

ANNUAL REPORT AND ACCOUNTS 2015-16

INCORPORATING THE **ANNUAL QUALITY REPORT**



**PROUD
TO MAKE A
DIFFERENCE**

SHEFFIELD TEACHING HOSPITALS
NHS FOUNDATION TRUST



Sheffield Teaching Hospitals
NHS Foundation Trust
Annual Report and Accounts
2015/16
Incorporating the
Annual Quality Report

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CHAIRMAN'S INTRODUCTION

TONY PEDDER, OBE



I usually comment on our staff at the end of my annual statements but this year I feel compelled to mention them first. I am deeply conscious of the pressures our staff have faced during 2015/16. That they have met these challenges with such determination and continued to strive so hard in the interests of our patients is a great credit to an excellent team of professionals across all parts of Sheffield Teaching Hospitals.

We never expect the work we do to be easy but the past year has been more challenging than ever. And the fact that our performance across the vast majority of our activities has remained very positive in such circumstances I believe is highly commendable.

With regard to our performance, I am pleased to report that we have met the majority of our national standards for waiting times. This has been very challenging given the continued rise in demand for our care and other contributing factors, but meeting the standards moving forward and providing patients with safe, appropriate care within the shortest possible timeframe will continue to be a priority for us.

How technology supports the future delivery of healthcare will be key moving forward and to this end, we have progressed with the new IT system I referred to last year. This is aimed at taking STH further towards being as paperless as possible with all the benefits that brings. We knew this would be challenging and it has been, leading to some teething problems that we continue to work through. However we are determined to persevere with our £35million Transformation Through Technology programme, which includes the introduction of single sign on for our clinicians so they can access patient's results and records all on one clinical portal.

It also includes a new Patient Electronic Record system, which has the potential to deliver significant benefits for patient care and we have invested in around 100 state-of-the-art electronic white boards for our wards. The new boards enable ward staff to see the key, real-time information they need at a glance and help manage patient flow more effectively.

During the year we have also continued to focus on research. We continued to be an active partner in driving forward the work of the Yorkshire and Humber Academic Health Science Network and the National Centre for Sports and Exercise Medicine which are both aimed at delivering a transformation in the health and wellbeing of our local population and workforce over coming years.

We were delighted our bid to become one of the new National Genomic Centres in partnership with Sheffield Children's Hospital NHS Foundation Trust and Leeds Teaching Hospitals NHS Trust was successful. Many of our clinical research and treatment breakthroughs were showcased internationally including a new stem cell treatment for patients with Multiple Sclerosis, which was the subject of a very positive BBC Panorama programme. We have also worked on a successful bid to become one of 7 NHS Innovation 'Test Beds'. This will help us to combine with technology partners such as GE Healthcare along with primary care colleagues to test how technological devices can support patients with long term conditions to better manage their health from home.

I referred last year to the Working Together programme, which involves seven Acute Trusts in South Yorkshire and North Derbyshire including Sheffield Teaching Hospitals. The aim is to share best practice and improve patient care. We believe that working together on a number of common issues will allow all the Trusts to deliver benefits that they would not achieve by working on their own. During the year, combining our buying power has saved almost £500k on the cost of examination gloves and an information sharing agreement has enabled test results for patients to be accessed at any one of the seven partner Trusts. This enables quicker diagnosis and a reduction in duplicate tests. During the year, Working Together was designated as one of the NHS Vanguard sites as part of the implementation of the NHS Five Year Forward Plan.

I believe the future shape of the NHS will see more integration and partnership working across organisations. This has been a feature at Sheffield Teaching Hospitals NHS Foundation Trust for some years as exemplified by the integration of community services within our organisation and the stronger interface with GPs and social care colleagues across the city that has resulted. The benefits of new integrated care pathways and a closer working relationship are delivering tangible benefits including supporting more people to stay living independently in their own home and avoiding hospital admission.

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This partnership way of working will move further ahead in the coming year as we work at a sub-regional level with health and social care organisations across South Yorkshire and Bassetlaw to create an innovative Sustainability and Transformation Plan which further enhances care pathways for our patients.

In summary, 2015/16 has been a difficult one and I can predict that 2016/17 will be an equally demanding year as we strive to improve further in delivering the highest level of care for our patients and the best possible experience for them and their families and carers.

The Trust is very fortunate to be supported by a strong group of hard-working Governors, some very committed volunteers and a number of very active charities. This year in particular we have been very fortunate to have had the support of our charities to, among other things, fund the building of the new helipad at the Northern General Hospital and to support upgrading of facilities at Weston Park. I thank them and all our other supporters for their huge contribution to the Trust.

I started this statement with reference to our staff and I will end by thanking them again, on behalf of the board, for their dedication and commitment. It is a source of great strength for the Trust and one we value most highly.



Tony Pedder OBE
Chairman

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

The people of **Sheffield** are

**moving
more**



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SIR ANDREW CASH, OBE



Despite a demanding year, during 2015/16 our Trust has been able to explore a number of exciting opportunities and our teams have embraced this with energy and integrity to deliver high quality care for our patients.

Making a difference

Like the rest of the NHS, during 2015/16 our Trust has continued to face some challenges but we have also been able to explore a number of exciting opportunities. We have seen rising demand for our services but our teams have embraced this with energy and integrity. We have had very valuable insights from our patients, staff, local partners in the health economy and other stakeholders to help us understand where we are meeting expectations and where we could do even more. As a consequence this has resulted in some fantastic innovations and improvements in both the quality and way we deliver healthcare to our patients. Many of these are outlined in this Annual Report and our Quality Report which can be read on pages 61 - 114.

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

Our priorities in 2015/16 were to:

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

The Care Quality Commission inspected our community and acute services in December 2015, which saw more than 100 inspectors visiting our sites over a 10 day period. We are expecting their formal report by summer 2016.

Once we have the final reports We will then review their reports to see where we can further improve.

It is exceptionally pleasing that national and local survey results during 2015/16 consistently showed that the majority of our patients and staff would recommend our Trust as a place to receive care and to work. Indeed we were named as one of the top 100 places to work in the NHS and our staff won a number of quality and safety awards throughout the year. The Friends and Family test

for patients and our staff continues to be a valuable insight into where our future focus needs to be.

Our drive for continual improvement is embodied within the Trust's Corporate Strategy 'Making a Difference'. The corporate strategy is supported by a Quality Strategy and governance framework. In summary our priority is to do all we can to continually implement quality improvement initiatives that further enhance the safety, experience and clinical outcomes for all our patients. The period of the strategy runs from 2012-2017 and during 2015/16 we took the opportunity to consult our staff, public and patients to see where the strategy needed to be refreshed. Once we have the outcome of the Care Quality Commission inspection we will consider all the information and publish a refreshed strategy.

Deliver the best clinical outcomes

At Sheffield Teaching Hospitals NHS Foundation Trust we have a strong track record of delivering a high standard of care both in our hospitals and in the community. However, we are never complacent and continually look to adopt best practice, drive innovation and most importantly learn and improve when we do not meet the high standards we have set for ourselves.

We closely monitor a number of key indicators which help us know if we are meeting these high standards. For example our mortality rates have remained as expected. During 2015/16 we also continued to review weekend mortality rates. Our Hospital Standardised Mortality Ratio for weekday and weekend emergency admissions is also both 'within expected range'.

We consider rigorous infection control and clean facilities to be fundamental to our care standards and so I am pleased to report that this year we once again met the national standards set for our organisation.

We continue to work hard to minimise the chances of patients acquiring other hospital acquired infections such as Norovirus and MRSA bacteraemia. During 2015/16 we had no cases of MRSA bacteraemia and the number of cases of *C.Difficile* fell to an all time low.



During the year we saw the NHS continue to focus on ensuring all hospitals have safe nurse staffing levels and we continued to use the Safer Nursing Care tool along with other important indicators to ensure appropriate nurse staffing levels are determined. We are very fortunate to attract high quality nurses and midwives to work for us and during 2015/15 we welcomed over 150 newly qualified nurses who joined us including a small number of overseas nurses.

We consider that good hydration and nutrition is as important to a patient's care as the clinical intervention. During the year we became the first Trust in the NHS to implement a Hydration and Nutrition Assessment toolkit (HANAT) which supports our staff to monitor and tailor nutrition needs. The initiative has been welcomed by staff and we now have HANAT champions in clinical areas who are members of staff with a particular interest in nutrition and can help ensure patients receive the food and drinks needed to give maximum nutritional benefit. In response to ideas from our teams and the champions a number of changes have been put in place to meet patients' specific needs including bendable cutlery on Firth ward to help patients with mobility issues, menus on chalk boards for patients with speaking difficulties to choose their meals and 'Jo's top tips' - a monthly newsletter with all the latest work on nutrition and hydration that is taking place across the Trust.

Provide patient centred services

Treating patients as individuals and meeting their needs is important to us and to help build that relationship named nurse/consultant boards have been introduced across the Trust to ensure that each patient knows the name of the registered nurse/consultant looking after them. The boards also encourage patients to note down things they want to ask or want staff to know about.

Throughout the year, the innovation and commitment to continually improve care for patients was rewarded by many national accolades. One example of this is one of our multidisciplinary teams of staff who reviewed the care given to patients suffering from compression of the spinal cord by a rare cancer (MSCC) and as a consequence developed improved interventions and a new care pathway. Their work has been published nationally and was also shortlisted for a Patient Safety Award.

Encouraging a culture of transparency and learning is important and why we became one of the first Trusts to join the NHS Sign Up to Safety campaign. Our safety initiatives in the last 12 months have included the introduction of an Acute Kidney Injury Team (AKIT) who following changes to our results reporting system are now able to access the details and location of any patients who may be at risk of suffering Acute Kidney Injury (AKI). They are then able to visit the patient on the ward and provide real time teaching to the staff caring for the patient.

A new education programme for staff has also been introduced so that AKI can be detected earlier in patients and therefore enable faster treatment. The AKI team have trained over 1,000 nurses and clinical support workers, 95% of the Trust's pharmacists, over 300 doctors and all F1 doctors have also been provided with an overview as part of their Trust induction.

As a result 68% more cases of AKI are now identified and managed using the clinical documentation. Not only has this resulted in improved care for patients, it has also resulted in additional income for the Trust - in the first 6 months of the project, over £180,000 was generated via improved coding of AKI.

The Patient Safety Zone is another example of where our frontline staff have identified an area for improvement and then worked together to devise, test and implement

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a solution which has then been rolled out Trust wide. The Patient Safety Zone is an initiative which supports high quality, safe, respectful care as well by ensuring protection for our patients. This is achieved by having a defined set of actions which staff must perform while in the presence of the patient - within the 'patient safety zone'.

The actions include ensuring all staff introduce themselves by name and role so the patient knows who they are. That staff ensure that the patient is identified by asking for their name and date of birth and checking the patient's wrist band if the patient cannot give their name and date of birth. The Patient Safety Zone also ensures interruptions from other staff are minimised when the patient is talking. The initiative has been trialled on the Renal wards and is proving to have excellent results and has been welcomed by patients and staff. It was showcased at the IHI Conference in Gothenburg as an example of good practice.

A sepsis pathway has also been introduced which initially concentrated on the Emergency Department who have adopted the sepsis six approach using the BUFALO acronym and as such patients have received quicker interventions in their care and audits of the process are positive.

As well as safe care, rapid diagnosis and treatment is also important and during 2015/16 we achieved the majority of the national waiting time targets including treatment times for cancer care and diagnostic tests. The average waiting time for care at the Trust is eight weeks or less and the majority of cancer treatment waiting time standards are consistently met. More detailed information on performance can be found on pages 12-20.

To support our drive to work differently right across the Trust we introduced a new Patient Administration System and Electronic Document Management system as part of a five year technology transformation programme which will provide the opportunity to change the way we deliver care both within the hospital and also in people's own homes and communities. This five year programme will also enable the organisation to become paper light and support the work underway to develop integrated care teams and new models of care. This is one of the biggest change programmes in the history of the Trust and whilst the initial 'go live' of the Electronic Patient Record system went well there has been a period of stabilisation required. This impacted on our ability to record some performance information, including waiting times in A&E for a few months. The issues are being addressed and the Trust returned to national reporting from 1 May 2016.

As well as more than £8million being spent on updating our technology, we also invested over £13m in medical



equipment including a new MRI Scanner, 2 replacement Linear Accelerators, 2 replacement CT Scanners and a new Cardiac Catheter Lab.

Around £4million was spent on ward refurbishments, estate infrastructure, modernising the laundry and providing an improved main entrance at the Northern General Hospital.

Thanks to the fantastic efforts of the Sheffield Hospitals Charity and our local communities a new helipad has been built at the Northern General Hospital which means trauma patients get the emergency care they need even quicker.

In total, almost £34 million has been spent improving our facilities and developing our services during the year.

Employ caring and cared for staff

Of course none of these achievements are possible without the fantastic support of everyone who works for the Trust. Our staff's dedication and commitment is a source of great strength for the Trust. During the last 12 months we have continued to encourage more of our staff to be actively engaged and involved in decisions, setting the future direction of the organisation and innovations. This was the key aim of the new 'Listening into Action' approach we adopted.

More than 40 teams of staff made changes which benefitted patients or staff.

A successful series of 'Give it a Go' weeks resulted in tests of change becoming mainstreamed across the organisation and empowering staff to try out small improvements or ways of doing things which made a difference to patients or staff. During 2016/17 we will be

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building on this success by bringing together the expertise of our nationally recognised service improvement team as well as the Sheffield Microsystems Coaching Academy. We will use the Listening into Action tools and Leadership development support under the organisation's 'Making it Better' quality and efficiency programme.

We feel it is very important that we value everyone who works in the organisation and the efforts they go to every day to make a difference to our patients. Thanks to the support of Sheffield Hospitals Charity we introduced the 'Little Thank You' e card system during the year, enabling individuals and teams to be sent an electronic thank you card by their managers or fellow colleagues. This is just one way we can encourage and recognise the excellent work undertaken by every one of our 16,000 staff.

The integration of hospital, community and social care services continued at pace to ensure our patients receive timely, seamless care and that wherever possible individuals are supported to live independently at home rather than be hospitalised. The Discharge to Assess process developed by our teams was highlighted as an exemplar by the Commission on Improving Urgent Care for Older People in their report - 'Growing old together: Sharing new ways to support older people.' Patients who no longer need hospital care are now assessed in their own home for their ongoing health and social care needs rather than in the less familiar hospital environment.

During 2015/16 this resulted in over 9,000 older patients being discharged home in an average of 1.1 days from being medically fit compared with 5.5 days 3 years ago.

Patient feedback has been very positive with more patients able to remain independent in their home and 30,000 hospital bed days have been released for those patients who do require acute hospital care.

A successful bid to become one of 7 NHS Innovation 'Test beds' will help us to take this important work even further by combining the expertise and experience of our health professionals with technology partners such as Apple and primary care colleagues. Together we will test how technological devices can support patients with long term conditions to better manage their health from home.

Partnership working is also at the heart of the Working Together programme, which involves 7 Acute Trusts in South Yorkshire and North Derbyshire including Sheffield Teaching Hospitals. The aim is to share best practice and improve patient care. We believe that working together on a number of common issues will allow all the Trusts to deliver benefits that they would not achieve by working on their own. During the year, combining buying power

has saved almost £500k on the cost of examination gloves and an information sharing agreement has enabled test results for patients to be accessed at any one of the seven partner Trusts. This enables quicker diagnosis and a reduction in duplicate tests. During the year, Working Together was designated as one of the NHS Vanguard sites as part of the implementation of the NHS Five Year Forward.

On a system-wide level we are excited by the potential system wide changes we can explore for health and social care as part of the South Yorkshire and Bassetlaw Sustainability and Transformation Plan (STP). This new approach will outline how health and care services are planned by place, rather than around individual Trusts and care providers. As well as each individual organisation producing a yearly operational plan, every area's health and care system will work together to produce a multi-year STP. These will show how local services will evolve, work together and become sustainable over the next five years - ultimately delivering the Five Year Forward View vision. Our STP (South Yorkshire and Bassetlaw) includes 7 Hospital Trusts, 2 Care Trusts, 5 Clinical Commissioning Groups and 5 Local Authorities as well as 1,200 GPs. Each STP has to have a local leader and I have been asked to take on this role for our STP. The plan will address the three priorities of: improved health and wellbeing, transformed quality of care delivery, and sustainable finances.

Spend public money wisely

At the present time public sector finances face unprecedented challenges and the whole of the public sector has to make difficult choices to help reduce the country's overall deficit. All hospitals are being asked to contribute to the efficiency savings that are needed by the NHS over the next five years and Sheffield Teaching Hospitals NHS Foundation Trust is no exception.

The major financial concern for the Trust in 2015/16 was to maintain financial stability, while meeting the demands of increasing numbers of patients and more stringent operational targets.

At the end of the year we were therefore disappointed to record our first deficit in the history of the organisation albeit we improved upon our planned forecast position which was a £11million deficit. The actual position was £7.7million on a turnover of just over £1billion.

We are also very mindful that the next few years will be equally challenging financially. In the last 12 months, through our Quality and Efficiency programme, we have continued to review our costs and the way in which we

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work in order to become more efficient and deliver better value at a much greater pace.

Our focus is on doing more of what adds value; improving the productivity of our clinical areas - using our operating theatres, outpatient clinics and inpatient beds more efficiently; streamlining procurement, and generating more income. Delivering higher quality at lower cost is the only way we will achieve our ambition to continue to deliver care to the highest standards.

Examples of the service improvement work undertaken during 2015/16 can be found on page 17. Patients are involved in every microsystem service improvement project. This approach is part of our drive to encourage a culture of sustained patient-centred continuous quality improvement within and beyond the Trust.

Expanding opportunities to participate in excellent clinical research

As one of the largest teaching hospitals in the country, we are committed to improving patient care through excellent research and innovation. We aim to be at the forefront of clinical research in order to develop new, improved treatments to benefit our patients and the wider NHS. Along with our partners in the University of Sheffield, we are proud to be leading the development of world-class clinical research, providing our patients with access to outstanding facilities for the rapid diagnosis and effective treatment of a wide range of medical conditions. Researchers in Sheffield Teaching Hospitals and the University of Sheffield collaborate on a wide range of clinical trials that will improve treatment in important disease areas such as cancer, diabetes, cardiovascular disease, pulmonary disease, neurology, neurosurgery and infectious diseases.

Sheffield Teaching Hospitals (STHFT) is committed to expanding the opportunities for our patients to participate in cutting-edge clinical trials. We aim to increase the number of patients that the Trust recruits to National Institute for Health Research (NIHR) adopted trials next year to 9,000 and as host of the Yorkshire and Humber Clinical Research Network we have set a goal recruiting 65,000 patients from across the region into clinical trials which is about 10% of the NHS total nationally. Therefore, our Trust and region will be making an important contribution to the quality of research in the NHS.

This report highlights some of our outstanding research achievements over the past year and illustrates how we collaborate with a range of partners to deliver first-class research that translates into improvements in the treatments available to our patients.

A team of UK researchers led by STHFT have been awarded a £2 million NIHR Programme Grant to develop and test new models of care which could dramatically improve the health of patients with cystic fibrosis. A UK-wide consortium of cystic fibrosis clinicians and researchers, led by Dr Martin Wildman of the Trust and Professor Alicia O'Cathain of the University of Sheffield's School of Health and Related Research (ScHARR) are to spend the next five years researching interventions which will help patients with cystic fibrosis understand and measure how much medication they are taking, new motivational methods and a website which will enable them to interact with physiotherapists and doctors to see at a glance what percentage of medications they've successfully taken.

Professor Solomon Tesfaye has been awarded a NIHR Health Technology Assessment Programme Grant entitled 'Optimal Pathway for Treating neuropathic pain in Diabetes Mellitus (OPTION-DM) trial' which will span 39 months at a cost of £2.9 million and is due to begin in June 2016. Sheffield will lead this multi-centre clinical trial, which has been designed to be directly applicable to the clinical management of Diabetic Peripheral Neuropathic Pain (DPNP) in the UK following completion.

A major trial at the Trust, headed by Professor Simon Heller, that looks at helping type 1 diabetes sufferers better manage their condition is being taken a step further thanks to a £2.7million grant. Funded by the NIHR, the research will follow and complement existing findings from the national Dose Adjustment for Normal Eating (DAFNE) programme. DAFNEplus, as the new research will be known, will convert the findings from the earlier programme into an education package to give sufferers the skills to manage their blood glucose levels throughout their lifetime.

Gynaecologists and scientists from the Trust and the University of Sheffield have been awarded a multi-million pound grant to test a new treatment known as endometrial scratching, purely on women having IVF for the first time. They will be the first to test the new treatment which involves gently scratching the lining of the womb in the month before IVF treatment on first-time IVF attempts.

The ground-breaking, multi-centre study, funded by the NIHR Health Technology Assessment Programme, will run at ten nationwide assisted conception units including Jessop Fertility from June 2016, and could lead to endometrial scratching being offered routinely to all women having their first IVF treatment cycle. The technique involves placing a small tube about the size of a drinking straw through the neck of the womb and gently

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scratching the womb's lining. The 'scratching' releases certain chemicals believed to help the fertilised egg implant in the womb's lining - increasing the chances of a successful pregnancy.

Dr Rodney Hose from the University of Sheffield and Steven Wood from Medical Imaging and Medical Physics at STHFT will be funded by the European Union for their project entitled 'Personalised Decision Support for Heart Valve Disease'. Valvular Heart Disease currently affects 2.5% of the population, but is overwhelmingly a disease of the elderly and consequently on the rise. It is dominated by two conditions, Aortic Stenosis and Mitral Regurgitation, both of which are associated with significant morbidity and mortality, yet which pose a truly demanding challenge for treatment optimisation. By combining multiple complex modelling components developed in recent EC-funded research projects, a comprehensive, clinically-compliant decision-support system will be developed to meet this challenge.

The Trust and the University of Sheffield is part of a consortium that has just won a £3 million grant from the Medical Research Council to investigate Antimicrobial Resistance. This is especially welcome as Antimicrobial Resistance is a strategic priority area for the government, so it is very important that Sheffield researchers are involved with this work.

Over the last 12 months, our haematologists and neurologists have been developing a new, experimental treatment which is showing some benefits for certain patients with remitting and relapsing Multiple Sclerosis. The Autologous Haematopoietic Stem Cell Transplantation (AHSCT) treatment is currently the subject of further clinical trials and was featured in a BBC Panorama programme earlier in the year.

During 2015/16 a number of our colleagues were recognised for the contributions to the NHS and research. Professor Wendy Tindale was named Healthcare Scientist of the Year for using her skills and scientific ability for maximum patient and service benefit.

Professor Simon Heller and Professor Steven Goodacre, two Sheffield researchers have been awarded NIHR Senior Investigators status. Senior Investigators are the NIHR's pre-eminent researchers and represent the country's most outstanding leaders of clinical and applied health and social care research.

Professor Basil Sharrack, was one of the 70 leading NIHR commercial principal investigators who were recognised for their significant contribution to commercial research in the NHS. Basil received an award for consistently



delivering his commercial clinical trials on time and to recruitment target:

Innovative NHS staff and their collaborators from the region's universities, charities and small and medium-sized enterprises (SMEs) were celebrated at the eleventh annual Medipex Innovation Awards and Showcase. Thomas Gray won an award for his Healthcare Supervision Logbook, a mobile phone app designed to collect continuous feedback from doctors-in-training and the consultants responsible for supervising them. This platform allows for a much wider, real-time view of the quality of both the training that is being delivered, and of the students themselves, to identify and target problem areas

Working in partnership to improve our research and innovation

The Sheffield City Region has been chosen as one of seven national 'Test Bed' innovation centres which aim to modernise how the NHS delivers care. The 'Perfect Patient Pathway' as the Sheffield region test bed will be known, aims to create the perfect patient pathway for those suffering from long term health conditions such as diabetes, mental health problems, respiratory disease, hypertension and other chronic conditions. The Test Bed will keep patients with long term conditions well, independent and avoiding crisis points which often result in hospital admission, intensive rehabilitation and a high level of social care support. Working in partnership with GE Finnamore, IBM and 13 smaller innovators, the

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local health and care system will set up an integrated intelligence centre to help get people the help they need, when they need it most.

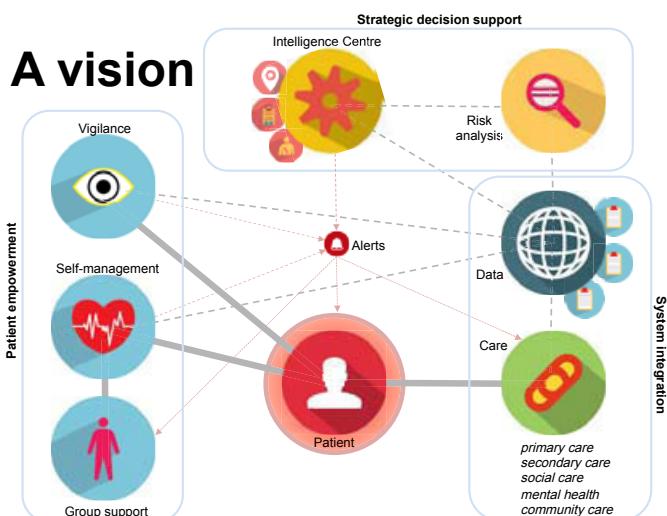
The NIHR Collaboration for Leadership in Applied Health Research and Care (CLAHRCs) is hosted by our Trust. The CLAHRCs are collaborative partnerships between the NHS, public services and Higher Education Institutions, focused on improving patient outcomes through the conduct and application of applied health research and evidence-based implementation. Our vision is to undertake high quality applied research and evidence-based implementation that is responsive to, and in partnership with, our collaborating organisation, patient, carers and the public. The CLAHRC in Yorkshire and Humber delivers national leadership in several areas; particularly in engagement with industry and developing capacity in nurses and allied health professionals to deliver high quality applied health services research.

Along with the University of Sheffield we continue to play a key role in the development of the Northern Health Science Alliance (NHSA) which is a partnership established by leading universities, NHS Hospital Trusts and the Academic Health Science Networks (AHSNs) in the north of England to improve the health and wealth of the region. In 2015, the NHSA was awarded £2.9m by Higher Education Funding Council England's (HEFCE) Catalyst Fund to support their goal of working pro-actively with industry to drive economic growth of the region through leveraging investment to increase the number of clinical trials as well as commercial research income across the north.

Connected Health Cities

The government also provided £20 million to the NHSA to establish a scalable pilot network of "Connected Health Cities" across the North in which Sheffield will play a key role. The programme is the first investment of the government's Health North programme designed to unlock healthcare innovations in the English regions with the greatest health challenges. This innovative project will assemble data, experts and technology in secure locations to generate new information that shapes health and social care services to deliver better outcomes for patients and communities by allowing us to follow patients through different services and extract information from many different organisations and databases.

The Connected Health Cities will also enable new medical discoveries by working with the national Farr Institute of Health Informatics Research, ensuring that benefits can be rapidly shared across other regions.



Perfect Patient Partnership Testbed

Yorkshire and Humber establishes new NHS Genomic Medicine Centre

The Yorkshire and Humber region is playing a key role in the development of personalised medicine through the establishment of a new regional NHS Genomic Medicine Centre (GMC). The project involves looking at the genomes of patients with certain rare diseases as well as those with certain cancers. Comparing the genomes of lots of people will help give a better understanding of the diseases, how they develop and which treatments may provide the greatest help to future patients.

Devices for Dignity

The NIHR Devices for Dignity Healthcare Technology Co-Operative is in its 9th year and continues to deliver impact through the development of healthcare technologies to help people living with long-term conditions to live more dignified and independent lives. Amongst its current pipeline of 30 projects, its innovative new neck collar to support people living with neck weakness or pain is being trialled in 13 centres across the UK and a new technology to support communication assessment in severely disabled children has been commercialised. D4D has raised £11.6 million to support its technology development projects this year. The new paediatric initiative that started last year has been enormously successful attracting national interest and has just secured a Small Business Research Initiative competition in partnership with the Y&H AHSN. Through defining areas of high unmet need in children's healthcare, this competition allows industry partners

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to directly address these needs. D4D ran an innovative patient event in June 2015 called 'My Dignity Means' where over 700 people filled in a survey to describe how technology could be developed to help them live better with their long-term conditions. This data was shared and discussed at the event in Sheffield Winter Gardens. The patient partnership approach that D4D has pioneered was acknowledged by the NHS Confederation who invited them to share insights as the NHS Confederation develop their Patient Engagement strategy.

Patients and Public Involvement

None of our research would be possible without the participation and cooperation of patients and the public. The Clinical Research Office has set up 15 lay advisory panels for research, however, most of the panels are disease specific, and as such, we have many areas of our research that do not fit into these areas. Therefore, we have set up a new on-line patient panel with a generic remit that covers research across all disease areas, addressing the disease areas not covered by our current lay advisory patient panels. This ensures that every researcher in our host institutions (and across the region) can engage with patients about their research ideas, no matter what their research interest. The panel ensures that our research is patient-orientated, relevant and helps to interpret questions in a patient friendly way.

Good corporate citizen

And finally our strategic mission is to help our local population achieve the highest physical and mental health status possible. By strengthening existing partnerships and forming new alliances, we want to play a leading role in closing the gap in health, wellbeing and life expectancy that is experienced in different parts of South Yorkshire.

A key enabler for this is our role in the development of Sheffield's Olympic Legacy Park (OLP) and the park's innovative Advanced Wellbeing Research Centre (AWRC) which is being delivered by Legacy Park Ltd a partnership involving Sheffield City Council, Sheffield Hallam University and our Trust.

Set to become the most advanced research and development centre for physical activity in the world, the AWRC will form the centerpiece of the Olympic Legacy Park. It will feature indoor and outdoor facilities for over 50 researchers to carry out world-leading research on physical activity in collaboration with the private sector and based upon the highly successful Advanced Manufacturing Park in Sheffield. The AWRC will undertake research focused upon taking services and products from concept to market, using the intellectual property, products and knowledge

developed in the centre to generate both wealth and employment opportunities.

As one of the largest providers of healthcare in the NHS, we see the devastating effects poor health and a lack of exercise causes. Sheffield is already home to the National Centre for Sports and Exercise Medicine and we now have the opportunity to work with other partners also at the forefront of research, technology, behaviour change and health innovation to make a real difference within the City and beyond. Achieving this will be an Olympic legacy to be proud of.

Overview of Going Concern

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

See page 21 for Director of Finance Report

And so as the year 2015/16 draws to a close I would like to say how very proud I am of all our staff and volunteers for their tremendous achievements, which are the basis for this organisation's success and for the excellent quality of care provided to patients. We are also very grateful for the support of our local community through our membership and Council of Governors. Given the tough financial climate we are yet again staggered at the generosity of those who support us and the tireless work of our charities.

There is no doubt that 2016/17 promises to be one of our most exciting years yet but we intend to rise to that challenge and deliver the best possible clinical outcomes, provide a high standard of patient services, employ caring and cared for staff, spend money wisely and deliver excellent research, innovation and teaching.



Sir Andrew Cash OBE

Chief Executive

18 May 2016

ANALYSIS OF PERFORMANCE

Sheffield Teaching Hospitals NHS Foundation Trust is one of the UK's busiest and most successful NHS Foundation Trusts. Above all, patients lie at the heart of everything we do. With a turnover over £1 billion and around 2 million patient contacts each year, more than a million of those in the community, we are one of the largest NHS trusts in the UK. During the past year we have seen and treated 1,035,094 outpatients, 112,855 inpatients, 113,339 day case patients and 152,539 accident and emergency attendances. We have also had 1,188,903 contacts with community patients.

We provide a full range of local hospital and community services for people in Sheffield, as well as specialist care for patients from further afield, including cancer, spinal cord injuries, renal and cardiothoracic services. In addition to community health services, the Trust comprises five of Yorkshire's best known teaching hospitals. The Trust has a history of high quality care, clinical excellence and innovation in medical research.

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

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

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

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

Some of our services are provided jointly with partner organisations. The Trust has close links with the University of Sheffield and Sheffield Hallam University. The University of Sheffield Medical School is located at the Royal

Hallamshire Hospital and medical student training takes place within all of the hospitals. Nurse training is provided by Sheffield Hallam University and in the Trust's hospitals. Both Universities provide further specialist training and support to all types of health professionals.

We have around 16,000 employees, making us one of the biggest employers locally.

We aim to reflect the diversity of local communities and have spent time over the year developing new and existing partnerships with local people, patients, neighbouring NHS organisations, the local authority, charitable bodies and GP's.

Last year continued to be a challenging one for the NHS with all trusts expected to provide the highest standards of care while achieving demanding efficiency savings.

Activity levels increased slightly last year. Not only did we treat around 0.75% more inpatient and day cases, but we also saw a small rise in A&E attendances (1.4%).

Despite this we achieved the majority of national and local standards required. The national standard for diagnosing, treating and discharging or admitting 95% of patients within four hours from the Accident and Emergency Department was reported nationally for the first two quarters of the year at which the point the Trust was just slightly under on delivering the 95% standard. However, the Trust implemented an Electronic Patient Record in September 2015 and from this point forward agreed with its Commissioners and Regulators to temporarily suspend national reporting whilst the system was fully embedded into the department. The Accident and Emergency Department is a fast paced complex environment which meant that when the system was introduced further work was required to support the teams to align their processes.

The department has hugely benefited from the introduction of the technology as much richer clinical information is being captured electronically about our patients and is available for the wider clinical teams to use. In parallel, a Trust wide programme throughout 2015 has reviewed the emergency care pathways from the Emergency department through to discharge, significantly improving the pathway for patients referred for assessment by their GP and increasing earlier appropriate discharges.

We are also currently working with NHS Sheffield to support their review of how patients move through the City's urgent care services to allow us to meet future patient demands and to further improve services for our patients.

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This work complements the city wide Right First Time transformation programmes which are focusing on reducing avoidable hospital admissions, creating integrated community teams and exploring the future model of urgent care across the city. We are confident that this work will have significant benefits for our patients and those who provide their care.

We have continued to work hard so that the majority of our patients are seen within 18 weeks from the date their GP refers them for a hospital consultation and have consistently delivered the 92% Incomplete standard of where patients are still waiting for treatment.

However for the last few years we have seen an increase in the number of patients choosing to have their treatment with us and this extra demand means we have had to look at improving the processes we currently use so that we can treat patients as efficiently and timely as possible. In 2015/16 we did not achieve the 90% standard of admitted patients receiving treatment within 18 weeks of GP referral but did achieve the 95% non-admitted patients standard.

Some of the actions being taken include working with GPs to look at having predominantly electronic referrals, rather than paper, and ensuring certain parts of the process are done within a shorter time period - for example, ensuring a patient's first appointment takes place within five weeks of receiving the GP referral, to allow more time in the 18 weeks pathway to carry out tests and ultimately complete treatment. We are also starting to work with NHS Sheffield to develop a CASES model to maximise the number of patients who can be managed in primary care by expert GPs.

Last year we also met or exceeded all but one of the waiting time standards for patients requiring cancer care. The underachievement has occurred in the 62 day standard from GP referral to treatment. Performance in this area has been compromised by referrals arriving late in the pathway from external referrers.

We have seen some success in reducing the number of non urgent operations which are cancelled on the day of surgery. The aim is to reduce the number of day case operations that get cancelled on the morning they are due to take place. The top causes of cancellation are patients not attending and patients being unwell on the day of surgery. A team of staff have designed a campaign to encourage patients to contact the hospital before their operation is scheduled if they have a cold or sore throat, sickness bug, temperature, or chest infection. A text and telephone call reminder system was also piloted.

A nurse telephones the patient to check their health and symptoms, whether they are still planning to come in for their operation and if they have someone to provide them with transport home. For the first time in June 2015, we hit the benchmark of fewer than 4% on-the-day cancellations. Our aim is now to consistently hit or be lower than this benchmark.

We continue to have very low levels of hospital acquired infections, including MRSA, *C.Difficile* and Norovirus. Indeed during 2015/16 we did not have any cases of MRSA bacteraemia and we recorded our lowest ever number of cases of *C.Difficile*.

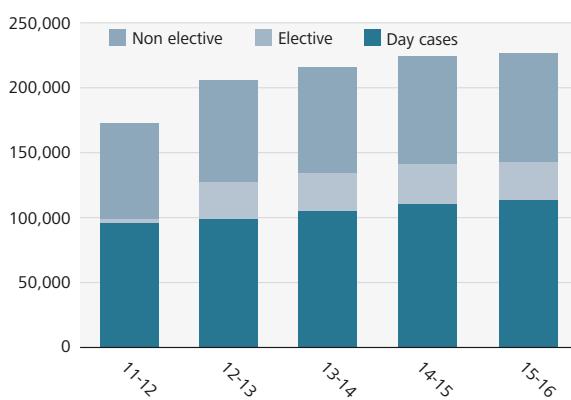
Further information about the principal risks facing the organisation and the processes in place to mitigate the risks can be found in the Annual Governance Statement on pages 50 - 60.

