 3 months or less from the date of the acquisition and that are readily convertible into known amounts of cash with insignificant risk of changes in value. These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see "Third Party Assets" Note 1.20).

## **1.12 Financial Instruments**

### ***Recognition***

Financial Assets and Financial Liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

Financial Assets or Financial Liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described in Note 1.13.

Regular purchases or sales are recognised and de-recognised, as applicable, using the trade date.

All other Financial Assets and Financial Liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

### ***De-recognition***

All Financial Assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial Liabilities are de-recognised when the obligation is discharged, cancelled or expires.

### ***Classification and Measurement***

Financial Assets are categorised as Loans and Receivables.

Financial Liabilities are classified as Other Financial Liabilities.

### ***Loans and Receivables***

Loans and Receivables are non-derivative financial assets with fixed or determinable payments with are not quoted in an active market. They are included in Current Assets.

The Trust's Loans and Receivables comprise: Cash and Cash Equivalents, NHS Receivables, Accrued Income and 'Other Receivables'.

Loans and Receivables are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on Loans and Receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

## 1.12 Financial Instruments (continued)

### ***Other Financial Liabilities***

Other Financial Liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in Current Liabilities except for amounts payable more than 12 months after the balance sheet date, which are classified as Long-term Liabilities.

Interest on Financial Liabilities, carried at amortised cost, is calculated using the effective interest method and charged to Finance Costs. Interest on Financial Liabilities taken out to finance Property, Plant and Equipment or Intangible Assets is not capitalised as part of the cost of those assets.

### ***Determination of Fair Value***

For Financial Assets and Financial Liabilities carried at fair value, the carrying amounts are determined from discounted cash flow analysis.

### ***Impairment of Financial Assets***

At the Statement of Financial Position date, the Trust assesses whether any Financial Assets, other than those held at 'Fair Value through Income and Expenditure' are impaired. Financial Assets are impaired and Impairment Losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset. For Financial Assets carried at amortised cost, the amount of the Impairment Loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly or through the use of a Bad Debt Provision. Bad Debt Provisions are used when there is some uncertainty that the debt will be paid. Bad debts are written off directly only when there is certainty that the debt will not be paid.

## 1.13 Leases

### ***Finance Leases***

#### ***The Trust as a lessee***

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

### 1.13 Leases (continued)

#### ***The Trust as a lessor***

The Trust does not have any Finance Leases where it acts as the lessor.

#### ***Operating Leases***

##### ***The Trust as a lessee***

Other leases are regarded as Operating Leases and the rentals are charged to Operating Expenses on a straight-line basis over the term of the lease. Operating Lease incentives received are added to the lease rentals and charged to Operating Expenses over the life of the lease.

##### ***The Trust as a lessor***

Rental income from Operating Leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an Operating Lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### ***Leases of Land and Buildings***

Where a lease is for Land and Buildings, the land component is separated from the building component and the classification for each is assessed separately.

### 1.14 Provisions

The Trust provides for legal or constructive obligations that are of uncertain timing or amount, at the Statement of Financial Position date, on the basis of the best estimate of the expenditure required to settle the obligation. The amount recognised as a Provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's published discount rates for short term (0 to 5 years), medium term (5 to 10 years) and long term (> 10 years), except for Early Retirement Provisions and Injury Benefit Provisions which both use the HM Treasury's pension discount rate of 0.10% (2016/17: 0.24%) in real terms.

When some or all of the economic benefits required to settle a Provision are expected to be recovered from a third party, the Receivable is recognised as an Asset if it is virtually certain that reimbursements will be received and the amount of the Receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a Provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

#### ***Clinical Negligence Costs***

NHS Resolution (formerly NHS Litigation Authority (NHSLA)) operates a risk pooling scheme under which the Trust pays an annual contribution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of Clinical Negligence Provisions carried by NHS Resolution on behalf of the Trust is disclosed at Note 25 and is not recognised in the Statement of Comprehensive Income.

#### ***Non-clinical Risk Pooling***

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to Operating Expenses when the Liability arises.

### **1.15 Contingencies**

Contingent Assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Trust's control) are not recognised as Assets, but are disclosed in Note 30 where an inflow of economic benefits is probable.

Contingent Liabilities are not recognised, but are disclosed in Note 30 (where applicable), unless the probability of a transfer of economic benefits is remote. Contingent Liabilities are defined as: possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Trust's control; or present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability. A Contingent Liability is disclosed unless the possibility of payment is remote.

### **1.16 Public Dividend Capital**

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the forecast cost of capital utilised by the NHS Foundation Trust, is paid to the Department of Health & Social Care as PDC dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the Average Relevant Net Assets of the Trust. Relevant Net Assets are calculated as the value of all assets less the value of all liabilities, except for (i) Donated Assets (ii) average daily cash balances (banking days) held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health & Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual Average Relevant Net Assets as set out in the pre-audit version of the Annual Accounts. The dividend thus calculated is not revised should any adjustment to Net Assets occur as a result of the audit of the Annual Accounts.

### **1.17 Value Added Tax**

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT.

### **1.18 Corporation Tax**

The Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of Income and Capital Gains within categories covered by this but the Trust is potentially within the scope of Corporation Tax in respect of activities where Income is received from a Non Public Sector source.

However, the Trust has evaluated that it has no Corporation Tax Liability, as all activities are either ancillary to healthcare or below the de minimus level of profit at which Tax becomes payable.

### **1.19 Foreign Exchange**

The functional and presentational currencies of the Trust are sterling. Foreign Exchange transactions are negligible.

### **1.20 Third Party Assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual (Note 34).

## 1.21 Losses and Special Payments

Losses and Special Payments are items that Parliament would not have contemplated when it agreed funds for the National Health Service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and Special Payments are charged to the relevant functional headings in Expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure). Provisions for future losses are not recognised in the Accounts.

## 1.22 Accounting Standards, Amendments and Interpretations Issued but Not Yet Adopted

The following table presents a list of recently issued accounting standards and amendments which have not yet been adopted within the FReM, and are therefore not applicable to DH group accounts in 2017-18.

Change published	Financial year for which change first	Notes
<i>IFRS 9 Financial Instruments (changes to classification and measurement of financial assets)</i>	<i>Application required for accounting periods beginning on or after 1 January 2018 (2018/19), but not yet adopted by the FReM: early adoption is not therefore permitted.</i>	(i)
<i>IFRS 14 Regulatory Deferral Accounts</i>	<i>Not yet EU-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DH group bodies.</i>	
<i>IFRS 15 Revenue from contracts with customers (recognition of income once performance obligations are satisfied)</i>	<i>Application required for accounting periods beginning on or after 1 January 2018 (2018/19), but not yet adopted by the FReM: early adoption is not therefore permitted.</i>	(ii)
<i>IFRS 16 Leases (change in recognition of all leases &gt; 1 year on Statement of Financial Position)</i>	<i>Application required for accounting periods beginning on or after 1 January 2019 (2018/19), but not yet adopted by the FReM: early adoption is not therefore permitted.</i>	(iii)
<i>IFRS 17 Insurance Contracts (not likely to be applicable to NHS bodies)</i>	<i>Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.</i>	
<i>IFRIC 22 Foreign Currency Transactions and Advance Consideration</i>	<i>Application required for accounting periods beginning on or after 1 January 2018.</i>	
<i>IFRIC 23 Uncertainty over Income Tax Treatments</i>	<i>Application required for accounting periods beginning on or after 1 January 2019.</i>	

The Trust has considered the new Accounting Standards, Amendments and Interpretations to published standards that are not yet effective and concluded the following:

- (i) IFRS 9 - minimal impact. The new impairment model for bad debts will give rise to an earlier recognition of an impairment provision where knowledge of the debt type/ debtor has indicated that it has been written off in the past.
- (ii) IFRS 15 - minimal impact. Based on review of income contracts there are minimal performance obligations e.g. fines for breaches of specific contract items. IFRS 15 states that income can only be recognised once performance obligations are satisfied. However, breaches will not be known when the income is initially recognised.
- (iii) IFRS 16 - anticipated to be of significant impact. All existing leases with a lease term of greater than one year will be required to be disclosed on the Statement of Financial Position, recognising a Non-Current Asset and a corresponding Finance Lease Liability.

### **1.23 Accounting Standards, Amendments and Interpretations Issued but Adopted Early**

The Trust has not adopted early any new Accounting Standards, Amendments or Interpretations.

## **2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

In the application of the Trust's Accounting Policies, management is required to make judgements, estimates and assumptions about the carrying amounts of Assets and Liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### ***Critical Judgements in Applying Accounting Policies***

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's Accounting Policies and that have the most significant effect on the amounts recognised in the Financial Statements.

#### ***Leases***

The Trust has used its judgement to determine if substantially all the significant risks and rewards of ownership of Leases are transferred from other entities in accordance with IAS 17. Only those arrangements where it has been judged that the risks and rewards are transferred to the Trust are included within Finance Leases.

#### ***Consolidation of NHS Charity***

The Trust has taken the decision not to consolidate its NHS Charity due to it being not material to the Trust. Further details are shown in note 1.2.

### **Key Sources of Estimation Uncertainty**

The Trust has considered key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that could have a significant risk of causing a material adjustment, in the opinion of the Directors, to the carrying amounts of Assets and Liabilities within the next financial year.

Although the Trust has made estimates within these Financial Statements such as Incomplete Patient Spells Accrued Income, Annual Leave Accrual and Provisions e.g. Litigations and Early Retirements, the amounts involved would not cause a material adjustment to the carrying amounts of Liabilities within the next financial year.

In addition, a revaluation of the Trust's buildings was undertaken with a prospective date of 31st March 2018. The Trust relies on an independent external valuer for the accuracy of such valuations, and this is derived from estimates on local market data and calculations to reflect age and condition. In 2015/16 the basis upon which the Modern Equivalent Asset Valuation is assessed by the external valuer changed from the existing site to the alternate, theoretical site.

## **3. Operating Segments**

The Board as 'Chief Operating Decision Maker' has determined that the Trust operates in one material segment, which is the Provision of Healthcare Services. The segmental reporting format reflects the Trust's management and internal reporting structure.

The Provision of Healthcare (including Medical Treatment, Research and Education) is within one main geographical segment, the United Kingdom, and materially from Departments of HM Government in England.

Income from Activities (medical treatment of patients) is analysed by customer type in note 4.2 to the Financial Statements. Other Operating Income is analysed in Note 5 to the Financial Statements and materially consists of revenues from Healthcare Research and Development, Medical Education and the Provision of Services to Other NHS Bodies.

#### 4. Income from Activities

##### 4.1 Income from Activities (by nature)

	2017/18	2016/17
	£000	£000
Elective Income	28,718	29,466
Non-Elective Income	71,395	65,279
First outpatient income	9,145	9,059
Follow up outpatient income	10,445	12,929
A&E Income	10,181	8,513
High cost drugs income from commissioners (excluding pass-through costs)	12,867	12,457
Other NHS Clinical Income*	70,063	64,050
Other Clinical Income**	928	991
Private Patient Income	29	80
	<b>213,771</b>	<b>202,824</b>

Under the terms of their Licences, from 1 April 2013, Foundation Trusts are required to disclose income from Patient Care Activities relating to Commissioner Requested Services and those from other services. Under the Health and Social Care Act 2012, Clinical Commissioning Groups (CCGs) are responsible for planning and purchasing health services for their local populations. That responsibility includes designating a range of services that local Commissioners believe should continue to be provided locally if any individual provider is at risk of failing financially. These are referred to as Commissioner Requested Services.

The split of income from patient care activities into those relating to Commissioner Requested Services and other services is as follows:

	2017/18	2016/17
	£000	£000
Income from Patient Care Activities arising from Commissioner Requested Services	212,814	201,753
Income from Patient Care Activities arising from all other services	957	1,071
	<b>213,771</b>	<b>202,824</b>

\*Other NHS Clinical Income includes services such as Pathology **£4,425k** (2016/17: £4,361k), Radiology **£4,100k** (2016/17: £4,115k), Audiology **£1,443k** (2016/17: £1,857k), Critical Care Services **£9,015k** (2016/17: £8,124k), Child Health Services **£7,613k** (2016/17: £6,921k), Maternity **£5,413k** (2016/17: £5,606k), Screening Services **£3,319k** (2016/17: £2,796k), CQUIN **£4,510k** (2016/17: £4,091k), Outpatient Procedures **£6,901k** (2016/17: £6,050k) Stroke **£2,310k** (2016/17: £1,947k), Transformation **£3,136k** (2016/17: £2,995k), Therapies **£1,779k** (2016/17: £1,812k), Patient Travel **£1,176k** (2016/17: £1,175k) and Royal Primary Care **£5,176k** (2016/17: £4,552k).

\*\*Other Clinical Income includes NHS Injury Scheme Income **£875k** (2016/17: £972k) and Overseas Visitors **£50k** (2016/17: £19k). NHS Injury Scheme Income is subject to a Provision for Doubtful Debts of **3.01%** (2016/17: 9.8%) to reflect expected local rates of collection.

## 4.2 Income from Activities (by source)

	2017/18 £000	2016/17 £000
NHS Trusts	72	73
NHS England	17,322	14,949
Clinical commissioning groups	195,244	186,615
NHS Other	179	116
Non NHS:		
- Private Patients	29	80
- Overseas Patients (Chargeable to Patient)	50	19
- NHS Injury Scheme	875	972
- Other	0	0
	<b>213,771</b>	<b>202,824</b>

## 4.3 Analysis of Overseas Patients (Non-Reciprocal) (relating to patients charged directly by the Foundation Trust)

	2017/18 £000	2016/17 £000
Income recognised this year	50	19
Cash payments received in-year (relating to invoices raised in current and previous years)	30	9
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	24	12
Amounts written off in-year (relating to invoices raised in current and previous years)	4	0

## 5.1 Other Operating Income

	2017/18 £000	2016/17 £000
Research and Development	582	556
Education and Training	8,045	7,639
Education and Training - notional income from Apprenticeship Fund	23	0
Charitable and Other Contributions to Expenditure: NHS Charities	145	91
Charitable and Other Contributions to Expenditure: Other*	0	2,713
Non-Patient Care Services to Other Bodies	6,216	5,967
Sustainability and Transformation Fund (STF) income**	5,822	7,550
Other Income	906	952
Rental Revenue from Operating Leases	424	425
Staff Recharges	1,970	1,978
Car Parking Income	1,651	1,516
Pharmacy Sales Income	169	180
Staff Accommodation Rental Income	532	639
Clinical Excellence Awards	145	172
Catering Income	2,123	2,085
	<b>28,753</b>	<b>32,463</b>

\* Charitable and Other Contributions to Expenditure: Other £2,713k in 2016/17 relates to donations receivable from MacMillan Cancer Support to fund the building of the new cancer centre at the hospital.

\*\* Sustainability and Transformation Fund (STF) income has been made available to NHS providers, linked to the achievement of financial controls and performance targets. **£5,822k** (2016/17: £7,550k) relates to the Trust's total indicative STF receivable which includes **£3,943k** (2016/17: £6,627k) core STF and **£1,879k** (2016/17: £nil) general distribution STF income. In 2016/17, the Trust received an additional £229k incentive STF for over achievement of financial performance and £694k bonus STF.

**5.2 Fees and charges - aggregate of all schemes that, individually, have a cost exceeding £1m**

	2017/18 £000	2016/17 £000
Income	2,151	2,591
Full Cost	(2,143)	(2,591)
<b>Surplus / (Deficit)</b>	<b>8</b>	<b>0</b>

HM Treasury's FReM requires bodies to provide additional disclosures for fees and charges raised under legislation where the full cost exceeds £1 million or the service is otherwise material in relation to the accounts. The above disclosure relates to legislative prescription charges.

**6. Operating Expenses****6.1 Operating Expenses comprise:**

	2017/18 £000	2016/17 £000
Staff and executive directors costs	157,505	148,130
Non-Executive Directors Costs	166	161
Drug Costs	19,277	18,896
Supplies and Services - Clinical (excl. Drugs)	18,163	18,044
Premises	9,192	7,848
Clinical Negligence	8,942	8,129
Supplies and Services - General	5,268	5,665
Depreciation of Property, Plant and Equipment	4,465	3,988
Amortisation of Intangible Assets	789	886
Impairments net of (reversals)	(10)	13,931
Services from NHS Foundation Trusts	2,912	2,669
Services from NHS Trusts	159	101
Services from Other NHS Bodies	1	11
Purchase of Healthcare from Non-NHS Bodies	2,364	1,510
Transport (including Patient Travel)	1,680	1,562
Establishment	1,369	1,376
Other Services	412	257
Training Costs	496	474
Increase in Provision for Impairment of Receivables	36	152
Increase in Other Provisions	45	47
Change in Provisions Discount Rate	18	154
Car Parking and Security Services	295	340
Rentals Under Operating Leases	227	212
Insurance Costs	194	254
Legal Fees	63	110
Internal Audit Fees	76	90
Consultancy Costs	591	140
Auditor's Remuneration - Statutory Audit Fees	58	64
Other Auditor's Remuneration	7	66
Inventories Write Down	115	95
Other Losses, Ex Gratia and Special Payments	6	3
Hospitality	26	16
Redundancy Costs	0	13
Purchase of Social Care (Under s.75 or Other Integrated Care Arrangements)	25	180
Other	600	170
	<b>235,532</b>	<b>235,744</b>

The above Directors and Staff Costs include £14,499k Employers Pension Contributions (2016/17: £13,726k).