For further details of the Trust's performance see the following tables:

ANALYSIS OF PERFORMANCE

Activity trends

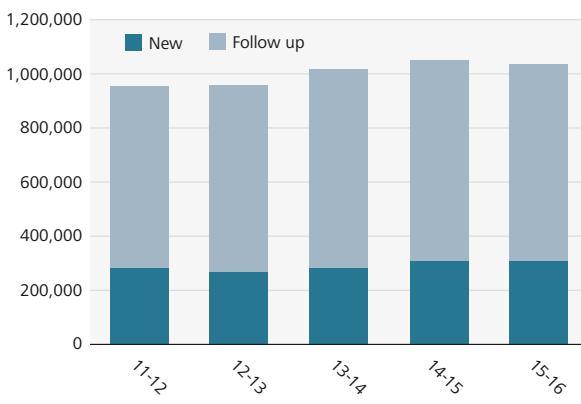
Number of completed inpatient spells



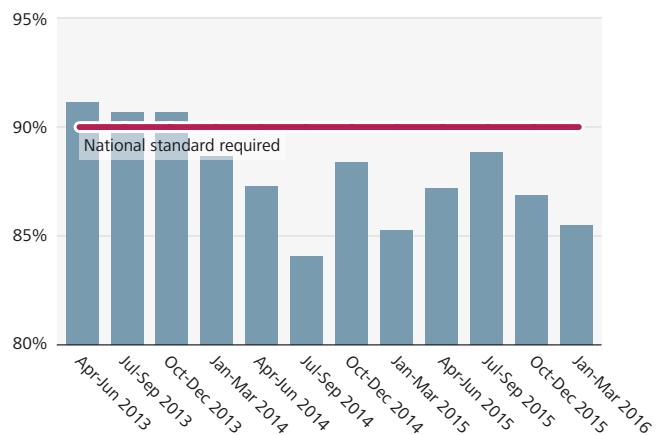
Percentage of patients treated within four hours in A&E



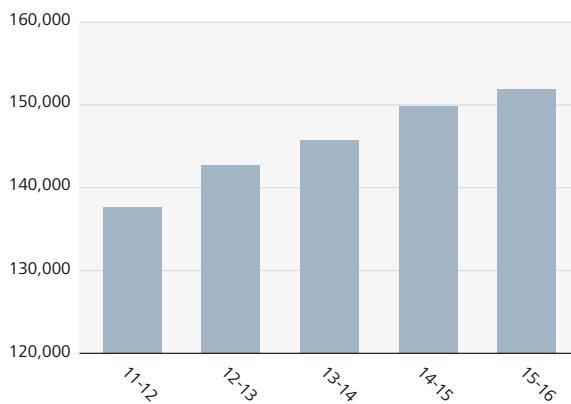
Number of outpatient attendances



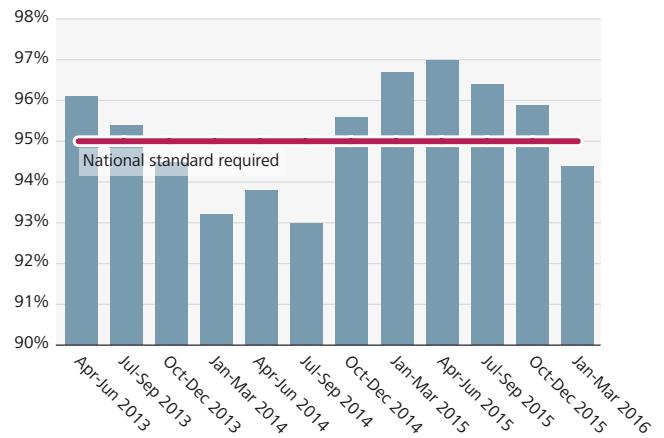
Percentage of patients starting admitted treatment within 18 weeks of referral (English Commissioners only)



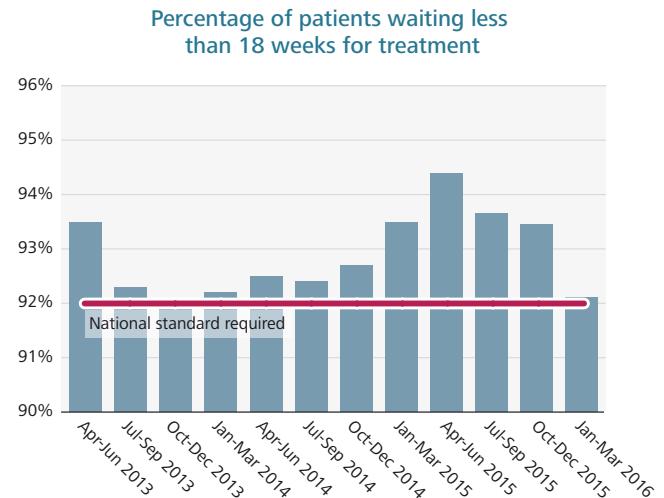
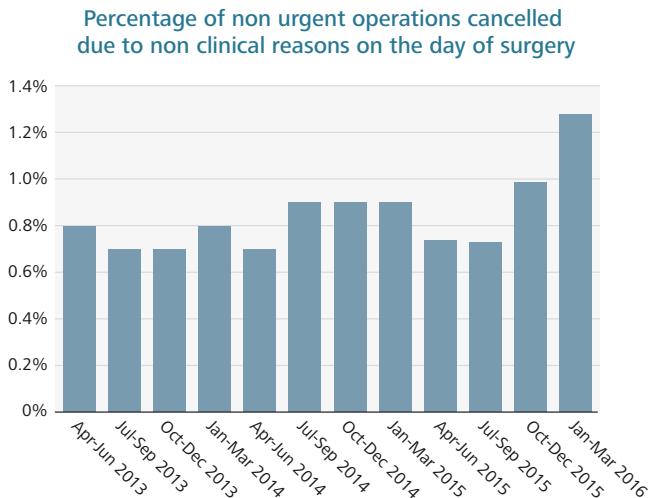
Number of A&E attendances



Percentage of patients starting non-admitted treatment within 18 weeks of referral (English Commissioners only)



ANALYSIS OF PERFORMANCE

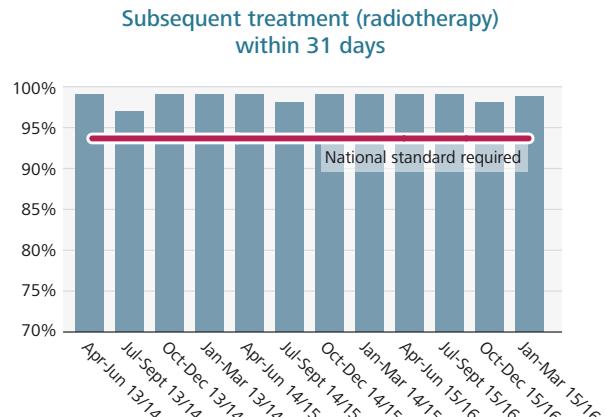
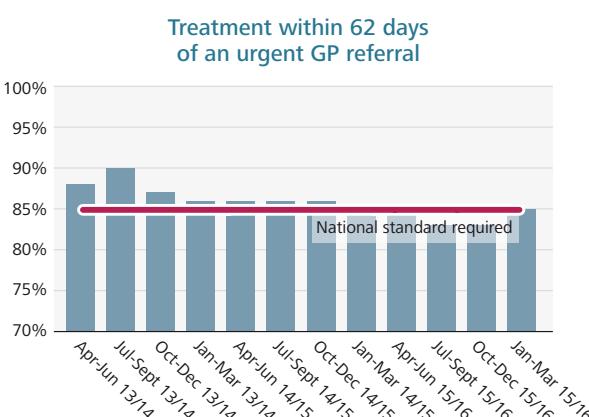
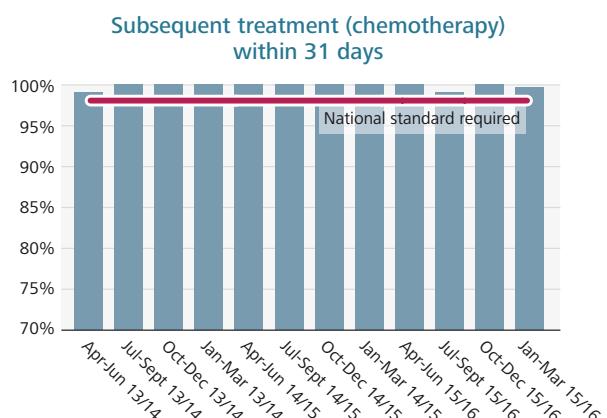
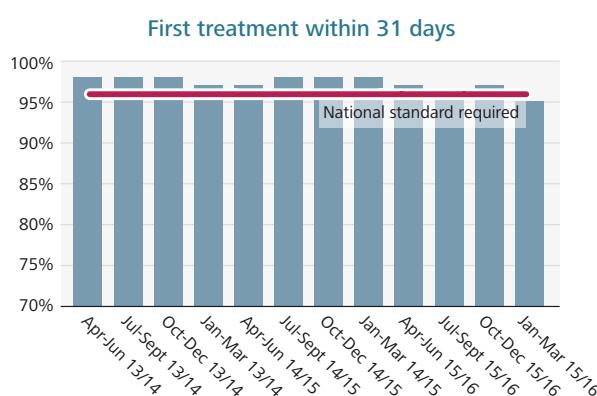
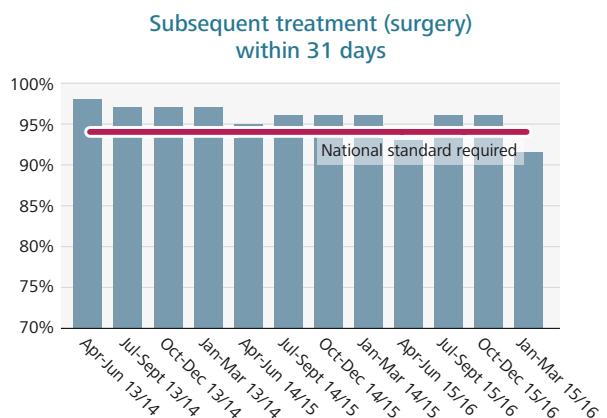
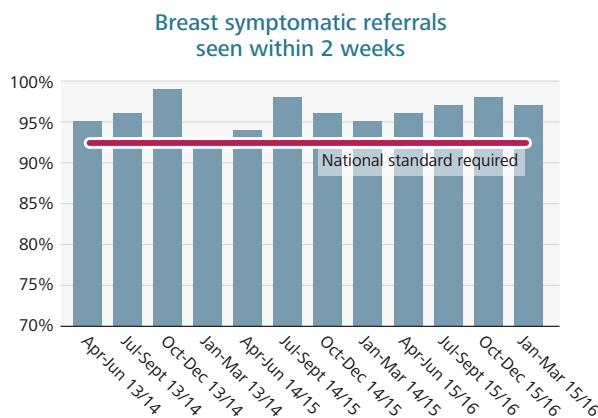
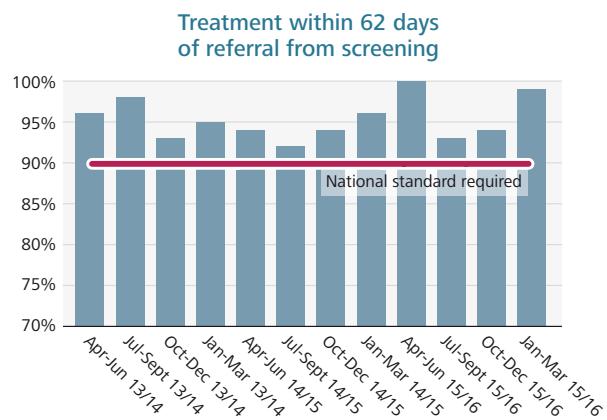
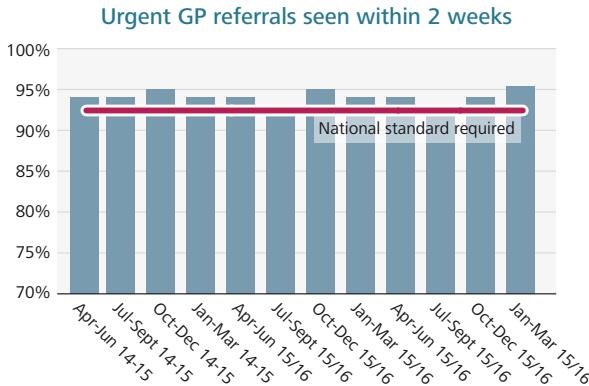


Community performance 2015/16

Service measure	Target	Q1	Q2	Q3	Q4
Intermediate Care Community Beds - number of admissions	N/A	372	366	395	359
Intermediate Care Community Beds - Average Stroke Length of Stay	35 days	42	38	38	37
Intermediate Care Community Beds - Average Orthomedical Length of Stay	35 days	33	33	35	34
Intermediate Care at home - Patients assessed within required timescales	98%	98%	99%	98%	98%
Intermediate Care - Number of packages delivered at home	N/A	2,038	2,081	2,313	2,072
Community Nursing Referrals	9,003	9,783	10,669	10,708	9,741
Community Nursing Contacts	N/A	149,599	167,314	178,118	170,815

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Performance against cancer access targets



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Regulatory performance

Details of the Trust's regulatory performance can be found on page 47

Quality care

Providing our patients with high quality clinical care is our top priority. We know how important it is to patients and their families to know that when they have to come into hospital they are going to receive the best possible care, be safe and cared for in a clean, welcoming and infection free environment. That is why we are continually implementing quality improvement initiatives that further enhance the safety, experience and clinical outcomes for all our patients. You can read more about our priorities and developments in the Quality Report which is on page 61.

A culture of improvement

The Trust has invested over recent years in an award winning Service Improvement Team which in 2015/16 resulted in a growing body of service improvement work across the Trust. A revised team structure enabled a deliberate focus on leadership development, with 1 in 3 posts offered on a secondment basis to specifically encourage rotation in and out of the team.

The department is organised on a team based structure organised around each of the main improvement themes; Supporting Financial Sustainability; Improving Elective Pathways (Outpatients and Surgical); Improving Non-Elective Pathways and Building Capability. Example activities are provided below.

The Building Capability Team aim to build improvement capability within the Trust, the Sheffield healthcare system and beyond to improve the quality and value of the care delivering in those systems for the patients and staff who work there.

The Sheffield Microsystem Coaching Academy (MCA) is at the heart of this improvement theme and continues to receive external recognition with the Head of Quality Improvement recognised in a national leadership award in 2015. The MCA has now trained 108 microsystem coaches to work with teams to help them improve their services, using the evidence based microsystem improvement methodology. Around 150 microsystem teams have used the methodology to make improvements to the quality and value of their services for the benefit of patients and staff.

Through 2015/16 our series of 1 day and 2 day Quality Improvement courses continue to prove very popular, with a total of more than 500 attendees. The MCA Expo held in June 2015 was a major event with over 200 delegates attending, from a number of different countries.

Our "Flow Programme", funded by the Health Foundation, and the second strand of our Microsystem Coaching Academy commenced in November 2015 and has been a major development for 2015/16. The programme works with Royal United Hospitals Bath NHS Foundation Trust and South Warwickshire NHS Foundation Trust and aims to build quality improvement capability at pathway level. 6 pathway teams from Sheffield are involved including Skin Cancer, Stroke, Chronic Obstructive Pulmonary Diseases, Fractured Neck of Femur, Chronic Widespread Pain and Maxillo- Facial. The programme of training is now well underway and all teams have established their 'Big Rooms' and are meeting regularly.

The Non Elective Team aim to support teams to improve emergency flow, to ensure patient focused, high quality and efficient processes. A major workstream for 2015/16 has been the Ward Collaborative which brought together 12 wards including wards from Care of the Elderly, Gastroenterology, Infectious Diseases, Spinal Injuries, Orthopaedics and Cardiology. The achievements of the wards were celebrated at an event in March 2016, supported by Roy Lilley Independent Health Policy Analyst. Improvements included the development of new Board round processes, improved MDT processes, improvements to patient entertainment, the introduction of a new consultant of the day model and the development of a more standardised ward environment.

Additionally the team have developed an ambulatory diagnostic tool and are working with a number of specialties to help them improve ambulatory processes. Supporting the organisation to redesign its processes for acute assessment and admission will be a major area of focus for 2016/17. In addition, the team are supporting a growing number of teams to understand their system and test improvements including the Community Stroke team, the Discharge Lounge, the central transport team, a number of Renal teams, Palliative Care and the Cardiology Electrophysiology Team. Working closely with the Clinical Operations Team, the Non-Elective Team supported and evaluated over 40 tests of change during the 2015 'Give It a Go' week, which has led to a number of sustained improvements and investments by the Trust.

ANALYSIS OF PERFORMANCE

The Elective Team have consolidated improvement work within its 'Seamless Surgery' programme and is now aiming to support more standardised improvement across surgical pathways, informed by local and national best practice. A set of Standard Operating Procedures have been developed in 2015/16, following successful improvement projects on reducing cancellations, electronic pre-assessment questionnaire, scheduling processes and improved management of Medical and Surgical Supplies. Through an intensive supported improvement process, working in partnership with the Listening into Action team, directorates will be supported to test and implement improvements around scheduling, pre-operative assessment, theatre processes and critical care booking. Additionally, the team are supporting teams in Vascular Radiology, Theatre Assessment Unit, Critical Care, Ophthalmology, Orthopaedics, Urology, Cardiac Surgery and ENT.

In relation to Outpatients, the team are working closely on a series of developments including the Trust wide Contact Centre, e-referrals and electronic check in. Alongside this, a significant programme of patient and staff consultation has taken place to inform the development of Trust Wide standards for Outpatient services. This will conclude in May 2016, with a supported implementation process planned thereafter. This builds on learning from significant improvement work that has taken place in Outpatient Services, using the microsystem improvement methodology. Teams participating in 2015/16 have included Foot and Ankle Orthopaedics, ENT, Irritable Bowel Disease clinics, Pre-Operative Assessment, Bone Marrow Transplant, Dermatology, Oncology and Tissue Viability. The team are also currently delivering the MCA Outpatient Collaborative, which builds on the principles of the Ward Collaborative.

In 2015/16 the team have further developed the range of activities supporting directorates on cross cutting efficiency and quality opportunity areas, including detailed information packs and a range of workshops on topics such as ambulatory working and medicines management.

Additionally, the team have supported a range of projects in 2015/16 including the Homecare Medicines project, which has delivered savings and improved patient experience. The Acute Kidney Injury project has also delivered significant improvements in patient safety and improved accuracy of coding. Increasing E-Referral utilisation continues to be a focus, and for 16/17 a major programme of work will be the cross-site Contact Centre work.

During 2016/17 the Trust will launch and implement the Making It Better Programme which brings together all

improvement and transformation work. The programme recognises Organisational Development as a key foundation of this work, acknowledging the cultural development that needs to take place to help the organisation succeed. This is an exciting and ambitious programme of work and will be a major focus for 2016/17 and beyond.

Patient experience

Seeking and acting on patient feedback remains a high priority for the Trust. Our overall performance in national surveys consistently compares well against other trusts. The Friends and Family Test allows us to look in more detail at patient feedback at individual ward level where our scores consistently compare well nationally and good response rates are being achieved.

Over 98% of inpatients surveyed as part of the National Inpatient Survey by the Care Quality Commission in 2015 said our wards were clean and over 86% said they were always treated with respect and dignity. Over 94% of patients surveyed expressed satisfaction with the help they received with pain control.

75% of patients rated their experience as 8 out of 10 or above and 27% rated their experience as 10 out of 10.

During 2015/16, the Trust launched a new complainant satisfaction survey to survey all those who make a complaint to provide them with an opportunity to tell us about their experience. This is being carried out alongside routine audits of complaint responses and complainant interviews to ensure we have a full understanding of the experience complainants have when making a complaint.

During 2016, a new local inpatient satisfaction survey and outpatient satisfaction survey will commence, providing even more feedback on the experience of patients who visit our Trust. In addition, the Trust will be undertaking a series of topic specific surveys throughout 2016/17, the first one being End of Life Care which commences at the end of April 2016.

Further information about the work undertaken to ensure we listen and respond to patient's views, complaints and suggestions please see the Quality Report on pages 61 - 114.

Staff report

The Trust is privileged to have many skilled and dedicated staff who contribute to the success of our hospital and community services.

This has been particularly evident during the past year when the Trust experienced challenging operational

ANALYSIS OF PERFORMANCE



pressures including higher demand, industrial action relating to the new national Junior Doctor contract, a successful CQC inspection and significant technological changes.

Many staff worked over and above their normal duties to ensure that the quality of patient care was maintained. We strive to recruit and retain the best staff and we recognise the importance of positive staff engagement and good leadership to ensure good quality patient care.

Our PROUD values and behaviours continue to underpin the way we lead and deliver through change in the next five years. A focus on staff engagement and involvement ensures we continually learn and change using the ideas and knowledge of our many staff in all roles. You can read more about our progress in this area and other important workforce issues in the Staff Report on pages 39-47.

Equality and Diversity

We believe in fairness and equality and aim to value diversity and promote inclusion in all that we do. We are committed to eliminating discrimination, promoting equal opportunity and doing all that we can to foster good relations in the communities we provide services in and within our staff teams. In doing this we take account of gender, race, colour, ethnicity, ethnic or national origin, citizenship, religion or belief, disability, age, domestic circumstances, social class, sexual orientation, marriage or civil partnership and trade union membership. Everyone who comes into contact with our organisation can expect to be treated with respect and dignity and to have proper account taken of their personal, cultural and spiritual needs.

If unjustified discrimination occurs it will be taken very seriously and it may result in formal action being taken against individual members of staff, including disciplinary action.

We aim to ensure that we employ and develop a healthcare workforce that is diverse, non-discriminatory and appropriate to deliver modern healthcare. Valuing the differences of each team member is fundamental to enable staff to create respectful work environment and deliver high quality care.

The requirements of the Equality Act 2010 support these aims and in 2015/16 the Trust undertook a range of activities and actions to support the Trust to:

- Eliminate Discrimination, Harassment and Victimation
- Advance Equality of Opportunity between people protected by the Equality Act and others, and
- Foster good relations between people protected by the Equality Act and others

The Trust produces an Equality and Human Rights Report each year which is published on the Trust web site; this includes details of these actions and activities and includes data and information about our staff and people who use our services these reports can be found at:
www.sth.nhs.uk/about-us/equality-and-diversity/eliminating-discrimination-advancing-equal-opportunity-and-fostering-good-relations

In 2015/16 we renewed our 'two ticks' Positive About Disabled people standard and also maintained attention to the Trust as a Mindful Employer.

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Sustainability

Sustainability and Climate Change

The Trust is proud to be a leader in the NHS when it comes to energy efficiency and sustainability, and we actively encourage our staff to support us through initiatives as diverse as recycling and walking to work.

Carbon Emissions

Annual carbon dioxide emissions due to gas and electricity consumption:

Year	Annual Carbon Dioxide Emissions (tCO ₂)	
	Gas	Electricity
2008/09	29,834	36,171
2009/10	27,677	34,712
2010/11	24,660	32,005
2011/12	19,071	30,038
2012/13	20,962	29,061
2013/14	18,270	29,220
2014/15	16,754	29,488
2015/16	11,427*	24,671*

* Note: Annual figures are an estimate based on actual data up to January 2016.

The total emissions to atmosphere due to the Trust's electricity and gas consumption during the financial year 2014/15 were reduced by 3% when compared to 2013/14.

Projections show that the financial year 2015/16 will see the Trust's overall energy related CO₂ emissions reduced by a further 15% when compared with the previous year, the main contributor to this impressive annual reduction has been the scheme to replace the steam network with a low temperature hot water system at the Northern General Campus.

This means that energy related carbon emissions have been reduced by around 36% since 2007/08, which exceeds the 2015 target reduction of 10% as required by the NHS Carbon Reduction Strategy.

Trust Consumption Figures for 2015/16

Utility	Energy Consumption
Water	513,682 m ³ *
Gas	61,767,136 KWh*
Electricity	45,351,806 KWh*
District Heating	1,731,002 KWh*

*Note: Annual figures are an estimate based on actual data up to January 2016.

During 2015/16 the Trust continued to invest in various energy efficient, carbon reducing schemes which included the continued migration of all general lighting installations to LED type fittings across all areas of the Trust, using this LED technology we will also achieve reduced maintenance costs and improved lighting levels while at the same time using less fittings.

A strategy to de-steam the Royal Hallamshire Hospital is under development, the building is currently served by numerous air handling systems which currently use steam for heating, the plan is to convert these systems to operate on low temperature hot water, in doing so this will reduce energy and open up a significant opportunity for heat recovery using heat pumps. The installation of heat pump technology will enable heat recovery during the heating season and the recovery of cooling during the summer, the costs and benefits are subject to evaluation.

The disconnection of the District Heating System to the Weston Park Hospital, Charles Clifford Dental Hospital and the Broomcross Building at the Central Campus was completed in November 2015. The energy required for the heating and domestic hot water systems at these hospitals is now provided by a low temperature hot water from the energy center at the Royal Hallamshire Hospital; it is expected there will be a marked reduction in consumption as a result of this scheme in addition to ensuring energy security to these buildings.

The Laundry at the Northern General Hospital now has local steam generators which has enabled the decommissioning of in excess of 500 meters of steam pipe work which has eradicated the associated standing losses, this along with the installation of direct gas fired dryers is already making dramatic energy savings and hence reduced CO₂ emissions.

Over the next year, the Trust will consider the targets post 2015, in particular, the aspiration for the NHS, Public and Social Care system to achieve a 34% reduction in CO₂ emissions from building energy use, travel and procurement of goods and services by 2020.

ANALYSIS OF FINANCIAL PERFORMANCE

Financial Performance

The financial results for 2015/16 show a disappointing deficit but are satisfactory in the context of the Trust's planned position and the overall difficulties in the NHS acute provider sector. The position can be summarised as follows:

	2015/16 Plan £m	2015/16 Actual £m	Variance £m
Total income	1,004.0	1,006.5	2.5
Expenses excluding depreciation	-969.1	-970.5	-1.4
Depreciation/ Impairments	-32.6	-30.7	1.9
Operating surplus	2.3	5.3	3.0
Public Dividend Capital dividend	-10.3	-10.0	0.3
Financing Costs (net)	-3.0	-3.0	0.0
Deficit for the year	-11.0	-7.7	3.3

The Trust had a deficit from continuing operations of £7.7m (0.8% of turnover). This is better than the planned position but this is almost entirely due to non-cash technical gains from donated income and (net) reversed impairments. The Trust had a very challenging financial year due to national financial policies and operational difficulties, particularly around delivery of activity plans. Significant levels of contingencies and one-off benefits were critical to achieving the outturn position.

The Trust's income position for 2015/16 was as below:

	£M	% increase over 2014/15
Income from patient services	834.7	0.6
Other operating income	171.8	-0.5
Total Income	1,006.5	0.4

The low level of growth in income from patient services was due to the disappointing tariff and associated payment system arrangements for 2015/16 and activity generally being below planned levels. Private Patient income was marginally less than in 2014/15 at £3.41m. The decrease in other operating income is due to a significantly lower level of reversed asset impairments (accounted for as income) and reductions in Education & Training income, offset by increases in income from recharges to other organisations, Research & Development and Charitable donations (largely for the Helipad).

Pay costs rose by 2.5% over 2014/15 due to pay awards, increased employer superannuation contributions, activity increases, the Trust's IT Programme and other service expansions. Drugs costs increased by 9.4% and there was a 5.1% increase in clinical supplies and services costs. Premises costs reduced by 5.4% and Clinical Negligence costs reduced by 25.0 % due to the NHS Litigation Authority's new arrangements for calculating premiums which better reflect claims history. The combined depreciation, loan interest and PDC dividend charges increased by 0.2%. There were impairment charges of £1.5m in 2015/16 compared to £10.6m in 2014/15.

Efficiency Savings

The Trust again faced a major challenge to deliver the national efficiency requirement and to deliver savings to offset income losses and cost pressures. For 2015/16 the efficiency requirement was around £27m bringing the cumulative requirement for the 10 years up to 2015/16 to around £275m. The Trust delivered around £22.5m of this savings requirement. The Trust continued to seek efficiency savings through its Efficiency Programme, with work streams under the broad headings of Clinical, Workforce, Corporate and Commercial; by developing Service Improvement capability and capacity within front-line staff; and by supporting Directorates to identify savings opportunities and deliver them. This continues to be a critical area.

Capital Investment

Total capital expenditure for the year was £33.8m and has been analysed below. The focus has been on investing in the Trust's physical infrastructure, modernisation of information technology systems, promoting new service developments and continuing to support medical equipment and regulatory needs in order to improve the services to patients across the Trust.

	£,000	£,000
Medical Equipment	13,538	
Equipment Replacement Programmes (e.g. Scopes)		2,984
Linear Accelerator Replacements		4,329
Additional RHH MRI Scanner		1,782
CT Scanner Replacements		1,625
Replacement Cath Lab C		1,043
Other		1,775
Information Technology	8,610	
Electronic Patient Record		3,203
Clinical Portal		3,010
Electronic Document Management System		947
Other		1,450
Service Development	7,361	
Helipad		2,935
Haematology BMT Ward		1,959
Estate Rationalisation		967
Special Care Baby Unit		282
GP Collaborative Re-provision		234
Other		984
Infrastructure	4,264	
Huntsman Entrance & Retail Facilities		1,592
WPH Assessment Unit Refurbishment		873
Osborn Ward Refurbishment		695
Laundry Modernisation		542
Other		562
Statutory Compliance	37	
Other (e.g. Wet Rooms)		37
Total Expenditure	33,810	

Total capital income available to the Trust for the year was £46.9m. This can be analysed as follows:

	£000
Resources available from the Department of Health/Internally Generated	44,429
Other Donations/External Income	2,523
Total Income	46,952

Overall, therefore, there was a £13.1m underspend on the Capital Programme due to slippage on schemes, particularly around the Theatre Upgrade, Major Medical Equipment, Ward Refurbishment and IT Programmes. The resources are carried-forward and will be used to complete the planned investments in due course.

Cash Flow and Balance Sheet

The Trust's net assets employed at 31 March 2016 were £416.8m compared with £422.7m at the previous year-end. The value of Land, Buildings and Equipment at 31 March 2016 was £444.5m. Outstanding "borrowings" relating to Foundation Trust Financing Facility loans, a PFI contract and a Finance Lease totalled £46.6m at the year-end.

Whilst cash balances remained very healthy at £86.7m, net current assets at 31 March 2016 were significant reduced to £16.0m (from £31.6m at 31 March 2015). This reflects the 2015/16 deficit plus additional capital expenditure. There remain significant resources committed to capital schemes and other requirements in future years plus other liabilities. The Trust has a requirement as a Foundation Trust to have a sound working capital position in order to provide a degree of financial security and ensure the continuity of patient services. Monitor assesses Foundation Trust financial risks through its Financial Sustainability Risk Rating. This operates on a scale of one to four, where one represents very high risk and four represents very low risk. The Trust's risk rating for 2015/16 was three.

Conclusion

Overall 2015/16 was a very difficult financial year for NHS acute providers. In this context the Trust's financial results are reasonable with a relatively small deficit. It has been clear for some time that these financial difficulties were coming as demands on services have continued to grow and funding has been constrained for several years. The Trust remains committed to delivering high quality services and to achieving efficiency savings to address the financial pressures and to protect and invest in services. However, the crisis in the acute sector means that a significant shift is required in some combination of funding levels, service offer or efficiency. Whilst the national funding settlement for 2016/17 has shown a greater recognition of the acute sector financial pressures, the Trust will continue to face many challenges to ensure that it remains financially, clinically and operationally sustainable. Some of the answers need to be found locally but there are also fundamental national issues to address.



Accountability Report

ACCOUNTABILITY REPORT

DIRECTORS' REPORT

Directors' Report

The Board of Directors is made up of the Chairman, seven Non-Executive Directors and six Executive Directors. The Board's role is to promote the success of the organisation so as to maximise the benefits for the members of the Trust as a whole and for the public. It does this by

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

The Trust is satisfied that the Board of Directors and its committees have the appropriate balance of skills, experience and knowledge of the Trust to enable them to discharge their respective duties and responsibilities effectively. The Trust is confident that all the Non-Executive Directors are independent in character and in judgement. Two New Non-Executive Directors have been appointed, Candace Imison and Tony Buckingham. The Non-Executive Director Annette Laban was appointed as Senior Independent Director on 1st July 2015.

The Board meets every month apart from August. Since May 2012, it has met in public although part of the meeting is held in private to deal with matters of a confidential nature. Board papers for the public meetings are published on the Trust's website.

The Board of Directors use a number of ways to understand the views of our governors and members, including:

- The Annual Members Meeting
- Attendance by Executive Directors and Non-Executive Directors at Council of Governors meetings
- Regular feedback sessions by the Chairman and Assistant Chief Executive to Governors following Board of Directors meetings
- Joint meetings between the Board of Directors and Council of Governors on significant issues.
- Active involvement of Governors in key decision making groups such as the Quality Report Steering Group.

Registers of Interests

The Trust holds two Registers of Interest, one for the Board of Directors and one for Council of Governors. Directors and Governors are required to declare any interests that are relevant and material on appointment or after appointment or election, or should a conflict arise during the course of their tenure. The registers, which are updated and published annually, are maintained by the Assistant Chief Executive. Members of the public can access to the registers by making a request in writing to:

Assistant Chief Executive
Sheffield Teaching Hospitals NHS Foundation Trust
8 Beech Hill Road
Sheffield S10 2SB.

The Chairman has the following other significant commitments: He holds directorships in Sheffield Forgemasters International Ltd, Yorkshire and Humber IDB Ltd, Metalysis Ltd, EEF Ltd, HCF International Advisors Ltd, The Cutlers Hall Preservation Trust, Metalysis Malaysia Ltd, University and Colleges Employers Association Ltd. He is Chair and Pro-Chancellor, Sheffield University, Chairman of Albion Steel Ltd and a Trustee of Whirlow Hall Farm Trust.

The Trust has complied with the principles outlined in the cost allocation and charging requirements set out in HM Treasury Guidance.

The Trust can confirm that it has made no political donations in the 15/16 Financial Year

The Trust complies with the better payment practice code in that it aims to pay 95% of its suppliers within agreed credit terms. For the majority of our Suppliers this is thirty days from the invoice date. The Trust's performance against this code, together with any interest paid under the Late Payment of Commercial Debts (Interest) Act 1998, is set out on page 138 in Note 6 to the Accounts

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income 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. The Trust can confirm that within its own operations it has met this requirement.

The Board of Directors is not aware of any relevant audit information that has been withheld from the Trust's auditors, or of with the Auditor is unaware. Members of the Board take all necessary steps to make themselves aware of relevant information and to ensure that this is disclosed to the auditors where appropriate.

DIRECTORS' REPORT

Board of Directors membership and attendance

Name	Position	Attendance (actual/possible)
Andrew Cash	Chief Executive	10/11
Hilary Chapman	Chief Nurse	10/11 - 1 deputised
Tony Buckham*	Non Executive Director	5/7
Mark Gwilliam	Director of Human Resources & Organisational Development	11/11
Shirley Harrison **	Non Executive Director	2/3
Candace Imison*	Non Executive Director	7/7
Annette Laban	Non Executive Director	10/11
Kirsten Major	Director of Strategy and Operations	11/11
Dawn Moore	Non Executive Director	8/11
John O'Kane	Non Executive Director	10/11
Tony Pedder	Chairman	11/11
Julie Phelan***	Communications and Marketing Director	10/11
Vic Powell**	Non Executive Director	3/3
Neil Priestley	Director of Finance	11/11
Neil Riley***	Assistant Chief Executive	10/11
Martin Temple	Non Executive Director	10/11
David Throssell	Medical Director	11/11
Tony Weetman	Non Executive Director	8/11

* Appointed 1st September 2015

** Retired 30th June 2015

*** The Assistant Chief Executive and the Communications and Marketing Director also attend all Board of Directors meetings. Following agreement with the Chief Executive, the Assistant Chief Executive and Communications and Marketing Director are now considered Senior Managers for the purposes of the Annual Report.

Audit Committee

The Audit Committee is appointed by the Board of Directors and consists of four Non-Executive Directors. The Chair of the Healthcare Governance Committee is an ex-officio member. The Director of Finance, the Assistant Chief Executive, the Head of Internal Audit and a senior representative of the Trust's External Auditors KPMG normally attend the meeting. The Finance, Performance and Workforce Committee includes two members of the Audit Committee and the Director of Finance.

The Audit Committee provides the Board of Directors with an independent review of financial and corporate governance and risk management. It provides assurance by independent external and internal audit, ensures standards are set and monitors compliance in the non-financial, non-clinical areas of the Trust. It is authorised by the Board of Directors to investigate any activity within its terms of reference and to seek any information it requires from staff. In 2015/16, the Committee considered the following matters:

DIRECTORS' REPORT

- Going Concern concept papers received (Initial assessment January 2016 and updated assessment March 2016). The Committee agreed that the 2015/16 Annual Accounts be prepared on a going concern basis. This followed consideration of the financial position for 2016/17 and how it has arisen, the context of the overall NHS position, the future issues created, the ability of the Trust to cover any I&E deficits in cash terms during 2016/17 and the need for future health services in Sheffield.
- Accounting Policies for completion of 2015/16 Financial Statements paper, including the appropriate accounting treatment for Charitable Funds and Group Accounting, received and approved (October 2015).
- Process and timetable for approval of 2015/16 Financial Statements and Annual Report paper received and approved (January 2016).
- Statutory Financial Statements and Annual Report and Accounts 2014/15 (including the Quality Report) received and approved by the committee prior to being submitted to the Board of Directors for final approval (May 2015).
- Internal Audit Annual Report including the Head of Internal Audit Opinion received and noted. The report found significant assurance on the Trust's system of internal controls (May 2015).
- External Audit Annual Governance Report (ISA 260) including the Letter of Representation and Audit Opinion received and noted (May 2015). The report found no material errors in the financial statements and no matters to suggest the Trust did not have adequate arrangements for securing economy, efficiency and effectiveness.
- External Audit Limited Assurance Report on the 2014/15 Quality Report received and noted (May 2015). It gave an unqualified opinion that the Quality Report was compliant and accurate.
- Losses and Compensations Report received and noted (July 2015). Minor further actions were outlined to minimise future losses and compensations.
- Local Counter Fraud Services progress reports received and noted (all meetings except May 2015); 2015/16 Work Plan and Risk Assessment (March 2016).
- Single Tender Waiver Reports received and noted (all meetings except May 2015).
- Registers of Gifts and Hospitality reports received and noted (all meetings except May 2015).
- Risk-based Internal Audit Plan 2015/16 received and approved (January and March 2015).
- Risk-based External Audit Plan received and approved (January 2016).
- Internal Audit Progress Reports received and noted (all meetings except May 2015).
- Progress Report against the Action Plans for audits with high risk issues. Received and noted (all meetings except May 2015). The following audits were discussed and actioned as appropriate:
 - Use of contractors in the Informatics Department (July 2015, October 2015, January 2016)
 - Mental Health Act Compliance (July 2015, October 2015 and January 2016)
- Data Quality (October 2015 and January 2016)
- External Audit Progress Reports received and noted (all meetings except May 2015).
- The Payment by Results Clinical Costing and Coding Audit Report and Action Plan was received and noted (January 2016). A progress report on the Action Plan was received and noted (January 2016).
- Insurance Arrangements Annual Report 2015/16 paper was received and noted (January 2016).
- Discussions with the NHS LA regarding the Property Expenses Scheme were reported at all meetings except May 2015.
- The follow up outcome report to NHS Protect Quality Inspection 2014 was received and noted (October 2015)
- The Focused Quality Assessment of Compliance against NHS Protect Standards for Providers (Security Management) was received and noted (October 2015)
- The Audit Committee Self Assessment Check List (published by HFMA) was discussed in May 2015 and July 2015. The outcome of the Self Assessment was presented in October 2015. It was agreed that a set of objectives for the Audit Committee for 2016/17 would be produced (October 2015). These were considered in March 2016.
- There has been no provision of non-audit services by the external auditor during the 2015/16 financial year.

At its meeting in May 2016, the Committee also considered the following matters:

- Statutory Financial Statements and Annual Report and Accounts 2015/16 (including the Quality Report) received and approved.
- Internal Audit Annual Report including the Head of Internal Audit Opinion received and noted. The report found significant assurance on the Trust's system of internal controls.

DIRECTORS' REPORT

- External Audit Annual Governance Report (ISA 260) including the Letter of Representation and Audit Opinion received and noted. The report found no material errors in the financial statements and no matters to suggest the Trust did not have adequate arrangements for securing economy, efficiency and effectiveness.
- External Audit Limited Assurance Report on the 2015/16 Quality Report received and noted. It gave an unqualified opinion that the Quality Report was compliant and accurate.

Council of Governors

Our Governors continue to play a vital part in the work of the Trust. We are also fortunate to benefit from a strong Board of Directors, whose extensive experience underpins our continuing success. The Council of Governors advises us on how best to meet the needs of patients and the wider community we serve. It has a number of statutory duties, including holding the Non-Executive Directors to account for the performance of the Board of Directors; representing the interests of Trust members and members of the public; appointing the Chairman and other Non-Executive Directors; and deciding on their remuneration. It receives the Trust's Annual Report and Accounts and the Auditor's Report and has input into the Trust's Annual Plan. The Council must approve any significant transactions, mergers and acquisitions and changes to the Trust's constitution. The patient, public and staff Governors on the Council are elected from and by the Foundation Trust membership to serve for three years. Elections for new Governors in the public and patient constituencies took place in June 2015 and are planned again in May 2016.

Formal meetings of the Council of Governors are held four times a year.

The Trust's Executive Directors also attend Council meetings facilitating the sharing of information and specialist knowledge with Governors. Non-Executive Directors are invited to attend the Council of Governors meetings. Governors also contribute to a number of Trust committees, workstreams and specific projects.

Our membership

We have 28,654 members, of whom 4,242 are patient members, 8,435 are public members and 15,977 are staff members. We strive for a membership that represents the diverse communities we serve. Members receive regular mailings and are invited to events including our Annual Members' meeting, Board of Directors Meetings and Council of Governors' meetings and events such as our regular health lectures and talks.

The Trust's membership is an essential and valuable asset. It helps guide our work, decision making and adherence to NHS values. It also provides one of the ways in which the Trust communicates with patients, the public and staff. There are four membership constituencies:

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

We are keen to hear members' views. Members wishing to get in touch with Governors or executive directors, or anyone wanting to know more about membership, should contact:

Membership Manager
Foundation Trust Office
Sheffield Teaching Hospitals NHS Foundation Trust
Northern General Hospital
Herries Road
Sheffield S5 7AU

Telephone: 0114 271 4322
Email: jane.pellegrina@sth.nhs.uk

Council of Governors membership and attendance

	Elected from	Attendance (actual/possible)
Patient Governors		
Dorothy Hallatt	1 July 2014	1/4
Caroline Irving	1 July 2013	3/4
David Owens (to 30 June 2015)	1 July 2012	1/1
Kath Parker	1 July 2012	4/4
Nick Payne (resigned 31 December 2015)	1 July 2014	2/3
Graham Thompson	1 July 2011	4/4
Michael Warner	1 July 2012	4/4
Dick Williams	1 July 2015	2/3
Public Governors		
Jo Bishop	1 July 2011	3/4
George Clark	1 July 2011	3/4
Sally Craig	1 July 2014	4/4
Anne Eckford	1 July 2013	4/4
Joyce Justice	1 July 2012	3/4
Jacquie Kirk	1 July 2014	4/4
Andrew Manasse (to 30 June 2015)	1 July 2012	1/1
Kaye Meegan	1 July 2013	3/4
Ian Merriman	1 July 2015	1/3
Lewis Noble	1 July 2015	3/3
Hetta Phipps	1 July 2013	4/4
Spencer Pitfield	1 July 2015	3/3
Shirley Smith (to 30 June 2015)	1 July 2012	1/1
Sue Taylor	1 July 2013	4/4
Paul Wainwright (to 30 June 2015)	1 July 2012	1/1
John Warner - Lead Governor	1 July 2011	4/4
Staff Governors		
Frank Edenborough (Medical and Dental) (to 30 June 2015)	1 July 2012	0/1
Christina Herbert (Nursing and Midwifery) (to 30 June 2015)	1 July 2012	1/3
Chris Monk (Allied Health Professionals, Scientists and Technicians)	1 July 2012	4/4
Craig Stevenson (Ancillary, Works and Maintenance)	1 July 2012	2/4
Catherine Hemingway (Community Services)	1 March 2015	2/4
Appointed Governors		
Paul Corcoran (Sheffield College) (from 1 September 2015)		3/3
Amanda Forrest (Sheffield CCG) (from 21 April 2015)		4/4
Nicola Smith (Voluntary Action Sheffield)		3/4
Jeremy Wight (Sheffield City Council) (to 30-3-15)		0/1

More details about the Governors can be found on the Trust website
www.sth.nhs.uk/about-us/council-of-governors/whos-who

DIRECTORS' REPORT

Nomination and Remuneration Committee of the Council of Governors

The Nomination and Remuneration Committee of the Council of Governors makes recommendations to the Council on the appointment and remuneration of the Chairman and other Non-Executive Directors and considers and contributes to the appraisal of the Chairman and Non-Executive Directors. Over the year, the Committee met four times. The Council of Governors approved the Committee's recommendations to appoint two new Non-Executive Directors: Dawn Moore and John O'Kane.