Research and Development Costs, mainly included in Staff Costs above, total £593k (2016/17: £572k).

## 7. Operating Leases

### 7.1 Operating Lease Income

The Trust receives Rental Income for Accommodation that is owned by the Trust but which is rented out to third parties. The Rental Income received during the year and the future minimum lease payments receivable are shown below.

	2017/18 £000	2016/17 £000
<b>Operating Lease Income</b>		
Minimum Lease Receipts	355	366
Contingent Rents	69	59
Other	0	0
	<b>424</b>	<b>425</b>
<b>Future Minimum Lease Payments Receivable</b>		
- not later than one year;	305	322
- later than one year and not later than five years;	1,205	1,211
- later than five years.	461	763
	<b>1,971</b>	<b>2,296</b>

### 7.2 Operating Lease expenditure

The Trust pays rentals for Property, Plant and Equipment that are used but not owned by the Trust. The Trust has reviewed all contracts where the Trust has the right to use an asset to determine whether in substance, an Operating or Finance Lease exists. Where the Trust has determined that a lease arrangement is that of a Finance Lease, these are disclosed in Note 24. Operating Leases that have been identified are shown below. The rentals paid during the year plus the future minimum lease payments due are disclosed.

	Total 2017/18 £000	Buildings 2017/18 £000	Other 2017/18 £000	Total 2016/17 £000
<b>Payments Recognised as an Expense</b>				
Minimum Lease Payments	227	22	205	208
Contingent Rents	0	0	0	4
Less sub-lease payments	0	0	0	0
	<b>227</b>	<b>22</b>	<b>205</b>	<b>212</b>
<b>Future Minimum Lease Payments due</b>				
Not later than one year	88	13	75	102
Between one and five years	74	10	64	115
After five years	0	0	0	0
	<b>162</b>	<b>23</b>	<b>139</b>	<b>217</b>

The Trust does not sublease to other third parties.

## 8. Salary and Pension entitlements of senior managers

Details of the Salary and Pension entitlements of senior managers are included within the Remuneration Report section of the Trust's Annual Report.

## 9. Employee Benefit Expense and Numbers

### 9.1 Employee Expenses

	Total £000	2017/18 Permanent £000	Other £000	Total £000	2016/17 Permanent £000	Other £000
Salaries and Wages	113,692	112,518	1,174	107,393	106,175	1,218
Social Security Costs	10,859	10,859	0	10,264	10,264	0
Apprenticeship Levy	525	525	0			
Pension Cost - Employer Contributions to NHS Pension Scheme	14,499	14,499	0	13,726	13,726	0
Pension Cost - Other schemes	12	12	0	10	10	0
Termination Benefits	23	23	0	29	29	0
Temporary Staff - External Bank	5,143	n/a	5,143	3,504	n/a	3,504
Temporary Staff - Agency / Contract Staff	13,489	n/a	13,489	14,126	n/a	14,126
	<b>158,242</b>	<b>138,436</b>	<b>19,806</b>	<b>149,052</b>	<b>130,204</b>	<b>18,848</b>
Employee Costs Capitalised as Part of Assets	737	614	123	922	798	124
Total Staff Costs (Excluding Capitalised Costs)	<b>157,505</b>	<b>137,822</b>	<b>19,683</b>	<b>148,130</b>	<b>129,406</b>	<b>18,724</b>

### 9.2 Average Number of Employees (WTE Basis)

	Total WTE	2017/18 Permanent WTE	Other WTE	Total WTE	2016/17 Permanent WTE	Other WTE
Medical and Dental	425	343	82	415	358	57
Administration and Estates	763	718	45	710	701	9
Healthcare Assistants and Other Support Staff	1,158	1,020	138	1,077	972	105
Nursing, Midwifery and Health Visiting Staff	1,059	967	92	1,090	966	124
Scientific, Therapeutic and Technical Staff	275	267	8	261	249	12
Healthcare Science Staff	95	91	4	96	93	3
Social Care Staff	7	7	0	8	8	0
Total	<b>3,782</b>	<b>3,413</b>	<b>369</b>	<b>3,657</b>	<b>3,347</b>	<b>310</b>
Of which: Number of Employees (WTE) Engaged on Capital Projects	19	18	1	21	20	1

WTE = Whole Time Equivalents

### 9.3 Employee Benefits

There are no additional Employee Benefits, other than those reported in note 9.1.

### 9.4 Staff exit packages

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

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

Exit Package Cost Band	2016/17				Total Number of Exit Packages by Cost Band	Total Cost of Exit Packages by Cost Band £000
	Number of Compulsory Redundancies	Cost of Compulsory Redundancies £000	Number of Other Departures Agreed	Cost of Other Departures Agreed £000		
< £10,000	0	0	12	29	12	29
£10,001 - £25,000	1	13	0	0	1	13
Total Number of Exit Packages by Type	1	13	12	29	13	42

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

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

**9. Employee Benefit Expense and Numbers (continued)****9.5 Staff Exit Packages - Other Non-Compulsory Departure Payments**

	2017/18		2016/17	
	Number of Payments Agreed	Total Value of Agreements £000	Number of Payments Agreed	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual	0	0	0	0
Contractual Payments in Lieu of Notice	16	23	12	29
Exit Payments following Employment Tribunals or Court Orders	1	2	0	0
Non-Contractual Payments requiring HM Treasury Approval*	0	0	0	0
<b>Total</b>	<b>17</b>	<b>25</b>	<b>12</b>	<b>29</b>
Of which:				
Non-Contractual Payments made to individuals where the payment value was more than 12 months of their annual salary	0	0	0	0

As a single exit package can be made up of several components, each of which will be counted separately in this note, the total number above may not necessarily match the total numbers in Note 9.4 which will be the number of individuals.

\* includes any Non-Contractual Severance Payment made following judicial mediation and amounts relating to Non-Contractual Payments in Lieu of Notice.

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

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

**9.6 Retirements Due to Ill-Health**

During the year to 31st March 2018 there were **3** Early Retirements from the Trust agreed on the grounds of ill-health.

The estimated additional pension liabilities of these Ill-Health Retirements will be **£104k**.

There were 5 Ill-Health Retirements in the year to 31st March 2017, with estimated liabilities of £179k.

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

**10. Pension Costs**

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

**a) Accounting Valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

**10. Pension Costs (continued)****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 last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

**National Employees Savings Scheme (NEST)**

For employees who are not eligible to access the NHS Pension Scheme, the Trust has a workplace stakeholder pension in place (NEST). This is a defined contribution scheme where both the Trust and the employee pay monthly contributions.

**11. Auditor's Remuneration**

Auditor's remuneration for the financial year for statutory external audit services was **£47k** (2016/17: £50k). In addition, the Trust paid **£5k** in 2016/17 for 2015/16 audit cost overruns.

The Trust also paid fees of **£11k** (2016/17: £15k) relating to audit work performed on the Trust's Quality Accounts disclosed as audit related assurance services below. In 2016/17, the Trust purchased some non-audit services: £27k to undertake a data quality review into Referral to Treatment (RTT) waiting times and £22k to undertake a high level due diligence review of Holywell Medical Group and Blue Dykes Surgeries. All fees disclosed above are exclusive of VAT.

**Break down of Other Auditor Remuneration**

Other auditor remuneration paid to the external auditor is analysed as follows:

	2017/18 £000 *	2016/17 £000 *
Auditing of Any Associate of the Trust's Accounts	0	0
Audit-Related Assurance Services	7	17
Taxation Compliance Services	0	0
All Other Taxation Advisory Services (not included above)	0	0
Internal Audit Services (only those payable to the External Auditor)	0	0
All Other Assurance Services (not included above)	0	0
Corporate Finance Transaction Services (not included above)	0	0
All Other Non-Services	0	49
	<u>7</u>	<u>66</u>

\* Including non-recoverable VAT where applicable

The Limitation of Auditor's Liability was £200k for 2017/18 and £1m for 2016/17.

## 12. The Late Payment of Commercial Debts (Interest) Act 1998

There was one payment of **£2k** (2016/17: £nil) relating to Interest Payments made in respect of the Late Payment of Commercial Debt (Interest) Act 1998.

## 13. Finance Income

Finance Income was received in the form of Bank Interest Receivable totalling **£88k** (2016/17: £110k).

## 14. Finance Costs

Interest Costs incurred during the year are as follows:

	2017/18 £000	2016/17 £000
Capital Loans from the Department of Health	320	314
Finance Leases	6	8
Interest on Late Payment of Commercial Debt	2	0
Unwinding of Discount on Provisions	2	5
Other	1	3
	<b>331</b>	<b>330</b>

The Trust has two long term capital investment loan agreements from the Department of Health; a 10 year loan dated 2009/10 to fund a new wards building and a further 10 year loan signed during 2015/16 to refurbish the Trust's operating theatres and to build a new Cancer Centre. As at 31 March 2018 total borrowings less repayments totalled **£16.394m** (31st March 2017: £17.535m).

Interest on the loans is accrued from the date of the first drawdown and is paid every six months. The interest rate of the new wards loan is 2.84% and the interest rate on the Theatre Refurbishment and Cancer Centre loan is 1.71%.

## 15. Gains / (losses) on disposal / derecognition of assets

Gains / (losses) on disposal / derecognition of assets are as follows:

	2017/18 £000	2016/17 £000
Gains on disposal/derecognition of other property, plant and equipment	54	19
Losses on disposal/derecognition of other property, plant and equipment	(51)	(26)
Losses on disposal/derecognition of intangible assets	(12)	0
<b>Total gain / (losses) on disposal / derecognition</b>	<b>(9)</b>	<b>(7)</b>

## 16. Intangible Assets

### 16.1 Intangible Assets comprise the following elements:

	Total 31 March 2018 £000	IT (internally generated & 3rd party) £000	Assets Under Construction £000	Total 31 March 2017 £000	IT (internally generated & 3rd party) £000	Assets Under Construction £000
Gross Cost at 1 April	10,340	8,328	2,012	10,579	8,075	2,504
Additions - Purchased / Internally Generated	507	143	364	556	235	321
Impairments Charged to Operating Expenses	(2,469)	(2,469)	0	0	0	0
Reclassifications	(10)	1,839	(1,849)	(661)	152	(813)
Disposals / Derecognition	(49)	(49)	0	(134)	(134)	0
<b>Gross Cost at 31 March</b>	<b>8,319</b>	<b>7,792</b>	<b>527</b>	<b>10,340</b>	<b>8,328</b>	<b>2,012</b>
Amortisation at 1 April	4,493	4,493	0	3,735	3,735	0
Provided During the Year	789	789	0	886	886	0
Impairments charged to operating expenses	(1,039)	(1,039)	0	0	0	0
Disposals / Derecognitions	(37)	(37)	0	(128)	(128)	0
<b>Amortisation at 31 March</b>	<b>4,206</b>	<b>4,206</b>	<b>0</b>	<b>4,493</b>	<b>4,493</b>	<b>0</b>
<b>Net Book Value at 31 March</b>						
- Owned at 31 March	4,113	3,586	527	5,847	3,835	2,012
- Donated and Government Grant Funded at 31 March	0	0	0	0	0	0
<b>Total at 31 March</b>	<b>4,113</b>	<b>3,586</b>	<b>527</b>	<b>5,847</b>	<b>3,835</b>	<b>2,012</b>

No Intangible Assets were donated to the Trust by Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds in either year.

Intangible Assets under construction mainly relate to software that has been purchased but not fully commissioned at the year end.

### 16.2 Intangible Assets Acquired by Government Grant

There are no Intangible Assets that have been acquired by Government Grant.

### 16.3 Economic Life of Intangible Assets

The minimum and maximum economic lives of Intangible Assets when purchased are as follows:

	Min. Life Years	Max. Life Years
Software - Purchased	2	15

The Trust's Patient Administration System (PAS) was originally capitalised June 2014 with an asset life of 15 years. The majority of the other Intangible Assets held have an asset life, on average, of 4 years.

None of the Trust's Intangible Assets have indefinite useful economic lives.

### 16.4 Impairment of Intangible Assets

An independent review of Intangible Assets current net book value compared to depreciated replacement cost has been undertaken resulting in an impairment of **£1.4m** (2016/17 : £nil).

**17. Property, Plant and Equipment****17.1 Property, Plant and Equipment for 2017/18 comprise the following elements:**

	Total 31 March 2018	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction and Payments on Account*	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2017	136,314	4,055	79,578	5,250	16,311	24,488	309	5,071	1,252
Additions - Purchased	9,774	0	2,220	18	5,730	1,391	0	382	33
Additions - Donations of Physical Assets (Non-Cash)	95	0	83	0	0	12	0	0	0
Impairments Charged to Operating Expenses	(775)	(775)	0	0	0	0	0	0	0
Impairments Charged to the Revaluation Reserve	(9,881)	(172)	(7,563)	(2,146)	0	0	0	0	0
Reversal of Impairments Credited to the Revaluation Reserve	3,106	0	2,659	0	447	0	0	0	0
Revaluations	(1,585)	0	(1,533)	(52)	0	0	0	0	0
Reclassifications	10	0	10,427	42	(15,987)	2,371	0	3,000	157
Disposals / Derecognition	(2,913)	0	0	0	0	(2,266)	0	(635)	(12)
<b>Cost or Valuation at 31 March 2018</b>	<b>134,145</b>	<b>3,108</b>	<b>85,871</b>	<b>3,112</b>	<b>6,501</b>	<b>25,996</b>	<b>309</b>	<b>7,818</b>	<b>1,430</b>
Accumulated Depreciation at 1 April 2017	31,983	0	0	0	9,213	17,821	200	4,056	693
Provided During the Year	4,465	0	1,453	52	0	1,824	27	1,000	109
Impairments Charged to Operating Expenses	11,857	0	11,525	0	332	0	0	0	0
Impairments Charged to the Revaluation Reserve	801	0	0	0	801	0	0	0	0
Reversal of Impairments Credited to Operating Expenses	(14,072)	0	(4,859)	0	(9,213)	0	0	0	0
Revaluations	(8,171)	0	(8,119)	(52)	0	0	0	0	0
Disposals / Derecognition	(2,772)	0	0	0	0	(2,227)	0	(533)	(12)
<b>Accumulated Depreciation at 31 March 2018</b>	<b>24,091</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,133</b>	<b>17,418</b>	<b>227</b>	<b>4,523</b>	<b>790</b>
<b>Net Book Value</b>									
- Owned at 1 April 2017	100,211	4,055	78,668	5,250	4,385	6,349	91	859	554
- Finance Lease at 1 April 2017	156	0	0	0	0	0	0	156	0
- Government Granted 1 April 2017	2	0	0	0	0	2	0	0	0
- Donated at 1 April 2017	3,962	0	910	0	2,713	316	18	0	5
<b>Total at 1 April 2017</b>	<b>104,331</b>	<b>4,055</b>	<b>79,578</b>	<b>5,250</b>	<b>7,098</b>	<b>6,667</b>	<b>109</b>	<b>1,015</b>	<b>559</b>
- Owned at 31 March 2018	108,439	3,108	84,773	3,112	5,368	8,188	66	3,295	529
- Finance Lease at 31 March 2018	0	0	0	0	0	0	0	0	0
- Government Granted 31 March 2018	1	0	0	0	0	1	0	0	0
- Donated at 31 March 2018	1,614	0	1,098	0	0	389	16	0	111
<b>Total at 31 March 2018</b>	<b>110,054</b>	<b>3,108</b>	<b>85,871</b>	<b>3,112</b>	<b>5,368</b>	<b>8,578</b>	<b>82</b>	<b>3,295</b>	<b>640</b>

The latest revaluation of land and property was carried out by an independent valuer with an effect date of 31/3/2018. Specialist building valuation was completed with reference to the Building Cost Information Service Tender Price Index (BCIS TPI) and 10yr average location factor issued by the Royal Institute of Chartered Surveyors.

Property, Plant and Equipment assets totalling **£83k** (2016/17: £49k) were donated to the Trust by Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds, and **£12k** (2016/17: £nil) were donated from another company. Macmillan Cancer Support donated £2.7m funds in 2016/17 towards a new cancer centre.

**17.2 Analysis of Property, Plant and Equipment 31 March 2018**

All Land, Buildings and Dwellings are freehold.