Annual Members' Meeting

On 23rd September 2015, 130 people attended our third Annual Members' Meeting where members of the Trust, members of the public and other stakeholders had an opportunity to meet and ask questions of the Board of Directors.

The Annual Members' Meeting was held in the Medical Education Centre at the Northern General Hospital and included presentations on progress over the last year and plans for the future. The event was followed by lunch and an opportunity to talk to governors and to look round a range of information stalls providing a snapshot of activities from across the Trust.

Nominations and Remuneration Committee of the Council of Governors membership and attendance

Name	Designation	Attendance * (actual / possible)
George Clark (Vice Chairman)	Public Governor	4/4
Christina Herbert	Staff Governor	3/4
Heather MacDonald	Appointed Governor	1/1
Andrew Manasse	Public Governor	3/3
Chris Monk	Staff Governor	5/5
Kath Parker	Patient Governor	5/5
Tony Pedder (Chairman)	Trust Chairman	5/5
John Warner	Lead Governor	4/4

Governance Code

Sheffield Teaching 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.

The Board of Directors has considered the NHS Foundation Trust Code of Governance published by Monitor and is compliant with the principles and provisions of the code apart from the Terms of Office for Non-Executives. Following an extensive review of the Trust's Constitution in 2014/15, it was decided to maintain the term of office for Non-Executive Directors at four years, rather than three years as recommended in the Code. The Trust believes this provides the Board with additional stability and continuity without compromising independence. The revised Constitution was approved by the Board of Directors and the Council of Governors.

Further information on the Governance arrangements in the Trust can be found in the Quality Report on page 61 and the Annual Governance Statement on page 50.

DIRECTORS' REPORT

Board of Directors 2015/16



Chairman

Tony Pedder OBE

Tony joined the Trust as Chairman in January 2012. He was previously the Chairman of NHS Sheffield and also the Chairman of South Yorkshire and Bassetlaw Cluster of NHS Primary Care Trusts. As well as his NHS experience, Tony brings extensive management and operational experience in a variety of business organisations and markets. He was previously Chief Executive of Corus plc.

Non-Executive Directors



Tony Buckingham

(from 1 September 2015)

Tony brings a wealth of experience from his time working within complex global organisations.

He has provided strategic support to the HSBC Group Management

Board Directors, with particular expertise within IT and Corporate Real Estate, for over ten years.

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



Shirley Harrison

(until 30th June 2015)

Shirley Harrison's professional career was in marketing and public relations both as a practitioner and an academic. She led courses in business strategy for Leeds Business School and the Institute of Directors, among others.

Previous public appointments include Chair of the Human Fertilisation and Embryology Authority, Chair of the Human Tissue Authority and membership at board level of a number of organisations ranging from broadcasting to consumer affairs.

Following cancer treatment in 2000 and again in 2011 she represented patients on a number of local, regional and national bodies, largely concerned with cancer education and research. She was a Board Member of the National Cancer Research Institute, sat on a NHS England Clinical Reference Group, and worked with both Cancer Research UK and Breast Cancer Care on a number of projects.

Shirley sadly passed away in 2016.



Candace Imison

(from 1 September 2015)

From November 2014 Candace has been Director of Healthcare Systems at the Nuffield Trust. Her areas of particular interest are workforce and new models of care. Candace was previously Deputy Director of Policy at The King's Fund where she researched and published on a wide range of topics including future healthcare trends, service reconfiguration, workforce planning, polyclinics, community health services and referral management.

Candace has extensive senior management experience in the NHS, including at board level for providers and commissioners. She was director of strategy for a large acute trust and director of commissioning for large health authority. Candace holds a master's degree in health economics and health policy from Birmingham University and a degree in natural sciences from Cambridge University.



Annette Laban

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

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



Dawn Moore

Dawn has more than 20 years of HR experience, with over 11 years at director level. She has experience in fields including manufacturing, construction, social housing, fast moving consumer goods and retail.

Dawn has recently been appointed as Director of HR for Morgan Sindall Plc, and has previously held other Executive HR director level roles in several large organisations including Tarmac, Northern Foods and Vesuvius plc. She has been a Sheffield resident for over 22 years.

DIRECTORS' REPORT



John O'Kane

John joined the Board in October 2014. He is an experienced Finance Director, with experience of managing change in a number of companies. He has worked as Group Finance Director at Redhall Group, Jarvis, Ecobat Technologies, Peterhouse Group and Kelda Group.



Vic Powell

(Until 30th June 2015)

Victor Powell is an accountant by profession and worked for KPMG in Sheffield throughout his professional career. He was involved in the management of the North-East Region in general and the Sheffield office in particular where he was Business unit Managing Partner for nine years until retiring in December 1999.



Martin Temple CBE

Martin is currently the Chair of the Health and Safety Executive, Chairman of the Design Council, on the Council of the University of Warwick as well as the Chair of the Warwick business School Advisory Board. He is also on the Board of The Great Exhibition of the North.

Martin was previously Vice President of Avesta-Sheffield AB, a major producer of stainless steel. Martin has also been the Director-General of EEF and a Non-Executive Director and Chairman of The 600 Group up. He has served on the boards of a wide range of companies around the world. He has extensive experience covering senior roles in production, marketing, operations and strategy in an international context.



Professor Tony Weetman

Professor Tony Weetman is Pro Vice Chancellor of the Faculty of Medicine, Dentistry and Health at the University of Sheffield and is the appointed academic representative on the Trust Board. Professor Weetman is Professor of Medicine and an Honorary Consultant

at the Trust with a special interest in thyroid disease and autoimmune endocrine disorders. He was formerly a Non-Executive director with both Sheffield Health Authority and the Northern General Hospital NHS Trust.

Executive Directors



Chief Executive

Sir Andrew Cash OBE

Andrew joined the NHS as a fast track graduate management trainee and has been a chief executive for more than 20 years. He has worked at local, regional and national level. He has worked by invite at the Department of Health Whitehall on a number of occasions. He is a visiting Professor in Leadership Development at the Universities of York and Sheffield. Andrew has been Chief Executive of Sheffield Teaching Hospitals NHS Foundation since its inception in July 2004. Prior to that he was the first Chief Executive of the newly merged Sheffield Teaching Hospitals, which came into effect in April 2001.



Chief Nurse

Professor Hilary Chapman CBE

Hilary is the Chief Nurse at Sheffield Teaching Hospitals NHS Foundation Trust and has spent her entire career in the NHS and the vast majority of it in nursing. Hilary is a member of the National Institute for Health Research (NIHR) Advisory Board, a member of Monitor's Clinical Advisory Forum and Non-Executive Director at National Skills Academy Health, and is a visiting Professor within the Faculty of Health and Wellbeing at Sheffield Hallam University. Hilary was awarded a CBE for services to nursing in the 2012 New Year's Honours.



Director of Human Resources and Organisational Development

Mark Gwilliam

Mark took up his post as Director of HR in May 2009 and brings with him a wealth of experience. He was previously an Associate Director of Human Resources at Central Manchester University Hospitals NHS Foundation Trust where he worked for three years. Prior to this he worked as head of HR at Central Manchester and Manchester Children's University Hospital. Prior to joining the NHS in 2004 on the Gateway to Leadership Programme, he held a number of senior posts in the food industry.

DIRECTORS' REPORT



Director of Strategy
and Operations

Kirsten Major

Kirsten joined the Trust in February 2011. Before her current post she was the Executive Director of Health System Reform at NHS North West Strategic Health Authority. Kirsten is a health economist by background beginning her career at the Greater Glasgow Health Board and has worked at Ayrshire and Arran Health Board before moving to the North West in 2007.



Director of Finance

Neil Priestley

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



Medical Director

Dr David Throssell

David has previously held the posts of Deputy Medical Director, Clinical Director and he has also been a Consultant Renal Physician for many years at Sheffield Teaching Hospitals NHS Foundation Trust. He trained in Medicine and Nephrology in Leicester and Cardiff before moving to Sheffield in 1996.

Other Senior Managers who attend the Board



Director of Communications
and Marketing

Julie Phelan

Julie spent her early career as a journalist in both print and broadcast media before moving into public sector communication in local government and health. She was previously Head of Communications at Sandwell and West Birmingham Hospitals NHS Trust, Head of Communications for Birmingham Women's Hospital and Director of Communications for Worcestershire Acute Hospitals and Worcester Health Authority. Before joining the Trust in June 2008, Julie was Director of Communications for University Hospitals Coventry and Warwickshire NHS Trust.



Assistant Chief Executive

Neil Riley

Neil Riley is a graduate of Queens College, Oxford and in 1981 joined the NHS as a management trainee. He has subsequently worked in a number of NHS settings across the country and in 1995 was appointed as Chief Executive of Weston Park Hospital. Neil was appointed to the post of Assistant Chief Executive at Sheffield Teaching Hospitals NHS Foundation Trust in 2002 and has incorporated the duties of Trust Secretary within his role since 2006.

REMUNERATION REPORT

Annual Statement on Remuneration

The remuneration of Executive Directors and Senior Managers (spot salaried) is determined by the Nominations and Remunerations Committee of the Board of Directors.

In detailing the information below the expanded definition for Senior Managers as contained within the Annual Reporting Manual has been applied i.e. those who influence the decisions of the Trust as a whole rather than the decisions of individual directorates or sections within the Trust. Such persons will include advisory and Non-Executive Board members. In November 2014 the Chief Executive confirmed that Senior Managers will include the Assistant Chief Executive and the Communications and Marketing Director as well as the Executive and Non-Executive Directors.

During 2014/15 the Committee received a report which had been commissioned from Hay during 2013/14. This report provided the Committee with an analysis of comparable roles across other Trusts. In determining the salaries of Senior Managers for 2015/16 the Committee also took account of the national decision to award a consolidated pay award to both medical and non-medical staff who are on national terms and conditions, such as Agenda for Change. The Committee decided to mirror this approach in its decision to award a 1% consolidated increase in pay to Executive Directors and Senior Managers (spot salaried).

In addition the Remuneration Committee carefully considered the report commissioned from Hay and concluded that the salaries of the CEO, Medical Director and Director of Strategy and Operations should be increased. The outcome for each of these postholders is as set out as set out in the Single Total Remuneration table on pages 36-37

The Committee also took the opportunity to consider and confirm that it was appropriate that all Executive Directors of the Trust received salaries in excess of £142,500 (this being the benchmark set by Government for public sector salaries determined by Government requiring the approval of the Chief Secretary to the Treasury.


Tony Pedder

Chairman of Nominations and Remuneration Committee

17th May 2016

Senior Manager Remuneration Policy

The remuneration of Executive Directors and Senior Managers (spot salaried) is determined by the Nominations and Remunerations Committee of the Board of Directors. The role of the Committee is:

- To decide upon and review the terms and conditions of office of the Trust's Executive Directors in accordance with all relevant Trust policies, including:
 - Salary, including any performance-related pay or bonus
 - Provision for other benefits, including pensions and cars
 - Allowances.
- To monitor and evaluate the performance of individual Executive Directors.
- To adhere to all relevant laws, regulations and Trust policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate Executive Directors whilst remaining cost effective.
- To advise upon and oversee contractual arrangements for Executive Directors, including but not limited to termination payments.
- To determine arrangements for annual salary review for all staff on Trust contracts.

In determining the pay and conditions of employment for Executive Directors and Senior Managers, the Committee takes account of national pay awards given to the medical and non-medical staff groups, together with Executive Directors' remuneration data from comparative Teaching Hospitals, particularly the Shelford Group. Affordability, determined by corporate performance and individual performance, is also taken into account.

Where appropriate, terms and conditions are consistent with NHS pay arrangements, such as Agenda for Change. Whilst the Trust does not operate a system of performance related pay, the performance of Senior Managers is reviewed annually in line with the Trust's appraisal policy.

During 2015/16 the Committee took account of the national decision to award a consolidated pay award to both medical and non-medical staff. This approach was mirrored in its decision to award a consolidated award to Senior Managers (spot salaried) and those Executive Directors not receiving a pay uplift as set out earlier.

REMUNERATION REPORT

The remuneration of the Chairman and Non-Executive Directors is determined by the Nominations and Remuneration Committee of the Council of Governors.

The components of the remuneration policy for Executive Directors are as follows:

Component	Narrative
Pay	In order to attract and retain talented individuals capable of delivering the strategy, regular comparisons with the pay of equivalent posts in the Shelford Group are made.
Pension-related benefits	In order to attract and retain talented individuals capable of delivering the strategy, regular comparisons with the pay of equivalent posts in the Shelford Group are made.
Performance-related pay	Given the focus on teamwork, no Executive Directors have received performance related pay.

The components of the remuneration policy for Non-Executive Directors are as follows:

Component	Narrative
Pay	In order to attract and retain able NEDs, regular comparisons with remuneration levels across the FT sector generally and the Shelford Group, in particular, are made.
Pension-related benefits	These postholders are not employees eligible for a pension.
Performance-related pay	No NEDs receive performance related pay.

In terms of service contract obligations, the Trust has a 12 month notice period for all Executive Directors.

In preparing its remuneration policy, the Trust considers the position across the FT sector as a whole and particularly the Shelford Group. It has not been considered appropriate to consult on this matter with the employees of the Trust.

All Executive and Non-Executive Directors are subject to individual performance review. This involves the setting and agreeing of objectives for a 12 month period running from 1 April to the following 31 March. During the year regular reviews take place to discuss progress and

there is an end of year review to assess achievements and performance. The Executive Directors are assessed by the Chief Executive. The Chairman undertakes the performance review of the Chief Executive and Non-Executive Directors.

Annual Report on Remuneration

Remuneration of Chairman and Non-Executive Directors

The remuneration of Executive Directors and Senior Managers (spot salaried) is determined by the Nominations and Remunerations Committee of the Board of Directors which is a formally appointed Committee of the Board. Its terms of reference comply with the Secretary of State's 'Code of Conduct and Accountability for NHS Boards'.

The membership of the Committee is comprised of the Non-Executive Directors of the Board, including the Chairman. The Chief Executive, Sir Andrew Cash (except where matters relating to the Chief Executive are under discussion), the Director of Finance, Neil Priestley and the Director of Human Resources and Organisational Development, Mark Gwilliam, are in attendance at all meetings to advise the Committee (except where matters relating to their posts are under discussion). The Committee is supported by the Assistant Chief Executive, Neil Riley (in his capacity as Trust Secretary), to ensure that an appropriate record of proceedings is kept.

In the course of 2013/14 the Chairman, on behalf of the Nominations and Remunerations Committee of the Board of Directors, commissioned Hay to review Executive Director remuneration within the Trust. The outcome of this report was rigorously considered by the Committee at its meeting in May 2015 and the Committee resolved to offer increased salaries to the Chief Executive Officer, Medical Director and Director of Strategy and Operations. The outcome is set out in the Single Total Remuneration table on pages 36 to 37.

Duration of Contracts

All Executive Directors have a substantive contract of employment with a 12 month notice provision in respect of termination. This does not affect the right of the Trust to terminate the contract without notice by reason of the conduct of the Executive Director. Other Senior Managers have a substantive contract of employment with 3 month notice period.

Early Termination Liability

Depending on the circumstances of the early termination

REMUNERATION REPORT

the Trust would, if the termination were due to redundancy, apply redundancy terms under Section 16 of the Agenda for Change Terms and Conditions of Service or consider severance settlements in accordance with HSG94 (18) and HSG95 (25).

Membership of the Remuneration Committee

Name
Tony Buckham ¹
Shirley Harrison ²
Candace Imison ¹
Annette Laban
Dawn Moore
John O’Kane
Tony Pedder
Vic Powell ²
Martin Temple
Tony Weetman

1 Commenced on 1 September 2015 so did not attend meeting on 20 May 2015.

2 Completed their term on 30 June 2015.

Attendance at Committee meetings

The Remuneration Committee met on one occasion in 2015/16.

Members	Meeting dates
	20 May 2015
Tony Buckham	Not in post
Shirley Harrison	Apology tended
Candace Imison	Not in post
Annette Laban	Present
Dawn Moore	Present
John O’Kane	Present
Tony Pedder	Present
Vic Powell	Present
Martin Temple	Present
Tony Weetman	Present

Expenses for Executive and Non-Executive Directors and Governors

Expenses for Directors, Non-Executive Directors and Governors are reimbursed on a receipted basis, evidencing the business mileage or actual travel/ subsistence costs incurred.

Reimbursement rates for mileage are those applied to all Trust employees and do not exceed national guidelines. Total expenses for 2015/16 were less than £16k.

	2015/16	2014/15
Executive and Non-Executive Directors		
Number who claimed expenses during the year	8	11
Number of Executives / Non Executives who held office during the year	16	16
Amount claimed in total	£12,819.18	£13,640.70
Governors		
Number who claimed expenses during the Year	11	10
Number of Governors who held office during year	32	32
Amount claimed in total	£2,352.38	£1,659.48

Name and Title	Single Total Remuneration - 14/15			Single Total Remuneration - 15/16	
	Salary (Bands of £5k)	Increase in Pension Related benefits in Year (Bands of £2.5k)	Single Total Remuneration (Bands of £5k)	Salary (Bands of £5k)	Increase in Pension Related benefits in Year (Bands of £2.5k)
Mr A Buckham, Non-Executive Director (commenced 1 September 2015)	-	-	-	5-10	-
Sir A J Cash OBE, Chief Executive	215-220	-	215-220	240-245	-
Professor H Chapman, CBE, Chief Nurse	175-180	0-2.5	175-180	175-180	20-22.5
Mr J P Donnelly, Non-Executive Director (left 30 September 2014)	5-10	-	5-10	-	-
Ms V R Ferres, Non-Executive Director (left 30 September 2014)	5-10	-	5-10	-	-
Mr M Gwilliam, Director of Human Resources	145-150	15-17.5	160-165	145-150	22.5-25
Ms S Harrison, Non-Executive Director (left 30 June 2015)	15-20	-	15-20	0-5	0-5
Ms C Imison, Non-Executive Director (commenced 1 September 2015)	-	-	-	5-10	-
Ms A Laban, Non-Executive Director (from 1st July 2013)	15-20	-	15-20	15-20	-
Ms K Major, Director of Strategy and Operations	145-150	30-32.5	175-180	145-150	30-32.5
Ms D Moore, Non-Executive Director (commenced 1 October 2014)	5-10	-	5-10	15-20	-
Mr J O'Kane, Non-Executive Director (commenced 1 October 2014)	5-10	-	5-10	15-20	-
Mr A Pedder, Chairman	55-60	-	55-60	55-60	-
Mrs J Phelan, Director of Communications and Marketing (with effect from 1 April 2014)	105-110	17.5-20	120-125	105-110	17.5-20
Mr V G W Powell, Non-Executive, Director (left 30 June 2015)	15-20	-	15-20	0-5	-
Mr N Priestley, Director of Finance	175-180	0-2.5	175-180	175-180	20-22.5

Name and Title	Single Total Remuneration - 14/15			Single Total Remuneration - 15/16	
	Salary (Bands of £5k)	Increase in Pension Related benefits in Year (Bands of £2.5k)	Single Total Remuneration (Bands of £5k)	Salary (Bands of £5k)	Increase in Pension Related benefits in Year (Bands of £2.5k)
Mr N Riley, Assistant Chief Executive	110-115	55-57.5	165-170	110-115	12.5-15
Mr M J Temple, Non-Executive Director (from 1st July 2013)	15-20	-	15-20	15-20	-
Dr D Throssell, Medical Director	150-155	0-2.5	150-155	155-160	75-77.5
Professor A P Weetman, Non-Executive Director	15-20	-	15-20	15-20	-

For defined benefit schemes, the amount included here is the annual increase (expressed in £2,500 bands) in pension entitlement determined in accordance with the 'HMRC' method.*

In summary, this is as follows:

$$\text{Increase} = ((20 \times PE) + LSE) - ((20 \times PB) + LSB) - \text{Employee Contributions}$$

Where:

PE is the 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 is the 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 is the amount of lump sum that would be payable to the director if they became entitled to it at the end of the financial year; and

LSB is the 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.

* The HMRC method derives from s229 of the Finance Act 2004, but is modified for the purpose of this calculation by paragraph 10(1)(e) of schedule 8 of SI 2008/410 (as replaced by SI 2013/1981).

REMUNERATION REPORT

Fair Pay Multiple Statement

Pay Multiple Statement

	2015/16	2014/15	2013/14	2012/13	2011/12
Highest paid Director Total Remuneration (mid point banded remuneration in multiples of £5k)	242.5k	217.5k	217.5k	217.5k	217.5k
Median Total Remuneration	£25,053	£25,783	£25,852	£25,721	£25,506
Ratio	9.68	8.45	8.35	8.39	8.46

Hutton Report Disclosure

The Hutton Report on Fair Pay in the Public Sector published in March 2011 made a number of recommendations regarding the establishment of a framework for fairness in public sector pay. In January 2012 the Financial Reporting Advisory Board formally adopted one recommendation of the Hutton Report, namely the requirement to disclose the relationship between the remuneration of the highest paid Director in their organisation and the median remuneration of the organisation's workforce. This disclosure is intended to hold the Trust to account for remuneration policy and in particular, the remuneration of the highest-paid Director compared with the median remuneration of staff. The banded remuneration of the highest-paid Director in the Trust in the financial year 2015/16 was £ 242.5k (2014/15, £217.5k). This was 9.68 times (2014/15 8.45) the median remuneration of the workforce, which was £25,053 (2014/15 £25,783). The figures are shown in tabular format above.

Pay Multiple Statement

In calculating the above pay multiples the full time equivalent total annualised remuneration of the workforce is used to ensure that the above ratios are not distorted which would be the case if staff were not represented as whole units. Remuneration includes all taxable earnings, but excludes employer pension contribution and Cash Equivalent Transfer Values. Agency workers are excluded from the calculations, however temporary fixed term employees are included. In calculating the above ratios, pay figures have been annualised to their full year effect as a reliable proxy for total yearly earnings.

Pay Multiples 2015/16 and 2014/15

Whilst the multiple has increased from that of previous years there remains a high level of consistency in determining the CEO's remuneration in 2015/16 compared to how remuneration is determined for all members of staff.

Other Information

Please refer to the notes in the 2015/16 Accounts contained in this Annual Report in respect of the following:

- Salaries and Allowances
- Benefits in Kind
- Changes in Pension at age 60 during 2015/16
- Value of the cash equivalent transfer value at the beginning of the year
- Changes in the cash equivalent transfer value during 2015/16.



Sir Andrew Cash OBE
Chief Executive

17 May 2016

STAFF REPORT

Employ caring and cared for staff

We strive to recruit and retain the best staff: the dedication and skill of our employees are what makes our hospitals and community services successful and we continue to keep the health and wellbeing of staff as a priority.

Our PROUD values and behaviours will continue to underpin the way we lead and deliver through change in the next five years. If we are to flourish as an organisation we will need to rely on these values and ensure they guide how we work and deliver services.

We recognise the importance of positive staff engagement and good leadership to ensure good quality patient care.

During 2015/16 our Staff Engagement Strategy had a particular focus on improving staff involvement via Listening into Action, mandatory training rates for all staff across the Trust and the introduction of psychological support to staff.

Staff Engagement

The Trust is committed to developing good leaders and ensuring good staff engagement and wellbeing as it recognises the importance of these for quality patient care.

During 2015/16, the implementation of the Trust Staff Engagement Strategy has been continued with a particular focus on improving staff involvement and wellbeing for all staff. A staff engagement SharePoint site has been developed and launched on the Trust Intranet site. This promotes the sharing of good practice in staff engagement whilst providing easier access for staff and managers to information.

The Trust continually seeks feedback from staff and does this in several ways. Firstly the Trust undertakes staff friends and family testing by occupational group within directorates and the results are used as a basis for further discussion with staff. Secondly the Trust uses the Listening into Action approach to hold 'big conversations' with staff to gain feedback on improvements.

In summer 2015 the chief executive invited all staff to make suggestions for further improvements to the quality of patient care which were funded for 'Give it a Go' week, many of these have been implemented permanently. In addition some directorates utilise other methods such as local staff surveys or drop in sessions to gain further staff feedback

Actions identified via staff feedback feed into the directorate staff engagement action plans in addition to the Trust wide priorities set by the Staff Engagement Executive Group which reports to the Finance, Workforce and Performance committee (a sub group of the Board of Directors).

These are monitored throughout the year via the quarterly HR/Care Group meetings and the annual Trust Executive Group performance review process.

The following Trust wide directorate priorities have been set for 2016/17:

1. Continue to embed the organisational PROUD values and behaviour
2. Ensure teams meet to review effectiveness
3. Review communications within teams/directorates
4. Increase recognition and appreciation of staff
5. Introduce ways to develop resilience in staff e.g. resilience sessions/mindfulness

All directorates have the target to improve their year on year staff engagement score.

Staff Involvement

The Trust participated in the staff Friends and Family Test in quarter 1, 2 and 4, as well as undertaking a full census staff survey in quarter 3. Engagement events have been held across the Trust during 2015/16, particularly in clinical areas to discuss the findings of the staff Friends and Family Test results. These events have resulted in staff making suggestions, leading to improvements for both staff and patients. It is pleasing to note that the Trust is now recognised as a centre of good practice in its approach, and use of the staff Friends and Family Test data, leading to improve both staff and patient experience. The Trust Staff Engagement Lead has been invited to share good practice at several NHS England events.

The Chief Executive has continued to spend time in clinical and non-clinical departments each month to take the opportunity to chat with staff and listen to their feedback. The Chairman meets regularly with the Staff Governors and the Board of Directors have a planned programme of visits across the Trust to meet staff and recognise their efforts.

The Clinical Assurance Toolkit used in some clinical areas includes a Staff Survey (based on the engagement questions in the NHS Staff Survey), whilst some other departments e.g., Pharmacy, have undertaken their own Staff Surveys.

The Trust was pleased to welcome Professor Michael West of Aston University in July 2015, who talked about the importance of team effectiveness/staff experience on positive patient outcomes. Over 150 senior leaders attended. We were also pleased to hold our first Clinical Leadership Forum for Clinical Directors and Clinical Leads in June 2015. This was well attended with a further forum held in January 2016.

STAFF REPORT

Top four ranking scores

Key Finding		2014/15		2015/16		Trust Improvement/ Deterioration
		Trust	National Acute Average	Trust	National Combined Acute & Community Average	
KF27	Percentage of staff/ colleagues reporting most recent experience of harassment, bullying or abuse	41%	39%	45%	38%	4% Improvement
KF16	Percentage of staff working extra hours	61%	71%	65%	72%	4% deterioration (above average)
KF26	Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	20%	23%	21%	24%	1% deterioration (above average)
KF21	Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	90%	87%	89%	87%	1% deterioration (above average)

N.B Please note in 2015 Sheffield Teaching Hospital NHS Foundation Trust was benchmarked in the newly created combined acute & community group not against acute trusts as in previous years.

Bottom four ranking scores

Key Finding		2014/15		2015/16		Trust Improvement/ Deterioration
		Trust	National Acute Average	Trust	National Combined Acute & Community Average	
KF13	Quality of non-mandatory training, learning or development	-	-	3.88	4.04	Not a key finding in 2014
KF3	Staff agreeing their roles make a difference to patients	-	-	86%	90%	Not comparable to 2014
KF7	Staff able to contribute towards improvements at work	63%	68%	63%	71%	No change
KF32	Effective use of patient/ service user feedback	3.61	3.65	3.52	3.66	0.09 deterioration

This year there have been a number of significant changes in the key findings and a change in weighting therefore the NHS Staff Survey Coordination Centre have advised that some key findings are not comparable to previous year's data

STAFF REPORT

Biggest Deteriorations since 2014

Key Finding		Trust 2014	National Acute Average	Trust 2015	National Combined Acute & Community Average
KF10	Support from immediate managers	3.80	3.63	3.59	3.71
KF17	Percentage of staff suffering work related stress in the last 12 months	30%	37%	37%	36%
KF6	Percentage of staff reporting good communication between senior management and staff	35%	30%	29%	30%

NHS Staff Survey

Staff engagement is measured every year via the annual NHS Staff Survey, which includes an overall score for staff engagement. The Trust staff engagement score for 2015 was 3.74 as reported in the benchmarked NHS Staff Survey. It is encouraging to note that 76% of our staff would recommend the Trust to family and friends for treatment, this is well above the NHS average for combined acute and community trusts of 68%. Additionally 64% of our staff would recommend the Trust as a place to work, this again is above the NHS average for combined acute and community trusts of 58%.

Work Race Equality Standard (WRES)

Key Finding		Your Trust in 2015		Average (median) for combined acute and community trusts	Your Trust in 2014
KF25	Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in the last 12 months	White	22%	28%	23%
		BME	28%	26%	17%
KF26	Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	White	20%	24%	19%
		BME	24%	26%	24%
KF21	Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	White	93%	89%	93%
		BME	61%	74%	68%
Q17b	In the last 12 months have you personally experienced discrimination at work from manager/team leader or other colleagues?	White	5%	5%	7%
		BME	19%	13%	15%

STAFF REPORT

Response rate

2014/15		2015/16		Trust Improvement/ Deterioration
Trust	National Average	Trust	National Average	
42%	42%	51%	41%	9% Improvement

The Trust has a Staff Engagement Lead and a Staff Surveys Coordinator who work with staff in Directorates to promote the sharing of good practice across the Trust. A Trust action plan has been drawn up to address the areas for improvement that is further supported by individual Directorate staff engagement action plans. This also builds on the Staff Friends and Family Test findings.

A full census survey was undertaken at the same time as the benchmarked survey, this enables a staff engagement score to be calculated for every Directorate. Directorate staff engagement scores and staff Friends and Family Test scores are monitored via the Care Group performance review process and the Staff Engagement Executive. 22 directorates have seen improvements in their staff engagement score.

An action plan is being developed to address of these findings and will be the focus of the Diversity and Inclusion Workforce Group. The Trust has recently approved funding to establish a diversity post which will focus on workforce matters. The Trust continues to have a LiA scheme focusing on diversity and inclusion.

Leadership and Management Development

We have continued to work on embedding the PROUD values into the Trust ethos. These values are increasingly being incorporated into the recruitment process for all staff and are used for all newly qualified staff nurses, clinical support workers and apprentices. The Trust uses a Performance, Values and Behaviour based appraisal process to further embed the PROUD values and to provide staff with quality well-structured appraisals.

The PROUD values are:

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

Leading for Success

The new Senior Leaders Programme was developed in partnership with Sheffield Hallam University and launched in January 2016. There are 23 participants on the course which will run for six months of the year. The programme consists an Insights Discovery Day and each participant will complete an NHS Healthcare Leadership 360 degree feedback.

The Frontline Leadership Programme has been created in partnership with Sheffield Hallam University and is primarily for our Clinical Leads. This programme was launched in November 2015 and two cohorts are now in progress totalling 17 participants. This programme will run for six months and will include set training days and 1:1 tutorials to give support to Clinical Leads in developing their service improvement project.

The Institute of Leadership and Management programme continued to be provided during 2015/16, numbers for each cohort have been increased from 25 to 30 per cohort to meet the increasing demand. This is continually reviewed and updated with feedback from candidates and continues to be well evaluated.

A new format for the Effective Management Series has been developed to offer a management development pathway for aspiring and new managers into the organisation. This offers a selection of sessions that begin with Introductory, Intermediate and on to Advanced that can be selected as pure development, as part of an induction or as ongoing development for existing managers. This is still organised as a step-in step-off programme to encourage all managers across the organisation to attend sessions that are relevant or of interest to them.

A third cohort of The Performance Coach ran in 2015, and we now have a total of 36 coaches trained and active across the organisation. We are currently working across the region to develop a Coaching Database which will act as a central resource for coaches to connect and build upon coaching relationships. Within the department two further team members are now trained to deliver the "Manager as Coach" programme and this is embedded within current Leadership and Management Development programmes as well as being developed as a stand alone offer to foster a coaching conversation approach for managers.

Insights Discovery

The Leadership Team continues to make use of the Insights Discovery Tool during programmes such as the Institute of Leadership Management, Leading for Success and increasingly with teams across the Trust, in order to enhance engagement and team effectiveness.

STAFF REPORT

Health and Wellbeing

The fast track physiotherapy service introduced last year has proved popular with staff and this year a psychological service for complex staff cases has been developed in Occupational Health. We have also introduced more personal resilience sessions for staff.

The Mentally Healthy Workforce approach is embedded within current Leadership and Management Development programmes. Additional training is being offered to develop this package to include Supportive Leadership as well as the original training package. This will be delivered in the Spring 2016 and will be rolled out later in the year.

The Trust was pleased to be one of 12 Trusts in the country selected for NHS England's Healthy NHS workforce programme, and as a result of this, free health checks will be introduced for the over 40s in the coming months.

Staff will also be asked to identify the top three things they would like the Trust to address to support their wellbeing.

The Raising Concerns at Work Policy has been revised; this Policy supports staff who wish to raise concerns. The revised policy includes the introduction of Freedom to Speak Up Directorate Advocates as well as a Freedom to Speak Up Guardian who will be appointed from amongst the Staff Governors.

Listening into Action

Listening into Action (LiA) was introduced in the Trust in the Autumn of 2014 as a way of bringing about changes that will make a positive impact for patients and for staff through high engagement strategies. The aim was to enable staff engagement in the collective effort of making improvements and to improve staff survey scores.

A steering group was established, chaired by the Chief Executive. This group meets monthly to evaluate the progress of LiA and its impact on the Trust.

There are eight key steps to the LiA process:

- Establish key stakeholders.
- Identify a mission.
- Establish a sponsor group.
- Make a powerful case for change.
- Get people on board.
- Hold a Big Conversation with staff, patients and stakeholders.
- Keep people involved and informed.

Since the launch of LiA at the Trust there have been 40 schemes delivered by 26 teams. Each scheme has had the

commitment and involvement of the Operations Directors, Nurse Directors and Clinical Directors. Schemes have been undertaken in 25 Directorates and across all Care Groups with a total of 2,500 staff being involved. The schemes include improving communication in Spinal Services, Patient Transport, improving signage in the Renal Unit and increasing discharges before lunch.

An event is held at the beginning of each phase of the LiA process to launch the schemes. There is a Compass Check Event halfway through the phase to ensure schemes are on track and a Pass it On Event at the end of the phase to share results and best practice.

Alongside the schemes there have also been 83 Big Conversations with staff across the organisation to engage all staff in the process.

The impact of LiA is currently being measured in a number of ways. Each scheme develops targets and desired outcomes at the start and these are revisited at the end of the scheme. Examples of outcomes include:

- Reducing the number of patient cancelled operations to 1.5 per week which has the potential to release £78,000 back to the Trust. The pilot informed the basis of a business case for mainstreaming the pilot which has now been agreed by the Trust Executive Group.
- Cardiology focussed on dispensing for discharge and the team have been trialling the use of pre-labelled discharge medication packs. This will reduce length of stay and increase patient flow.
- A transport scheme has enabled the Trust to decrease the length of time it takes for GP assessed patients to be transferred and assessed in hospital. A significant number of patients are now managed within a two hour time frame.

At every event we hold we ask staff for feedback on how motivated the session has made them feel in connection with LiA. Chart 1, overleaf, shows accumulated data from teams who attended Launch, compass Check and Pass it On events since LiA's introduction.

A total of 384 respondents, equating to 1,152 responses to the following three questions:

- How would you rate today's events
- Do you feel that today has been a good use of your time?
- Do you feel that the LiA way will help us to improve patient care and how we work together?

Combined feedback rating from the three questions asked

STAFF REPORT

The impact of LiA is also measured by a Pulse Check. This consists of 15 questions focussing on how staff feel they are supported to do their job, which link to the key areas of the staff survey. It is simple and quick to complete and administer. This was done at the start of the journey as a baseline across the Trust and then again in August 2015 with all the staff involved with LiA. To date 3,300 people have completed a Pulse Check.

Results in the Chart 2 show the scores benchmarked against the average score for all other trusts that have adopted LiA. This shows overwhelmingly that people who get involved in LiA feel better led, more involved, motivated and positive about their work and STH.

At the start of the LiA process in December 2014 a Journey Scorecard was undertaken. This is a list of 20 questions targeted at how leaders of the organisation feel they are able to create the right conditions for improvement and engagement. Overall the results showed a neutral response. A decision on when to revisit the Journey Scorecard is currently being discussed and agreed at the steering group.

Chart 1

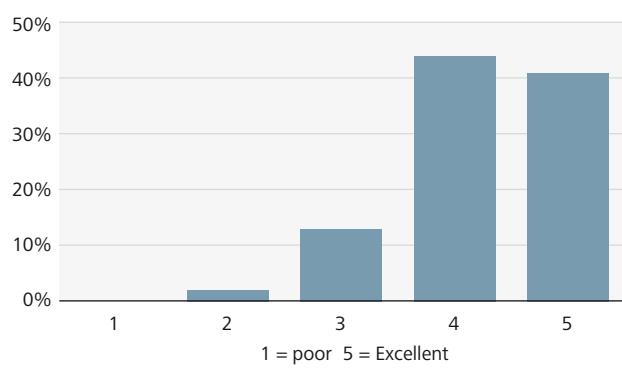
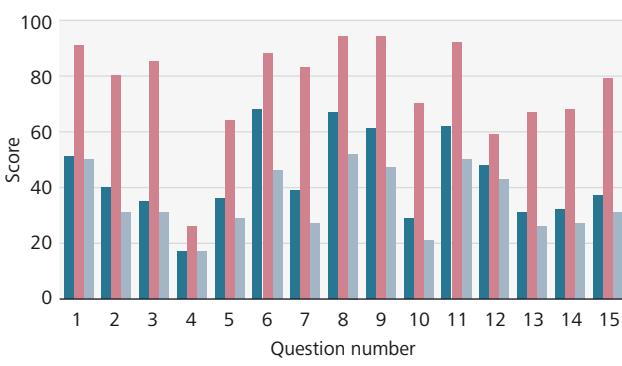


Chart 2



Questions

Q 1	I feel happy and supported working in my team/ department/ service
Q 2	Our organisational culture encourages me to contribute to changes that affect my team/ department/service
Q 3	Managers and leaders seek my views about how we can improve our services
Q 4	Day to day issues and frustrations that get in our way are quickly identified and resolved
Q 5	I feel that our organisation communicates clearly with staff about its priorities and goals
Q 6	I believe we are providing high quality services to our patients
Q 7	I feel valued for the contribution I make and the work I do
Q 8	I would recommend our Trust to my family and friends
Q 9	I understand how my role contributes to the wider organisational vision
Q 10	Communications between senior management and staff is effective
Q 11	I feel that the quality and safety of patient care is our organisation's top priority
Q 12	I feel able to prioritise patient care over other work
Q 13	Our organisational structures and processes support and enable me to do my job well
Q 14	Our work environment, facilities and systems enable me to do my job well
Q 15	This organisation supports me to develop and grow in my role

The next phase is due to start at the beginning of April 2016. We have 25 teams lined up to participate and we will be adding some service improvement schemes to benefit from the engagement approaches.

STAFF REPORT

Diversity and Inclusion

We aim to ensure that we employ and develop a healthcare workforce that is diverse, non-discriminatory and appropriate to deliver modern healthcare. Valuing the differences of each team member is fundamental to enable staff to create respectful work environment and deliver high quality care.

The requirements of the Equality Act 2010 support these aims and in 2015/16 the Trust undertook a range of activities and actions to support the Trust to:

- Eliminate Discrimination, Harassment and Victimisation
- Advance Equality of Opportunity between people protected by the Equality Act and others, and foster good relations between people protected by the Equality Act and others

The Trust produces an Equality and Human Rights Report each year which is published on the Trust web site; this includes details of these actions and activities and includes data and information about our staff and people who use our services these reports can be found at:

www.sth.nhs.uk/about-us/equality-and-diversity/eliminating-discrimination-advancing-equal-opportunity-and-fostering-good-relations.

The Trust has a local action plan that has been developed using the NHS Equality Delivery System framework. The action plan is overseen by the Trust Equality and Inclusion Steering group and each directorate has an Operational Lead for equality to support practical implementation.

In 2015/16 we renewed our 'two ticks' Positive About Disabled people standard and also maintained attention to the Trust as a Mindful Employer.

Information about our staff

Breakdown of female and male staff employed by the Trust at 31/3/2016

	31 Mar 16	%
Female employees	12,463	77.3%
Male employees	3,660	22.7%
Total	16,123	
Female Board Directors	6	37.5%
Male Board Directors	10	62.5%
Total	16	

There is a further breakdown of staff groups included on page 139.

Staff Sickness absence	2015/16 Number	2014/15 Number	2013/14 Number	2012/13 Number
Days lost (long term)	144,902	132,674	134,152	129,062
Days lost (short term)	88,347	87,003	66,097	89,279
Total days lost	233,249	219,678	200,249	218,341
Average working days lost	12.87	12.4	15.4	16.9
Total staff employed in period (headcount)	18,121	17,698	17,026	16,664
Total staff employed in period with no absence (headcount)	6,385	6,199	6,461	5,591
Percentage staff with no sick leave	35.2%	35%	37.9%	33.6%

The headcount figure is the staff employed in the period which equates to staff in post at the start of the period plus any starters in the period.