## 17. Property, Plant and Equipment (continued)

### 17.3 Property, Plant and Equipment for 2016/17 comprise the following elements:

	Total 31 March 2017	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction and Payments on Account*	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2016	131,776	3,930	84,206	5,250	6,599	24,577	294	5,712	1,208
Additions - Purchased	14,733	0	4,469	0	9,455	730	0	31	48
Additions - Donations of Physical Assets (Non-Cash)	49	0	0	0	0	34	15	0	0
Additions - Assets Purchased from Cash Donations / Grants	2,713	0	0	0	2,713	0	0	0	0
Impairments Charged to the Revaluation Reserve	(3,837)	0	(3,390)	0	(447)	0	0	0	0
Revaluations	(7,117)	125	(7,242)	0	0	0	0	0	0
Reclassifications	661	0	1,535	0	(2,009)	896	0	239	0
Disposals / Derecognition	(2,664)	0	0	0	0	(1,749)	0	(911)	(4)
<b>Cost or Valuation at 31 March 2017</b>	<b>136,314</b>	<b>4,055</b>	<b>79,578</b>	<b>5,250</b>	<b>16,311</b>	<b>24,488</b>	<b>309</b>	<b>5,071</b>	<b>1,252</b>
Accumulated Depreciation at 1 April 2016	24,101	0	0	0	863	17,942	174	4,531	591
Provided During the Year	3,988	0	1,686	126	0	1,615	26	430	105
Impairments Charged to Operating Expenses	13,931	0	5,581	0	8,350	0	0	0	0
Revaluations	(7,393)	0	(7,267)	(126)	0	0	0	0	0
Disposals / Derecognitions	(2,644)	0	0	0	0	(1,736)	0	(905)	(3)
<b>Accumulated depreciation at 31 March 2017</b>	<b>31,983</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,213</b>	<b>17,821</b>	<b>200</b>	<b>4,056</b>	<b>693</b>
<b>Net book value</b>									
- Owned at 1 April 2016	106,033	3,930	83,277	5,250	5,736	6,160	118	958	605
- Finance Lease at 1 April 2016	223	0	0	0	0	0	0	223	0
- Government Granted at 1 April 2016	2	0	0	0	0	2	0	0	0
- Donated at 1 April 2016	1,417	0	929	0	0	473	3	0	12
<b>Total at 1 April 2016</b>	<b>107,675</b>	<b>3,930</b>	<b>84,206</b>	<b>5,250</b>	<b>5,736</b>	<b>6,635</b>	<b>121</b>	<b>1,181</b>	<b>617</b>
- Owned at 31 March 2017	100,211	4,055	78,668	5,250	4,385	6,349	91	859	554
- Finance Lease at 31 March 2017	156	0	0	0	0	0	0	156	0
- Government Granted at 31 March 2017	2	0	0	0	0	2	0	0	0
- Donated at 31 March 2017	3,962	0	910	0	2,713	316	18	0	5
<b>Total at 31 March 2017</b>	<b>104,331</b>	<b>4,055</b>	<b>79,578</b>	<b>5,250</b>	<b>7,098</b>	<b>6,667</b>	<b>109</b>	<b>1,015</b>	<b>559</b>

Property, Plant and Equipment assets totalling **£49k** (2015/16: £73k) were donated to the Trust by Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds, and **£nil** (2015/16: £nil) were donated from another company.

### 17.4 Analysis of Property, Plant and Equipment 31 March 2017

All Land, Buildings and Dwellings are freehold.

**17. Property, Plant and Equipment (continued)****17.5 Valuation of Property, Plant and Equipment**

The Trust had a professional Modern Equivalent Asset (MEA) valuation performed as at 31 March 2018 by an independent external valuer. The valuation has been undertaken on the basis that the Land and Buildings have been valued for an alternative site as permitted by HM Treasury.

MEA principles and assumptions used in the valuation are in line with the Royal Institute of Chartered Surveyors Red Book Standards. This means that specialised property is valued at the cost of replacing the service potential of the existing property with a modern equivalent asset adjusted to take account of depreciation on the existing asset.

Where property is considered to be non-specialised, this has been valued at open market value. Of the totals at 31 March 2018, **£1,783k** (2016/17: £1,805k) related to Land valued at open market value and **£3,617k** (2016/17: £6,345k) related to Buildings and Dwellings valued at open market value.

Plant and Equipment are shown at depreciated historical cost as a proxy to fair value due to the lives of the assets being short.

**17.6 Economic Life of Property, Plant and Equipment**

The minimum and maximum economic lives of Property, Plant and Equipment when capitalised are as follows:

	Min. Life Years	Max. Life Years
Land	infinite	infinite
Buildings Excluding Dwellings	15	90
Dwellings	15	80
Assets Under Construction	N/A	N/A
Plant and Machinery	5	20
Transport Equipment	5	15
Information Technology	3	15
Furniture and Fittings	5	15

Land and Building lives have been determined by the external valuer as part of the MEA valuation exercise carried out prospectively at 31st March 2018.

**17.7 Analysis of Impairments of Property, Plant and Equipment**

31 March 2018			
	Total £000	Included in Operating Expenses £000	Charged against Revaluation Reserve £000
Changes in Market Price	23,314	12,632	10,682
Other	1,430	1,430	0
Reversals of Impairments Charged in Previous Years	(17,178)	(14,072)	(3,106)
<b>Net Impairments</b>	<b>7,566</b>	<b>(10)</b>	<b>7,576</b>

31 March 2017			
	Total £000	Included in Operating Expenses £000	Charged against Revaluation Reserve £000
Changes in Market Price	17,768	13,931	3,837
<b>Net Impairments</b>	<b>17,768</b>	<b>13,931</b>	<b>3,837</b>

## 17. Property, Plant and Equipment (continued)

### 17.8 Assets Owned that are Leased Under Operating Leases

Analysis of assets owned by the Trust that are leased to other entities as an Operating Lease are as follows:

	31 March 2018		31 March 2017	
	Land £000	Buildings £000	Land £000	Buildings £000
Gross Carrying Amount	85	4,863	95	3,703
Accumulated Depreciation	0	0	0	0
Accumulated Impairment Loss	0	61	0	52
Depreciation Charge for the Year	0	79	0	104
Impairment Losses Recognised in the Year	0	9	0	2
Impairment Losses Reversed in the Year	0	0	0	0

## 18. Inventories

### 18.1 Analysis of Inventory Movements 2017/18

	Total £000	Drugs £000	Consumables £000	Energy £000	Other £000
<b>Carrying Value 1 April 2017</b>	4,373	1,599	2,185	39	550
Transfers by absorption	0	0	0	0	0
Additions	30,169	17,082	10,577	0	2,510
Inventories Consumed (Recognised in Expenses)	(30,154)	(17,129)	(11,992)	(5)	(1,028)
Write-Down of Inventories Recognised as an Expense	(115)	(52)	(13)	0	(50)
<b>Carrying Value 31 March 2018</b>	<b>4,273</b>	<b>1,500</b>	<b>757</b>	<b>34</b>	<b>1,982</b>
<b>Of which:</b>					
Held at lower of cost and NRV	4,273	1,500	757	34	1,982
Held at fair value less costs to sell	0	0	0	0	0

### 18.2 Analysis of Inventory Movements 2016/17

	Total £000	Drugs £000	Consumables £000	Energy £000	Other £000
Carrying Value 1 April 2016	4,297	1,533	2,241	35	488
Transfers by absorption	0	0	0	0	0
Additions	25,983	16,396	6,851	10	2,726
Inventories Consumed (Recognised in Expenses)	(25,812)	(16,305)	(6,882)	(6)	(2,619)
Write-Down of Inventories Recognised as an Expense	(95)	(25)	(25)	0	(45)
<b>Carrying Value 31 March 2017</b>	<b>4,373</b>	<b>1,599</b>	<b>2,185</b>	<b>39</b>	<b>550</b>
<b>Of which:</b>					
Held at lower of cost and NRV	4,373	1,599	2,185	39	550
Held at fair value less costs to sell	0	0	0	0	0

## 19. Non-Current Assets Held for Sale and Assets in Disposal Groups

### 19.1 Analysis of Non-Current Assets Held for Sale and Assets in Disposal Groups

There were no assets held for sale or assets in disposal groups during 2017/18 or 2016/17.