STAFF REPORT

Staff Health & Safety

The Trust is committed to providing a safe environment for all staff to work in. This means having in place effective policies, training, management arrangements, committee structures and systems that are monitored audited and reviewed to ensure the ongoing health and safety activities continue throughout the Trust.

Number of Incidents

A total number of 1185 staff and student safety incidents were reported in 2015/16, this is similar to the previous year when 1233 were reported. The table below shows the severity of the incidents reported, the majority of which were insignificant/no harm or minor events. There were no major injuries and 46 incidents were reported to the Health and Safety Executive (HSE) through Reporting of Injuries Diseases and Dangerous Occurrences Regulations (RIDDOR), no further investigation or actions were required by the HSE for any of these incidents.

2015/16	
Insignificant / No harm	535
Minor	612
Moderate	38
Major	0

Position	Incident Type	2015/16	Movement
1	Contact with needle or other sharps in use	215	=
2	Physical assault by a patient	168	=
3	Struck against something (e.g. furniture, fittings)	90	=
4	Cut with sharp material or object (NOT sharps)	74	▲
5	Struck by a moving, including flying or falling object	62	▼
6	Fall on Level	57	▼
7	Verbal abuse	57	▲
8	Slip, trip - indoor - wet floor	53	=
9	Exposure to or contact with a harmful substance	45	▲
10	Exposure to or contact with biological agent	26	▼

The Trust's 10 most frequent accidents are shown below, these are the same as last year although there have been some changes to the order with the top ten as shown in the table below.

Sharps Safety

The HSE visited to assess the Trust's compliance with Health and Safety (Sharps Instruments in Healthcare) Regulations 2013 as part of HSE's Management and prevention of sharps injuries; Inspection of NHS Organisations. The Northern General Hospital was included in the inspection programme and the visit took place on the 17th November 2015. The inspectors gave verbal feedback at the end of the visit which was followed up in writing with recommendations for further action by the 1st February 2016. The implementation programme has now been completed the HSE have been informed and no further action is expected.

STAFF REPORT / REGULATORY RATINGS

Off Payroll engagements

As of 31 March 2016 the Trust had no off payroll engagements for more than £220 per day and lasting longer than six months.

Countering fraud and corruption

The Board of Directors remains committed to maintaining an honest and open atmosphere within the Trust; ensuring all concerns involving potential fraud have been identified and rigorously investigated. The Audit Committee receive an Annual Report and quarterly Progress Reports from the Trust's Local Counter Fraud Specialist (LCFS). The LCFS has been instrumental in creating an anti-fraud culture and provides specialist advice in keeping corruption policies up to date.

In all cases of fraud, where guilt has been proven, appropriate civil, disciplinary and/or criminal sanctions have been applied.

By maintaining fraud levels at an absolute minimum the Trust ensures that more funds are available to provide better patient care and services. The Trust has an Anti-Fraud, Bribery and Corruption Policy and feedback on the effectiveness of this policy has been sought during the 2015/16 year.

Consultation machinery

The Trust has a Trust wide Partnership forum where management and union representatives meet to discuss Trust wide workforce issues. During 2015/16 the membership of the operational Partnership Forum was reviewed to ensure that the Trust could respond to matters raised by union colleagues in a timely manner. The Trust operates an engagement approach to organisational change to ensure that staff are involved at an early stage in matters that will affect them. Formal consultation would also take place to ensure the Trust meets its legal obligations.

Regulatory Ratings

Monitor (which became part of NHS Improvement (NHSI) from 1st April 2016) publishes 2 ratings for each NHS foundation trust on a quarterly basis. The role of these ratings is to indicate if there is a cause for concern at a trust.

- The Financial Sustainability Risk or Continuity of Service Rating is Monitor's view of the level of financial risk a foundation trust faces and its overall financial efficiency. A rating of 1 indicates the most serious risk and 4 the least risk.

- The governance rating is Monitor's degree of concern about how the trust is run.

The tables below provide a summary of the last two financial years. The Trust has performed consistently over the last 2 years and has been positively assessed by Monitor/NHSI with no interventions required.

In line with the Monitor's Risk Assessment Framework, Board Statements were submitted at the commencement of the year and on a quarterly basis.

Table 1

2015/16	Annual Plan	Q1	Q2	Q3	Q4
Continuity of Service Rating	4	4	4	3	Not available
Governance rating	Green	Green	Green	Green	

Table 2

2014/15	Annual Plan	Q1	Q2	Q3	Q4
Continuity of Service Rating	4	4	4	4	4
Governance rating	Green	Green	Green	Green	Green

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF SHEFFIELD TEACHING HOSPITAL NHS FOUNDATION TRUST

The NHS Act 2006 states that the Chief Executive is the Accounting Officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by Monitor.

Under the NHS Act 2006, Monitor has directed Sheffield Teaching Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Sheffield Teaching Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *NHS Foundation Trust Annual Reporting Manual* and in particular to:

- observe the Accounts Direction issued by Monitor, 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* have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Sir Andrew Cash OBE

Chief Executive

18 May 2016



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Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The purpose of the system of internal control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Sheffield Teaching Hospitals NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sheffield Teaching Hospitals NHS Foundation Trust for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

I recognise that risk management is pivotal to developing and maintaining robust systems of internal control required to manage risks associated with the achievement of organisational objectives and compliance with its licence, its constitution and statutory, regulatory and contractual obligations.

The leadership and accountability arrangements concerning risk management are included in the Trust's Risk Management Policy, job descriptions and identified risk-related objectives.

The Board of Directors is collectively and individually responsible for ensuring sound risk management systems are in place. The Board of Directors is supported by a number of formal committees with a remit to oversee and monitor the effectiveness of risk management, internal control and assurance arrangements including:

- Audit Committee
- Healthcare Governance Committee
- Finance, Performance and Workforce Committee
- Nomination and Remuneration Committee of the Board of Directors.

The committees of the Board are chaired by a Non-Executive Director and minutes and relevant reports are submitted to the Board of Directors.

As Chief Executive, I am accountable for risk management and my office, through the Assistant Chief Executive, has an overarching responsibility for the development and maintenance of a cohesive and integrated framework and shared processes for the management of all risk.

Operationally, risk management is delegated to the Trust Executive Group (TEG) which reports through me, as Chief Executive, to the Board of Directors. Executive Directors and Senior Managers who attend the Board are responsible for managing risk in accordance with their portfolios and as reflected in their job descriptions.

In addition to the corporate responsibilities outlined above, Clinical Directors, Operations Directors and Departmental Heads have devolved responsibility for ensuring effective risk management in accordance with the Trust's Risk Management Policy within their own areas.

The Risk Management Policy indicates the level of training for all grades of staff commensurate with their responsibility for risk management. For individual members of staff, risk management training is identified and delivered via the annual appraisal process. Advice on generic and specific risk management training, either internally or externally delivered, is available to staff and managers via the department of Patient and Healthcare Governance and the Learning and Development Department. At the corporate level, a risk management training needs analysis has been undertaken and Risk Management/Health and Safety is included as a core topic in the Trust's mandatory training programme.

The department of Patient and Healthcare Governance provides additional support and expert advice/guidance to staff on risk management. Incidents, inquests, claims and feedback from patients and visitors are systematically reviewed, using root cause analysis as appropriate, and reported in accordance with the relevant policies and procedures.

Serious incidents are escalated to the Serious Untoward Incident (SUI) Group which meets weekly. Facilitated by the department of Patient and Healthcare Governance and chaired by the Assistant Chief Executive, membership of

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the group includes the Medical Director, the Chief Nurse and the Head of Patient and Healthcare Governance. The SUI Group review and classify serious incidents to determine which must be reported to the appropriate Clinical Commissioning Group as a SUI and which may not meet the commissioners' SUI criteria but are deemed serious enough to be similarly investigated and managed. The SUI Group request the relevant directorate(s) to undertake an investigation using root cause analysis techniques and to make recommendations to mitigate the risk of recurrence. The directorate investigation report and action plan is reviewed and approved by the SUI Group, subject to any further change it considers necessary. Implementation of the action plan is monitored by the department of Patient and Healthcare Governance with external oversight by the Clinical Commissioning Group (where appropriate).

Lessons learned are shared via appropriate forums at directorate and Trust-wide level. The Healthcare Governance Committee and the Safety and Risk Management Board receive a monthly update on SUIs. This report is also shared verbally with the Clinical Management Board. A Trust policy which formalises the systems and processes for managing SUIs ensures a standard approach is followed.

The Trust has an annual programme of Clinical Audit (reflecting national, regional and local priorities) providing assurance of quality improvement. The multi-disciplinary programme covers all clinical directorates and is delivered with the support of the Clinical Effectiveness Unit in accordance with best practice policies and procedures. Audits are reported at appropriate forums and practice re-audited as necessary. Implementation of the programme is monitored by the Clinical Effectiveness Committee, which reports to the Healthcare Governance Committee, and NHS Sheffield Clinical Commissioning Group. Formal reporting is done via the Clinical Effectiveness Annual Report. Participation in national audits is reported in the Trust's Quality Report.

Underpinned by a comprehensive policy, the Trust has a well-established process for the management of planned and unannounced external agency visits, inspections and accreditations. The process is supported by a dedicated database, maintained by the Chief Executive's Office, which also acts as an electronic repository for agency reports and the Trust's action plans, if required. The department of Patient and Healthcare Governance monitors the implementation of the action plans and provides assurance via a monthly progress report of outstanding action plans to the Healthcare Governance Committee.

National survey results are routinely reported to the appropriate group which may include the Trust Executive Group, the Healthcare Governance Committee, Finance, Performance and Workforce Committee and the Board of Directors. The survey findings are analysed to compare the results against previous surveys; to benchmark against other comparable trusts; and to triangulate with other internal data or intelligence to identify problem areas or areas of best practice. Action plans are developed to ensure targeted improvement and progress is closely monitored by regular reports to Trust Executive Group, the Healthcare Governance Committee Finance, Performance and Workforce Committee and the Board of Directors.

The risk and control framework

The Trust continues to build upon its Quality Governance arrangements following a review using Monitor's Quality Governance Framework that was undertaken in 2011. The Healthcare Governance Committee provides Board level oversight for quality issues using a focused agenda built around the Darzi definition of quality and a structured annual work plan. It receives reports from key risk-based committees including the Safety and Risk Management Board, Patient Experience Committee and Clinical Effectiveness Committee.

A Quality Strategy which supports the corporate strategy Making a Difference has well-defined goals to strengthen quality governance and improvement. A comprehensive review of this strategy will take place during 2016/17.

A far reaching programme of quality improvement to address priority areas identified in the Quality Strategy is well underway. With support from The Health Foundation, the Trust has established an Academy to train and support staff to work as coaches to front line teams using Clinical Microsystems methodology to introduce quality improvements. The Academy has trained over 100 coaches across a range of clinical and corporate areas. Using structured improvement approach learning theory these coaches will produce new improvement Microsystems. Patients will be involved in every microsystem.

In addition we have reconfigured and consolidated our service improvement team who work with numerous teams across the organisation, alongside the MCA coaches using a structured quality improvement approach to make improvements. Our recently commenced flow programme is building quality improvement capability at pathway level to complement microsystem improvement. Currently 12 clinical and non-clinical coaches are supporting teams in Sheffield.

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The Trust has previously reported on the response to the findings of the Robert Francis Report of Mid Staffordshire NHS Foundation Trust Public Inquiry and the government's final response, Hard Truths: The Journey to Putting Patients First. The action plan has now been closed as the recommendations have been integrated into the work of the Trust the majority of which will continue to be overseen by the Healthcare Governance Committee

The Trust employs a wide range of methods to capture feedback from patients and their families and visitors including comment cards, real-time patient surveys, website feedback, complaints and the new Friends and Family Test. Feedback is reported via regular Patient Experience Reports and complaints reports at ward, directorate, group and Trust-level to the Trust Executive Group, the Healthcare Governance Committee and the Board of Directors.

A formal process is in place which monitors and follows up on a sample of agreed action plans to ensure that any changes have been made and have been implemented as planned. This process is supported by Trust Governors who visit wards and departments to 'spot check' progress against action plans.

The Patient Partnership Department commenced a comprehensive review of the complaints management process in 2014; taking into consideration recommendations from national reviews including the Francis Inquiry, the Clwyd Hart Review, and the Keogh Review. The new process was piloted in General Surgery and Urology between May and October 2015. The main changes to the process were: more choice to the complainant on how they would like their complaint handled including offering meetings where appropriate; improved communication with the complainant throughout the process, including an acknowledgement call within 3 days and keeping them up to date with any delays; a structured email being sent to staff involved with the investigation to aid a more timely and accurate response; and an escalation process for when responses from staff are not received on time.

Another key component to the complaints process pilot was the introduction of tiered response times. Currently the Trust works to a flat 25 working days for all formal complaints, regardless of their complexity. As part of the pilot, a new triage model has been introduced, which is used to grade the complexity of a complaint from Level 1 (low risk) to Level 4 (high risk). These new risk levels determine the length of time allocated for responding to the complaint; which is then agreed with the complainant from the outset.

These include:

- Level 1 10 day response target for complaints which can be resolved more quickly
- Level 2 25 day target for complaints of medium complexity
- Level 3 40 day target for more complex complaints
- Level 4 60 day target for very complex complaints

The new complaints process and tiered response rates will be rolled out to the rest of the Trust from April 2016.

A new approach to auditing the quality of the complaints service against the standards we have set and patients' expectations was introduced in 2014. This process was repeated during 2015 where the Trust interviewed patients and families to understand their experience of the complaints process, and carried out a review of the complaint file in order to ensure it complies with the standards we have set. The findings from this audit have contributed to a number of changes being made to the complaints process and the introduction of the new 'getting it write' complaints letter writing which commenced in September 2015, for all complaints staff who write responses.

The Trust has taken part in the Patients Associations National Complainant Satisfaction Survey since 1 April 2014. During 2015, the Trust reviewed how the complaints survey is managed and how results are used. As a result of this review, from November 2015, the Trust transferred the complaints survey from the Patients Association to our new survey provider, Healthcare Communications. The new survey aims to provide an understanding of the experience of people making a complaint about the Trust and allows us to identify any areas that need improving.

The Risk Management Policy is approved by the Board. It is maintained by the Chief Executive's Office and is regularly reviewed. It is widely promoted across the organisation and is available to all staff on the Trust intranet. The policy sets out the organisation's strategic intent which aims to strike a balance between innovation, opportunity and risk, seeking to enhance performance and provide high quality care in a safe environment. It defines the framework and systems used to identify and manage risk; explicitly links risk management to the achievement of corporate and local risks and clarifies accountability arrangements and individual and collective roles and responsibilities for risk management at all levels across the organisation.

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It also provides guidance for staff to help identify, assess, action, and monitor risk including procedural guidance for completing risk assessment forms, when to escalate risks and how to use the Trust's electronic Risk Register. The policy clearly defines risk and includes guidance on the systematic identification, assessment and scoring of risk using a standard likelihood and consequence matrix. The score enables risks to be prioritised and identifies at what level in the organisation risk should be managed and when the management of a risk should be escalated within the organisation.

This is an indication of the Trust's general approach to risk appetite but it should be acknowledged that decisions regarding acceptable or unacceptable levels of risk in relation to specific risk issues are also affected by financial capacity, the need to maintain service provision and assessment of potential harm to patients, staff or public, together with the Trust's obligations in relation to legislation, regulation, standards or targets. At a corporate level, the Board of Directors utilises risk reports and other sources of information to consider its risk appetite.

Risk management is firmly embedded into the activity of the organisation and operational responsibility is delegated to the individual directorates' management teams. Each directorate is responsible for identifying, assessing, scoring and registering its own risks. It is also responsible for maintaining its local risk register and for developing and monitoring plans to mitigate unacceptable risks or escalating the risk management within the organisation, as appropriate.

Supplementing the work of the Board and its committees, there are a number of specialised committees within the Trust with a remit to oversee specific risks including Safety and Risk Management Board, Risk Validation Group, Blood Transfusion Committee, Infection Prevention and Control Committee, Emergency Preparedness Operational Group, Information Governance Committee, Medical Equipment Management Group, Medicines Safety Committee and Radiation Safety Steering Group.

All new risks logged on to the Trust's Risk Register and existing risks that are scheduled for review by the risk owner in the previous month are reviewed and validated by the Risk Validation Group (RVG). The RVG is a sub committee of the Safety and Risk Management Board, to which it reports on a monthly basis. The RVG also sends a monthly report to TEG summarising the risks it has considered and highlighting those risks that it assesses as warranting detailed consideration and potential action by TEG. The RVG may escalate risks to TEG for a number of reasons such as severity, potential for aggregation (i.e.

risks which are separately identified by more than one directorate but are common to a number of directorates or are Trust-wide), operational risks that have strategic risk implications, potential for significant reputational damage and risks that require executive leadership to mitigate the risk.

The major in-year risks facing the Trust are:

Failure to maintain financial balance 2015/16

This risk has been successfully managed and mitigated by detailed annual planning; an efficiency programme; ongoing performance management and reporting; effective negotiation and engagement with commissioners; and, robust oversight by relevant board committees.

Meeting the Emergency Services 4-hour Waiting Time target

Following a difficult winter in 2014/15, the Trust recovered performance to deliver the target in Q1 but narrowly missed the standard in Q2. Unfortunately, following the implementation of Lorenzo in September the Trust has been unable to report performance due to technical and data quality issues throughout Q3 and Q4.

18-week Referral to Treatment Target

The Trust consistently delivered the reportable incomplete 18-week RTT standard throughout 2015/16. In collaboration with the Clinical Commissioning Group, the Trust also continues to improve performance against the previously National admitted and non-admitted standards. A number of specialties, including; Cardiology, Gastroenterology, and Cardiac Surgery, Orthopaedics, General Surgery and Dermatology have found these targets particularly challenging, but all specialties have an agreed recovery plan in place.

Care of patients in an appropriate setting

The Trust identified three key areas of risk: patients waiting for admission in the Emergency Department; patients receiving their inpatient treatment on an outlying ward; and delayed discharges. A new pathway was developed for patients referred to STH by their GP which has significantly reduced the number of these patients waiting in the Emergency Department and allows them to be admitted direct to the Medical Assessment Centre.

A new Policy was agreed for identifying and managing outlying patients which ensures they receive the same level of review and care as patients on a base ward. Ongoing work with Partner agencies continues to develop to ensure patients who are medically fit for discharge are moved to the most appropriate care setting as soon as

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possible. This includes agreement of the pathway standard times for complex discharge patients and a review of the weekly forum for discussing these patients with Local Authority and Continuing Health Care colleagues.

Configuration of acute services.

The Trust continued to play an active role in the Provider Working Together Programme (WTP), which is an existing collaborative partnership established in March 2013 between seven acute Trusts in South Yorkshire, Mid Yorkshire and North Derbyshire. By working together the organisations are able to act on a larger scale to achieve transformation of systems and processes not possible at an individual organisational level, and enhance opportunities for additional quality and efficiency benefits. Clinically led by Medical Directors with Chief Executive sponsorship, the approach has been focused on engaging frontline clinical and non-clinical staff on innovative approaches to tackle common issues across the seven Trusts, and multiple hospital sites, including:

- Improving sustainability and safety of local clinical services, particularly with regard to smaller specialities out of hours services and 7 day services;
- Reviewing pathways and attainment of service and quality standards for Children's services;
- Enabling better use of ICE OpenNet technology and sharing results across patient pathways;
- Supporting implementation of a Head and Neck cancer specialist pathway;
- Reviewing new and enhanced roles to help with recruitment difficulties;
- Joint procurement on medical and surgical consumables and other cost efficiencies; and
- Back office and support services review on opportunities for integrated working.

Future Risks:

Failure to maintain financial balance in future years (2016/17 onwards)

This will be managed and mitigated by detailed annual planning; an efficiency programme; enhanced performance management and reporting; effective negotiation and engagement with commissioners; and, robust oversight by relevant board committees. However, the current NHS financial environment is exceptionally challenging which makes this area a particularly acute risk.

18-week Referral to Treatment

The Trust plans to deliver the admitted pathway from Q2 onwards but meeting the target remains extremely challenging and some individual specialties will remain non-compliant. The non-admitted and incomplete pathway target is less at risk but continues to be difficult particularly in some sub-specialty areas. Ongoing recovery plans and trajectories continue to be implemented and progress is overseen by the Waiting Times Task and Finish Group which is a committee of the Board.

Meeting the Emergency Services 4-hour Waiting Time target

Increasing pressures on Emergency Services arising from rising demand and increased complexity of patients represents a continued risk to delivery of the target especially over the winter period. A comprehensive review of the entire Emergency Care Pathway is underway to ensure sustainable future delivery. This work is being overseen by a Steering Group chaired by me and will draw on external support, including the Emergency Care Intensive Support Team as appropriate. It is envisaged that the Trust will return to compliance from Q2 of 2016/17.

Meeting the 62 day Cancer Waiting Times target

Although the Trust plans for meeting all Cancer Waiting Times targets, the impact of late referrals from local District General Hospitals (DGH) continues to present a risk and is currently jeopardising 62 day performance. The Trust continues to work with DGH providers through the Strategic Clinical Network Cancer Waiting Times Task and Finish Group (TFG) to improve the timeliness of referral. The Trust influenced a review of the target at national level which has resulted in new National Cancer Breach Allocation Guidance. The TFG is currently producing an implementation plan to take effect 1 October 2016. However to ensure this is effective in mitigating the risk to performance, detailed work will be required to agree referral content across all tumour site services provided by STH.

Meeting the 31 day first treatment and the 31 day subsequent surgical treatment Cancer Waiting Times target

Although the Trust plans for meeting all Cancer Waiting Times targets, the impact of capacity constraints, particularly in Urology, presents a risk and is currently jeopardising both the 31-day targets (31 day first treatment and 31 day subsequent surgical treatment). The Urology Directorate Management team is now required to produce and implement a Recovery Plan .

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Care of patients in an inappropriate setting

The Trust will continue to work with its partners however progress is vulnerable to increased activity due to unpredictable service pressures which are difficult to control and /or reductions in capacity from partner health and social care providers.

Configuration of acute services

As a member of the Working Together partnership, the Trust will continue to engage in a number of work streams already underway to deliver safe, sustainable and efficient services to people in the most appropriate care setting.

Risk and Assurance

The Trust formally assesses the risk of compliance with the conditions of its licence and the sufficiency of controls in place via a quarterly report to TEG and the Board of Directors. The report provides the basis of Board assurance about the validity of the Corporate Governance Statement, supplemented by further assurances gained from oversight of the Annual Planning process, (including involvement of the Council of Governors), the Top Risk Report, the Assurance Framework and other assurance reports and papers to the Board and its committees.

The principal risks to compliance with Condition FT4 (Foundation Trust governance arrangements) are:

- The Trust has well established and effective processes for Non-Executive Director appointment and induction has refreshed the Board with the appointment of two new Non-Executive Directors this year.
- The scale and complexity of the Board agenda has become evidently more intense in the face of significant challenges and uncertainties for the NHS. A review under the Well Led framework performed by Capsticks commenced in 2015/16 and will be completed in 2016/17. The Board is aware of the need to continuously evaluate the way that the Board and its committees work; to ensure it continues to be effective, efficient and economic in managing its agenda. In early 2015 changes to how the Board and its committees work were introduced.

In March 2015, whilst approving the Assurance Framework the Board of Directors approved a major review of the strategic risk management and assurance including proposals to develop a quarterly Integrated Risk and Assurance Report replacing the Top Risk Report and the Assurance Framework. In line with the revised way of Board working introduced in February 2015, the Audit Committee has assumed a more focused role in providing assurance about risk management to the Board.

The Assurance Framework and the Top Risk report were combined into the Integrated Risk & Assurance Report (IRAR) in January 2016. The IRAR identifies; the Trust's principal objectives and the high level risks that threaten their achievement, key controls and sources of assurance. All major risks are directly managed or operationally led by an Executive Lead. Progress against the action plan to mitigate the risk is updated in the IRAR by the Executive Lead.

The IRAR is considered four times a year by the Trust Executive Group (TEG) and the Audit Committee on behalf of the Board of Directors, relevant issues are escalated to the Board. Each of the risks is owned by an Executive Director and has oversight by a Board Committee. Outcomes are assessed by monitoring the progress reports against the action plan and by comparing the current residual risk with the target residual risk (which may be to eliminate the risk or to reduce the risk to a reasonable level, as agreed by the Board). Underpinning the IRAR is the Trust's Risk Register which includes strategic risks identified by TEG and reported via the IRAR and operational risks identified by clinical and corporate directorates.

The integration of the Assurance Framework and the Risk Register into the business planning process ensures that risk-based decisions can be made in relation to service developments and capital allocation.

In April 2015 a new Integrated Performance Report (IPR) was developed and implemented. The IPR is reported on a monthly basis to the Trust Executive Group, the Finance Performance and Workforce Committee and the Board of Directors. It is organised around the Trust's five strategic aims and includes an executive summary of aspects of performance identified by the relevant Executive Directors as requiring the attention of the Board; a RAG-rated dashboard of performance against national and local indicators including monthly, year-to-date and trend analysis (and data quality ratings); in-depth exception reports on aspects of performance where a target is not met, including a summary of key issues and actions to improve performance; a RAG-rated directorate performance dashboard; and a deep-dive analysis of performance on an agreed specific topic of interest to the Board.

The IPR has subsumed a number of separate performance reports that were previously reported to the Board. The Board is assured of the quality of data included in the IPR via a number of sources including routine scrutiny of component data sources by Committees of the Board, through internal data quality assurance systems and by the work of internal and external audit.

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There are robust and effective systems, procedures and practices to identify, manage and control information risks. Although the Board of Directors is ultimately responsible for information governance it has delegated responsibility to the Information Governance Committee which is accountable to the Healthcare Governance Committee. The Information Governance Committee is chaired by the Medical Director who is also the Caldicott Guardian. The Board appointed Senior Information Risk Owner (SIRO), is the Informatics Director. The SIRO Support Manager has reviewed this statement and has written to me endorsing the content.

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

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

The introduction of port control and an approved list for removable media is planned to be introduced after implementation of the Trust's New Corporate Desktop across the organisation.

In accordance with the Information Asset Policy, a centralised major information asset register is in place which supports the role of the Trust's Information Asset Owners who report to the SIRO. The Register is now held on the IT Service Desk Cherwell system.

Any concerns regarding the registration and management of the Information Assets continue to be pursued through the recognised and accepted managerial line. Failure to deal with a concern through that route will be taken up by the SIRO with the appropriate Information Asset Owner within the Trust.

During 2014/15, there was one serious data security incident; this was closed by the Information Commissioners Office in November 2015 with no further action required by the Trust. There have been no level 2 incidents reported in 2015/16.

There is a combined working group comprised of representatives from the Trust, General Practices through Sheffield Clinical Commissioning Group , Sheffield Health & Social Care Foundation Trust, Embed and Sheffield City Council, this is supported by Caldicott 2 and new legislation The Health & Social Care (Safety and Quality) Act 2015 which details data sharing for direct care.

There are also well established and effective arrangements in place for working with key public stakeholders across the local health economy, see below:

- NHS Sheffield Clinical Commissioning Group
- NHS England
- Health and Social Care Information Centre
- Yorkshire Ambulance Service
- South Yorkshire Police
- South Yorkshire Fire and Rescue Services
- Neighbouring Trusts in South Yorkshire and North Derbyshire
- Sheffield City Council
- Sheffield Health and Wellbeing Board
- Sheffield City Council's Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee
- Healthwatch Sheffield
- Sheffield Executive Board
- University of Sheffield and Sheffield Hallam University

Wherever possible and appropriate, the Trust works closely with stakeholders to manage identified risks which affect them or which they can mitigate. The Trust is also represented on various national forums such as the Shelford Group, NHS Providers, the NHS Confederation and the Association of UK University Hospitals and is able to help influence national policies.

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC). It is required to maintain ongoing compliance with the CQC standards of safety and quality for all its regulated activities across all its locations.

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In November 2014, as part of the annual business planning process, all clinical directorates reviewed their local governance arrangements and verified compliance with the CQC standards. In recognition of the new CQC operating model compliance has been rated against the Key Lines of Enquiry. The process was overseen by the department of Patient and Healthcare Governance and reported to the Healthcare Governance Committee.

The department of Patient and Healthcare Governance has further developed the Trust's programme of internal Quality Governance Inspections focusing on the CQC Key Line of Enquiry. Quality Governance Inspections use direct observation, structured interviews with patients and staff. The inspections covered 123 individual service areas, the outcomes of the inspections were fed back to the service and a thematic analysis was undertaken to encourage wider learning. The Healthcare Governance Committee receives a monthly update report on matters relating to CQC compliance. The report includes surveillance information from the CQC Intelligent Monitoring Reports (when available), issues that the Trust is formally notified of and development news from the CQC. The committee also receives all CQC inspection reports in full for discussion and action, if necessary.

During the year, the CQC conducted a full inspection of the Trust, the outcome of the inspection will be known in the early part of 2016/17. The Assistant Chief Executive and the Head of Patient and Healthcare Governance hold regular engagement meetings with the CQC to discuss these and other CQC related matters.

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

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

The Trust is committed to eliminating discrimination, promoting equal opportunity and to fostering good relations in relation to the diverse community it serves and its staff, taking account of characteristics protected by the Equality Act 2010.

It has an established Equality and Inclusion Steering Group (reporting to the Trust Executive Group and the Healthcare Governance Committee and chaired by the Assistant Chief Executive) and an Operational Leads Group (responsible to the Steering Group and including representatives from each care group) which ensures good practice in equality, diversity and inclusion is identified and shared across the organisation. In addition the Trust has policies, procedures and lead posts (for example in safeguarding) in place to ensure that the Trust considers and maintains Human Rights for its staff and across the services it delivers.

The Trust continues to meet specific requirements set out under the Equality Act 2010, including implementation of its Equality Objectives, (which can be found on the Trust's website); publishing its Equality and Human Rights Annual Report (which communicates progress on the Public Sector Equality Duty); and, publishing equality information relevant to people who use the Trust's services and Trust staff. The Trust also has regard to the NHS Equality Delivery System 2 (EDS2) framework, which informs its approach to setting Equality Objectives and annual action planning.

The provisions of the Modern Slavery Act came into effect in October 2015. The Act consolidated slavery and trafficking offences, strengthened powers of enforcement and introduced tougher penalties. It also included a transparency clause requiring the Trust to make an annual statement on the steps it has taken in the previous financial year to ensure its business and supply chains are free from Modern Slavery, which the Act defines as slavery, servitude, forced or compulsory labour and human trafficking.

At their meeting in April 2016, the Board of Directors received a briefing paper on Modern Slavery and approved a statement. In common with many eligible organisations in the UK, the Trust has just started work to address the issue and the statement reflects the progress made during 2015/16 but includes a comprehensive action plan to take the work forward in 2016/17. The statement is signed by the Chairman and Chief Executive and has been posted on the Trust's website - www.sth.nhs.uk/about-us/modern-slavery-act-statement.

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.

ANNUAL GOVERNANCE STATEMENT 2015/16

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

The Trust produces detailed annual plans reflecting its service and operational requirements and its financial targets in respect of income and expenditure and capital investments. These plans incorporate the Trust's plans for improving efficiency in order to offset income losses, meet the national efficiency target applied to all NHS providers and fund local investment proposals. The financial plans reflect organisational-wide plans and initiatives but are also translated into Directorate budgets and efficiency plans.

Financial planning at all levels is influenced by income assumed from national tariffs and local prices agreed with Commissioners. These areas have become particularly challenging given the current difficult NHS financial environment. Financial plans are considered during their development and then approved by the Board, supported by its Finance, Performance and Workforce Committee. An Annual Plan is submitted to NHS Improvement (NHSI), reflecting finance and governance (including service and quality aspects), each of which is assessed by NHSI. This plan, or an alternative process, generally incorporates plans or projections for subsequent years, which facilitates forward planning by the Trust.

In particular, the Trust has sought to develop capital investment and efficiency plans over a number of years. Financial plans are underpinned by the Trust's Business Planning processes, which also drive strategic and operational planning at Directorate and service level. The Trust formulates its Corporate Strategy on the basis of its understanding of the NHS environment and key influences.

The in-year use of resources is monitored by the Board and its committees, via a series of detailed monthly reports, covering finance, activity, capacity, performance, quality, human resource management and risk.

These documents are a consolidation of detailed reports that are provided at Directorate and Department level to allow active management of resources at an operational level. Quarterly monitoring returns are submitted to NHSI from which a risk rating is again attributed to the finance and governance elements. The Trust's performance management processes are crucial in early identification of any variances from operational or financial plans and in ensuring effective corrective action.

Particular attention is given to financially challenged Directorates and support is provided internally through the Performance Management Framework with external input where required.

The use of capital resources is planned and monitored by the Trust's Capital Investment Team, which reports quarterly to the Board.

The Trust continues to drive enhanced efficiency through targeting areas for improvement; through setting Directorate targets and performance managing delivery; through looking to work with other organisations; and through developing capability and capacity to deliver the required change. The Trust's Making It Better Programme drives this work with a key principle that the programme seeks improvements to the quality of patient care alongside efficiency gains. The development of information and performance management systems remains a key element of the programme.

The Trust employs a number of approaches to ensure best value for money in delivering its services. Benchmarking is used to provide assurance and to inform and guide service re-design leading to improvements in the quality of services and patient experience as well as financial performance.

External support is commissioned where appropriate to assist in identifying areas where economy, efficiency and effectiveness can be improved and in delivering the required changes. The Trust utilises its Service Line Reporting (SLR) and Patient Level Costing System to enable better understanding of income and expenditure at various levels and, therefore, to facilitate improved financial and operational performance. The SLR information informs performance management and budget-setting and action plans are developed/implemented by those areas which make significant losses.

As mentioned elsewhere, the Board receives assurance on the use of resources from a number of external agencies, for example NHSI's risk ratings and the CQC's Intelligent Monitoring Report and inspection reports. Such reviews are reported to the Board of Directors and its relevant committees.

All of the above is underpinned by the Trust Scheme of Reservation and Delegation of Powers, Standing Orders and Standing Financial Instructions, which allow the Board to ensure that resources are controlled only by those appropriately authorised. These documents are reviewed annually.

The Trust also makes use of both Internal and External Audit functions to ensure that controls are operating effectively and to advise on areas for improvement. In addition to financially related audits, the Internal Audit programme covers governance and risk issues.

ANNUAL GOVERNANCE STATEMENT 2015/16

Individual recommendations and overall conclusions are risk assessed thereby assisting prioritised action plans which are agreed with management for implementation. All action plans agreed are monitored and implementation is reviewed regularly and reported to the Audit Committee as appropriate.

Annual Quality Report

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

The Trust has an established process for preparing the Quality Report. Overall responsibility for the report rests with the Medical Director but the Head of Patient and Healthcare Governance is operationally responsible.

The Quality Report Steering Group oversees the design, production, publication and review of the report. The group is accountable to the Trust Executive Group and membership includes managers, clinicians, representatives from Healthwatch and Governors. The Steering Group has reviewed progress made against the quality priorities that were agreed for 2014/15 and has identified three new priorities for 2015/16 with an explicit commitment to consider areas where there was a recognised need to improve the quality of care as well as areas of known good practice. The priorities were agreed by the Sheffield City Council Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee, Healthwatch Sheffield, NHS Sheffield Clinical Commissioning Group and the Representative Trust Governors and were approved by the Board of Directors.

Relevant specialists or managers in the Trust were approached to provide supporting data using established data sources which are subject to internal information quality assurance. A draft Quality Report was sent to the Sheffield City Council's Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee, Healthwatch Sheffield and NHS Sheffield Clinical Commissioning Group and comments sought. Overall the stakeholder comments were positive and included constructive feedback on specific issues of concern. Our external auditors have reviewed the Quality Report and have provided independent assurance to the Board of Directors and the Council of Governors that the content of the report is in accordance with NHS Foundation Trust Annual Reporting Manual.

Details of the extensive work undertaken to improve the complaints process and in turn improve complainant satisfaction with the complaints process is included in this year's Quality Report. A new complaints training programme has been running in the Trust since September 2015 and 232 Trust staff have attended across the different courses available. This training has enabled staff to feel more confident in dealing with complaints and incidents on the spot. Further training is planned for 2016/17.

The 2013/14 objective to reduce on-day cancellation rates for elective surgery continues to be reported in the Quality Report as further work to improve this is ongoing. This includes weekly meetings to review forthcoming operating lists to discuss any staffing, equipment requirements or other issues, and resolve these in advance of the list taking place. It is pleasing though to see a reduction in cancelled operations during 2015/16.

The report contains comprehensive information regarding a range of quality measures covering all aspects of the Trust; some of these are detailed in the required mandatory statements. This includes rates of MSRA. During 2015/16 the Trust had no cases of hospital acquired MRSA, meeting the national standard.

Review of effectiveness

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

The Integrated Risk and Assurance Report (IRAR) provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives has been reviewed. The Audit Committee provides scrutiny of the IRAR and reports to the Board.

The work of the Audit Committee in 2015/16 is described in more detail on pages 24-27 of this report.

ANNUAL GOVERNANCE STATEMENT 2015/16

The committee provides the Board of Directors with an independent and objective review of financial and corporate governance, and internal financial control within the Trust. It receives reports from external and internal audit, including reports relating to the Trust's counter fraud arrangements.

The Chair has recent and relevant financial experience which supports expert and rigorous challenge on financial reports received by the committee, an understanding of Monitor's Risk Ratings and sound accounting policies and practices.

Internal Audit work to a risk based audit plan, agreed by the Audit Committee, and covering risk management, governance and internal control processes, both financial and non-financial, across the Trust. The work includes identifying and evaluating controls and testing their effectiveness, in accordance with Public Sector Internal Audit Standards. A report is produced at the conclusion of each audit and, where scope for improvement is found, recommendations are made and appropriate action plans agreed with management. Reports are issued to and followed up with the responsible Executive Directors. The results of audit work are reported to the Audit Committee which plays a central role in performance managing the action plans to address the recommendations from audits. Internal audit reports are also made available to the external auditors, who may make use of them when planning their own work. In addition to the planned programme of work, internal audit provide advice and assistance to senior management on control issues and other matters of concern. The Internal Audit team also provides an anti-fraud service to the Trust.

Internal Audit work also covers service delivery and performance, financial management and control, human resources, operational and other reviews. Based on the work undertaken, including a review of the Board's risk and assurance arrangements the Head of Internal Audit Opinion concluded that significant assurance could be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

The preparation of the Quality Report has been informed by an in-depth review of last year's process and by scrutiny of further guidance. All data incorporated into the Quality Report is from established sources which are subject to routine and regular audit of data quality.

The comments from the Sheffield City Council Healthier Communities and Adult Social Care Scrutiny and Policy

Development Committee, Healthwatch Sheffield and NHS Sheffield Clinical Commissioning Group provide external assurance of the effectiveness of internal controls.

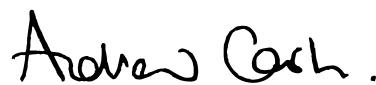
The external assurance audit undertaken by our External Auditors, as part of the process of producing the Quality Report, which will report to the Board and to the Council of Governors will provide enhanced assurance. The Trust is committed to continuous improvement of its risk management and assurance systems and processes to ensure improved effectiveness and efficiency.

My review is also informed by:

- Opinion and reports by Internal Audit (360 Assurance) who work to a risk-based annual plan approved by TEG and the Audit Committee with topics that cover Governance and Risk Management, Service Delivery and Performance, Financial Management and Control, Human Resources, Operational and Other Reviews.
- Opinion and reports by our External Auditors (KPMG) and specifically their Annual Governance Report.
- Quarterly Risk Ratings by Monitor.
- DH reports such as Performance Indicators.
- Ongoing compliance with CQC's Fundamental Standards for all regulated activities across all its locations, as part of the registration process, CQC reports on its visits and inspections .
- Information Governance Assurance Framework and the Information Governance Toolkit
- Results of National Patient Surveys and the National Staff Survey.
- Investigation reports and action plans following Serious Untoward Incidents.
- User feedback such as real-time monitoring of patient experience, complaints and claims.
- Other external Visits, Inspections and Accreditations
- Council of Governors reports.
- Clinical Audit reports.

Conclusion

No significant internal control issues have been identified.



Sir Andrew Cash OBE
Chief Executive

18 May 2016



QUALITY REPORT 2015-16

**PROUD
TO MAKE A
DIFFERENCE**

SHEFFIELD TEACHING HOSPITALS
NHS FOUNDATION TRUST



1.1 STATEMENT ON QUALITY FROM THE CHIEF EXECUTIVE



At Sheffield Teaching Hospitals NHS Foundation Trust we have a strong track record of delivering good clinical outcomes and a high standard of patient experience, both in our hospitals and in the community. However, we are never complacent and continually look to adopt best practice, drive innovation and most importantly learn and improve when we do not meet the high standards we have set for ourselves.

As a consequence, I am pleased to report that Sheffield Teaching Hospitals NHS Foundation Trust has continued to perform very well in 2015/16 and has made good progress against our quality priorities.

The Care Quality Commission inspected our community and acute services in December 2015, which saw more than 100 inspectors visiting our sites over a 10 day period. We are expecting their formal report by summer 2016.

Our drive for improvement is embodied within the Trust's Corporate Strategy 'Making a Difference' which is supported by a Quality Strategy and Governance Framework. The Corporate Strategy outlines five overarching aims:

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

In summary our priority is to do all we can to continually implement quality improvement initiatives that further enhance the safety, experience and clinical outcomes for all our patients.

Nationally the NHS continues to operate within a very tough financial climate and our Trust is seeing an ongoing increase in demand for services. With the support of our staff and partners we are addressing these challenges by adopting new ways of working, forging partnerships with other health and social care providers and continuing to engage our staff by actively pursuing a culture of innovation and involvement.

Mortality rate is an important clinical quality indicator, and I am pleased to report that we have had a consistently 'lower than expected' or 'as expected' mortality rate for the past few years. This is testament to the skill and care of our teams. During 2015/16 we also continued to review weekend mortality rates.

Our Hospital Standardised Mortality Ratio for both weekday and weekend emergency admissions is also 'within expected range'.

We consider rigorous infection control and clean facilities to be fundamental to our care standards, and so I am pleased to report that this year, once again we met the national standards set for our organisation. We continue to work hard to minimise the chances of patients acquiring other hospital acquired infections, such as Norovirus and MRSA. During 2015/16 we had no cases of MRSA bacteraemia and the number of cases of *C.Difficile* fell to an all time low. We also invested more than £3 million in 17 new isolation rooms at the Hallamshire Hospital to help safely care for some of our most vulnerable patients, who have conditions such as myeloma and other cancers.

We have become one of the first NHS Trusts to join the Sign Up To Safety patient safety campaign. It is one of a set of national initiatives to help the NHS continually improve the safety of patient care. Collectively and cumulatively these initiatives aim to reduce avoidable harm by 50% and support the ambition to save 6,000 lives across the UK.

Safety, quality of services and sustainability is also a key aim of the Working Together Partnership, which brings together seven NHS trusts in our region to collectively make improvements. One of the Working Together projects now means that vital patient reports and tests are able to be shared quickly and securely across the seven trusts. This development will benefit millions of patients each year by enabling specialists to securely access test results that have been carried out in neighbouring hospitals, reducing the need for costly re-tests and ensuring quicker decision making about treatment.

Thanks to the fantastic efforts of Sheffield Hospitals Charity and our local communities a new helipad is being built at the Northern General Hospital, which will mean trauma patients get the emergency care they need even quicker.

Other priority areas include ensuring waiting times are kept as low as possible as this is one of the things our patients tell us is important to them. We want to make sure our waiting times processes and procedures are robust and enable our patients to receive swift and appropriate treatment. The average waiting time for care at the Trust is eight weeks or less and the majority of cancer treatment waiting time standards are consistently met.

1.1 STATEMENT ON QUALITY FROM THE CHIEF EXECUTIVE

It was exceptionally pleasing that national and local survey results during 2015/16 consistently showed that the majority of our patients and staff would recommend the Trust as a place to receive care and to work. Indeed we were named as one of the top 100 places to work in the NHS and our staff won a record number of quality and safety awards throughout the year. The Friends and Family Test for patients and staff is a valuable insight into where our future focus needs to be.

The integration of hospital, community and social care services continued at pace throughout 2015/16 to ensure our patients receive timely, seamless care and that wherever possible individuals are supported to live independently at home rather than be hospitalised. The Discharge to Assess process developed by our teams was highlighted as an exemplar by the Commission on Improving Urgent Care for Older People in their report – ‘Growing old together: Sharing new ways to support older people.’ Patients who no longer need hospital care are now assessed in their own home for their ongoing health and social care needs rather than in the less familiar hospital environment. During 2015/16 this resulted in over 9,000 older patients being discharged home in an average of 1.1 days from being medically fit compared with 5.5 days three years ago. Patient feedback has been very positive with more patients able to remain independent in their home, and 30,000 hospital bed days have been released for those patients who do require acute hospital care.

To further support this drive to work differently right across the Trust we introduced a new Patient Administration System and Electronic Document Management System as part of a five year Transformation Through Technology programme. This will provide the opportunity to change the way we deliver care both within the hospital and also in people’s own homes and communities. This five year programme will also enable the organisation to become paper light and support the work underway to develop integrated care teams and new models of care.

Further information about this and other developments during 2015/16 can also be found in the Annual Report and on our website: www.sth.nhs.uk/news.

Of course none of these improvements are possible without the fantastic support of everyone who works for the Trust and our amazing volunteers and charities whose dedication and commitment is a source of great strength for the Trust. During the last 12 months we have continued to encourage more of our staff to be actively engaged and involved in decisions, setting the

future direction of the organisation and innovations. We are committed to continuing this important work during 2015/16 because we believe our staff are key to the delivery of excellent patient care.

We feel it is very important that we value everyone who works in the organisation and the efforts they go to every day to make a difference to our patients. Thanks to the support of Sheffield Hospitals Charity we introduced the ‘Little Thank You’ e-card system during the year, enabling individuals and teams to be sent an electronic thank you card by their managers or fellow colleagues. This is just one way we can encourage and recognise the excellent work undertaken by every one of our 16,000 staff.

There is no doubt that in 2016/17, the environment in which we work will continue to be challenging, but I am confident that by fostering our culture of learning and continual improvement we will provide our patients with the safe, high quality care and experience they deserve.

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



Sir Andrew Cash OBE

Chief Executive

18 May 2016

1.2 INTRODUCTION FROM THE MEDICAL DIRECTOR



Quality Reports enable NHS Foundation Trusts to be held to account by the public, as well as providing useful information for current and future patients. This Quality Report is an attempt to convey an honest, open and accurate assessment of the quality of care patients received during 2015/16.

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

The Quality Report Steering Group oversees the production of the Quality Report. The membership includes Trust managers, clinicians, Trust Governors, and a representative from Healthwatch Sheffield. The remit of the steering group is to decide on the content of the Quality Report and identify the Trust's quality improvement priorities whilst ensuring it meets the regulatory standards set out by the Department of Health and Monitor, the Independent Regulator for Foundation Trusts.

As a Trust we have consulted widely on which quality improvement priorities we should adopt for 2016/17. As with previous Quality Reports, the quality improvement priorities have been developed in collaboration with representatives from NHS Sheffield Clinical Commissioning Group (CCG), Healthwatch Sheffield and the Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee.

In developing this year's Quality Report we have taken into account the comments and opinions of internal and external parties on the 2014/15 Report. The proposed quality improvement priorities for 2016/17 were agreed by the Healthcare Governance Committee, on behalf of the Trust's Board of Directors, on 25 April 2016. The final draft of the Quality Report was sent to external partner organisations for comments in April 2016 in readiness for the publishing deadline of the 28 May 2016.

A handwritten signature in black ink, appearing to read "Dr David Throssell".

Dr David Throssell
Medical Director

2.1 PRIORITIES FOR IMPROVEMENT 2015/16

Our 2015/16 priorities are summarised below and explained further in this section.

To improve how complaints are managed and learned from within Sheffield Teaching Hospitals NHS Foundation Trust.	 Achieved
To improve staff engagement by using the tools and principles of Listening into Action (LiA).	 Almost achieved
To improve the safety and quality of care provided by the Trust in all settings with the aim of reducing preventable harm and improving quality.	 Almost achieved

2.1.1 To improve how complaints are managed and learned from within Sheffield Teaching Hospitals NHS Foundation Trust

Over the past three years a number of objectives have been highlighted to improve the complaints process within the Trust. Building on the work undertaken in 2014/15 the Trust has taken steps in 2015/16 to monitor and improve complainants' satisfaction.

Seeking the views of how complainants have found the complaints process through undertaking surveys and audits continues. From April 2014, the Trust, along with 22 other trusts, participated in the Patients Association Complainant Satisfaction Survey. All complainants whose complaint was considered to be closed were invited to participate in the survey. At the end of September 2015 the Patients Association had received 2,603 responses to the survey, 394 for the Trust.

The table below shows the comparison of the four key performance indicators (KPI) which were identified as baseline figures between the Trust and other participating trusts, and compares the data reported in the last Quality Report.

During 2014/15, 13 complainants took part in in-depth interviews regarding their experience of the complaints process. Their views and feedback were central to improving the process. These included actions to significantly improve response times, a comprehensive suite of complaints training modules for all staff and improvements to the complaints information we routinely collect and report (e.g. the introduction of 'reopened' complaint rates to the quarterly reports). We have committed to repeating the interviews annually and the 2015 interviews are nearing completion.

Key performance indicators	APRIL 2014 - JAN 2015		FEB-SEPT 2015
	All participating trusts	STH	STH
Number of responses	1010	164	230
1. Percentage of respondents who feel their complaint against the Trust has been resolved	50%	48%	54%
2. Percentage of respondents who feel their complaint was handled 'very well'	9%	8%	10%
3. Percentage of respondents who feel their complaint was dealt with 'quickly enough'	29%	36%	40%
4. Percentage of respondents who were 'very satisfied' with the final response	7%	8%	6%

2.1 PRIORITIES FOR IMPROVEMENT 2015/16

Following national reports and recommendations for complaints handling, the Trust carried out the above-mentioned review of our complaints service. Alongside this, a detailed process-mapping exercise was carried out identifying areas of duplication and inefficiency. The complaints team were able to gain a good insight into how and where the current complaints process needed improvement. This information has been used to make improvements and create a more streamlined and user friendly process. This new process has been piloted within the General Surgery and Urology Directorates from May – October 2015. The main changes to the process are:

- More choice to the complainant on how they would like their complaint handled including offering meetings where appropriate.
- Improved communication with the complainant throughout the process, including an acknowledgement call within three days and keeping them up to date with any delays.
- Structured email sent to staff involved with the investigation to aid a more timely and accurate response.
- Escalation process for when responses from staff are not received on time.

The complaints team now undertake daily monitoring of monthly complaints caseloads with the aim of responding to 85% complaints within 25 working days.

A comprehensive programme of training has been developed to support the new approach to complaints. All training has been underpinned by an ethos of welcoming and acting on feedback. Training includes responding to issues 'on-the-spot', undertaking resolution focussed complaint investigations and producing high quality, evidence based responses.

The new complaints training programme has been running in the Trust since September 2015 and has had 232 attendances across the different courses available.

Attending the training has enabled staff to feel more confident in dealing with complaints and incidents on the spot. Overall 96 % of attendees would be likely or extremely likely to recommend the training. Further training is planned for 2016/17.

2.1.2 To improve staff engagement by using the tools and principles of Listening into Action

Listening into Action (LiA) was introduced in the Trust in the autumn of 2014 as a way of bringing about changes to make a positive impact for patients and for staff

through high engagement strategies. The aim was to enable staff engagement in the collective effort of making improvements.

A steering group was established, chaired by the Chief Executive. This group meets monthly to evaluate the progress of LiA and its impact on the Trust.

There are eight key steps to the LiA process:

- Establish key stakeholders.
- Identify a mission.
- Establish a sponsor group.
- Make a powerful case for change.
- Get people on board.
- Hold a Big Conversation with staff, patients and stakeholders.
- Keep people involved and informed.

Since the launch of LiA there have been 40 schemes delivered by 26 teams. Each scheme has had the commitment and involvement of the Operations Directors, Nurse Directors and Clinical Directors. Schemes have been undertaken in 25 Directorates and across all Care Groups with a total of 2,500 staff being involved. The schemes include improving communication in Spinal Services and Patient Transport, improving signage in the Renal Unit and increasing discharges before lunch.

An event is held at the beginning of each phase of the LiA process to launch the schemes. There is a Compass Check Event halfway through the phase to ensure schemes are on track and a Pass it On Event at the end of the phase to share results and best practice.

Alongside the schemes there have also been 83 Big Conversations with staff across the organisation to engage all staff in the process.

The impact of LiA is currently being measured in a number of ways. Each scheme develops targets and desired outcomes at the start and these are revisited at the end of the scheme.

Examples of outcomes include:

- Reducing the number of patient-cancelled operations to 1.5 per week which has the potential to release £78,000 back into the Trust. The pilot informed the basis of a business case for the pilot which has now been agreed by the Trust Executive Group.
- Cardiology focussed on dispensing for discharge and the team have been trialling the use of pre-labelled discharge medication packs. This will reduce length of stay and increase patient flow.

2.1 PRIORITIES FOR IMPROVEMENT 2015/16

- A transport scheme has enabled the Trust to decrease the length of time it takes for GP assessed patients to be transferred and assessed in hospital. A significant number of patients are now managed within a two hour timeframe.

At every event we hold we ask staff for feedback on how motivated the session has made them feel in connection with LiA. Chart 1 shows accumulated data from teams who attended Launch, Compass Check and Pass it On events since LiA's introduction. A total of 384 respondents, equating to 1,152 responses, replied to the following three questions:

- How would you rate today's events?
- Do you feel that today has been a good use of your time?
- Do you feel that the LiA way will help us to improve patient care and how we work together?

The impact of LiA is also measured by a Pulse Check. This consists of 15 questions focussing on how staff feel they are supported to do their job, which link to the key areas of the staff survey. It is simple and quick to complete and administer. This was done at the start of the journey as a baseline across the Trust and then again in August 2015 with all the staff involved with LiA. To date 3,300 people have completed a Pulse Check.

Results in the Chart 2 show the scores benchmarked against the average score for all other trusts that have adopted LiA. This shows overwhelmingly that people who get involved in LiA feel better led, more involved, motivated and positive about their work and the Trust.

At the start of the LiA process in December 2014 a Journey Scorecard was undertaken. This is a list of 20 questions targeted at how leaders of the organisation feel they are able to create the right conditions for improvement and engagement. Overall the results showed a neutral response. A decision on when to revisit the Journey Scorecard is currently being discussed and agreed at the steering group.

Chart 1

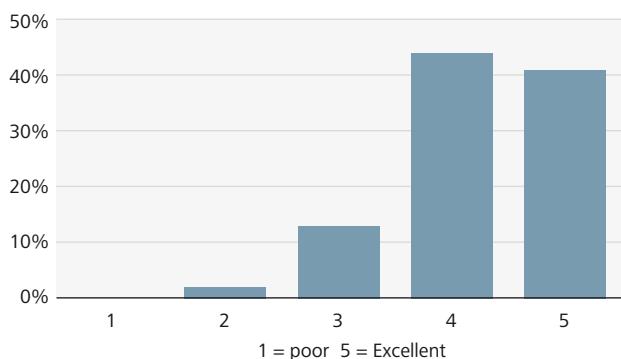
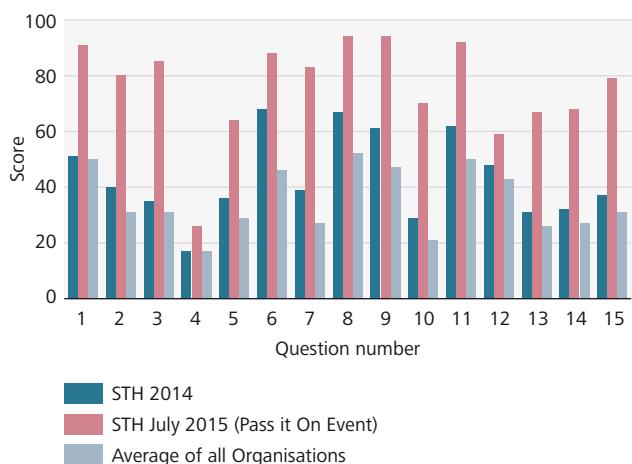


Chart 2



Questions

Q1	I feel happy and supported working in my team/department/service
Q2	Our organisational culture encourages me to contribute to changes that affect my team/department/service
Q3	Managers and leaders seek my views about how we can improve our services
Q4	Day to day issues and frustrations that get in our way are quickly identified and resolved
Q5	I feel that our organisation communicates clearly with staff about its priorities and goals
Q6	I believe we are providing high quality services to our patients
Q7	I feel valued for the contribution I make and the work I do
Q8	I would recommend our Trust to my family and friends
Q9	I understand how my role contributes to the wider organisational vision
Q10	Communications between senior management and staff is effective
Q11	I feel that the quality and safety of patient care is our organisation's top priority
Q12	I feel able to prioritise patient care over other work
Q13	Our organisational structures and processes support and enable me to do my job well
Q14	Our work environment, facilities and systems enable me to do my job well
Q15	This organisation supports me to develop and grow in my role

2.1 PRIORITIES FOR IMPROVEMENT 2015/16

2.1.3 To improve the safety and quality of care provided by the Trust in all settings with the aim of reducing preventable harm and improving quality

In July 2014 the Trust committed to the three year 'Sign up to Safety Campaign'. The Trust's overall aim is to further improve the reliability and responsiveness of care given to patients to achieve a 50% reduction in harm supported by the following five goals:

1. Cultural change that ensures that patient safety will be embedded within all aspects of clinical care.
2. Improved recognition and timely management of deteriorating patients leading to improved care.
3. Improved recognition and management of patients presenting with, or developing, Red Flag Sepsis and Acute Kidney Injury (AKI).
4. Absolute reduction in the cardiac arrest rate.
5. Improved communication through the introduction of structured processes to improve the transfer of time-critical patient information.

1. Cultural change that ensures that patient safety will be embedded within all aspects of clinical care

As part of working towards achieving this goal during 2015/16 the Trust introduced an Inpatient Patient Safety Briefing on all bedside televisions. This briefing aims to empower and engage patients regarding their own safety whilst in hospital giving them information on the risks of falls, DVTs and the importance of raising any allergies they may have.

In partnership with external providers the Trust has also introduced bespoke training packages in human factors awareness. These have included an introduction to Human Factors, providing staff with the skills to undertake simulation exercises and to improve the investigation and learning from serious incidents. During 2015/16 there have been 12 cohorts of training, resulting in 150 members of staff being training in Human Factors. These staff are now able to plan and implement simulation training within the Trust. Other, in-house, Human Factors training sessions have been delivered to date approximately 400 nurses and 800 junior doctors throughout 2015/16.

The Trust also delivered Microsystems Coaching to 27 staff during 2015/16. This training will continue in 2016/17.

In 2016/17 the Trust aims to undertake and analyse a safety culture survey to better understand the issues faced by employees.

2. Improved recognition and timely management of deteriorating patients leading to improved care

To improve the recognition of deteriorating patients the Sheffield Hospitals Early Warning Score (SHEWS) and subsequent escalation plan were revised in 2015/16. This has increased the sensitivity of the protocol, resulting in patients being escalated sooner which leads to improved care.

The acutely deteriorating patient pathway has been implemented across all inpatient areas during 2015/16, leading to consistency in documentation and escalation across all wards and directorates. The use of this pathway will be audited in 2016/17.

The Trust is currently considering an electronic solution to improve the accuracy and completeness of recording clinical observations. This work will continue in 2016.

3. Improved recognition and management of patients presenting with or developing Red Flag Sepsis and Acute Kidney Injury (AKI)

Care bundles for Red Flag Sepsis and AKI have been developed and implemented during 2015/16. The AKI bundle is currently supported by a team which provides in situ expert advice and training. They have been supported by developments to the current Laboratory Information Management System which has enabled prompts to be provided to clinicians and nursing staff highlighting 'at risk' patients. This has enabled timely interventions to be implemented. Compliance with the new care bundles will be audited in 2016/17. As part of this associated critical care utilisation will be reviewed.

The Emergency Department have introduced a care bundle based on the sepsis pathway. Four audits have taken place with each one demonstrating improvements in the speed of administering antibiotics. Throughout 2016/17 further work will be undertaken within the Emergency Department. This practice will be rolled out to other areas.

The key aim for 2016/17 is the development of an easily accessible 'at risk' patient dashboard to support the appropriate escalation of patients. This will be available throughout the Trust for use at handover.

2.1 PRIORITIES FOR IMPROVEMENT 2015/16

4. Absolute reduction in the cardiac arrest rate.

The Trust continues to deliver a Patient Safety Collaborative focusing on improving the management of deteriorating patients and the reduction of cardiac arrests. The project to reduce the absolute numbers of preventable cardiac arrests has been multi-faceted and results have shown that there has been a reduction in the rate by 28%. Whilst these results are positive the Trust will ensure that further focussed work continues to maintain this reduction and reduce the cardiac arrest rate further. Audits continue to improve compliance across the Trust with DNACPR throughout 2016/17.

5. Improved communication through the introduction of structured processes to improve the transfer of time critical patient information.

The Trust has gained international recognition following the development of the 'Patient Safety Zone' concept. This ensures that the correct checks are made with patients prior to the delivery of care. It is difficult to identify the scale of the problem but it is known that incidents come from all areas of the Trust with the significant majority being classed as near misses or no harm events. The 'Patient Safety Zone' is a quality objective for 2016/17.

'Safety Huddles', small meetings focussed on patient safety, have been trialled on a small number of wards to ensure that any immediate safety concerns are shared amongst the ward staff. Some wards have focussed on specific issues, such as pressure ulcers and falls. This is currently being evaluated and the results from the individual wards will be analysed and the findings shared to encourage other areas to develop similar focussed brief meetings. This will ultimately ensure that patient safety is at the forefront in every clinical handover.

2.2 PRIORITIES FOR IMPROVEMENT 2014/15

2.2.1 To ensure every hospital inpatient knows the name of the consultant responsible for their care during their inpatient stay and the name of the nurse responsible for their care at that time.

A recommendation from the Mid Staffordshire NHS Foundation Trust Public Inquiry report and the Government's formal response Hard Truths was that every hospital inpatient should have the name of their consultant and the nurse responsible for their care displayed.

The Trust introduced Named Nurse/Named Consultant boards at the bedside across the hospital to meet this recommendation.

The launch of these boards took place in July 2015, with a mix of tent boards and wall mounted boards being distributed across the Trust. The type of board used is dependent on the different locations and patients' needs.

The tent boards have space on the back for staff to write "what matters most to me today". Staff are encouraged to ask the patient if there is anything in particular that they are worried about or anything that needs addressing. With the patient's consent, this is written down on the back of the board as a prompt to enable any relevant member of the multidisciplinary team to address the issue with the patient.

The use of the tent boards was evaluated in Emergency Services during February 2016. Hospital volunteers and a patient governor assisted in gaining feedback from both patients and staff to evaluate and monitor their effectiveness. Overall ward staff and patients felt positive about the boards, stating that they provide vital information. The evaluation found that on occasion the information documented is incomplete. To improve this, further education is planned for 2016/17, which will be followed by a Trust wide evaluation.

2.2.2 To review mortality rates at the weekend and to focus improvement activity where necessary

The Trust has continued to review mortality by day of the week during 2015/16. Findings show that our Hospital Standardised Mortality Ratio for all admissions for each day of the week, including Saturdays and Sundays, is 'as expected' when compared to the national average.

Whilst the true extent of the 'weekend effect' has not been clearly demonstrated we do know that staffing levels on the weekend are lower than those found on week days.

To see what effect this is having and to allow us to identify areas for improvement we have conducted a case note review on 80 patients using the structured process developed by Professor Allen Hutchinson.



2.2 PRIORITIES FOR IMPROVEMENT 2014/15

We have undertaken this in conjunction with the Improvement Academy which is part of the Yorkshire and Humber Academic Health Science Network.

We are working with the Improvement Academy to develop an online training tool which will allow more members of staff to be trained in the structured case note review process.

Along with reviewing case notes we have also been given access to the Sheffield Coroner's records of narrative verdicts between 2014 and 2015. This data has now been collected and transcribed into a digital format and analysis is underway to see how this ties in with the findings from the case note review. Looking at the themes that develop from both of these approaches will allow the Trust to identify further areas for improvement.

2.2.3 To review the impact of waiting times on the patient experience (specifically patients waiting over 18 weeks for treatment)

The national 18-week wait target specifies that the length of time between the patient's first referral and their treatment should be no longer than 18 weeks.

During 2015/16 the possibility of creating local contact centres to facilitate communication improvements was reviewed, however at present there is no capacity with the Trust's current technology to add additional contact centres. Therefore the Trust is working on a business case to expand this which will be considered by our Capital Investment Team in April 2016. Rather than set up multiple local contact centres the business case proposes that two contact centres should be established, one at each campus.

Following reviewing the impact of waiting times on the patient experience in 2014, a survey has been developed which will be sent out to patients who have had to wait over 18 weeks for their treatment. This survey will be sent out annually and patients will be given the option to complete the survey online or by return of post. The first survey is due to be conducted in April 2016. The survey has the same five questions as asked in the initial review with the opportunity to provide more information for each question.



- Has your mobility deteriorated whilst you have been waiting for your appointment/operation/procedure?
- Has your ability to care for yourself deteriorated whilst you have been waiting for your appointment/operation/procedure?
- Has your ability to perform your usual activities deteriorated whilst you have been waiting for your appointment/operation/procedure?
- Has your pain or discomfort increased whilst you have been waiting for your appointment/operation/procedure?
- Have you become more anxious and or depressed whilst you have been waiting for your appointment/operation/procedure?

Once the results are available they will be reviewed against the baseline data and actions to improve practice will be drawn up as necessary.

2.3 PRIORITIES FOR IMPROVEMENT 2013/14

2.3.1 Cancelled Operations

In 2015/16 the on-day cancellation rate for elective surgery has dropped to around 6%. Although we are still short of our target to reduce this figure to 4%, the percentage of cancellations is decreasing year on year. Some on-day cancellations are unavoidable (e.g. patients presenting with unknown infection, or having transport issues on the day of surgery), but work has shown that even accepting these, a rate of 4% is achievable and would represent good practice.

Year	Cancelled operations for clinical and non-clinical reasons	Total planned operations	% on day cancellation rate
2012/13	2,394	34,364	7%
2013/14	2,392	35,762	6.7%
2014/15	2,420	36,274	6.6%
2015/16	2,235	35,723	6.2%

Data source: ORMIS Theatre System

The main reasons for cancelled operations during 2015/16 were:

- **Patient unfit** - patients arriving with an infection, or having results of standard tests outside of expected ranges (e.g. high blood pressure).
- **Patient did not attend** - the patient did not arrive for the scheduled appointment.
- **Operation not required** - symptoms that have improved or disappeared.
- **Lack of theatre time** - previous cases on the list taking longer than expected; changes to the order of a list resulting in (or as a result of) delays.

These reasons contribute to around 60% of all cancellations and further analysis has indicated that the highest rates of on-day cancellations occur in low complexity day case procedures. Throughout 2015/16 work has taken place to help improve the on-day cancellation rate focussing on the main reasons highlighted above and day case patients.

There has been a Listening into Action (LiA) scheme for cancelled operations, this has focussed on preventing Do Not Attends (DNA) and cancelled operations relating to patients being unfit on the day of surgery. The work has shown that a nurse calling patients four days before the planned admission to check they are fit, willing, ready and able to attend, has been effective in reducing the cancellations and DNAs in some day case patients. This process is supported by a text message reminder and the LiA team are working to implement the process to all elective specialties.

Weekly production control meetings take place between Theatre Lead Practitioners and Directorate teams. These meetings are an opportunity to review the forthcoming operating lists and discuss staffing, equipment requirements or other issues, and resolve these in advance of the list taking place. As part of the weekly production control meetings, cancellations are reviewed and teams are working on understanding the root cause of the problem and testing solutions to prevent future recurrence.

Work in these three areas will continue throughout 2016/17, with the support of the Surgical Flow Programme.

2.3.2 Pressure Ulcers

Further work within the Tissue Viability Service is progressing to reduce the prevalence of pressure ulcers to 5%. The target of 5% was agreed as part of the CQUIN negotiation for 2013/14. This work includes the identification of patients at risk of developing a pressure ulcer, early intervention by the Pressure Ulcer Prevention Team and targeted work with clinical areas.

As shown in the table below the overall proportion of pressure ulcers has increased to 6.8% during 2015/16 however the proportion of pressure ulcers acquired whilst receiving care from the Trust remains constant at 1.8%. The proportion with pressure ulcers prior to receiving care from the Trust (Inherited) has increased again this year to 5.0%. It is not clear why there has been an increase in inherited pressure ulcers, and whether this is a genuine increase in incidence or is related to greater staff awareness gained through education and improved accuracy of pressure ulcer incident reporting.

2.3 PRIORITIES FOR IMPROVEMENT 2013/14

Monthly survey data for the period	2012/13 Oct 12 – Mar 13	2013/14 Oct 13 - Mar 14	2014/15 Oct 14 – Mar 15	2015/16 Oct 14 – Mar 15
Proportion with pressure ulcers acquired whilst receiving care from the Trust	1.8%	1.4%	1.8%	1.8%
Proportion with pressure ulcers prior to receiving care from the Trust (Inherited)	4.2%	4.3%	4.4%	5.0%
Overall proportion	6.0%	5.7%	6.2%	6.8%

Data source: OR MIS Theatre System

Since the launch of the 'Time 2 Turn' pressure ulcer awareness campaign in November 2014 the community and acute Tissue Viability Teams have continued to deliver both bespoke local training and Trust wide education on pressure ulcer prevention and management.

Both teams have made progress with the development of a Trust wide Pressure Ulcer Prevention and Management Policy and initiated smaller projects in the light of pressure ulcer related trends throughout the year, for example, management of moisture lesions, heel pressure ulcers and device related pressure damage.

A clear process has been established in both the acute and community settings for the investigation of serious pressure ulcer development. Actions identified as part of an individual investigation or trend in pressure ulcers are then implemented at either Directorate or Trust wide level via the Pressure Ulcer Prevention and Management Steering Group.

The acute team remain actively involved in the Total Bed Management project, which will see the Trust replace all existing beds over the next five years. The team have provided expert advice to inform the project, including outlining the specific requirements for beds and mattresses for patients to promote comfort and to reduce the incidence of pressure ulcers.

Reducing pressure ulcers will remain a priority for the Trust during 2016/17. Further educational programmes are planned for 2016/17. This includes education on the recently introduced 'React to Red' campaign to raise awareness of Grade 1 (early stage) pressure damage to prevent deterioration to Grade 2. Link Champion roles for tissue viability are to be developed in both the acute and community services teams. This will be evaluated to review its impact.

As part of the new electronic patient record Lorenzo, tissue viability records and ward whiteboard referral systems will be developed to support early ward referrals.

Educational aids for the Trust tissue viability intranet page will be developed to support nurses with pressure ulcer grading, distinguishing between pressure and moisture, anatomical sites, process for reporting and investigating pressure ulcers and risk assessment.

2.3.3 Improve discharge information for patients

During 2015/16 work on improving discharge information for patients has been completed. All 1,722 leaflets have been checked to ensure that details about what danger signs to look out for and who to contact if necessary are included. The checking of leaflets is now an ongoing process as all leaflets are checked as part of a two year rolling programme.

New or revised leaflets continue to be automatically uploaded to the Trust website each day ensuring patients can access the most up to date resources for their condition.

2.4 PRIORITIES FOR IMPROVEMENT 2012/13

2.4.1 Optimise Length of Stay

To improve the overall length of stay, weekly admission, discharge and ward based length of stay information continues to be routinely sent to Nurse Directors and Operations Directors. This information is cascaded to teams for action and improvement. Significant work has been completed to understand the current situation and progress at specialty level.

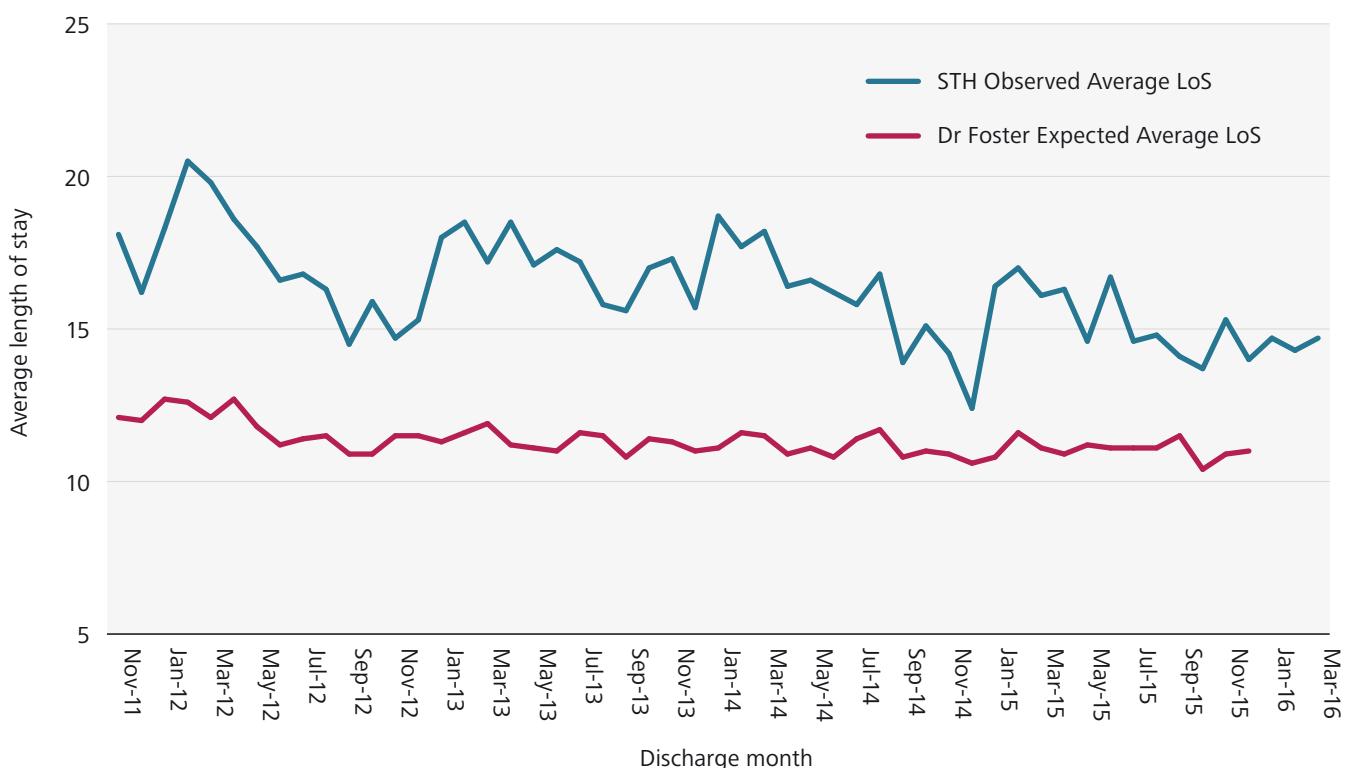
Analysis has been repeated for each specialty to track performance against Dr Foster data for case-mix adjusted length of stay. The underlying performance has been analysed on a time series basis for each specialty to show overall trend against expected average length of stay. Length of stay at diagnosis or procedure level is also shown, with opportunities for greater ambulatory pathway working. 50% of the potential bed gains are in Geriatric Medicine, Respiratory Medicine and Diabetic Medicine. Geriatric Medicine bed night potential gains have reduced by 18% since last year.

Other work the Trust has undertaken to continue to reduce the overall length of stay includes:

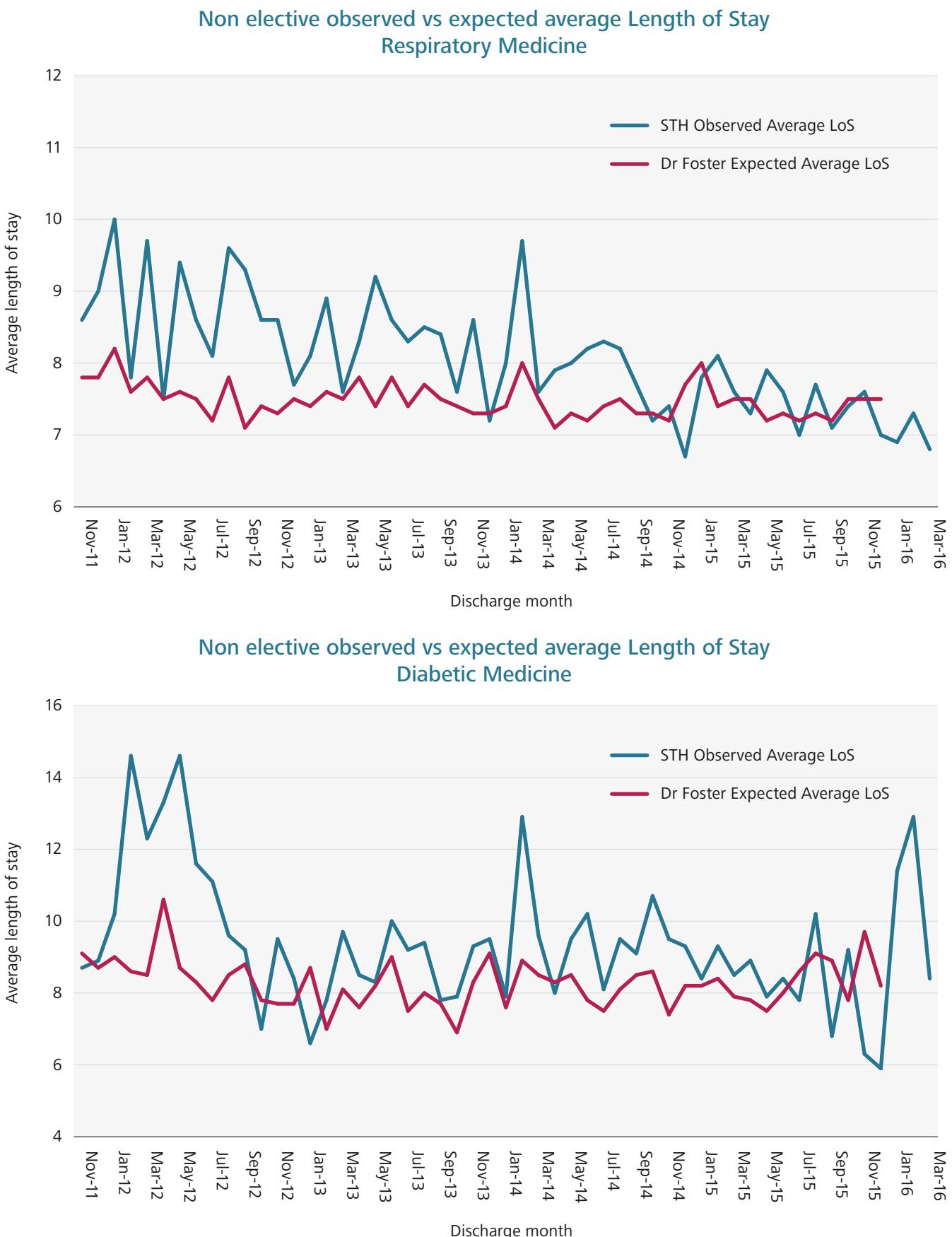
- Spreading good practice process improvement learning from the Respiratory Change Room microsystem and the Elderly Care Big Room. These are weekly multi-agency and multidisciplinary service improvement meetings.
- Tackling the issue of unnecessary hospital admissions by developing a comprehensive diagnostic tool to support directorates to identify opportunities for ambulatory care pathways.
- An Emergency Care Pathway Review has led to the implementation of 16 recommendations including development of a medical ambulatory assessment area and development of the Trust's SAFER Care Bundle.

At a strategic level, the Trust works with partners, as part of the Right First Time City Wide Health and Social Care Partnership, to improve patient flow across the health economy. The integration of Community Services, Professional Services, Palliative Care and Geriatric and Stroke Medicine Directorates into a single care group has enabled the development of a Care Group transformation plan to help develop seamless pathways for older people thereby supporting efforts to reduce hospital length of stay.

**Non elective observed vs expected average Length of Stay
Geriatric and Stroke Medicine**



2.4 PRIORITIES FOR IMPROVEMENT 2012/13



2.5 PRIORITIES FOR IMPROVEMENT 2016/17

This section describes the Quality Improvement Priorities that have been adopted for 2015/16. These have been agreed by the Quality Report Steering Group in conjunction with patients, clinicians, Governors, Healthwatch and NHS Sheffield CCG. These were approved by the Healthcare Governance Committee, on behalf of the Trust's Board of Directors, on 21 April 2016.

The Trust has considered hospital and community service priorities for the coming year choosing three areas to focus on which span the domains of patient safety, clinical effectiveness and patient experience.

Priorities for 2016/17 are:

- To further improve the safety and quality of care provided to our patients by emphasising the importance of staff introducing themselves and checking the patient's identity against documentation.
- To further improve End of Life Care.
- To further improve the environment at Weston Park Hospital.