## 20. Trade and Other Receivables

### 20.1 Trade and Other Receivables are made up of:

	31 March 2018 £000	31 March 2017 £000
<b>Current</b>		
Trade Receivables	4,168	5,970
Accrued Income	7,381	7,054
Provision for Impaired Receivables	(80)	(129)
Prepayments (Revenue)	1,517	1,035
Interest Receivable	13	0
PDC Dividend Receivable	503	33
VAT Receivable	403	589
Other Receivables	1,171	1,803
<b>Total</b>	<b>15,076</b>	<b>16,355</b>
<b>Non-Current</b>		
Provision for Impaired Receivables	(22)	(73)
Other Receivables	730	751
<b>Total</b>	<b>708</b>	<b>678</b>

The majority of trade is with Clinical Commissioning Groups (CCGs), as Commissioners for NHS Patient Care Services. As CCGs are funded by Government to buy NHS Patient Care Services, no credit scoring of them is considered necessary.

There were no prepaid Pension Contributions as at 31 March 2018 or 31 March 2017.

The fair values of Trade and Other Receivables approximate to their carrying amounts.

### 20.2 Provision for Impairment of Receivables

	2017/18 £000	2016/17 £000
At 1 April	202	235
Increase in Provision	187	284
Amounts Utilised	(136)	(185)
Unused Amounts Reversed	(151)	(132)
<b>At 31 March</b>	<b>102</b>	<b>202</b>

Receivables impaired include a **3.01%** (2016/17: 9.8%) Provision for Doubtful Debts relating to the NHS Injury Scheme to reflect the expected rates of collection. The 3.01% rate is based on guidance from the Department of Health of 22.9% which has been decreased locally to reflect the actual rate.

It also includes an actual provision for all sundry income invoices that are considered unlikely to be paid by the Debtor. This is based on the Trust's detailed knowledge of the debtor/debt.

These impairments are included in Operating Expenses within 'Increase in Bad Debt Provision' in the Statement of Comprehensive Income.

## 20. Trade and Other Receivables (continued)

### 20.3 Analysis of Financial Assets Past Due or Impaired

	Trade & Other Receivables 31 March 2018 £000	Trade & Other Receivables 31 March 2017 £000
<b>Ageing of Impaired Financial Assets</b>		
Up to 30 days	0	0
30 to 60 days	0	0
60 to 90 days	3	8
90 to 180 days	13	19
Over 180 days	30	13
<b>Total</b>	<b>46</b>	<b>40</b>
<b>Ageing of Non-Impaired Financial Assets Past Their Due Date</b>		
Up to 30 days	2,110	1,571
30 to 60 days	109	870
60 to 90 days	45	1,464
90 to 180 days	350	454
Over 180 days	301	258
<b>Total</b>	<b>2,915</b>	<b>4,617</b>

## 21. Trade and Other Payables

### 21.1 Trade and Other Payables are Made Up of:

	31 March 2018 £000	31 March 2017 £000
<b>Current</b>		
Trade Payables	1,802	2,033
Capital Payables (including Capital Accruals)	2,652	3,818
Accruals (Revenue Costs only)	6,981	6,354
Social Security Costs	1,590	1,469
Other taxes payable	1,355	1,146
Accrued Interest on DHSC Loans	96	98
Other Payables	2,779	2,644
<b>Total</b>	<b>17,255</b>	<b>17,562</b>

There are no Non-Current Trade and Other Payables in 2017/18 or 2016/17.

The Trust complies with the Better Payment Practice Code and paid **96.1%** (2016/17: 95.9%) of its invoices by their due date or within 30 days of receipt of goods or a valid invoice, whichever is later, during 2017/18. It expects to settle over 95% of the invoices making up the debt shown above within this criterion.

There were Pensions Contributions of **£2,201k** (2016/17: £2,093k), owed to the NHS Pension Scheme, at 31 March 2018 and these are included in Other Payables.

The above Pensions Contributions balance relates to the March 2018 pension liability.

The fair values of Trade and Other Payables approximate to their carrying amounts.

## 21.2 Early Retirements Included in NHS Payables

There are no payments due in future years under arrangements to buy out the liability for Early Retirements over 5 years.

## 22. Other Liabilities

	31 March 2018 £000	31 March 2017 £000
<b>Current</b>		
Deferred Income	764	755
<b>Total</b>	<b>764</b>	<b>755</b>

There are no Non-Current Other Liabilities in 2017/18 or 2016/17.

## 23. Borrowings

	31 March 2018 £000	31 March 2017 £000
<b>Current</b>		
Capital Loans from Department of Health	2,624	1,811
Obligations Under Finance Leases	0	69
<b>Total</b>	<b>2,624</b>	<b>1,880</b>
<b>Non-current</b>		
Capital Loans from Department of Health	13,770	15,724
Obligations Under Finance Leases	0	96
<b>Total</b>	<b>13,770</b>	<b>15,820</b>

An analysis of Obligations Under Finance Leases are shown in Note 24.

The amount shown in Current Borrowings represents the obligation to repay the loan based on the liability at the balance sheet date.

	£000
Total Capital Loans as at 1 April 2017	17,535
Add: Loan Drawdowns	670
Less: Loan Repayments	(1,811)
<b>Total Capital Loan Liability as at 31 March 2018</b>	<b>16,394</b>
Due within 1 year	2,624
Due later than 1 year	13,770
<b>Total Capital Loan Liability as at 31 March 2018</b>	<b>16,394</b>

There have been no defaults or breaches of the loans.

A final drawdown of £670k was transacted in April 2017.

**24. Finance Lease Obligations**

The Trust pays rentals for Property, Plant and Equipment that are used but not owned by the Trust. The Trust has reviewed all contracts where the Trust has the right to use an asset to determine whether in substance, an Operating or Finance Lease exists. Where the Trust has determined that a lease arrangement is that of an Operating Lease, these are disclosed in Note 7.2. Finance Leases that have been identified are included in this note. The future minimum lease payments due and the present value of the minimum lease payments are shown below. As at 31 March 2018 there are no finance lease obligations.

	<b>Minimum Lease Payments</b>			<b>Present Value of Minimum Lease Payments</b>	
	<b>Total</b>				
	<b>31 March</b>	<b>Plant and</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2018</b>	<b>machinery</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Gross Lease Liabilities</b>					
<b>of which Liabilities are due</b>					
- not later than one year;	0	0	74	0	69
- later than one year and not later than five years;	0	0	99	0	96
	<u>0</u>	<u>0</u>	<u>173</u>	<u>0</u>	<u>165</u>
Finance Charges allocated to future periods	0	0	(8)	0	
	<u>0</u>	<u>0</u>	<u>165</u>		
<b>Net Lease Liabilities</b>					
- not later than one year;	0	0	69		
- later than one year and not later than five years;	0	0	96		
	<u>0</u>	<u>0</u>	<u>165</u>		

The Trust does not sublease to other third parties.

There were no Contingent Rents relating to finance leases recognised as an expense in either 2017/18 or 2016/17.

**25. Provisions for Liabilities and Charges**

	<b>Current</b>		<b>Non-Current</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Pensions - Early Departure Costs*	83	83	851	898
Other Legal Claims **	88	78	0	0
Other ***	52	51	750	784
	<b>223</b>	<b>212</b>	<b>1,601</b>	<b>1,682</b>

	<b>Total</b>	<b>Pensions -</b>	<b>Legal Claims</b>	<b>Other ***</b>
	<b>31 March</b>	<b>Early</b>		
	<b>2018</b>	<b>Departure</b>		
	<b>£000</b>	<b>Costs *</b>	<b>**</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2017	1,894	981	78	835
Change in the Discount Rate	18	8	0	10
Arising During the Year	103	27	68	8
Utilised During the Year - Cash	(162)	(83)	(27)	(52)
Reversed Unused	(31)	0	(31)	0
Unwinding of Discount	2	1	0	1
At 31 March 2018	<b>1,824</b>	<b>934</b>	<b>88</b>	<b>802</b>
<b>Expected Timing of Cash Flows:</b>				
Within one year	223	83	88	52
Between one and five years	539	332	0	207
After five years	1,062	519	0	543
	<b>1,824</b>	<b>934</b>	<b>88</b>	<b>802</b>

Events which may lead to the transfer of financial benefits from the Trust are quantified in these Accounts if such a transfer is assessed by the Trust as probable. Otherwise such events are disclosed as Contingent Liabilities in Note 30.

\* Pensions - Early Departure Costs relate to Provisions for Early Retirements. The Provisions have been discounted at **0.10%** (2016/17: 0.24%) to reflect the time value of money. 'Arising during the period' for revised Pensions Provisions is charged to Other Expenditure and relates to changes in the life expectancies of the retirees which are recalculated each financial year.