2.6 DETAILED OBJECTIVES LINKED TO IMPROVEMENT PRIORITIES FOR 2016/17

Priority 1

Our Aim	To further improve the safety and quality of care provided to our patients by emphasising the importance of staff introducing themselves and checking the patient's identity against documentation.
Past Performance	Nationally many trusts have adopted the campaign 'Hello my name is....' which addresses the issue of clear introductions but not the correct identification of patients. The Trust aims to combine consistent application of effective introductions to patients and correct identification of patients. It is difficult to quantify the exact number of incidents where this has been a factor but we are aware that it is an issue where we can improve.
Key Objectives	<p>This project aims to reinforce with staff the importance of introductions and patient identification. We have piloted the project, 'Patient Safety Zone, in the Renal Unit at the Northern General Hospital site and have started work on Brearley 7.</p> <p>The project team do not intend to script how staff should interact with patients but aim to emphasise what the core minimum standards for introduction and patient identification are. The introduction should allow a patient to identify the member of staff later should they need to and should enable the patient to be clear on their role. Patient identification should be actively sought, requesting the patient to state their name and date of birth rather than offering a name and date of birth and asking if it is correct. Where a patient cannot reliably do this, the member of staff must check the patient's wrist band. The name and date of birth given or the details on the wrist band must be checked against documentation at the patient bed side to confirm they have the correct patient.</p> <p>Our current goal is to achieve compliance on the Renal Unit by early 2016 and to replicate this on Brearley 7 by mid-2016. Compliance is defined as staff introducing themselves 90% of the time, positive patient ID 100% of the time and 95% of staff patient interactions not being interrupted. The standard for patient ID is the one set out in the Trust patient identification policy. We are monitoring compliance via weekly audits done by the staff on the renal wards. After this we intend to roll the project out Trust wide, the LiA team are going to support us as we expand. This early testing period enables the development of effective implementation processes to ensure appropriate Trust wide application.</p>
Measurement and Reporting	<p>Results are reported to the central team weekly and this project is also monitored as part of the Trust's LiA process.</p> <p>Final outcome data and improvements will be reported in the 2016/17 Quality Report.</p>
Board Sponsor	Dr David Throssell Medical Director
Implementation Lead	<p>Implementation Team:</p> <p>Sandi Carman – Head of Patient & Healthcare Governance (Lead) Andy Ward – Haematology Laboratory Manager Julia Hanvere – Matron David Oskiera – ST3 Christine Cafferty – Clinical Effectiveness Facilitator Richard Clark – Clinical Skills Teacher Sharon Baker – Blood Tracking Implementation Manager</p>

2.6 DETAILED OBJECTIVES LINKED TO IMPROVEMENT PRIORITIES FOR 2016/17

Priority 2

Our Aim	To further improve End of Life Care
Past Performance	<p>Over the past 18 months there has been a significant change in the way end of life care is delivered in hospitals. National this has included the removal of the Liverpool Care Pathway, and the Sheffield End of Life Care Pathway (EOLCP) locally, in line with Department of Health policy following the Neuberger Review (More Care, Less Pathway).</p> <p>Following this the Trust developed new local guidance (21st October 2015) focusing on looking after patients who may die in the next few hours or days. This is to ensure these patients receive the best and most appropriate care. This has been piloted on three wards and is being rolled out across the Trust.</p>
Key Objectives	<p>Our aim is to roll the new local guidance out across the Trust during 2016/17. As part of this an audit will be undertaken on the use of the guidance. This will measure the five priorities for the care of dying people:</p> <p>The possibility that a person may die within the coming days and hours is recognised and communicated clearly, decisions about care are made in accordance with the person's needs and wishes and these are reviewed and revised regularly.</p> <p>Sensitive communication takes place between staff and the person who is dying and those important to them.</p> <p>The dying person, and those identified as important to them, are involved in decisions about treatment and care.</p> <p>The people important to the dying person are listened to and their needs are respected.</p> <p>Care is tailored to the individual and delivered with compassion – with an individual care plan in place.</p> <p>By March 2016 we expect to see at least 30% of audited deaths will demonstrate the five priorities for care of dying people demonstrated above.</p> <p>All complaints relating to end of life in 2013 were reviewed during 2014/15 and key themes were identified. The clinical team identified communication as a key theme in 64% (29/45) of the complaints.</p> <p>Following the implementation of new local guidance all end of life care complaints from the last quarter of 2016 will be reviewed to measure any improvements.</p> <p>During 2016/17 a bereavement survey will also be implemented. This will enable the Trust to look at themes relating to treatment at the end of life, highlighting any areas for improvement.</p>
Measurement and Reporting	Results will be reported to the End of Life Strategy Group, this reports to the Trust Executive Group. Final outcome data and improvements will be reported in the 2016/17 Quality Report.
Board Sponsor	Dr David Throssell Medical Director
Implementation Lead	Dr Kay Stewart Palliative Care Consultant

2.6 DETAILED OBJECTIVES LINKED TO IMPROVEMENT PRIORITIES FOR 2016/17

Priority 3

Our Aim	To further improve the environment at Weston Park Hospital
Past Performance	<p>The hospital environment is an important element of a patient's experience. The Trust has a rolling programme of work to update and refurbish clinical areas to improve the environment and in turn improve the patient experience.</p> <p>Prior to the new Clinical Assessment Centre at Weston Park Hospital (WPH) opening in December 2015 clinical assessments were undertaken on Ward 2. The creation of the Clinical Assessment Centre has provided the opportunity for redevelopment and improvements to be made to the ward environment at WPH. The recent Care Quality Commission inspection highlighted the environment of WPH theatres as an area for improvement. Due to environmental difficulties within the theatres at WPH infection control accreditation is yet to be achieved. As a result the Trust will finalise plans aimed at improving the environment at WPH during 2016/17.</p>
Key Objectives	<p>To improve the environment at WPH all wards will undergo a total redesign and refurbishment. This will include increasing the number of en-suite rooms, the creation of a room for visitors, refurbishment of the patients' day room and a dedicated staff room. This will take place over 2-3 years. Year one will include establishing a clear specification for the developments.</p> <p>In addition, this year the Trust Patient Partnership team will work in collaboration with the Executive Team at WPH to identify any year changes that are required following patient feedback.</p> <p>Following a comprehensive review of the theatres area an extensive action plan has been developed which focuses on five key areas , these are:</p> <ul style="list-style-type: none"> • Security enhancement. • Signage - clear signage for patients and visitors. • Improved storage. • Refurbished recovery area. • Patient environment - improvements to the decor, an updated seating area and replacement of the flooring. <p>This will be completed during 2016/17, although many immediate actions have already been implemented.</p>
Measurement and Reporting	The improvement work will be monitored locally within the Directorate and reported in the 2016/17 Quality Report. Interim reports will also be provided to the Quality Report Steering Group and Patient Experience Committee.
Board Sponsor	Professor Hilary Chapman , Chief Nurse and David Throssell, Medical Director
Implementation Leads	Dr Trish Fisher – Clinical Director, Specialised Medicine Martin Salt - Nurse Director, Specialised Medicine Dr Nick Barren - Clinical Director, OSCCA Karen Jessop - Nurse Director, OSSCA Phil Brennan - Director of Estates

2.7 HOW DID WE CHOOSE THESE PRIORITIES?

How did we choose these priorities?

Discussions and meeting with Healthwatch representative, Trust Governors, Clinicians, Managers, and members of the Trust Executive Group and Senior Management team.



Topics suggested, analysed and developed into the key objectives for consultation:

- 1 To further improve the safety and quality of care provided to our patients by emphasising the importance of staff introducing themselves and checking the patient's identity against documentation.
- 2 To further improve End of Life Care.
- 3 To further improve the environment at Weston Park Hospital.



Key objectives used as a basis for wider discussion with the Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee, Healthwatch representative, Trust Governor representatives, Clinicians, Managers, and members of the Trust Executive Group and Senior Management



Review by Trust Executive Group to enable the Chief Nurse and Medical Director to inform the Board on our priorities.



The Healthcare Governance Committee, on behalf of the Trust's Board of Directors, agreed these priorities in April 2016.

2.8 STATEMENTS OF ASSURANCE FROM THE BOARD

2.8 Statements of Assurance from the Board

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

- a) Services Provided.
- b) Clinical Audit.
- c) Clinical Research.
- d) Commissioning for Quality and Improvement (CQUIN) Framework.
- e) Care Quality Commission.
- f) Data Quality.
- g) Patient Safety Alerts.
- h) Staff Engagement.
- i) Annual Patient Surveys.
- j) Complaints.
- k) Mixed Sex Accommodation.
- l) Coroners Regulation 28 Reports.
- m) Never Events.
- n) Duty of Candour.
- o) Safeguarding Adults.

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

a. Services Provided

During 2015/16 the Sheffield Teaching Hospitals NHS Foundation Trust provided and/or sub-contracted 50 relevant health services.

The Sheffield Teaching Hospitals NHS Foundation Trust has reviewed all the data available to them on the quality of care in 50 of these relevant health services.

The income generated by the relevant health services reviewed in 2015/16 represents 100% of the total income generated from the provision of relevant health services by the Sheffield Teaching Hospitals NHS Foundation Trust for 2015/16.

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

b. Clinical Audit

During 2015/16, 40 national clinical audits and three national confidential enquiries covered relevant health services that Sheffield Teaching Hospital NHS Foundation Trust provides.

During that period Sheffield Teaching Hospital NHS Foundation Trust participated in 95% of national clinical audits and 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 Sheffield Teaching Hospital NHS Foundation Trust was eligible to participate in during 2015/16 are documented in Table 1. The national clinical audit the Trust has not participated in are detailed later in the section.

The national clinical audits and national confidential enquiries that Sheffield Teaching Hospital NHS Foundation Trust participated in, and for which data collection was completed during 2015/16, 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.

2.8 STATEMENTS OF ASSURANCE FROM THE BOARD

Audits and Confidential Enquiries	Participation N/A = Not applicable	% Cases Submitted
Acute Care		
Case Mix Programme (CMP)	Yes	100%
Emergency Use of Oxygen	Yes	100%
Major Trauma Audit	Yes	100%
Medical and Surgical Clinical Outcome Review Programme, National Confidential Enquiry into Patient Outcome and Death (NCEPOD):		
Acute Pancreatitis	Yes	100%
Sepsis	Yes	95%
Gastrointestinal Haemorrhage	Yes	100%
National Audit of Intermediate Care	Yes	47%
National Emergency Laparotomy Audit (NELA)	Yes	40%
National Joint Registry (NJR)	Yes	97%
Procedural Sedation in Adults (Care in Emergency Departments)	Yes	100%
VTE Risk in Lower Limb Immobilisation (Care in Emergency Departments)	No	See supporting statement on page 85
Blood and Transplant		
National Comparative Audit of Blood Transfusion Programme:		
Use of Blood in Haematology	Yes	100%
Audit of Patient Blood Management in Scheduled Surgery	Yes	100%
Cancer		
Bowel Cancer (NBOCAP)	Yes	87.7%*
National Lung Cancer Audit (NLCA)	Yes	100%*
National Prostate Cancer Audit (NPCA)	Yes	14.5%* See supporting statement on page 85
Oesophago-gastric Cancer (NAOGC)	Yes	77%*
Heart		
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes	100%*
Cardiac Rhythm Management (CRM)	Yes	100%*
Congenital Heart Disease (CHD)	Yes	100%*
Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	Yes	100%*
Adult Cardiac Surgery	Yes	100%*

2.8 STATEMENTS OF ASSURANCE FROM THE BOARD

Audits and Confidential Enquiries	Participation N/A = Not applicable	% Cases Submitted
National Cardiac Arrest Audit (NCAA)	No	See supporting statement on page 85
National Heart Failure Audit	Yes	58%
National Vascular Registry:		
National Carotid Interventions Audit	Yes	78%
Abdominal Aortic Aneurysm (AAA)	Yes	73%
Peripheral Vascular Surgery – Lower limb angioplasty/stenting	Yes	86%
Peripheral Vascular Surgery – Lower limb bypass	Yes	55%
Peripheral Vascular Surgery – Lower limb amputation	Yes	34%
Pulmonary Hypertension Audit	Yes	100%
Long Term Conditions		
Chronic Kidney Disease in Primary Care	N/A	N/A
National Diabetes Audit – Adults:		
National Footcare Audit	Yes	100%
National Pregnancy in Diabetes Audit	Yes	100%
National Core	Yes	100%
Diabetes (Paediatric) (NPDA)	N/A	N/A
Inflammatory Bowel Disease (IBD) programme	Yes	99%
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme:		
Pulmonary Rehabilitation	Yes	94%
Renal Replacement Therapy (Renal Registry)	Yes	100%
Rheumatoid and Early Inflammatory Arthritis	Yes	57%
UK Parkinson's Audit	Yes	100%
UK Cystic Fibrosis Registry	Yes	96.6%
National Complicated Diverticulitis Audit (CAD)	Yes	100%
Mental Health		
Mental Health Clinical Outcome Review Programme	N/A	N/A
Prescribing Observatory for Mental Health (POMH-UK)	N/A	N/A
Older People		
Sentinel Stroke National Audit programme (SSNAP)	Yes	90%+ **
Falls and Fragility Fractures Audit programme (FFFAP):	Yes	100%

2.8 STATEMENTS OF ASSURANCE FROM THE BOARD

Audits and Confidential Enquiries	Participation	% Cases Submitted
	N/A = Not applicable	
Fracture Liaison Service Database	N/A	N/A
Inpatient Falls	Yes	100%
National Hip Fracture Database	Yes	100%
Other		
Elective Surgery (National PROMs Programme) Pre-operative participation rate:		
Groin hernia	Yes	49%
Varicose vein Surgery	Yes	70.3%
Hip replacement/revision Surgery	Yes	79.2%
Knee replacement/revision Surgery	Yes	82.4%
Women's and Children's Health		
Child Health Clinical Outcome Review Programme	N/A	N/A
Maternal, Newborn and Infant Clinical Outcome Review Programme	Yes	100%
Neonatal Intensive and Special Care (NNAP)	Yes	100%*
Paediatric Asthma	N/A	N/A
Paediatric Intensive Care Audit Network (PICANet)	N/A	N/A
Paediatric Pneumonia	N/A	N/A
Vital signs in children (care in emergency departments)	N/A	N/A

2.8 STATEMENTS OF ASSURANCE FROM THE BOARD

Please note the following

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

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

Supporting statements

VTE risk in lower limb immobilisation (care in emergency departments)

The Trust did not participate as our current practice for screening patients is different to that being measured. Current practice is for the orthopaedic department, to whom the vast majority of patients are referred, screen the patient and not A&E. The Trust is currently considering whether practice needs to change.

National Prostate Cancer Audit (NPCA)

It is acknowledged that submission is lower than expected and work is underway to improve this for 2016/17.

National Cardiac Arrest Audit (NCAA)

The Resuscitation Committee have approved the process of enrolment to join the National Cardiac Arrest Audit in July 2016.

The reports of 23 national clinical audits were reviewed by the provider in 2015/16 and Sheffield Teaching Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided. Some examples are included below:

NCAPOP Falls and Fragility Fractures: National Hip Fracture Database (NHFD) 2014

The Trust participates annually in the NCAPOP Falls and Fragility Fractures: National Hip Fracture Database (NHFD). Performance is monitored on a quarterly basis by the NHFD Steering Group. Early 2015 figures show that pressure ulcers are now below 5%. The Trust is aiming to reduce patients developing a Grade 2 or above pressure ulcer to 3% by greater involvement of the Tissue Viability Team. The introduction of a Hip Fracture Liaison Nurse has resulted in a reduction in acute length of stay. A programme of quality improvement work is currently being undertaken looking at hip fractures sustained as an inpatient. Hip fracture leaflets are now given to all patients.

NCAPOP Sentinel Stroke National Audit Programme (SSNAP) 2014

The Sentinel Stroke National Audit Programme (SSNAP) is a programme of work which aims to improve the quality of stroke care by auditing stroke services against evidence based standards. The results demonstrate that the Trust remain constant in many of the key indicator scores over the year. 72.1% of patients are directly admitted to a stroke unit within 4 hours of clock start, this is higher than the national average of 56.0%. The proportion of patients who were thrombolysed within 1 hour of clock start has improved from 44% to 46%.

The Trust monitor these results at the monthly thrombolysis meeting. Mood screening has improved from 22.6% to 44.6%. The proportion of patients treated by a stroke skilled Early Supported Discharge Team is much higher than the national average, with the re-introduction of the Community Stroke Service (CSS). In addition the Assessment and Rehabilitation Centre (ARC) has been commissioned to undertake six-monthly reviews from 1st April 2015 and the Trust look forward to reviewing the extended pathway results.

National Audit of Intermediate Care (NAIC) 2015

The National Audit of Intermediate Care (NAIC) is now in its fourth year of operation. The NAIC focuses on services which support usually frail, older people; at times of transition when stepping down from hospital or preventing admission to secondary or long term care. The audit measures intermediate care service provision and performance against standards derived from Department of Health guidance and from evidence based best practice.

When asked if services for home based and bed based have a mental health specialist included in the establishment of the service, the trust achieved 100% compliance compared with the national levels; home based services at 15.56% and bed based services at 13.51%. Does the service accept people who, in addition to a rehabilitation need, also have a cognitive impairment and/or a challenging behavioural disturbance, the Trust achieved 100% compliance compared with the national levels; home based services 98.89% and bed based services 74.78%. For the remaining standards, the Trust results for both the home and bed based benchmarked above the national average, particularly in the quantitative elements such as price and volume of referrals.

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Confidential Enquiries

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

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

Local Clinical Audits

The reports of 302 local clinical audits were reviewed by the provider in 2015/16 and Sheffield Teaching Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

Audit of diagnosis and management of urinary tract infections in elderly inpatients

Urinary tract infections (UTI) are often over-diagnosed in elderly patients aged > 70 years. Diagnosis can be very challenging in this age group due to atypical presentation such as falls, immobility or confusion, and due to patients being unable to provide a history. Anecdotally, a large number of urine samples were sent to the Trust's microbiology laboratory without a clear clinical indication, these are often labelled as 'routine specimen' or 'positive urine dipstick'. This practice could lead to inappropriate antibiotic prescribing. The audit emphasised areas for improvement, most notably concerning the appropriate duration and type of antibiotics given and the poor accuracy of dipsticks. New evidence-based guidelines on the diagnosis of UTI have been developed including a new UTI algorithm for elderly inpatients under Geriatric Medicine, this removes the use of dipsticks in patients aged > 70 years with a suspected UTI. With support from a Trust Nurse Educator, educational sessions have been delivered on the new evidence-based guidelines to both nursing staff and doctors. In addition, and with the aid of the Trust Continence Advisor, awareness is being raised of the risks associated with delaying urinary catheter removal. A re-audit is planned for 2016/17.

An Audit of the incorporation of the Insulin Passport into healthcare practice

Insulin is frequently associated with increased morbidity and mortality when prescribed or administered incorrectly. A total of 16,600 incidents were identified nationally by the National Reporting and Learning Service (NRLS) over a six year period (November 2003 – November 2009), which involved the prescribing of

insulin. Approximately a fifth (26%) of these incidents were due to the wrong dose, strength or frequency, while 14% were attributable to the wrong insulin product being prescribed or dispensed. 'The Adults Patients Passport to Safer Insulin', a directive produced by the National Patient Safety Agency in 2011, focussed its efforts on reducing errors involving insulin. This issue was to be tackled using a patient record known as the Insulin Passport.

During 2014 a project was undertaken to assess compliance with the requirement to issue patients on insulin with a passport, and determine whether the Insulin Passport has been adopted into common practice. Compliance with the Insulin Passport was poor, patients were not issued with an Insulin Passport. The findings were presented to the CCG Medicines Safety Group, Diabetes Team and to the Pharmacy Clinical Governance Network. A risk assessment has also assessed the benefits and risks associated with using the Insulin Passport. This was found to be low risk. During 2015, discussions with The Area Prescribing Group led to a proposal being accepted that Sheffield (primary and secondary care) will not routinely issue the Insulin Passport. Instead, Healthcare Professionals will clarify the patient's insulin by asking to see their insulin and when admitted to secondary care, checking the summary care record. The Medicines Code has been updated to reflect the change in practice. An audit of the new practice is planned for 2016/17.

Audit to assess the incidence and determine the frequency of minor oral surgery related post-operative complications at Charles Clifford Dental Hospital

Postoperative complications are unforeseen events that can increase the morbidity, over and above what would be expected from a particular operative procedure under normal circumstances. Though they are rare, their occurrence leads to a prolonged phase of treatment. It is important, therefore, to be familiar with all the postoperative Minor Oral Surgery (MOS) complications, as this will improve patient education and lead to early recognition and management. An audit was undertaken to assess the incidence and determine the frequency of postoperative complications in patients who had undergone MOS procedures at Charles Clifford Dental Hospital. The results revealed compliance in four of the five standards set with significantly less complication rates than that reported in the literature. The standard not met was the management of post-operative pain. This action has since been acted upon by disseminating the results to all dental nurses working in MOS clinics responsible for giving post-operative advice in a talk session. At that

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meeting discussions took place on the post-operative analgesia advice and alternative strategies to aid with post-operative pain. To reflect this, an improvement in the information given to patients on post-op analgesia advice in the patients information leaflet has been amended. A further re-audit is planned for 2016.

c. Clinical Research

The number of patients receiving relevant health services provided or sub-contracted by Sheffield Teaching Hospital NHS Foundation Trust in 2015/16 that were recruited during that period to participate in research approved by a research ethics committee was 12,023 (2014/15 -12,943).

International Clinical Trials Day provides a key focus for clinical research. It is an annual global event celebrating the day that James Lind began his famous trial which led to the prevention of scurvy. This year Sheffield Teaching Hospitals NHS Foundation Trust hosted a day of events, linked with the University of Sheffield Faculty of Arts and Humanities celebrations. This included hosting our annual Consumers in Research event at lunchtime, with around 100 delegates attending and celebrates our Patient & Public Involvement work at the Trust. Then in the evening, STH hosted an event called "It's all in the mind" with University of Sheffield which included an exhibition and 90 minutes of talks on how art can stimulate recovery (e.g. Dementia Choir).

d. Commissioning for Quality and Improvement (CQUIN Framework)

Sheffield Teaching Hospitals NHS Foundation Trust income in 2015/16 was not conditional on achieving quality improvement and innovation goals through the Commissioning for Quality and Innovation payment framework as this was not available to the Trust. However the Trust had the opportunity to participate in a Local Incentive Scheme with NHS Sheffield CCG.

For 2015/16 the Local Incentive Scheme included five goals, these were:

- Dementia and delirium - to support the identification of patients with dementia and delirium, also and in combination alongside other medical conditions. It aims to prompt appropriate referral, follow up, and effective communication between providers and general practice.
- Care planning – to improve care planning in community services for patients with long-term conditions.
- Timeliness of clinic letters- to improve the timeliness and detail contained with follow up letters to GPs.

- Reducing Emergency Readmissions- post discharge follow up intervention within a pilot area of Urology and Care of the Elderly.
- Breastfeeding – reduction in breastfeeding drop off rates at discharge.

e. Care Quality Commission (CQC)

Sheffield Teaching Hospitals NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is fully compliant. Sheffield Teaching Hospitals NHS Foundation Trust had no conditions on registration.

The Care Quality Commission has not taken enforcement action against Sheffield Teaching Hospitals NHS foundation Trust during 2015/16.

Sheffield Teaching Hospitals NHS Foundation Trust has not participated in any special review or investigations by the CQC during the reporting period.

In December 2015, we welcomed inspectors from the CQC to carry out a comprehensive inspection of our services and care across the Trust. This saw more than 100 inspectors visiting our hospital and community sites during the week of 7 December 2015. The CQC returned to do an unannounced visit on 23 December 2015 to complete their inspection. The outcome of the December inspection has yet to be formally reported to the Trust. We are expecting their formal report by spring 2016. The results of which will be reported in the 2016/17 Quality Report.

The CQC also undertook a review of the provision within health services for looked after children and safeguarding children across Sheffield from 26 to 30 October 2015. Areas that were visited by the inspectors in the Trust included Maternity services, Sexual Health Services (SHS) and the ED. In accordance with the request from the CQC, clinical staff from each area were interviewed and the Named Professional for Safeguarding Children and Lead Nurse for Children and Young People attended the Sexual Health Services and the Emergency Department meetings respectively. The Named Midwife was interviewed for the inspection of Maternity services.

Within the report, published 18 January 2016, are ten recommendations that apply to the Trust across the areas inspected. An action plan, with timescales for completion, has been agreed with colleagues from the practice areas and the Deputy Chief Nurse. Actions include updating the electronic record system to ensure that the questions about any safeguarding concerns are all completed at the initial assessment for a young person attending the ED.

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Within SHS there has been a change in practice since January 2016 so that the two IT systems that are used for patient records are both checked at each appointment as the patient may have been seen in different departments within the service.

Maternity Services are to develop a template to assist midwives to produce Specific, Measurable, Attainable, Realistic and Timely (SMART) pre-birth plans. All pre-birth plans will be shared with the parents and documented in the records.

A new pathway for pregnant women has been implemented to ensure that women are seen alone and a question about domestic violence asked to provide a comprehensive assessment of risk to safeguard both the pregnant women and the unborn baby. The Midwifery policy for Routine Enquiry will be amended to state that all women must be seen alone at least once in the antenatal period so that routine enquiry into domestic abuse can be completed. An audit of routine enquiry will then be completed.

The action plan has been submitted to the Designated Nurse at Sheffield CCG who will monitor progress on a quarterly basis until full compliance is achieved. Additionally there will be monitoring of progress through the Trust's Safeguarding Leads meeting that is chaired by the Deputy Chief Nurse.

f. Data Quality

Sheffield Teaching Hospitals NHS Foundation Trust submitted records during 2015/16 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:

99.8% for admitted patient care;

99.8% for outpatient care; and

98.9% for accident and emergency care.

- which included the patient's valid General Medical Practice Code was:

99.8% for admitted patient care;

99.8% for outpatient care; and

99.9% for accident and emergency care.

Sheffield Teaching Hospitals NHS Foundation Trust Information Governance Assessment Report overall score for 2015/16 was 74% and was graded as satisfactory and green.

Sheffield Teaching Hospitals NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2015/16 by the Audit Commission.

Sheffield Teaching Hospitals NHS Foundation Trust will be taking the following actions to improve data quality:

- Continue to work on the Data Quality Baseline Assessment to report on all systems across the Trust and develop an action plan to introduce some standardisation of data quality control.
- Continue to lead and work collaboratively with the members of the Data Quality Operational Group to feed issues into training and bring Data Quality in line with the Trust ethos of 'Right First Time'.
- Work in close collaboration with the Organisational Change Managers for the Transformation Through Technology (T3) project, to continue to review Standard Operating Procedures and training; and to maintain cross-trust network of local contacts for Data Quality issue resolution.
- Develop a strategy to incorporate Data Quality into the Trust's Business Objectives, work on the Trusts Data Quality Improvement Plan and review and re-issue the Data Quality Policy.

g. Patient Safety Alerts

The National Patient Safety Agency analyses reports on patient safety incidents received from NHS staff and uses this to produce resources (alerts or rapid response requests) aimed at improving patient safety.

Table 2 opposite details the Alerts and Raid Response Reports which have been responded to during the year 2015/16.

h. Staff Engagement

The Trust is committed to developing good leaders and ensuring good staff engagement and wellbeing, as it recognises the importance of these for quality patient care.

During 2015/16, the implementation of the Trust Staff Engagement Strategy has been continued with a particular focus on improving staff involvement and wellbeing for all staff. A staff engagement SharePoint site has been developed and launched on the Trust Intranet site. This promotes the sharing of good practice in staff engagement, whilst providing easier access for staff to information.

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Table 2 - Alerts and Raid Response Reports

Ref	Title	Issued	Deadline	Closed
NHS/PSA/D/2014/010	Standardising the Early Identification of Acute Kidney Injury	9/6/2014	9/5/2015	Closed
NHS/PSA/W/2015/004	Managing Risks During the Transition Period to New ISO Connectors for Medical Devices	27/3/2015	8/5/2015	Closed
NHS/PSA/W/2015/005	Risk Of Death Or Severe Harm Due To Inadvertent Injection Of Skin Preparation Solution	26/05/2015	07/07/2015	Closed
NHS/PSA/W/2015/006	Harm From Delayed Updates To Ambulance Dispatch And Satellite Navigation Systems	09/07/2015	16/07/2015	Closed
NHS/PSA/Re/2015/007	Addressing Antimicrobial Resistance Through Implementation Of An Antimicrobial Stewardship Programme	18/08/2015	31/03/2016	Closed
NHS/PSA/RE/2015/008	Supporting The Introduction Of The National Safety Standards For Invasive Procedures	14/09/2015	14/09/2016	Open
NHS/PSA/Re/2015/009	Support To Minimise The Risk Of Distress And Death From Inappropriate Doses Of Naloxone	26/10/2015	26/04/2016	Open
NHS/PSA/W/2015/011	The Importance Of Vital Signs During And After Restrictive Interventions/Manual Restraint	03/12/2015	21/01/2016	Closed
NHS/PSA/W/2015/012	Risk Of Using Different Airway Humidification Devices Simultaneously	15/12/2015	02/02/2016	Closed
NHS/PSA/W/2016/001	Risk Of Severe Harm Or Death When Desmopressin Is Omitted Or Delayed In Patients With Cranial Diabetes Insipidus	08/02/2016	21/03/2016	Closed

Staff Involvement

The Trust participated in the staff Friends and Family Test in quarter 1, 2 and 4, as well as undertaking a full census staff survey in quarter 3. Engagement events have been held across the Trust during 2015/16, particularly in clinical areas to discuss the findings of the staff Friends and Family Test results. These events have resulted in staff making suggestions, leading to improvements for both staff and patients. It is pleasing to note that the Trust is now recognised as a centre of good practice in its approach, and use of the staff Friends and Family Test data, leading to improve both staff and patient experience. The Trust Staff Engagement Lead has been invited to share good practice at several NHS England events.

The Chief Executive and other Executive Directors have continued to spend time in clinical and non-clinical departments each month to take the opportunity to chat with staff and listen to their feedback.

The Chairman meets regularly with the Staff Governors and the Board of Directors have a planned programme of visits across the Trust to meet staff and recognise their efforts.

The Clinical Assurance Toolkit used in some clinical areas includes a Staff Survey (based on the engagement questions in the NHS Staff Survey), whilst some other departments e.g. Pharmacy, have undertaken their own Staff Survey.

The Trust was pleased to welcome Professor Michael West of Aston University in July 2015, who talked about the importance of team effectiveness/ staff experience on positive patient outcomes, over 150 senior leaders attended. We were also pleased to hold our first Clinical Leadership Forum for Clinical Directors and Clinical Leads in June 2015. This was well attended with a further forum held in January 2016.

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NHS Staff Survey

Staff engagement is measured every year via the annual NHS Staff Survey, which includes an overall score for staff engagement. The Trust staff engagement score for 2015 was 3.74 as reported in the benchmarked NHS Staff Survey. It is encouraging to note that 76% of our staff would recommend the Trust to family and friends for treatment, this is well above the NHS average for combined acute and community trusts of 68%. Additionally 64% of our staff would recommend the Trust as a place to work, this again is above the NHS average for combined acute and community trusts of 58%.

Response rate

2014/15		2015/16		Trust Improvement/ Deterioration
Trust	National Average	Trust	National Average	
42%	42%	51%	41%	9% Improvement

Top four ranking scores

Key Finding		2014/15		2015/16		Trust Improvement/ Deterioration
		Trust	National Acute Average	Trust	National Combined Acute & Community Average	
KF27	Percentage of staff/ colleagues reporting most recent experience of harassment, bullying or abuse	41%	39%	45%	38%	4% Improvement
KF16	Percentage of staff working extra hours	61%	71%	65%	72%	4% deterioration (above average)
KF26	Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	20%	23%	21%	24%	1% deterioration (above average)
KF21	Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	90%	87%	89%	87%	1% deterioration (above average)

N.B Please note in 2015 Sheffield Teaching Hospital NHS Foundation Trust was benchmarked in the newly created combined acute & community group not against acute trusts as in previous years.

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Bottom four ranking scores

Key Finding		2014/15		2015/16		Trust Improvement/ Deterioration
		Trust	National Acute Average	Trust	National Combined Acute & Community Average	
KF13	Quality of non-mandatory training, learning or development	-	-	3.88	4.04	Not a key finding in 2014
KF3	Staff agreeing their roles make a difference to patients	-	-	86%	90%	Not comparable to 2014
KF7	Staff able to contribute towards improvements at work	63%	68%	63%	71%	No change
KF32	Effective use of patient/ service user feedback	3.61	3.65	3.52	3.66	0.09 deterioration

This year there have been a number of significant changes in the key findings and a change in weighting therefore the NHS Staff Survey Coordination Centre have advised that some key findings are not comparable to previous year's data.

Biggest Deteriorations since 2014

Key Finding		2014/15		2015/16	
		Trust	National Acute Average	Trust	National Combined Acute & Community Average
KF10	Support from immediate managers	3.80	3.63	3.59	3.71
KF17	Percentage of staff suffering work related stress in the last 12 months	30%	37%	37%	36%
KF6	Percentage of staff reporting good communication between senior management and staff	35%	30%	29%	30%

The Trust has a Staff Engagement Lead and a Staff Surveys Coordinator who work with staff in Directorates to promote the sharing of good practice across the Trust. A Trust action plan has been drawn up to address the areas for improvement that is further supported by individual Directorate staff engagement action plans. This also builds on the Staff Friends and Family Test findings.

A full census survey was undertaken at the same time as the benchmarked survey, this enables a staff engagement score to be calculated for every Directorate. Directorate staff engagement scores and staff Friends and Family Test scores are monitored via the Care Group performance review process and the Staff Engagement Executive.

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			STH 2014	STH 2015	Average (median) for combined acute and community trusts
KF25	Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in the last 12 months.	White	23%	22%	28%
		BME	17%	28%	26%
KF26	Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	White	19%	20%	24%
		BME	24%	24%	26%
KF21	Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	White	93%	93%	89%
		BME	68%	61%	74%
Q17b	In the last 12 months have you personally experienced discrimination at work from a manager/team leader or other colleagues?	White	7%	5%	5%
		BME	15%	19%	13%

An action plan is being developed to address the above findings and will be the focus for the Diversity and Inclusion Workforce Group. The Trust has recently approved funding to establish a diversity post which will focus on workforce matters. The Trust continues to have a LiA scheme focusing on diversity and inclusion.

We have continued to work on embedding the PROUD values into the Trust ethos. These values are increasingly being incorporated into the recruitment process for all staff and are used for all newly qualified staff nurses, clinical support workers and apprentices. The Trust uses a Performance, Values and Behaviour based appraisal process to further embed the PROUD values and to provide staff with quality well-structured appraisals.

The PROUD values are:

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

The new Senior Leaders programme was developed in partnership with Sheffield Hallam University and launched in January 2016. There are 23 participants on the course, which will run for six months of the year. The programme consists an Insights Discovery Day and each participant will complete an NHS Healthcare Leadership 360 degree feedback.

The Frontline Leadership programme has been created in partnership with Sheffield Hallam University and is primarily for our Clinical Leads. This programme was launched in November 2015 and two cohorts are now in progress totalling 17 participants. This programme will run for six months, and will include set training days and 1:1 tutorials to give support to Clinical Leads in developing their service improvement project.

The Institute of Leadership and Management programme continued to be provided during 2015/16, numbers for each cohort have been increased from 25 to 30 to meet the increasing demand. This is continually reviewed and updated with feedback from candidates and continues to be well evaluated.

A new format for the Effective Management Series has been developed to offer a management development pathway for aspiring and new managers into the organisation. This offers a selection of sessions that begin with introductory, intermediate and on to advanced that can be selected as pure development, as part of an induction, or as ongoing development for existing

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managers. This is still organised as a step-in step-off programme to encourage all managers across the organisation to attend sessions that are relevant or of interest to them.

A third cohort of the Performance Coach ran in 2015, and we now have a total of 36 coaches trained and active across the organisation. We are currently working across the region to develop a Coaching Database which will act as a central resource for coaches to connect and build upon coaching relationships.

The fast track physiotherapy service introduced last year has proved popular with staff, and this year a psychological service for complex staff cases has been developed in Occupational Health. We have also introduced more personal resilience sessions for staff.

The Mentally Healthy Workforce approach is embedded within current Leadership and Management Development programmes. Additional training is being offered to develop this package to include Supportive Leadership as well as the original training package. This will be delivered in spring 2016 and will be rolled out later in the year.

The Trust was pleased to be one of 12 trusts in the country selected for Simon Stevens' Healthy NHS workforce programme, and as a result of this, free health checks will be introduced for the over 40s in the coming months. Staff will also be asked to identify the top three things they would like the Trust to address to support their wellbeing.

The Raising Concerns at Work Policy has been revised, this Policy supports staff who wish to raise concerns.

i. Annual Patient Surveys

Seeking and acting on patient feedback remains a high priority. The Trust continues to undertake a wide range of patient feedback initiatives regarding the services they receive. Survey work during 2015/16 included participation in the National Survey Programme for inpatient and maternity services.

The Friends and Family Test is now carried out in inpatient, outpatient, A&E, maternity, and community services. This allows us to look in more detail at patient feedback at individual ward and service level where our scores consistently compare well nationally, with good response rates being achieved.

During early 2016, a new local inpatient satisfaction survey and outpatient satisfaction survey began, once the results are available they will provide further feedback on the experience of patients who visit our Trust. In addition, the Trust will be undertaking a series of topic specific

surveys throughout 2016/17, the first one being End of Life Care which commences at the end of April 2016.

The National Inpatient Survey scores were high for questions relating to communications, information and explanations, and having trust and confidence in doctors and nurses. Areas identified where improvements can be made include offering healthy food choices on the hospital menu and ensuring patients have the opportunity to give us their views on the quality of care they receive. We are awaiting the CQC analysis of national results, these compare the Trust against all other trusts.

In the National Maternity Survey 2015, the Trust's scores were once again very good overall. High scoring questions include mothers being spoken to in a way they could understand, partners or someone close being able to be involved as much as they wanted, having a contact telephone number for a midwife or midwifery team, and being asked how they were feeling emotionally. Areas where improvements can be made include, being given a choice about where antenatal check-ups would take place, partners or someone close being able to stay as much as the mother wanted, being given enough information about their own physical recovery after birth and details of who to contact if they needed advice about any emotional changes they might experience after birth.

Following any patient feedback, action plans are agreed at local and Trust level to address areas where improvements can be made. There are current programmes of work which aim to improve patient experience, and Trust scores in both local and national surveys help us to monitor the impact of this work.

Friends and Family Test

The Friends and Family Test is still being used in Inpatients, Day Case, Accident and Emergency, Maternity Services, Outpatients and Community. It was rolled out to the Minor Injuries Unit in 2015/16 feedback is reported in the A&E report. The Friends and Family Test asks a simple, standardised question with a six point scale, ranging from 'extremely likely' to 'extremely unlikely'. The Trust has also chosen to ask a follow-up question in order to understand why patients select a particular response.

We use a variety of methods to collect the data within the Trust. A new survey contractor was appointed in 2015/16 to improve the way we collect and report feedback. This has enabled feedback to be more responsive and consistent. As part of the way we collect feedback, new Friends and Family Test postcards have been designed and distributed to all areas that carry out the Friends and Family Test using postcards. The new cards include the option of completing the survey via SMS or online, giving

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more choice to patients. Dementia friendly cards have been introduced in areas that see a large proportion of patients with dementia.

Although there are no national targets for response rates, the Trust is committed to maintaining good response rates for the Friends and Family Test to ensure feedback data is robust. The Trust has therefore set response rate targets for inpatients at 30%, and A&E and maternity services at 20%. Over the past 12 months inpatients (31.4%) and A&E (20.9%) both achieved their locally set target. Maternity services, (18.8%), fell slightly below their target. Targets for outpatients and community services are currently being determined.

Due to low response rates in maternity services, an action plan was introduced to raise awareness and re-emphasise the importance for staff to promote the Friends and Family Test. This has resulted in an improvement in their response rates and the 20% target is now regularly achieved.

To monitor our results we have updated our monthly reports to include response rates, positive and negative scores and the links to patient comments. When the Trust's targets are not being met, the relevant areas are highlighted in the monthly reports.

Patients receiving the Friends and Family Test are now able to leave further feedback via a two minute voice message. This voice message is themed and included in Friends and Family Test feedback. Improvements are to be made to the 'You Said We Did' posters which display the results and action planning reports. These are automatically generated each month, and a link to these is included in the monthly report.

Work is planned in 2016/17 to start generating weekly automatic reports for staff to receive feedback and response rates on a regular basis, and respond to any issues more efficiently.

j. Complaints

The Trust values complaints as an important source of patient feedback. We provide a range of ways in which patients and families can raise concerns or make complaints. All concerns whether they are presented in person, in writing, over the telephone or by email are assessed and acknowledged within two days and where possible, we aim to take a proactive approach to solving problems as they arise.

Table 3

	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	Total
New informal concerns received	139	133	141	131	108	137	169	151	176	151	139	114	1689
New formal complaints received	88	116	111	114	96	81	127	135	104	135	133	138	1378
All concerns combined	227	249	252	245	204	218	296	286	280	286	272	252	3067

During 2015/16 we received 1,689 informal concerns which we were able to respond to within two working days. If telephone calls, emails or face to face enquiries are received by the Patient Services Team (PST) and if staff feel they can be dealt with quickly by taking direct action, or by putting the enquirer in touch with an appropriate member of staff, such as a Matron or Service Manager, contacts are made and the enquiry is recorded on the complaints database as an informal concern. If the concern or issue is not dealt with within two days, or if the enquirer remains concerned, the issue is re-categorised as a complaint and processed accordingly.