\*\* Legal Claims relate to Public and Employee Liability (Personal Injury) Claims totalling **£88k** (2016/17: £78k). The Provisions are not discounted as they are expected to be settled within a reasonable period of time. Personal Injury Claims are handled through the NHS Resolution (formerly NHS Litigation Authority) Risk Pooling Scheme up to the Trusts excess limits. Amounts and probability of settlement are assessed in accordance with recommendations given by NHS Resolution and external solicitors, where available.

\*\*\* Other Claims relate to Permanent Injury Benefits totalling **£802k** (2016/17: £835k). Provisions for Permanent Injury Benefits are discounted at **0.10%** (2016/17: 0.24%) to reflect the time value of money.

As at 31 March 2018 **£79,280k** (2016/17: £75,916k) is included in the Provisions of NHS Resolution in respect of Clinical Negligence and Liabilities of the Trust.

## 26. Analysis of Revaluation Reserve

	Total £000	Revaluation Reserve - PPE* £000
<b>Revaluation Reserve at 1 April 2017</b>	<b>22,546</b>	<b>22,546</b>
Transfers by absorption	0	0
Impairments	(7,576)	(7,576)
Revaluations	6,586	6,586
Asset Disposals	(24)	(24)
<b>Revaluation Reserve at 31 March 2018</b>	<b>21,532</b>	<b>21,532</b>
 Revaluation Reserve at 1 April 2016	 26,151	 26,151
Transfers by absorption	0	0
Impairments	(3,837)	(3,837)
Revaluations	276	276
Asset disposals	(44)	(44)
<b>Revaluation Reserve at 31 March 2017</b>	<b>22,546</b>	<b>22,546</b>

\* PPE relates to Property, Plant and Equipment

## 27. Cash and Cash Equivalents

	31 March 2018 £000	31 March 2017 £000
<b>At 1 April</b>	<b>30,514</b>	36,458
Net Change in Year	34	(5,944)
<b>At 31 March</b>	<b>30,548</b>	<b>30,514</b>
 Cash at Commercial Banks and in Hand	 91	 112
Cash with the Government Banking Service	30,457	30,402
<b>Cash and Cash Equivalents as in SoFP*</b>	<b>30,548</b>	<b>30,514</b>

The fair values of cash and cash equivalents approximate to their carrying amounts.

\*SoFP relates to Statement of Financial Position (Page 2)

\*\* SoCF relates to Statement of Cash Flows (Page 5)

## 28. Capital and Other Financial Commitments

Commitments under capital expenditure contracts at the balance sheet date were as follows:

	31 March 2018 £000	31 March 2017 £000
Property, Plant and Equipment	4,686	3,148
Intangible Assets	160	53
	<b>4,846</b>	<b>3,201</b>

### The breakdown by project is:

MRI/CT Development	1,817	1,357
ED Extension	1,727	0
Cancer Development	0	755
Theatres Refurbishment Project	0	427
Pharmacy Aseptic Refurbishment	399	0
IT, Intangibles & Telecoms	491	0
Medical Equipment	340	374
Other Building Work Projects	72	288
	<b>4,846</b>	<b>3,201</b>

The Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) as follows:

	31 March 2018 £000	31 March 2017 £000
Not later than 1 year	206	0
After 1 year and not later than 5 years	822	0
Paid thereafter	303	0
	<b>1,331</b>	<b>0</b>

## 29. Events After the Reporting Period

There are no post balance sheet events having a material effect on the accounts in 2017/18 or 2016/17.

## 30. Contingent Liabilities and Assets

There were no Contingent Liabilities in 2017/18 or 2016/17.

There were no Contingent Assets in 2017/18 or 2016/17.

## 31. Related Party Transactions

### **Transactions with Key Management Personnel**

IAS 24 requires disclosure of transactions with key management personnel during the year. Key management personnel is defined in IAS 24 as "those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity". The Trust has deemed that its key management personnel are the board members (Directors and Non-Executive Directors) of the Trust.

The requirement in IAS 24 to disclose the compensation paid to management, expense allowances and similar items paid in the ordinary course of an entity's operations is satisfied by the disclosures made in the Remuneration Report.

In addition to his non-executive director's salary, Dr David Pickworth received **£3,500** (2016/17: £nil) for GP locum services he undertook for the Trust's Royal Primary Care services during the year.

There were no other transactions with Board Members (excluding salaries) during both 2017/18 and 2016/17.

### **31. Related Party Transactions (continued)**

#### ***Other Interests Disclosures***

The following declarations were made by Board Members in relation to positions held by them or their partners in organisations which engage in business with the Trust:

Lee Outhwaite, Director of Finance and Contracting, declared that he is Trustee of the Health Finance Management Association (HFMA). All transactions with this organisation is in the normal course of business and is on an arms length basis.

Tony Campbell, Chief Operating Officer, declared that he is Non-Executive Director of the East Midlands Leadership Academy (EMLA). All transactions with this organisation is in the normal course of business and is on an arms length basis.

Dr Helen Phillips, Chair, declared that her husband is Chairman of Stockport NHS Foundation Trust. All transactions with this body is in the normal course of business and are on an arms length basis.

Dr David Pickworth, Non-Executive Director declared that he is a Mental Health Assessor (DOLS) for Derbyshire County Council, with which the Trust undertakes financial transactions. Transactions are in the normal course of business and are on an arms length basis.

He also declared that he is a GP locum in the north Derbyshire area including for the Trust's Royal Primary Care services. Transactions with Royal Primary Care services have been disclosed on page 36.

#### ***Transactions with Governors***

Ruth Grice, public governor for Chesterfield declared that she is a public member of NHS North Derbyshire CCG and a Healthwatch champion. Transactions are in the normal course of business and are on an arms length basis.

Liam Clarke, public governor for High Peak declared that he is a member of NHS North Derbyshire CCG Primary Care Development Group. Transactions are in the normal course of business and are on an arms length basis.

Councillor John Boulton, partner governor, declared that he is a Councillor at Derbyshire County Council. Transactions are in the normal course of business and are on an arms length basis.

Councillor John Ritchie, partner governor, declared that he is a Councillor at Bolsover District Council. Transactions are in the normal course of business and are on an arms length basis.

Councillor Kate Caulfield, partner governor, declared that she is a Councillor at Chesterfield Borough Council. Transactions are in the normal course of business and are on an arms length basis.

Jayne Stringfellow, partner governor, declared that she is Chief Nurse and Quality Officer at NHS North Derbyshire CCG. She is also Interim Chief Nurse and Director of Quality for Southern Derbyshire CCG (from 1 January 2017), Interim Chief Nurse and Director of Quality for Erewash CCG (from 3 July 2017) and Interim Chief Nurse and Director of Quality for Hardwick CCG (from 1 September 2017). Her spouse is an employee of Mansfield and Ashfield CCG. All transactions with these NHS bodies are in the normal course of business and are on an arms length basis.

### 31. Related Party Transactions (continued)

#### Transactions with Other Related Parties

Chesterfield Royal Hospital NHS Foundation Trust is a Public Benefit Corporation licensed by Monitor - the Independent Regulator for NHS Foundation Trusts. All NHS Foundation Trusts are independent bodies which are not controlled by the Secretary of State. The Trust has considered whether or not the working relationships it has with any NHS bodies and Government departments and agencies meet the definition of a Related Party under IAS 24.

The value of transactions with related parties outside of the Government department bodies with which the Trust has had significant dealings and which therefore require disclosure are:

	2017/18		2016/17	
	Income £000	Expenditure £000	Income £000	Expenditure £000
NHS Charitable Funds *	145	0	91	0
Subsidiaries / associates / joint ventures	0	0	0	0
Other	0	0	0	0
	<b>145</b>	<b>0</b>	<b>91</b>	<b>0</b>

The value of balances as at 31 March with related parties outside of Government department bodies with which the Trust has had significant dealings and which therefore require disclosure are:

	As at 31 March 2018		As at 31 March 2017	
	Receivables £000	Payables £000	Receivables £000	Payables £000
NHS Charitable Funds *	10	0	0	35
Subsidiaries / associates / joint ventures	0	0	0	0
Other	0	0	0	0
	<b>10</b>	<b>0</b>	<b>0</b>	<b>35</b>

\* The Trust has received revenue and capital contributions from Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds (Registered Charity number 1052913). Chesterfield Royal Hospital NHS Foundation Trust is the Corporate Trustee of the Charity. Details of the transactions are shown below:

	2017/18 £000	2016/17 £000
Contributions from Charitable Funds to Cover Expenditure	50	42
Capital Contributions from Charitable Funds	83	49
	<b>133</b>	<b>91</b>

As at 31 March 2018, the Charity owed **£10k** (2016/17: £35k creditor) to the Trust.