1,378 complaints requiring more detail and in-depth investigation were received. Table 3 provides a monthly breakdown of formal complaints and informal concerns received. Of the complaints closed during 2015/16, 48% (640/1329) were upheld by the Trust. The Parliamentary and Health Service Ombudsman (PHSO), investigate complaints made regarding Government departments and other public sector organisations and the NHS in England. They are the final step of the complaints system, giving complainants an independent and last resort to have their complaint reviewed. During 2015/16 the PHSO closed 26 cases regarding the Trust, 19% (5/26) of which were upheld.

2.8 STATEMENTS OF ASSURANCE FROM THE BOARD

The Trust works to a target of responding to 85% complaints within 25 working days. The performance this year was 85%, achieving the target for the first time in three years. Significant work has been undertaken this year to reduce the number of open and overdue complaints which formed a large backlog awaiting a response. This involved daily monitoring of all complaints due to be closed each month being undertaken with regular updates being sent to the Deputy Chief Nurse, Nurse Directors, Deputy Nurse Directors and Complaint Co-ordinators with any complaints that are identified as likely to become overdue being escalated. This ensures the necessary information is available to respond to the complaint, within the appropriate timescales. This has removed any backlog of complaints and improved the management of complaints overall. Chart 3, below, shows a monthly breakdown of performance against the Trust target per month.

Regular complaints and feedback reports are produced for the Board of Directors, Patient Experience Committee, Care Groups and Directorates showing the number of complaints received in each area and illustrating the issues raised by complainants. A monthly dashboard report focuses on key performance indicators for complaints handling and other feedback, supported by a more detailed quarterly report. The reporting process ensures that at all levels the Trust is continually reviewing information, so that any potentially serious issues, themes

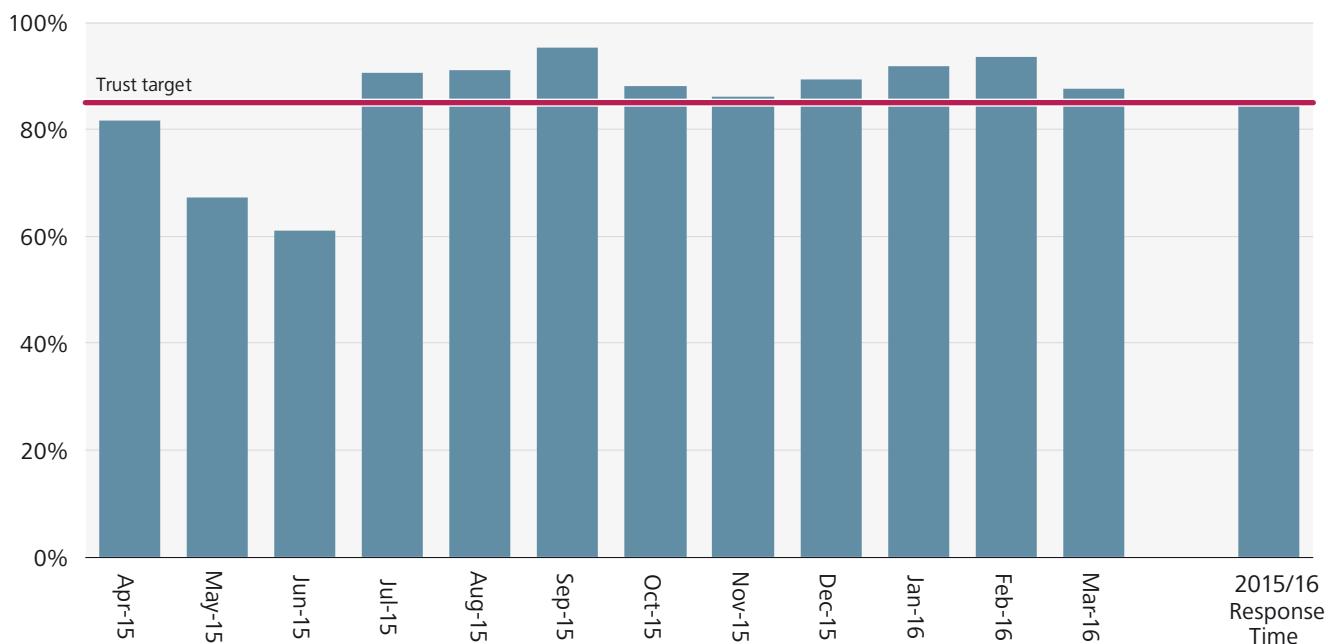
or areas where there is a notable increase in the numbers of complaints received can be thoroughly investigated and reviewed by senior staff.

Chart 4, overleaf, shows the breakdown of complaints by theme. The findings show that four of the top five themes are the same as those identified last year. Complaints received relating to staff attitude have reduced significantly since last year, and now sits at the fourth most raised theme this year. This reduction in complaints relating to staff attitude is as a result of a number of initiatives undertaken by the Trust, such as customer care training, the implementation of the PROUD values and deeper analysis of complaint themes undertaken by the Patient Experience Committee, where locally agreed actions were implemented to improve the experience of patients.

We remain committed to learning from and taking action as a result of complaint investigations. A selection of actions taken as a result of complaints is featured in quarterly reporting.

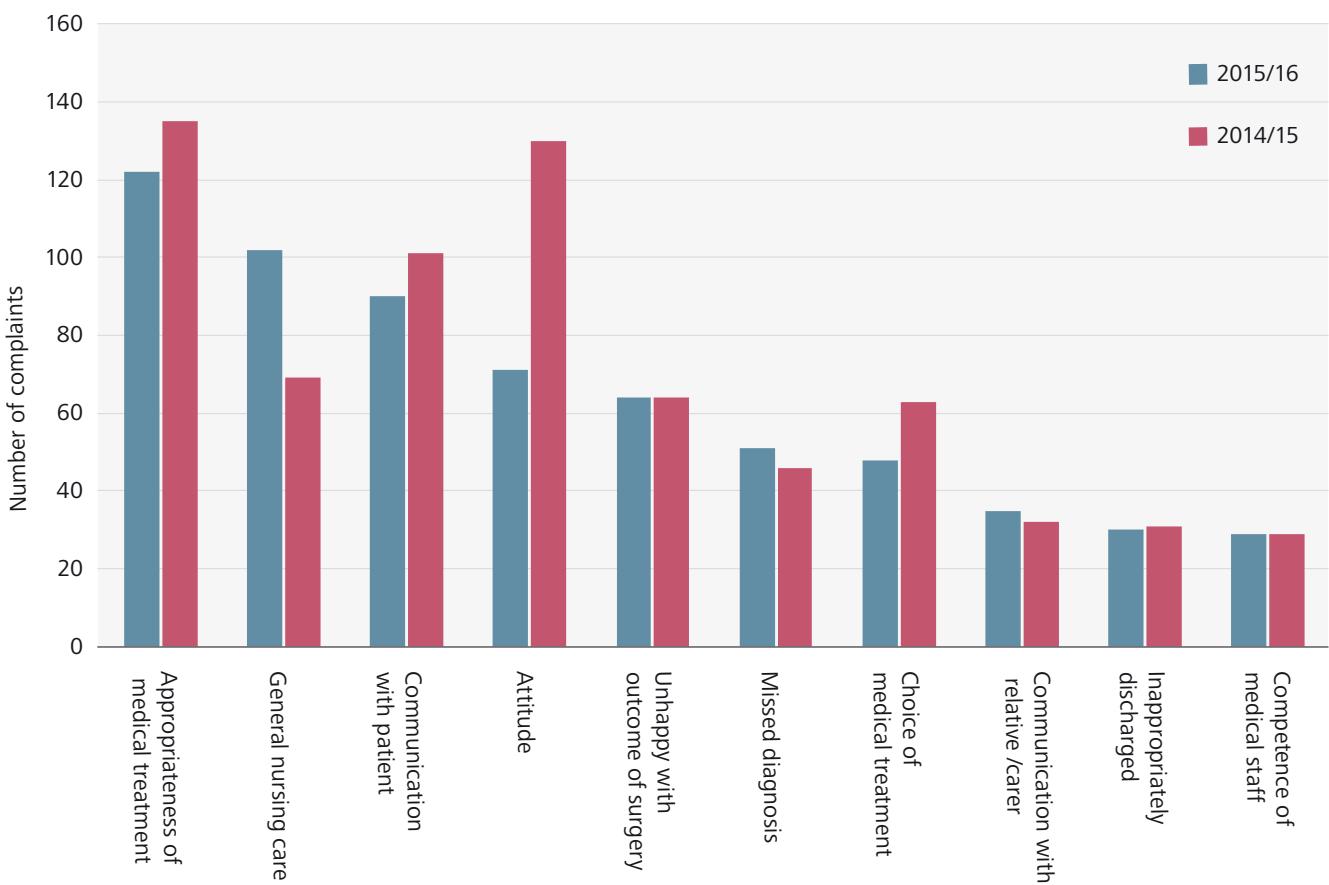
During 2015/16, the Trust developed a new complainant satisfaction survey to survey all those who make a complaint to provide them with an opportunity to tell us about their experience. This will commence in April 2016 and be carried out alongside routine audits of complaint responses and complainant interviews to ensure we have a full understanding of the experience complainants have when making a complaint.

Chart 3 - monthly breakdown of performance against the Trust target per month



2.8 STATEMENTS OF ASSURANCE FROM THE BOARD

Chart 4 - breakdown of complaints by theme



k. Mixed Sex Accommodation

The Trust remains committed to ensuring that men and women do not share sleeping accommodation except when it is in the patient's overall clinical best interest, or reflects their personal choice. As a result we have not identified any breaches in the Eliminating Mixed Sex Accommodation during 2015/16.

I. Coroners Regulation 28 Prevention of Future Death Reports

When reviewing a death the Coroner has a duty to consider whether a person or an organisation should be taking steps to prevent similar deaths under Regulation 28 of the Coroner's (Investigations) Regulations 2013. A Coroner will issue a Prevention of Future Death (PFD) Report when there is a concern that the circumstances creating a risk of further deaths could recur or continue to exist. The person or organisation must then respond in detail the action taken or to be taken, or must explain why no action is proposed.

During 2014/2015 the Trust received and responded to two PFD Reports. The first report was received in May 2015 and was addressed to Sheffield City Council as well as the Trust. The patient died due to sepsis from infected pressure sores. Numerous agencies had been involved in the patient's care prior to death. The PFD report arose from the Coroner's concern that care could have been improved by better communication between agencies. The Coroner did not find that in this case, this would have changed the outcome, but was concerned that similar failures in other cases may have more directly attributable consequences. The Coroner suggested that Sheffield City Council and the Trust consider meeting and seek to establish a robust method of communication between all involved, with particular reference to pressure care needs.

2.8 STATEMENTS OF ASSURANCE FROM THE BOARD

Several multi-disciplinary meetings took place following this, resulting in detailed action plans. In relation to the Trust, the action plan included:

- Training, documentation and audit in relation to pressures sores.
- Training, review of processes and development of quality assurance process in relation to referrals from the ward to district nurses.
- Better lines of communication between the Trust and social workers/care providers through SPA multi-disciplinary team.
- Provision of "Time to Turn" booklets to carers and relatives.

A second report was sent to the Trust in July 2015, by the Doncaster Coroner in relation to a case where the Trust had not been requested to provide reports or attend the inquest. The patient died from lung damage caused by Amiodarone toxicity. The Coroner raised concern that there was no evidence of any protocols for advising primary care providers of the need to closely monitor patients who have been prescribed Amiodarone or that adequate steps were taken to ensure adequate monitoring for this patient.

The response reassured the Coroner that there is, and was at the time, an appropriate Shared Care Protocol for Amiodarone in place, which details the monitoring requirements and that the Trust had also appropriately undertaken the baseline monitoring prescribed by the protocol, and alerted the GP to the protocol in the discharge correspondence. No further action was required.

m. Never Events 2015/16

Never Events are defined as "serious incidents that are wholly preventable as guidance or safety recommendations that provide strong systemic protective barriers are available at a national level and should have been implemented by all healthcare providers".

During 2015/16 four Never Events occurred at the Trust, these are detailed below.

Wrong Intraocular lens insertion (two incidents)

These two incidents occurred within two weeks of each other with different staff involved. On both occasions patients had an incorrect strength lens inserted into their eye during routine cataract surgery. The error was identified before the patients left the theatre and the correct lenses were implanted.

The actions taken following this Never Event included extra training for theatre staff regarding the choice of intraocular lens insertion. This includes the development of a flowchart to assist staff in understanding the choice of

lens to be used. This now enables staff to provide a second check of the choice of intraocular lens insertion that the surgeon has made. A Cataract Safer Surgery Checklist has also been developed and implemented. More staff have been recruited to the area and managers are now ensuring that staff get experience in every area of ophthalmology surgery.

Operation to remove Peri-anal Cyst

A patient was admitted for removal of a small cyst. The operation report states the operation carried out was 'removal of small cyst anal area'. However, the histology findings of the excision showed the removal of a skin tag. The surgeon who carried out the procedure did not perform the required pre-operative checks, and did not mark the site which would have been required as part of the Surgical Safety Checklist (WHO, 2008).

The Safer Procedure Policy has been published and shared with medical staff within Surgical Services following this Never Event. The policy details the requirements that must be undertaken for all surgery, and includes guidance on marking and the checks to be undertaken.

Wrong Site Anaesthetic Block

A patient was in theatre for repair of a right sided fractured neck of femur. Following insertion of the anaesthetic block the patient was turned and it was realised that the block had been given on the wrong side. The anaesthetist then continued with a spinal anaesthetic and the procedure was performed. No further block was given to the correct side as the patient received alternative methods of pain relief. The operation proceeded without incident and the patient made a good recovery

The Safer Procedure Policy relating to "stop before you block" has been reviewed and updated. This has been shared with medical staff within Surgical Services following this Never Event. Identification of patients requiring a block now takes place at team brief and a staff member is identified to lead the "stop before block" for that theatre list.

n. Duty of Candour

Duty of Candour came into force on 27 November 2014 requiring all Care Quality Commission registered healthcare organisations to disclose all events that have led to significant harm. Candour is defined in Robert Francis' report as '*the volunteering of all relevant information to persons who have or may have been harmed by the provision of services, whether or not the information has been requested and whether or not a complaint or a report about that provision has been made*'.

2.8 STATEMENTS OF ASSURANCE FROM THE BOARD

The Duty of Candour applies to all cases of 'significant harm'. This new classification covers the National Reporting and Learning System categories of 'moderate', 'severe' and 'death', and also 'prolonged psychological harm'.

The introduction of a statutory Duty of Candour is a major step towards implementing a key recommendation from the Mid Staffordshire NHS Foundation Trust Public Inquiry (the Francis Inquiry). Candour is recognised as a practice that can benefit patients and carers who have experienced harm during health care.

The Being Open appendix of the Trust's Incident Management Policy has been updated to outline the process for reporting cases to which Duty of Candour applies. The Duty of Candour appendix includes the Ten Principles of Being Open as identified in the National Patient Safety Agency's document Being Open and the process to follow within the Trust.

The electronic Incident Management System (Datix) has been adapted to automatically request that reviewers consider whether Duty of Candour applies for any incidents resulting in a 'moderate' or greater outcome. If the member of staff undertaking the review decides that Duty of Candour applies they are requested to input the name of the individual who will be leading the incident and coordinating communication with the patient/relatives/carers.

As well as updating the policy, an education plan has been developed. This consists of three levels of education.

For level 1 education, a staff leaflet 'Introducing Duty of Candour' was developed and distributed to all staff being paid by the Trust with their payslip in January/February 2015. The leaflet covers the following:

- What is Duty of Candour?
- How does it affect me?
- How did it come about?
- What do I need to do if I witness or am involved in an incident?
- How is it decided whether an incident led to moderate, major or catastrophic harm?
- Is this something I will continue to hear about?
- Where can I go for further information?

Level 2 training consists of a 30 minute awareness presentation titled 'Duty of Candour at STH'. It explains what Duty of Candour is and what individuals need to do if an incident arises. As part of our ongoing learning within the organisation, Directorates are encouraged to discuss and share learning from Duty of Candour

incidents at local governance meetings throughout the year, with wider shared learning across the Directorate as appropriate.

Level 3 training consists of a three hour workshop which has been developed for staff dealing with Duty of Candour incidents or those responsible for further cascading Duty of Candour at STH awareness training within the Directorates. This workshop covers:

- Duty of Candour – What is it?
- How do we manage Duty of Candour incidents at STH?
- Duty of Candour – How to communicate about an incident with patients and carers?

To date 821 staff have received Level 2 training and 111 staff have attended a Level 3 workshop. Further training is planned for 2016/17.

To ensure that we learn from Duty of Candour incidents across the organisation, it has been agreed that every three to six months a sharing of learning from the management of Duty of Candour incidents will form part of the Safety and Risk Management Board meeting.

As part of the Patient and Healthcare Governance intranet site a Duty of Candour section has been developed, which includes the Duty of Candour leaflet, the updated policy and videos of the presentations.

o. Safeguarding Adults

The Trust is part of a wider network of agencies including the Local Authority, Sheffield Health and Social Care NHS Foundation Trust, the Police, South Yorkshire Fire and Rescue, the Domestic Abuse Co-ordination Team (DACT) and Sheffield CCG, who make up the Sheffield Adult Safeguarding Partnership. The Partnership reports to the Safeguarding Adults Executive and Operational Boards, Chaired by an independent Chair.

The Trust has policies, guidance and processes in place to identify and report all types of abuse of patients, carers, family members or staff. This includes the reporting of domestic violence and abuse. The Trust's Safeguarding Adults team works in close collaboration with the Trusts Safeguarding Children's team, the maternity services Vulnerabilities team, Emergency Department (ED) and Human Resources to identify and support vulnerable individuals who are subject to domestic violence and abuse.

3.1 QUALITY PERFORMANCE INFORMATION 2015/16

These are the Trust priorities which are encompassed in the mandated indicators that the organisation is required to report and have been agreed by the Board of Directors.

The indicators include

- 6 that are linked to patient safety;
- 11 that are linked to clinical effectiveness; and
- 13 that are linked to patient experience.

Mandated Indicators - NHS England (Gateway reference 04730)

Prescribed Information	2013/14	2014/15	2015/16
Mortality The value and banding of the summary hospital-level mortality indicator (SHMI) for the trust for the reporting period National Average: 1.0 Highest performing trust score: 0.65 Lowest performing trust score: 1.18 (Figures for Oct14-Sept15)	0.91 Banding: as expected	0.91* Banding: as expected	(Oct14- Sept15) 0.93 Banding: as expected
The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the Trust for the reporting period. National average: 26.0% Highest trust score: 53.5% Lowest trust score: 0% (Figures for Oct14-Sept15) The Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described as the data are extracted from the Information Centre SHMI data set. The SHMI makes no adjustment for palliative care because there is considerable variation between trusts in the way that palliative care codes are used. Adjustments based on palliative medicine treatment specialty would mean that those Organisations coding significantly for palliative medicine treatment specialty would benefit the most in terms of reducing the SHMI value (the ratio of Observed/Expected deaths would decrease because the expected mortality would increase). Hence, SHMI routinely reports % patient deaths with palliative care coding as a contextual indicator to assist with interpretation of data. The Sheffield Teaching Hospitals NHS Foundation Trust is taking the following actions to improve this rate, and so the quality of its services, by: <ul style="list-style-type: none"> • Working in partnership with NHS England and the Yorkshire and Humber Improvement Academy to implement the Self-assessment on Avoidable Mortality and identify and action areas for improvement • Ensuring consistent Mortality and Morbidity reviews are undertaken across the Trust. • Monitoring the mortality data at a diagnosis level to ensure any areas for improvement are constantly reviewed and where appropriate ensure actions are taken to address. 	20.3%	23.8%*	(Oct14- Sept15) 25.2%
*The SHMI reported in last year's Quality Report was qualified by the annotation that this was derived from the most recent rolling 12 month period i.e. Oct 2013 - Sept 2014. SHMI results are published six months and three weeks in arrears because of the need to validate the data nationally. The value for April 2014 – March 2015 was released at the end of October 2015 and reported as 0.91. This can be validated via the NHS Choices website.			

3.1 QUALITY PERFORMANCE INFORMATION 2015/16

Prescribed Information	2013/14	2014/15*	2015/16
Patient Report Outcome Measures (PROMs)			April– Sept 2015
The Trust's EQ5D patient reported outcome measures scores for:			
Groin hernia surgery			
Sheffield Teaching Hospitals' score:	0.075	0.050	0.077
National average:	0.085	0.084	0.088
Highest score:	0.142	0.138	0.135
Lowest score:	0.008	0.000	0.008
Varicose vein surgery			
Sheffield Teaching Hospitals' score:	0.102	0.089	0.115
National average:	0.093	0.095	0.104
Highest score:	0.149	0.154	0.130
Lowest score:	0.023	-0.002	0.037
Hip replacement surgery primary			
Sheffield Teaching Hospitals' score:	0.401	0.402	0.455
National average:	0.436	0.437	0.454
Highest score:	0.570	0.524	0.520
Lowest score:	0.332	0.331	0.359
Hip replacement surgery revision			
Sheffield Teaching Hospitals' score:	0.153	0.302	**
National average:	0.254	0.278	0.279
Highest score:	0.362	0.376	**
Lowest score:	0.153	0.186	**
Knee replacement surgery primary			
Sheffield Teaching Hospitals' score:	0.324	0.329	0.395
National average:	0.323	0.315	0.334
Highest score:	0.414	0.418	0.412
Lowest score:	0.209	0.204	0.207
Knee replacement surgery revision			
Sheffield Teaching Hospitals' score:	0.253	0.249	**
National average:	0.244	0.258	**
Highest score:	0.279	0.331	**
Lowest score:	0.123	0.179	**

3.1 QUALITY PERFORMANCE INFORMATION 2015/16

PROMs scores represent the average adjusted health gain for each procedure. Scores are based on the responses patients give to specific questions on mobility, usual activities, self-care, pain and anxiety after their operation as compared to the scores they gave pre-operatively. A higher score suggests that the procedure has improved the patient's quality of life more than a lower score.

*This data is different to the data reported in the 2014/15 Quality Report, as the data is now complete for the financial year 2014/15.

** Denotes that there are fewer than 30 responses as figures are only reported once 30 responses have been received.

The Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described as the data is taken from the Health and Social Care Information Centre PROMs data set.

The Sheffield Teaching Hospitals NHS Foundation Trust is taking the following actions to improve this score, and so the quality of its services, by:

- Analysis of Trust level data to further inform local improvements.
- All hip and knee replacements admitted to dedicated ward with ERP.
- Case Note Reviews for poorly reported outcomes.
- Ongoing local programme of improvement projects.

The following changes have been made as a result:

- Patient information card to raise awareness to symptoms of potential post op joint infection and contact details for urgent review introduced
- Blood Transfusion Guidelines updated
- Use of Cryocuff in recovery and on ward to help reduce post op knee swelling
- An improved analgesia regime for TKR to improve post op pain and reduce length of stay.

3.1 QUALITY PERFORMANCE INFORMATION 2015/16

Prescribed Information	2013/14	2014/15	2015/16
<p>Readmissions</p> <p>The percentage of patients aged: 0 to 15; and 16 or over, readmitted to a hospital, which forms part of the Trust within 28 days of being discharged from a hospital which forms part of the Trust during the reporting period.</p> <p>Comparative data is not available</p> <p>The Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described as the data is taken from the Trust's Patient Administration System up to October 2015 and then from Lorenzo.</p> <p>The Sheffield Teaching Hospitals NHS Foundation Trust intends to take the following actions to improve this percentage, and so the quality of its services, by reviewing the reasons for readmissions and working with our partners in the wider Health and Social Care community to prevent avoidable readmissions. This will be delivered through the Right First Time City Wide Health and Social Care Partnership. During 2015/16 the project was further expanded to examine reasons for readmissions in Care of the Elderly.</p>	0% 10.8%	0% 10.8%	0.3% 11%
<p>Responsiveness to personal needs of patients</p> <p>The Trust's responsiveness to the personal needs of its patients during the reporting period.</p> <p>National average: 73.5% (this is currently based on picker average, not national)</p> <p>The Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described as the data is provided by National CQC Survey Contractor.</p> <p>*2013/14 National Survey scores represent four questions from the National Inpatient Survey selected as a measure of responsiveness to patient needs. This is compared to three questions for the 2014/16 and 2015/16 score.</p> <p>The Sheffield Teaching Hospital NHS Foundation Trust continues to take the following actions to improve this rate, and so the quality of its services, by implementing a new local inpatient survey which will survey a sample of 2000 patients from one month each quarter. Each quarter, patients from the sample will be asked six core questions, including one on privacy and dignity and follow-up questions which will be themed and change each quarter, as follows:</p> <ul style="list-style-type: none"> • February 2016 - Noise & Food. • April 2016 – Staff. • July 2016 – Discharge. • October 2016 – Communication. • January 2017 – Environment. 	79.3%*	75.1%	76.9%

3.1 QUALITY PERFORMANCE INFORMATION 2015/16

Prescribed Information	2013/14	2014/15	2015/16
<p>Friends and Family Test - Staff who would recommend the Trust (from Staff Survey)</p> <p>The percentage of staff employed by, or under contract to, the Trust during the reporting period who would recommend the Trust as a provider of care to their family or friends.</p> <p>National average: Combined acute & community trusts - 67%</p> <p>All trusts - 69%</p> <p>Highest performing trust score: (Combined acute & community trusts): 89%</p> <p>Lowest performing trust score: (Combined acute & community trusts): 46%</p> <p>The Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described, as the data is provided by the national CQC survey contractor.</p> <p>The Sheffield Teaching Hospitals NHS Foundation Trust continues to take the following actions to improve this percentage, and so the quality of its services, by seeking staff views and involving them in improving the quality of patient services via Listening into Action, Microsystems Academy, initiatives such as "Give it a Go Week" and "Right Good Week", Staff Friends and Family Test and our ongoing staff engagement work.</p>	72%	78%	76%
<p>Friends and Family Test - Patients who would recommend the Trust</p> <p>The percentage of patients who attended the Trust during the reporting period who would recommend the Trust as a provider of care to their family or friends.</p> <p>*The score for 2013/14 represents a scale of -100 to +100 is, using the Net Promoter Score calculation. From October 2014 NHS England stopped using the Net Promoter scoring system and moved to a percentage system.</p> <p>The Friends and Family Test scores are now recorded taking the percentage of respondents who 'would recommend' our service which is taken from ratings 1 (Extremely Likely) and 2 (Likely).</p> <p>The Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described, as the data is collected by the Healthcare Communications, verified by UNIFY and reported by NHS England.</p> <p>The Sheffield Teaching Hospital NHS Foundation Trust continues to take the following actions to improve this rate, and so the quality of its services, by reviewing the methods of data collection used within Community Services. The Trust is to start generating weekly automatic reports for staff to keep on top of scores and response rates.</p>	71*	92%	All areas 92% Inpatient and A&E only 91%

3.1 QUALITY PERFORMANCE INFORMATION 2015/16

Prescribed Information	2013/14	2014/15	2015/16
<p>Patients risk assessed for venous thromboembolism (VTE)</p> <p>The percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period.</p> <p>Comparative data is not available</p> <p>The Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described as we have processes in place to collect the data internally which is regularly monitored. We then report the data externally to the Department of Health.</p> <p>The Sheffield Teaching Hospitals NHS Foundation Trust continues to take the following actions to improve this percentage, and so the quality of its services, by</p> <ul style="list-style-type: none"> • ensuring completion of VTE risk assessment form for every patient admitted to the Trust • feedback to Directorates on performance against target • analysis of cases of VTE which are thought to be hospital associated 	95.16%	95.18%	95.18%
<p>Rate of <i>Clostridium Difficile</i></p> <p>The rate per 100,000 bed days of cases of <i>C.Difficile</i> infection reported within the Trust amongst patients aged two or over during the reporting period.</p> <p>Comparative data is not available</p> <p>*The rate shown is provisional until the Public Health England denominator rates are published. The denominator used is the 2014/15 figure as this is unlikely to change significantly.</p> <p>During 2015/16 there have been 78 cases of <i>C.Difficile</i> infection attributable to the Trust. The national threshold for 2015/16 was 87.</p> <p>All Trust attributable cases now have a root cause analysis to identify if there has been any lapse in care. At publication eight cases have been highlighted as possibly having a lapse in care. Quarter 3 and Quarter 4 cases are still being reviewed.</p> <p>The Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described as the data is provided by the Public Health England.</p> <p>The Sheffield Teaching Hospitals NHS Foundation Trust continues to take the following actions to improve this rate, and so the quality of its services, by having a dedicated plan as part of its Infection Prevention and Control Programme to continue to reduce the rate of <i>C.Difficile</i> experienced by patients admitted to the Trust.</p>	13.7	16.2	13.6*

3.1 QUALITY PERFORMANCE INFORMATION 2015/16

Prescribed Information	2013/14	2014/15*	2015/16**
<p>Rate of patient safety incidents</p> <p>The number and, where available, rate of patient safety incidents reported within the Trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death.</p>	9762	14605	13509
<p>Number of Incidents reported</p> <p>The incident reporting rate is calculated from the number of reported incidents per hundred admissions and the comparative data used is from the first 6 months of 2015/16.</p> <p>Cluster average: 39.29</p> <p>Highest performing trust score: 74.6</p> <p>Lowest performing trust score: 18.07</p> <p>The number and percentage of such patient safety incidents that resulted in severe harm or death.</p> <p>Cluster reporting data: 39 (0.4%)</p> <p>Highest reporting trust: 178 (0.2%)</p> <p>Lowest reporting trust: 6 (0.1%)</p> <p>* The figures for 2014/15 are different to those documented in last year's Quality Report as they have now been validated.</p> <p>**Full information for the financial year 2015/16 is not available from the National Reporting and Learning System (NRLS) until November 2016.</p> <p>The Sheffield Teaching Hospitals NHS Foundation Trust considers that this data is as described as the data is taken from the NRLS.</p> <p>The Sheffield Teaching Hospitals NHS Foundation Trust intends to increase the incident reporting rate by 5%.</p> <p>To note: As this indicator is expressed as a ratio, the denominator (all incidents reported) implies an assurance over the reporting of all incidents, whatever the level of severity. There is also clinical judgement required in grading incidents as 'severe harm' which is moderated at both a Trust and national level. This clinical judgement means that there is an inherent uncertainty in the presentation of the indicator which cannot at this stage be audited.</p>	4.75	25.57	29.93

3.1 QUALITY PERFORMANCE INFORMATION 2015/16

Mandated Indicators – Monitor Risk Assessment Framework

Measures of Quality Performance	2013/14	2014/15	2015/16
Percentage of patients who wait less than 31 days from decision to treat to receiving their treatment for cancer			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	98%	97%	97%
National Standard	96%	96%	96%
<i>Data Source: Exeter National Cancer Waiting Times Database</i>			
Percentage of patients who waited less than 62 days from urgent referral to receiving their treatment for cancer			Q1, Q2 and Q3 data used
Sheffield Teaching Hospitals NHS Foundation Trust achievement	88%	85%*	83%**
National Standard	85%	85%	85%
<i>Data Source: Exeter National Cancer Waiting Times Database</i>			
*Includes reallocation of some breaches from the Trust to referring trusts in Q4 in 2014/15			
** Includes reallocation of some breaches from the Trust to referring trusts in Q1, Q2 and Q3 in 2015/16			
Percentage of patients who have waited less than 2 weeks from GP referral to their first outpatient appointment for urgent suspected cancer diagnosis			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	94%	94%	93%
National Standard	93%	93%	93%
<i>Data Source: Exeter National Cancer Waiting Times Database</i>			

3.1 QUALITY PERFORMANCE INFORMATION 2015/16

Measures of Quality Performance	2013/14	2014/15	2015/16
All cancers: 31-day wait for second or subsequent treatment, comprising:			
Surgery:			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	97%	95%	95%
National Standard	94%	94%	96%
Anti-cancer drug treatments:			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	99%	100%	99%
National Standard	98%	98%	98%
Radiotherapy:			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	99%	98%	98%
National Standard	94%	94%	94%
<i>Data Source: Exeter National Cancer Waiting Times Database</i>			
Accident and Emergency maximum waiting time of 4 hours from arrival to admission/ transfer/ discharge			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	95.7%	92.7%	*
National Standard	95%	95%	95%
At the end of September 2015, the Trust introduced a new Accident and Emergency tracking system, as part of the move to a new Electronic Patient Record. This has presented various technical difficulties and challenges to accurately capture data on patients wait in A&E. Due to this we have not been reporting our A&E waiting time data nationally. This has been the subject of ongoing discussion between the Trust and Monitor, NHS England and Sheffield CCG.			
MRSA blood stream infections			
Trust attributable cases in Sheffield Teaching Hospitals NHS Foundation Trust	4	2	0
Trust assigned cases in Sheffield Teaching Hospital NHS Foundation Trust	4	4	0
Sheffield Teaching Hospitals NHS Foundation Trust threshold	0	0	0
The Trust assigned was introduced for the 2013/14 and is the figure used to determine cases for which the Trust is held responsible and where fines may be attached.			
Patients who require admission who waited less than 18 weeks from referral to hospital treatment			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	90.4%	86.3%	87.3%
National Standard	90%	90%	90%

3.1 QUALITY PERFORMANCE INFORMATION 2015/16

Measures of Quality Performance	2013/14	2014/15	2015/16
Patients who do not need to be admitted to hospital who wait less than 18 weeks for GP referral to hospital treatment			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	94.9%	94.8%	95.9%
National Standard	95%	95%	95%
Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway			
Sheffield Teaching Hospitals NHS Foundation Trust achievement	92.5%	92.8%	93.5%
National Standard	92%	92%	92%
Certification against compliance with requirements regarding access to healthcare for people with a learning disability			
Does the NHS Foundation Trust have a mechanism in place to identify and flag patients with learning disabilities and protocols that ensure that pathways of care are reasonably adjusted to meet the health needs of these patients?	New for 2014/15	Yes	Yes
Does the NHS foundation trust provide readily available and comprehensible information to patients with learning disabilities about treatment options, complaints procedures and appointments?	New for 2014/15	No	Yes
Does the NHS foundation trust have protocols in place to provide suitable support for family carers who support patients with learning disabilities?	New for 2014/15	Yes	Yes
Does the NHS foundation trust have protocols in place to routinely include training on providing healthcare to patients with learning disabilities for all staff?	New for 2014/15	Yes	Yes
Does the NHS foundation trust have protocols in place to encourage representation of people with learning disabilities and their family carers?	New for 2014/15	Yes	Yes
Does the NHS foundation trust have protocols in place to regularly audit its practices for patients with learning disabilities and to demonstrate the findings in routine public reports?	New for 2014/15	No	Yes

3.1 QUALITY PERFORMANCE INFORMATION 2015/16

Measures of Quality Performance	2013/14	2014/15	2015/16
Never Events (Count) Sheffield Teaching Hospital NHS Foundation Trust Performance <i>Data Source: National Patient Safety Agency</i>	4	2*	4
* <i>The figures for 2014/15 are different to those documented in last year's Quality Report as one never event was downgraded.</i>			
Hospital Standardised Mortality Ratio (HSMR) Sheffield Teaching Hospital NHS Foundation Trust Performance National Benchmark <i>Data source: Dr Foster</i>	100% 100%	99%* 100%	96% (Jan 15-Dec 15) 100%
*This figure is different from last year as it represents the whole year (April 2014 – March 2015) rather than Jan 2014-Dec 2014 as reported in last year's Quality Report.			
Data Completeness for Community Services Referral to treatment information: Sheffield Teaching Hospitals NHS Foundation Trust achievement National Standard Referral information: Sheffield Teaching Hospitals NHS Foundation Trust achievement National Standard Treatment activity information: Sheffield Teaching Hospitals NHS Foundation Trust achievement National Standard Referral to treatment information – following an audit of the 2014/15 data the methodology for calculating the figure for this measure was revised for 2015/16. For info, the 2014/15 figure using the revised methodology would have been 56%. Referral and activity information – all required information is captured using mandatory fields on SystmOne so it is not possible to staff to save a referral or activity without all required information recorded.	66% 50%	66% 50%	62% 50% 100% 50% 100% 50%

4.1 STATEMENT FROM OUR PARTNERS ON THE QUALITY REPORT 2015/16

Governor Involvement in the Quality Report Steering Group

We continue to work on the ongoing priorities highlighted in previous year's report and have added three additional Quality Objectives for the coming year. These objectives have been agreed in collaboration with Sheffield City Council's Healthier Communities and Adult Social Care Scrutiny Committee.

The governors are involved at all stages of the report, contributing to the content and the wording. Our intention is to make it easy to understand for all readers.

This year the steering group are considering Patient Safety, End of Life Care and the Environment. We felt that these choices would result in measurable improvements in the patient's experience.

One of these initiatives had originated from one of the staff engagement events, emphasising the need to engage with all staff and consideration is given to suggestions from all areas.

This is once again an immense piece of work and the governors have been happy to contribute to this.

Kath Parker

Patient Governor

25th April 2016

Statement from NHS Sheffield Clinical Commissioning Group

NHS Sheffield CCG (CCG) has reviewed the information provided by Sheffield Teaching Hospitals NHS Foundation Trust in this report. In so far as we have been able to check the factual details, the CCG view is that the report is materially accurate and gives a fair picture of the Trust's performance.

Sheffield Teaching Hospitals NHS Foundation Trust provides a very wide range of general and specialised services, and it is right that all of these services should aspire to make year-on-year improvements in the standards of care they can achieve.

During 2015/16 the Trust has achieved a number of key Constitutional standards and key quality performance measures such as incomplete 18ww targets.

However, the Trust has continued to experience challenges in the delivery of 18 weeks waiting time standards in several individual specialties, and diagnostic waiting times, in particular, in gastroenterology and endoscopy.

The Trust has also struggled to achieve the 95% A&E target during the year.

The implementation of Lorenzo, a new Patient Administration System (PAS), in September 2015 meant that the trust experienced difficulties in validating reported data for a number of key indicators, and significant work was required to validate collected data to confirm accuracy including submissions for 18 week and diagnostics reporting. A&E reporting in particular was significantly affected and the Trust suspended reporting in September and remained unable to report for the rest of the year.

The CCG worked closely with the Trust during this period, and continues to do so, to find alternative methods to gain assurance on the Trust's performance. The CCG is assured that the Trust continues to fully prioritise these areas of provision for improvement during 2016/17 and that the Trust has taken appropriate steps to safeguard patient safety and service quality.

Following the regulatory visit made to STHFT by the Care Quality Commission (CQC) in December 2015, the Trust and CCG are awaiting the final publication of the CQC's report on the healthcare services. The CCG will work closely with the Trust to put in place any identified actions to improve the quality of services.

The CCG's overarching view is that Sheffield Teaching Hospitals NHS Foundation Trust continues to provide, overall, high-quality care for patients, with dedicated, well-trained, specialist staff and good facilities. This quality report evidences that the Trust has achieved positive results in a number of its key objectives for 2015/16. Where issues relating to clinical quality have been identified in year, the Trust has been open and transparent and the CCG has worked closely with the Trust to provide support where appropriate to allow improvements to be made.

The CCG is in agreement with the identified priority areas for improvement in 2016/17. Our aim is to proactively address issues relating to clinical quality so that standards of care are upheld whilst services continue to evolve to ensure they meet the changing needs of our local population. The CCG will continue to set the Trust challenging targets whilst at the same time incentivise them to deliver high quality, innovative services.

Submitted by Beverly Ryton on behalf of:

Tim Furness

Director of Delivery

Abigail Tebbs

Deputy Director of Contracting

11th May 2016

4.1 STATEMENT FROM OUR PARTNERS ON THE QUALITY REPORT 2015/16

Statement from Sheffield City Council Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee

Sheffield City Council Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee welcome the opportunity to consider your draft Quality Report in line with NHS (Quality Accounts) Regulations 2010. We view this as a valuable aspect of health service provision scrutiny that looks at the things that are important to the public of Sheffield.

The Committee note the Quality Report as a document is dual purpose and encourage the publication of two versions for different audiences. The sharing of priorities in October was welcomed and working further together on the process timetable will facilitate full comment on all aspects of the Quality Account for next year.

The Committee welcome progress made on the handling of complaints and improving complainant satisfaction. For next year's priorities we are pleased to see the inclusion of further work to improve safety and quality of care, as well as arrangements to improve End of Life Care and look forward to getting feedback on these in due course. The Committee also welcome improvements in the patient experience at Weston Park; we hope that this will include the roof terrace, as this is important to patients and families. We would like to see progress continuing to be made in key areas not selected yet as a priority – Frailty Unit and SAFER bundle. In particular, progress in speeding up discharge including tackling delays in the prescription/pharmacy process.

The Committee are pleased to see some improvement in number of on day cancellations but welcome further progress. We especially want to see progress to 'Optimise Length of Stay, commitment of all to change, to enable discharge quicker and encourage further improvement through local co-production such as Right First Time.