### 31. Related Party Transactions (continued)

#### ***Transactions with Department of Health & Social Care and NHS Organisations***

The Department of Health and Social Care is the parent government department of the Trust. The Trust has undertaken significant transactions with the following NHS organisations:

Derby Teaching Hospitals NHS FT  
Derbyshire Community Health Services NHS FT  
Derbyshire Healthcare NHS FT  
Doncaster and Bassetlaw Teaching Hospitals NHS FT  
Sheffield Children's NHS FT  
Sheffield Teaching Hospitals NHS FT  
Sherwood Forest Hospitals NHS FT  
The Rotherham NHS FT  
Nottingham University Hospitals NHS Trust  
University Hospitals of Leicester NHS Trust  
NHS Bassetlaw CCG  
NHS Erewash CCG  
NHS Hardwick CCG  
NHS Mansfield and Ashfield CCG  
NHS Newark and Sherwood CCG  
NHS North Derbyshire CCG  
NHS Sheffield CCG  
NHS Southern Derbyshire CCG  
Health Education England  
NHS Litigation Authority  
Care Quality Commission  
NHS England - Core (including S & T fund)  
NHS England - North Midlands Local Office  
NHS England - East Midlands Specialised Commissioning Hub

#### ***Transactions with Other Government Organisations within the Whole of Government Accounts (WGA)***

The Other Related Parties within the scope of the Whole of the Government Accounts (WGA) scope which the Trust considers significant transactions have taken place are:

Derbyshire County Council  
HM Revenue & Customs - VAT  
HM Revenue & Customs - Other taxes etc  
NHS Pension Scheme  
NHS Blood and Transplant  
NHS Professionals  
Department of Energy and Climate Change

#### ***Provisions for Impaired Receivables Relating to Related Parties***

No Provisions have been made for Impaired Receivables in respect of the amounts owed by Related Parties.

There were **£nil** (2016/17: £nil) Impaired Receivables Written Off During the Year relating to Related Parties.

## **32. Financial Risk Management**

The Trust's activities do not significantly expose it to financial risks (liquidity risk, interest rate risk, credit risk and foreign currency risk).

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's Treasury Management Policy, Standing Financial Instructions and other policies agreed by the Board of Directors.

The Trust's Audit and Risk Committee oversees management compliance with financial risk management policies and reviews the adequacy of the risk management framework in relation to the financial risks faced by the Trust. The Trust's Audit and Risk Committee is assisted by Internal Audit (provided by 360 Assurance) who regularly review the Trust's financial risk management controls and procedures e.g. the Trust treasury activity is subject to review by the Trust's internal auditors.

International Financial Reporting Standard (IFRS 7 - Financial Instruments Disclosures) requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. IFRS 7 applies to all financial instruments within the scope of IAS 32.

Due to the continuing service/provider relationship that the Trust has with local commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by commercial business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IAS 32 and IAS 39 are mainly aimed at. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risk facing the Trust in undertaking its activities.

### **Liquidity Risk**

The Trust's cash flows are mainly stable and predictable. The Trust regularly reviews the level of cash required to fund its activities. This involves preparing a cash flow forecast for the next three years, planning for repayments of debt at its maturity and identifying an appropriate amount of headroom to provide a reserve against unexpected outflows.

The Trust largely finances its capital expenditure from funds made available through internally generated resources but the Trust has borrowed from the Department of Health in 2009/10 to finance new wards building and 2015/16 to fund a Theatre Refurbishment and a new Cancer building. Financing was drawn down to match the spend profile of the schemes concerned and the Trust is not, therefore, exposed to significant liquidity risks in this area. Both loans are for a period of ten years.

### **Market Risk**

The aforementioned loans' interest is charged at the National Loans Fund rate, fixed at the time of signing the agreement the 2009-10 loan rate is 2.84% and the 2015-16 loan rate is 1.71%. The Trust therefore has low exposure to interest rate fluctuations.

### **Credit Risk**

The Trust's exposure to credit risk at the reporting date is the carrying value of cash at bank and short term deposits.

In the year, the Trust deposited surplus cash with the National Loans Fund and with the Government Banking Service (GBS). All cash deposits were in line with the Treasury Management policy agreed by the Board of Directors.

The majority of the Trust's income comes from contracts with other public sector bodies, and consequently the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2018 are in short term receivables from customers. No further credit risk provision is required in excess of the normal provision for bad and doubtful debts disclosed in the Trade and other receivables note.

## 32. Financial Risk Management (continued)

### Foreign Currency Risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

## 33. Financial Instruments

### 33.1 Financial Assets by Category

Set out below are the accounting classifications of each class of Financial Assets:

	Total £000	Loans and Receivables £000
Trade and other receivables (excluding non financial assets) - with NHS and DH bodies	8,794	8,794
Trade and other receivables (excluding non financial assets) - with other bodies	2,686	2,686
Cash and Cash Equivalents at Bank and in Hand	30,548	30,548
<b>Total at 31 March 2018</b>	<b>42,028</b>	<b>42,028</b>
Trade and other receivables (excluding non financial assets) - with NHS and DH bodies	12,505	12,505
Trade and other receivables (excluding non financial assets) - with other bodies	2,901	2,901
Cash and Cash Equivalents at Bank and in Hand	30,514	30,514
<b>Total at 31 March 2017</b>	<b>45,920</b>	<b>45,920</b>

### 33. Financial Instruments (continued)

#### 33.2 Financial Liabilities by Category

Set out below are the accounting classifications of each class of Financial Liabilities:

	<b>Total</b>	<b>Other Financial</b>
	<b>£000</b>	<b>Liabilities</b>
		<b>£000</b>
Borrowings Excluding Finance Lease Obligations	<b>16,394</b>	<b>16,394</b>
Trade and other payables (excluding non financial liabilities) - with NHS and DH bodies	<b>1,279</b>	<b>1,279</b>
Trade and other payables (excluding non financial liabilities) - with other bodies	<b>10,797</b>	<b>10,797</b>
<b>Total at 31 March 2018</b>	<b>28,470</b>	<b>28,470</b>
Borrowings Excluding Finance Lease Obligations	17,535	17,535
Obligations Under Finance Leases	165	165
Trade and other payables (excluding non financial liabilities) - with NHS and DH bodies	1,526	1,526
Trade and other payables (excluding non financial liabilities) - with other bodies	11,328	11,328
<b>Total at 31 March 2017</b>	<b>30,554</b>	<b>30,554</b>

#### 33.3 Maturity of Financial Liabilities

	<b>31 March 2018</b>	<b>31 March 2017</b>
	<b>£000</b>	<b>£000</b>
Within 1 year	<b>14,700</b>	14,734
Later than 1 year but less than 2 years	<b>1,620</b>	2,696
Between 2 and 5 years	<b>4,860</b>	4,884
After 5 years	<b>7,290</b>	8,240
<b>Total</b>	<b>28,470</b>	<b>30,554</b>

#### 33.4 Fair Values

For current financial instruments (less than one year) the fair values are equal to their book values. The carrying amounts of all non-current financial assets and financial liabilities recorded at amortised cost in the Financial Statements approximate their fair values.

### 34. Third Party Assets

The Trust held **£5k** in cash and cash equivalents at 31 March 2018 (31 March 2017: £6k) which relates to monies held on behalf of patients.

This has been excluded from the Cash and Cash Equivalents figure reported in the accounts.

### 35. Losses and Special Payments

	2017/18		2016/17	
	Number	Value £000	Number	Value £000
<b>Losses:-</b>				
Cash Losses	6	1	7	1
Bad Debts and Claims Abandoned	90	11	89	4
Damage to Buildings, Property etc. (including Stores Losses)	3	102	4	85
<b>Total Losses</b>	<b>99</b>	<b>114</b>	<b>100</b>	<b>90</b>
<b>Special Payments:-</b>				
Ex-Gratia Payments	19	7	14	16
<b>Total Special Payments</b>	<b>19</b>	<b>7</b>	<b>14</b>	<b>16</b>
<b>Total Losses and Special Payments</b>	<b>118</b>	<b>121</b>	<b>114</b>	<b>106</b>

Losses and Special Payments have been accounted for on an accruals basis but exclude provisions for future losses.

There were no clinical negligence, fraud, personal injury, compensation under legal obligation or fruitless payment cases where the net payment exceeded £300k (2016/17: £nil).

The Trust did not make any gifts to individuals or other third parties during the year (2016/17: £nil).

This page is intentionally blank





## **Financial Accounts and Statements 2017 to 2018**

Chesterfield Royal Hospital NHS Foundation Trust

Calow

Chesterfield

Derbyshire S44 5BL