In reviewing Quality Performance Information 2015/16 we are disappointed with the readmission rate; and look forward to seeing next year the outcome of the work on understanding why this is happening, including a look at a more detail age breakdown or indication of whether it is age related.

The Committee note that the percentage of patients who waited less than 62 days from urgent referral to receiving their treatment for cancer is below national standard and there has been deterioration in performance over last 3 years. We hope there are plans in place to improve this.

The Committee are pleased to note in response to our previous comments that, for transparency 'Never Events' are included in the Quality Report. It is good to see the improvements in results from staff survey, we are concerned with areas that have deteriorated and express concern at the disparity between white and BME experiences in the Work Race Equality Standard (WRES) particularly standards KF21 and Q17b, we look forward to seeing anticipated improvements.

May 2016

Statement from Healthwatch Sheffield

Healthwatch Sheffield would like to thank the trust for their continuous efforts to include them throughout the Quality Reports process this year. The trust has been open and transparent throughout the year and as a consequence, Healthwatch Sheffield has had good knowledge of the whole process and the evidence behind the decisions that have been made.

We note that the trust appears to have made good progress on its objectives from previous years, although we remain concerned that pressure ulcers continue to rise despite this having been an objective since 2013/14. We will continue to work with the trust to monitor this.

We were asked to contribute to a short list of priorities for 2016/17 and broadly support those chosen for the coming year, and feel that in particular improving the environment at Weston Park will have long term wellbeing benefits for patients.

We are also pleased to note that the trust has met its target of 85% response times for complaints, and we know from our conversations at the Patient Experience Committee that there is further work going on in this area to refine how complaints are categorised and responded to.

Healthwatch Sheffield, as in previous years, would be happy to work with the trust on the production of an easy read version of this report. Last year's version was again, a step forward from previous years and we hope this progress will be maintained.

In conclusion, we feel that this report is a good representation of the trust's current position and reflects the fact that it is aware of its strengths and those areas where it needs to improve.

We thank the trust for the opportunity to comment on this document and look forward to working with them in future.

May 2016

4.2 STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE QUALITY REPORT

Statement of Directors' Responsibilities for the Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

Monitor 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 2015/16 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - board minutes and papers for the period April 2015 to May 2016
 - papers relating to Quality reported to the board over the period April 2015 to May 2016
 - feedback from commissioners dated 11 May 2016
 - feedback from governors dated 27 April 2016
 - feedback from local Healthwatch organisations dated May 2016
 - feedback from Overview and Scrutiny Committee dated May 2016
 - the trust's draft complaints report to be published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2016
 - the latest national patient survey
 - the latest national staff survey published February 2016
 - the Head of Internal Audit's annual opinion over the Trust's control environment dated 17 May 2016
 - the CQC Intelligent Monitoring Report published May 2015.

- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered
- the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- the Quality Report has been prepared in accordance with Monitor's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the board



Tony Pedder OBE
Chairman

18 May 2016



Sir Andrew Cash OBE
Chief Executive
18 May 2016

4.3 INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF SHEFFIELD TEACHING HOSPITALS NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the Council of Governors of Sheffield Teaching Hospitals NHS Foundation Trust to perform an independent assurance engagement in respect of Sheffield Teaching Hospitals NHS Foundation Trust's Quality Report for the year ended 31 March 2016 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2016 subject to limited assurance consist of the following two national priority indicators (the indicators):

- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.

Monitor intended that we should review the 'percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge' indicator. However, the Trust has agreed with Monitor that this indicator need not be presented in the Trust's Quality Report. Monitor has advised that, in this instance, the selection for assurance should be the cancer waits indicator.

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 and supporting guidance issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the Detailed Guidance for External Assurance on Quality Reports 2015/16 ('the Guidance'); and
- the indicator 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 Guidance.

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 and papers for the period April 2015 to April 2016;
- papers relating to quality reported to the Board over the period April 2015 to May 2016;
- feedback from commissioners;
- feedback from governors;
- feedback from Healthwatch Sheffield;
- feedback from Sheffield City Council Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee;
- 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;
- the latest national staff survey;
- the 2015/16 Head of Internal Audit's annual opinion over the Trust's control environment; and
- the latest CQC Intelligent Monitoring Report.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Sheffield Teaching Hospitals NHS Foundation Trust as a body, 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 2016, 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.

4.3 INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF SHEFFIELD TEACHING HOSPITALS NHS FOUNDATION TRUST ON THE QUALITY REPORT

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Sheffield Teaching Hospitals NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’, issued by the International Auditing and Assurance Standards Board (‘ISAE 3000’). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the 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 and supporting guidance 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.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Sheffield Teaching Hospitals NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2016:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the 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 and supporting guidance and the six dimensions of data quality set out in the Guidance.

KPMG LLP
Chartered Accountants
Manchester

25 May 2016

INDEPENDENT AUDITOR'S REPORT

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

We have audited the financial statements of Sheffield Teaching Hospitals NHS Foundation Trust for the year ended 31 March 2016 set out on pages 119 to 155. In our opinion:

- the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2016 and of the Trust's income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.

2 Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements the risks of material misstatement that had the greatest effect on our audit were as follows:

Valuation of land and buildings - £358 million (2014/15:£361 million). Risk has decreased in 2015/16 following a full revaluation in 2014/15.

Refer to page 25 (Directors Report - Audit Committee), page 125 (Note 1.5 accounting policy) and page 141 (Note 9.1 property plant and equipment).

The risk:

Land and buildings are initially recognised at cost, but subsequently are recognised at current value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, at the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property. A review is carried out each year to test assets for potential impairment, with an interim desk-top valuation carried out every three years and a full valuation every five years.

There is significant judgment involved in determining the appropriate basis (EUV or DRC) for each asset according to its degree of specialisation, as well as over the assumptions made in arriving at the valuation of the asset. In particular the DRC basis of valuation requires an assumption as to whether the replacement asset would be situated on the existing site or, if more appropriate, on an alternative site. Further, DRC is decreased if VAT on replacement costs is deemed to be recoverable. Both of these assumptions can have potentially significant effects on the valuation.

The value of the Trust's PPE has remained broadly stable from 2012/13 to 2014/15. In 2014/15 the valuation was £361m. Having performed this revaluation process in 2014/15, management have relied on impairments plus routine capitalisation of additions to adjust the PPE value for 2015/16.

Our response:

In this area our audit procedures included:

- Drawing on national benchmarks to determine whether the Trust's approach to the valuation of land and buildings for the year ended 31 March 2016 is appropriate;
- Reviewing the completeness of the list of assets considered for impairment through reconciliations to the fixed asset register;
- Assessing the independence and objectivity of the Trust staff performing assessments, and considering their professional qualifications and sector knowledge and experience;
- Assessing the basis of the assumptions used by management to determine the risk that assets are impaired by comparing to known benchmarks and indices;
- Undertaking appropriate work to understand the basis upon which any impairments have been considered for buildings transferred from assets under construction in the financial statements; and
- Determining whether disclosures in relation to land and buildings complied with the requirements of the ARM

Income from Clinical Commissioning Groups and NHS England - £820 million (2014/15:£808 million). No change in direction of risk compared to 2014/15.

Refer to page 25 (Directors Report - Audit Committee), page 124 (Note 1.2 accounting policy) and page 139 (Note 3.3 operating income).

The risk. The main source of income for the Trust is the provision of healthcare services to the public under contracts with NHS commissioners, which make up (97%) of income from activities. The Trust participates in the national Agreement of Balances (AoB) exercise for the purpose of ensuring that intra-NHS balances are eliminated on the consolidation of the Department of Health's resource accounts. The AoB exercise identifies mismatches between income and expenditure, and receivable and payable balances recognised by the Trust and its commissioners, which will be resolved after the date of approval of these financial statements.

INDEPENDENT AUDITOR'S REPORT

Mis-matches can occur for a number of reasons, but the most significant arise where:

- the Trust and commissioners record different accruals for healthcare activities which have not yet been invoiced;
- income relating to partially completed healthcare spells is apportioned across the financial years and the commissioners and the Trust make different apportionment assumptions;
- accruals for inter-trust agreements are not matched by the amounts invoiced; or
- there is a lack of agreement over proposed contract penalties for sub-standard performance.

Where there is a lack of agreement, mis-matches can also be classified as formal disputes and referred to NHS England Area Teams for resolution.

We do not consider NHS income to be at high risk of significant misstatement, or to be subject to a significant level of judgement. However, due to its materiality in the context of the financial statements as a whole, NHS income is considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our response:

In this area our audit procedures included:

- Using the results of the AoB exercise to match the Trust's NHS income with counterparty expenditure. We investigated differences by reconciling the initial contract value with the counterparty to the final income reported in the financial statements, determining the reasons for any differences and critically assessing the validity of recognising reconciling income items in the Trust's financial statements.
- For estimated accruals relating to completed periods of healthcare or in relation to inter-trust agreements, reviewing the Trust's calculation of the accrual, critically assessing the Trust's and the counterparty's correspondence in relation to disputed items and forming a view as to the accuracy of the balance recorded in the Trust's accounts.
- Checking the validity of accruals for partially completed spells by reconciling to counterparty balances and, for disputed balances, checking evidence of acceptance after the year end.

- For a sample of invoices raised immediately before and after the balance sheet date, checking that income had been recognised in the correct financial period.
- Considering the adequacy of the disclosures about the key judgements and degree of estimation involved in arriving at the estimate of revenue receivable and the related sensitivities.

3 Our application of materiality and an overview of the scope of our audit

The materiality for the financial statements was set at £16m (2014/15:£18.0m), determined with reference to a benchmark of income from operations (of which it represents 1.7%, 2014/15:1.8%). We consider income from operations to be more stable than a surplus-related benchmark.

We report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £800k (2014/15:£900k) in addition to other identified misstatements that warrant reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was performed at the Trust's head office at the Northern General Hospital.

4 Our opinion on other matters prescribed by the Code of Audit Practice is unmodified

In our opinion:

- the parts of the Remuneration and Staff Reports to be audited have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

5 We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK&I) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the Annual Report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

INDEPENDENT AUDITOR'S REPORT

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy; or
- the Directors Report does not appropriately address matters communicated by us to the audit committee.

Under the Code of Audit Practice we are required to report to you if in our opinion:

- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16, 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.
- the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in its use of resources.

In addition we are required 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 respect of the above responsibilities.

Certificate of audit completion

We certify that we have completed the audit of the accounts of Sheffield Teaching Hospitals 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.

Respective responsibilities of the accounting officer and auditor

As described more fully in the Statement of Accounting Officer's Responsibilities on page 48 the accounting officer is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the UK Ethical Standards for Auditors.

Scope of an audit of financial statements performed in accordance with ISAs (UK and Ireland)

A description of the scope of an audit of financial statements is provided on our website at www.kpmg.com/uk/auditscopeother2014.

This report is made subject to important explanations regarding our responsibilities, as published on that website, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Respective responsibilities of the Trust and auditor in respect of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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 its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG), as to whether the Trust has proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The C&AG determined this criterion as necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

INDEPENDENT AUDITOR'S REPORT

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

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. 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 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.



**Trevor Rees
for and on behalf of KPMG LLP
Statutory Auditor**

Chartered Accountants

One St Peter's Square
Manchester

25 May 2016



Financial statements

FINANCIAL STATEMENTS

Foreword to the accounts

Sheffield Teaching Hospitals NHS Foundation Trust

These accounts for the year ended 31 March 2016 have been prepared by the Sheffield Teaching Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of schedule 7 of the National Health Service Act 2006 in the form which Monitor, the Independent Regulator of NHS Foundation Trusts, has, with the approval of HM Treasury, directed.

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.



Sir Andrew Cash OBE

Chief Executive

18 May 2016

Statement of Comprehensive Income for the year ending 31 March 2016

	NOTE	2015/16 £'000	2014/15 £'000
Operating Income from continuing operations	3.1	1,006,507	1,002,148
Operating Expenses from continuing operations	4.1	(1,001,235)	(980,748)
OPERATING SURPLUS		5,272	21,400
FINANCE COSTS			
Finance income	7.1	266	256
Finance expense- financial liabilities	7.2	(3,220)	(3,343)
Finance expense-unwinding of discount on provisions		(38)	(43)
Public Dividend Capital Dividends payable		(9,959)	(9,879)
Net Finance Costs		(12,951)	(13,009)
(DEFICIT) / SURPLUS FROM CONTINUING OPERATIONS		(7,679)	8,391
Other comprehensive income			
Impairment		83	(2,746)
Revaluation		1,114	11,031
Other reserve movements		0	0
TOTAL COMPREHENSIVE (EXPENSE) / INCOME FOR THE YEAR		(6,482)	16,676

The notes on pages 124 to 155 form part of these accounts

All income and expenditure is derived from continuing operations

Statement of Financial Position 31 March 2016

	NOTE	31 March 2016 £000	31 March 2015 £000
Non-current assets			
Intangible assets	8	8,530	2,885
Property, plant and equipment	9	435,931	434,758
Investments	11	0	0
Trade and other receivables	13.1	3,682	3,818
Total non-current assets		448,143	441,461
Current assets			
Inventories	12.1	15,900	14,085
Trade and other receivables	13.1	33,790	48,696
Current asset investments	14	0	0
Cash	21	86,735	81,431
Total current assets		136,425	144,212
Current liabilities			
Trade and other payables	15.1	(100,804)	(93,747)
Borrowings	16	(2,470)	(2,466)
Provisions due within one year	19	(2,159)	(1,762)
Other liabilities	17	(14,950)	(14,602)
Total current liabilities		(120,383)	(112,577)
Total assets less current liabilities		464,185	473,096
Non current liabilities			
Borrowings	16	(44,177)	(46,648)
Provisions due after one year	19	(2,551)	(2,640)
Other liabilities	17	(658)	(1,073)
Total non-current liabilities		(47,386)	(50,361)
Total assets employed		416,799	422,735

FINANCED BY:

Taxpayers' equity			
Public Dividend Capital		327,053	326,507
Revaluation reserve	20	39,168	39,584
Income and expenditure reserve		50,578	56,644
Total Taxpayers' equity		416,799	422,735

The financial statements on pages 119 to 155 were approved by the Board on 18 May 2016 and were signed on behalf of the Board by



Sir Andrew Cash OBE
Chief Executive
18 May 2016

Statement of Changes in Taxpayers' Equity

	Total	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2015	422,735	326,507	39,584	56,644
(Deficit) for the year	(7,679)			(7,679)
Transfers between reserves	0		(1,613)	1,613
Impairments	83		83	
Revaluation gains on property, plant and equipment	1,114		1,114	
Public Dividend Capital received	546	546		
Taxpayers' Equity at 31 March 2016	416,799	327,053	39,168	50,578
Taxpayers' Equity at 1 April 2014	406,059	326,507	32,697	46,855
Surplus for the year	8,391		8,391	
Transfers between reserves	0		(1,398)	1,398
Impairments	(2,746)		(2,746)	
Revaluation gains on property, plant and equipment	11,031		11,031	
Taxpayers' Equity at 31 March 2015	422,735	326,507	39,584	56,644

Statement of Cash Flows 31 March 2016

	NOTE	2015/16 £000	2014/15 £000
Cash flows from operating activities			
Operating surplus from continuing operations		5,272	21,400
Non(cash) income and expenditure			
Depreciation and amortisation	8.1 / 9.1	29,209	29,070
Impairments	4.1	1,480	10,649
Reversals of impairments	3.1	(2,167)	(8,656)
Gain on disposal	3.1	(59)	(74)
Income recognised in respect of capital donations (cash and non-cash)	3.1	(2,464)	(147)
Decrease / (Increase) in Trade and Other Receivables		15,402	(8,714)
(Increase) in Inventories		(1,815)	(944)
Increase in Trade and other Payables		6,014	5,710
(Decrease) / Increase in other Liabilities		(67)	736
Increase / (Decrease) in Provisions		270	(1,201)
Other operating cashflows		(2,353)	(129)
NET CASH GENERATED FROM OPERATIONS		48,722	47,700
Cash flows from investing activities			
Interest received		266	253
Purchase of intangible assets		(7,452)	(439)
Purchase of Property, Plant and Equipment		(25,537)	(27,083)
Sales of Property, Plant and Equipment		59	74
Receipt of Cash Donations to purchase capital assets		2,353	129
Net cash used in investing activities		(30,311)	(27,066)
Cash flows from financing activities			
Public Dividend Capital received		546	0
Loans repaid		(1,445)	(1,445)
Capital element of finance lease rental payments		(426)	(411)
Capital element of Private Finance Initiative Obligations		(594)	(630)
Interest paid		(1,200)	(1,262)
Interest element of finance lease		(109)	(125)
Interest element of Private Finance Initiative obligations		(1,911)	(1,953)
Public Dividend Capital Dividend paid		(9,360)	(10,629)
Cash flows from other financing activities		1,392	1,038
Net cash used in financing activities		(13,107)	(15,417)
Increase in cash and cash equivalents		5,304	5,217
Cash and Cash equivalents at 1 April	21	81,431	76,214
Cash and Cash equivalents at 31 March	21	86,735	81,431

NOTES TO THE ACCOUNTS

1 Accounting policies and other information

Monitor is responsible for issuing an accounts direction to NHS Foundation Trusts under the NHS Act 2006. Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual (FT ARM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the FT ARM 2015/16 issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and liabilities.

1.1 Consolidation

NHS charity transactions and balances are not consolidated into the financial statements. The Trust has established that it is not a corporate Trustee of any of its supporting or linked Charities and does not have the power to exercise control so as to obtain economic benefits, meaning consolidation is not appropriate. Additionally the transactions and balances are immaterial in the context of the Trust operations.

The Trust has a number of minor interests in the following entities, none of which are material to its operations. These interests are not classified as subsidiaries, associates or joint ventures under relevant accounting standards.

Name	Nature of Relationship
Epaq Systems Ltd	Minor share-holding in low net worth company
Zilico	Minor share-holding in low net worth company
Elaros 24/7 Ltd	Minor share-holding in low net worth company
Independent Care Products Ltd	Minor share-holding in low net worth company
Devices for Dignity Ltd	No return to the Trust
Medipex Ltd	No return to the Trust
Olympic Legacy Park Ltd	No return to the Trust

No consolidation has therefore been undertaken for these entities.

1.2 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. The main source of income for the trust is contracts with commissioners in respect of healthcare services.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

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.

1.3 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.

Pension Costs - 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. 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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their 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 appropriate employee and employer representatives as deemed appropriate.

1.4 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.5 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; and
- the cost of the item can be measured reliably.

Tangible fixed assets are capitalised where they:

- individually have a cost of at least £5,000; or,
- collectively have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at valuation. Property valuations are carried out primarily at depreciated replacement cost on a Modern Equivalent Asset (MEA) basis for specialised operational property, and existing use value for non-specialised operational property. The value of land for existing use purposes is assessed at existing use value.

An item of land, property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value (open market valuation) under IFRS13, if it does not meet the requirements of IAS 40 (investment properties) or IFRS5 (asset held for sale).

Revaluations are performed with sufficient regularity to ensure that the carrying amounts are not materially different from those that would be determined at the end of the reporting period. The current revaluation policy of the Trust is to perform a full valuation every five years, with an interim valuation in the third year. A full revaluation was carried out at 31 March 2015. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors' 'Red Book' (RICS) Appraisals and Valuation Manual.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of Property, Plant and Equipment are depreciated over their remaining useful 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 and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the FT ARM, impairments that arise from a clear consumption of economic benefit, loss of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of i) the impairment charged to operating expenses and ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains. .

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. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset, and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated, Government Grant and Other Grant Funded Assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with IAS17, the underlying assets are recognised as Property, Plant and Equipment at their fair value, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as Property, Plant and Equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

Life cycle replacement costs are capitalised where they meet the criteria for recognition set out above.

1.6 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.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits 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.

Subsequently intangible assets are measured at fair value.

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.

1.7 Revenue, government and other grants

Government grants are grants from Government bodies other than income from Clinical Commissioning Groups 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.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First Out (FIFO) method.

1.9 Financial instruments and financial liabilities

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 below.

Regular way 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 cashflows 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 'Fair Value through Income and Expenditure', 'Loans and receivables' or 'Available-for-sale financial assets'.

Financial liabilities are classified as 'Fair value through Income and Expenditure' or as 'Other Financial liabilities'.

Financial assets and financial liabilities at 'Fair Value through Income and Expenditure'

Financial assets and financial liabilities at 'fair value through income and expenditure' are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term.

Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not 'closely-related' to those contracts are separated out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Trust's loans and receivables comprise cash and cash equivalents, trade receivables and NHS debtors.

Loans and receivables are recognised initially at fair value, net of transactions 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.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the Trust intends to dispose of them within 12 months of the Balance Sheet date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. When items classified as 'available-for-sale' are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in 'Finance Costs' in the Statement of Comprehensive Income.

Other financial liabilities

All 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 Statement of Financial Position 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 quoted market prices, independent appraisals or discounted cash flow analysis, as appropriate.

Impairment of financial assets

At the Balance Sheet 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 cashflows 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 through the use of a bad debt provision.

1.10 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of Property, Plant and Equipment.

The annual rental is split between the repayment of the liability and a finance cost, so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Other leases are regarded as operating leases and the rentals 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.

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.

1.11 Provisions

The NHS Foundation Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using discount rates published and mandated by HM Treasury.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS Foundation Trust is disclosed at note 19, but is not recognised in the NHS Foundation Trust's accounts.

Non-clinical risk pooling

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims, are charged to operating expenses when the liability arises.

1.12 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 24 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 24, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events 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.

1.13 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 payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust during the financial year.

Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets (including lottery funded assets), average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, for 2013/14 only, net assets and liabilities transferred from bodies which ceased to exist on 1 April 2013, and any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (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.

1.14 Value Added Tax

Most of the activities of the NHS Foundation Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.15 Corporation Tax

Foundation Trusts currently have a statutory exemption from Corporation Tax on all their activities.

1.16 Foreign Exchange

The functional and presentational currencies of the Trust are sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Balance Sheet date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the balance sheet date) are recognised in income or expenditure in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.17 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

1.18 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS trusts not been bearing their own risks (with insurance premiums then being included in normal revenue expenditure).

However, the losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

1.19 Transfers of functions from other NHS bodies

For functions that have been transferred to the Trust from another NHS body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition.

For property, plant and equipment assets and intangible assets, the cost and accumulated depreciation/amortisation balances from the transferring entities accounts are preserved on recognition in the trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

1.20 Critical Accounting Estimate and Judgements

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 assumptions are based on historical experience and other factors that are considered to be reasonable and relevant under all the circumstances. 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.

Management do not consider that there are any estimates which create a significant risk of causing a material uncertainty. However, the following are areas of estimation or judgement which have a major effect on the amounts recognised in the financial statements:

- Plant, Property and Equipment Valuations and useful economic lives – see paragraph 1.5 & note 9.
- Income Estimates – see paragraph 1.1. Included in the income figure is an estimate for partially completed spells, i.e. treatment for admitted patients which is ongoing at the 31 March each year. This income is estimated based on the average speciality tariff applicable to each spell and adjusted for the portion of work completed at the end of the financial year.
- Provision for Impairment of Receivables – see paragraph 1.9 & note 13.2.
- Expenditure Accruals – see paragraph 1.4 & note 15.1.
- Provisions – see paragraph 1.11 & note 19.

1.21 Accounting Standards which have been issued but which have not yet been adopted

The Treasury Financial Reporting Manual does not require the following Standards to be applied in 2015/16:

IFRS 11 – Acquisition of an interest in a Joint Operation.
Expected effective date 2016/17.

IAS 16 and IAS 38 – Depreciation and amortisation. Expected effective date 2016/17.

IAS 16 and IAS 41 – Bearer plants. Expected effective date 2016/17.

IAS 27 – Equity method in separate financial statements.
Expected effective date 2016/17.

IFRS 10 and IAS 28 – Sale or contribution of assets. Expected effective date 2016/17.

IFRS10 and IAS 28 – Investment entities applying the consolidation exception. Expected effective date 2016/17.

IAS 1 – Disclosure initiative. Expected effective date 2016/17.

IFRS15 – Revenue from contracts with customers. Expected effective date 2017/18.

Annual improvements to IFRS – 2012-2015 cycle. Expected effective date 2017/18.

IFRS9 – Financial Instruments. Expected effective date 2018/19.

The application of the Standards as revised would not have a material impact on the accounts of the Trust for 2015/16, were they applied in that year.

2 Segmental analysis

The Trust has determined that the Chief Operating decision maker (as defined by IFRS 8: Operating Segments) is the Board of Directors, on the basis that all strategic decisions are made by the Board.

The Board reviews the operating and financial results of the Trust on a monthly basis and considers the position of the Trust as a whole in its decision making process, rather than as individual components which comprise the total, in terms of allocating resources. Consequently the Board of Directors considers that all the Trust's activities fall under the single segment of provision of healthcare, and no further segmental analysis is therefore required.

3. Income

3.1 Income from Activities

3.1 Income from Activities	2015/16 £'000	2014/15 £'000
Elective income	165,213	163,616
Non Elective income	176,805	178,844
Outpatient income	126,291	128,632
A&E Income	15,752	15,776
Other NHS Clinical income	281,336	272,991
Income re Community Services	65,930	66,188
Private Patient Income	3,409	3,455
Total income from activities	834,736	829,502

Other operating income

Research and development	40,060	38,133
Education and training	60,511	63,246
Received from NHS Charities - Donation of physical assets (non-cash)	86	0
Received from NHS Charities -	2,353	129
Receipt of grants / donations for capital acquisitions		
Received from other bodies -	25	18
Receipt of grants / donations for capital acquisitions		
Charitable and other contributions to expenditure	0	0
Non-patient care services to other bodies	50,744	48,012
Other	15,340	14,051
Gain on disposal	59	74
Operating lease income	423	327
Operating lease income - contingent rent	3	0
Reversal of impairments of property, plant & equipment	2,167	8,656
Total other operating income	171,771	172,646
TOTAL OPERATING INCOME	1,006,507	1,002,148

3.2 Operating lease income	2015/16 £'000	2014/15 £'000
Rents recognised as income in the period	423	327
Contingent rents recognised as income in the period	3	0
	426	327
Future minimum lease payments due		
Re Land		
- not later than one year;	0	0
- later than one year and not later than five years;	39	42
- later than five years.	484	522
	523	564
Re Buildings		
- not later than one year;	71	1
- later than one year and not later than five years;	737	502
- later than five years.	4,903	2,044
	5,711	2,547
Total - all categories		
- not later than one year;	71	1
- later than one year and not later than five years;	776	544
- later than five years.	5,387	2,566
	6,234	3,111

3.3 Operating Income (by type)

Income from activities	2015/16	2014/15
	£'000	£'000
Clinical Commissioning Groups and NHS England	820,343	808,184
NHS Foundation Trusts	91	1
NHS Trusts	0	1
DOH Income	0	6,400
Local Authorities	5,957	7,261
NHS Other	2,229	1,786
Non NHS: Private patients	2,869	2,973
Non NHS: Overseas patients (non-reciprocal)	540	483
NHS injury scheme (formerly the Road Traffic Act Scheme)	2,532	2,234
Non NHS: Other*	175	179
Total Income from activities	834,736	829,502

*Non NHS Other income from activities comprises income from prescription charges.

Other Operating Income

Research and development	40,060	38,133
Education and training	60,511	63,246
Received from NHS Charities - Donation of physical assets (non-cash)	86	0
Received from NHS Charities - Receipt of grants / donations for capital acquisitions	2,353	129
Received from other bodies - Receipt of grants / donations for capital acquisitions	25	18
Non-patient care services to other bodies	50,744	48,012
Other**	15,340	14,051
Gain on disposal	59	74
Operating lease income	423	327
Operating lease income - contingent rent	3	0
Reversal of impairments of property, plant & equipment	2,167	8,656
Total Other income	171,771	172,646

**Other Operating Income 'Other' consists of sundry income from the provision of various facilities to staff, patients and public on STH sites.

The largest individual components relate to the provision of car-parking, catering, and nursery facilities.

Commissioner Requested services for the year totalled £889,131k (2014-15 £886,877k). Non Commissioner Requested Services were £117,376k (2014-15 £115,271k)

4. Operating Expenses

4.1 Operating expenses comprise:

4.1 Operating expenses comprise:	2015/16 £'000	2014/15 £'000
Services from other NHS Foundation Trusts	10,452	8,835
Services from other NHS Trusts	342	327
Services from CCGs and NHS England	3,222	351
Services from other NHS bodies	6,460	6,889
Purchase of healthcare from non NHS bodies	13,407	13,311
Executive Directors' costs	1,300	1,262
Non-Executive Directors' costs	179	184
Staff costs	595,489	580,786
Drugs costs	137,732	125,853
Supplies and services - clinical	100,667	95,821
Supplies and services - general	8,585	8,286
Establishment	8,919	9,607
Research and Development	29,749	30,777
Transport	771	830
Premises	34,106	36,041
Increase / (Decrease) in bad debt provision	1,329	(53)
Change in provisions discount rate	101	0
Depreciation on property, plant and equipment	27,873	27,988
Amortisation of intangible assets	1,336	1,082
Impairments of property, plant and equipment	1,347	10,649
Impairments of intangible assets	133	0
Operating lease costs	1,148	1,188
Audit services - statutory audit	59	59
Other auditor remuneration	15	58
Clinical negligence	7,500	9,999
Legal fees	1,545	1,468
Consultancy costs	1,256	2,409
Internal audit costs	155	175
Training, courses and conferences	2,521	2,051
Redundancy	105	(393)
Insurance	922	905
Other Services	2,247	2,441
Losses, ex gratia & special payments	17	43
Other	246	1,519
Total	1,001,235	980,748
	£'000	£'000
Limitation on Auditors' liability	1,000	1,000

4.2 Arrangements containing an operating lease

	2015/16 £'000	2014/15 £'000
Minimum lease payments	1,148	1,188
Contingent rents	0	0
Less sublease payments received	0	0
Total	1,148	1,188

4.3 Arrangements containing an operating lease

	2015/16 £'000	2014/15 £'000
Future minimum lease payments due:		
Within 1 year	213	271
Between 1 and 5 years	781	1,080
After 5 years	1,065	1,208
Total	2,059	2,559

4.4 Salary and Pension entitlements of senior managers

a) Remuneration

	To 31 March 2016		To 31 March 2015	
	Employee Salary	Short term benefits - Employer's National Insurance	Employee Salary	Short term benefits - Employer's National Insurance
	(bands of £5,000) £'000	Rounded to the nearest £100	(bands of £5,000) £'000	Rounded to the nearest £100
Mr A Buckham, Non-Executive Director (from 1 September 2015)	5-10	600	N/a	N/a
Sir A J Cash, OBE, Chief Executive	240-245	32,300	215-220	29,000
Professor H Chapman, CBE, Chief Nurse	175-180	22,100	175-180	22,100
Mr J P Donnelly, Non-Executive Director (to 30 September 2014)	N/a	N/a	5-10	500
Ms V R Ferres, Non-Executive Director (to 30 September 2014)	N/a	N/a	5-10	500
Mr M Gwilliam, Director of Human Resources and Organisational Development	145-150	18,300	145-150	18,400
Ms S Harrison, Non-Executive Director (to 30 June 2015)	0-5	300	15-20	1,000
Ms C Imison, Non-Executive Director (from 1 September 2015)	5-10	600	N/a	N/a
Ms A Laban, Non-Executive Director	15-20	1,300	15-20	1,100
Ms K Major, Director of Strategy and Operations	145-150	18,100	145-150	18,400
Ms D Moore, Non Executive Director (from 1 October 2014)	15-20	1,000	5-10	500
Mr J O'Kane, Non Executive Director (from 1 October 2014)	15-20	1,200	5-10	500
Mr A Pedder, Chairman	55-60	6,900	55-60	6,900
Mrs J Phelan, Communications and Marketing Director	105-110	12,200	105-110	12,400
Mr V G W Powell, Non-Executive Director (to 30 June 2015)	0-5	300	15-20	1,400
Mr N Priestley, Director of Finance	175-180	22,100	175-180	22,100
Mr N Riley, Assistant Chief Executive	110-115	13,000	110-115	13,000
Mr M J Temple, Non-Executive Director	15-20	1,100	15-20	1,000
Dr David Throssell, Medical Director	155-160	19,600	150-155	18,600
Professor A P Weetman, Non-Executive Director	15-20	1,000	15-20	1,000

4.5 Salary and Pension entitlements of senior managers

b) Pension Benefits

Name and title	Real change in pension and related lump sum at age 60 (bands of £2500)	Total accrued pension and related lump sum at age 60 at 31 March 2016	Cash Equivalent Transfer Value at 31 March 2016	Cash Equivalent Transfer Value at 31 March 2015	Real Change in Cash Equivalent Transfer Value	Employer's Contribution to Stakeholder Pension
	£000	£000	£000	£000	£000	To nearest £100
Sir A J Cash, OBE, Chief Executive	n/a	n/a	n/a	n/a	n/a	n/a
Professor H Chapman, CBE, Chief Nurse	7.5-10	323	1,498	1,427	54	25,300
Mr M Gwilliam, Director of Human Resources and Organisational Development	7.5-10	91	424	381	38	21,400
Ms K Major, Director of Strategy and Operations	2.5-5	151	577	542	28	21,200
Mrs J Phelan, Communications and Marketing Director	0-2.5	114	488	462	20	15,000
Mr N Priestley, Director of Finance	7.5-10	286	1,410	1,343	51	25,200
Mr N Riley, Assistant Chief Executive	2.5-5	181	946	901	34	15,800
Dr D Throssell, Medical Director	15-17.5	236	1,167	1,060	94	22,600

As Non-Executive members do not receive pensionable remuneration there are no entries in respect of pensions for Non-Executive members.

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 from 2004-05 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.

There are no CETV amounts for those Directors aged sixty or over at the Statement of Financial Position date. This is because these directors are not permitted to transfer benefits, hence no value is disclosed under this note. Similarly, no disclosure is made under this note for any Senior Manager who is non-pensionable during the reporting period.

Real Change in CETV - This reflects the change in CETV effectively funded by the employer. It takes account of the change in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

The total accrued pension and related lump sum figure at 31/3/16 comprises an annual pension amount and a lump sum equivalent to three times that annual pension.

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report. Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

5.1 Employee expenses	2015/16			2014/15		
	Total £'000	Permanent £'000	Other £'000	Total £'000	Permanent £'000	Other £'000
Salaries and wages	481,698	467,903	13,795	469,329	456,924	12,405
Social Security Costs	33,332	33,332	0	32,765	32,765	0
Employer contributions to NHSPA	55,000	55,000	0	52,408	52,408	0
Other pension costs	0	0	0	0	0	0
Agency / contract staff	26,759	0	26,759	27,546	0	27,546
Total	596,789	556,235	40,554	582,048	542,097	39,951

The above figure of £596,789k is net of the amount of £4,472k (2014/15 £2,272k) in respect of capitalised salary costs included in fixed asset additions (notes 8.1 and 9.1).

5.2 Average number of persons employed (Whole Time Equivalent basis)

	2015/16			2014/15		
	Total Number	Permanent Number	Other Number	Total Number	Permanent Number	Other Number
Medical and dental	1,680	1,622	58	1,786	1,615	171
Administration and estates	2,811	2,545	266	2,867	2,446	421
Healthcare assistants and other support staff	1,708	1,555	153	1,643	1,526	117
Nursing, midwifery and health visiting staff	5,675	5,553	122	5,853	5,428	425
Scientific, therapeutic and technical staff	2,580	2,530	50	2,547	2,430	117
Total	14,454	13,805	649	14,696	13,445	1,251

The basis of the calculation in respect of other staff numbers has been refined in 15/16, however it is not possible to restate the comparative 14/15 figures on the same basis. The apparent reduction in other staff numbers in 15/16 should therefore be seen in this context.

5.3 Employee benefits

	2015/16 £000	2014/15 £000
Benefits	0	0
	0	0

5.4 Staff Exit Packages

Exit package cost band	2015/16 Number of Compulsory redundancies	Number of other departures agreed	Total Number of Exit packages by cost band
<£10,000	0	0	0
£10,000 - £25,000	0	0	0
£25,001 - £50,000	0	1	1
£50,001 - £100,000	0	1	1
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
Over £200,000	0	0	0
Total Number of Exit Packages by type	0	2	2
Total Cost (£'000)	0	105	105

5.4 Staff Exit Packages

Exit package cost band	2014/15 Number of Compulsory redundancies	2014/15 Number of other departures agreed	Total Number of Exit packages by cost band
<£10,000	0	8	8
£10,000 - £25,000	0	6	6
£25,001 - £50,000	0	10	10
£50,001 - £100,000	0	1	1
£100,001 - £150,000	0	1	1
£150,001 - £200,000	0	0	0
Over £200,000	0	0	0
Total Number of Exit Packages by type	0	26	26
Total Cost (£'000)	0	703	703

5.5 Early Retirements Due to Ill Health

	2015/16 £'000	2015/16 Number	2014/15 £'000	2014/15 Number
Number of early retirements agreed on the grounds of ill health		13		15
Cost of early retirements agreed on grounds of ill health	454		1,031	

These costs were borne by the NHS Pensions Agency.

6. Performance on payment of debts

The Better Payment Practice Code requires the Trust to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. The Trust's performance against this code is set out below:

	2015/16 £'000	2014/15 £'000
Number of non NHS invoices paid	213,915	201,092
Number of non NHS invoices paid within 30 days	203,602	192,729
Percentage of invoices paid within 30 days	95.18%	95.84%
Value of non NHS invoices paid	417,369	388,701
Value of non NHS invoices paid within 30days	400,496	367,872
Percentage of invoices paid within 30 days	95.96%	94.64%
Amounts included within Interest Payable (Note 7.2) arising from claims made under the Late Payment of Debts (Interest) Act 1998	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0

7.1 Finance Income	2015/16 £'000	2014/15 £'000
Bank account interest	266	256
Total	266	256
7.2. Finance costs - interest expense	2015/16 £'000	2014/15 £'000
Capital loans from the Department of Health	1,200	1,265
Finance Lease interest	109	125
Finance Costs in PFI Obligations		
Main Finance Costs	1,238	1,277
Contingent Finance Costs	673	676
Total	3,220	3,343
7.3 Impairment of assets	2015/16 £'000	2014/15 £'000
Loss or damage from normal operations	473	265
Abandonment of assets in course of construction	167	623
Changes in market price	840	9,761
Impairments charged to expenses	1,480	10,649
Reversal of impairments credited to income	(2,167)	(8,656)
Total	(687)	1,993

8.1 Intangible fixed assets 2015/16

	Total £'000	Software licences £'000	Min Life Years	Max Life Years
Gross Cost at 1 April 2015	6,713	6,713		
Additions - purchased	7,107	7,107		
Additions - donated	7	7		
Disposals	(273)	(273)		
Gross cost at 31 March 2016	13,554	13,554		
Amortisation at 1 April 2015	3,828	3,828		
Provided during the year	1,336	1,336		
Impairments	133	133		
Disposals	(273)	(273)		
Amortisation at 31 March 2016	5,024	5,024		
Net Book Value at 31 March 2016	8,530	8,530		

8.2 Intangible fixed assets 2014/15

	£'000	£'000
Gross cost at 1 April 2014	5,263	5,263
Reclassifications (from assets under construction, note 9.3)	1033	1033
Additions - purchased	439	439
Additions - donated	0	0
Disposals	(22)	(22)
Gross cost at 31 March 2015	6,713	6,713
Amortisation at 1 April 2014	2,746	2,746
Provided during the year	1082	1082
Impairments	0	0
Reclassifications	22	22
Disposals	(22)	(22)
Amortisation at 31 March 2015	3,828	3,828
Net Book Value at 31 March 2015	2,885	2,885

Note 8.3 Economic life of intangible assets

	Intangible assets - purchased Software licences	5	8
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9. Property, Plant and Equipment

9.1 Property, Plant and Equipment 2015/16

	Total £'000	Land £'000	Dwellings £'000	Buildings excluding dwellings £'000	Assets under construction £'000	Plant & machinery £'000	Transport equipment £'000	Information technology £'000	Furniture & fittings £'000
Gross Cost at 1 April 2015	556,890	14,710	346,581	1,671	13,370	127,412	1,231	23,581	28,334
Transfers by absorption (Normal)	0								
Additions (purchased	24,572	0	452	0	17,582	6,392	32	99	15
Additions (donated	111	0	0	0	0	111	0	0	0
Additions (assets purchased from cash donations	2,346	0	36	0	2,045	239	0	0	26
Impairments charged to operating expenses	(1,007)	0	(839)	0	(168)	0	0	0	0
Impairments charged to revaluation reserve	(5)	0	(5)	0	0	0	0	0	0
Reversal of impairments credited to operating income	2,167	0	2,162	0	5	0	0	0	0
Reversal of impairments credited to revaluation reserve	88	0	88	0	0	0	0	0	0
Reclassifications	0	0	9,033	405	(15,803)	2,845	0	3,182	338
Other Revaluations	32	0	32	0	0	0	0	0	0
Disposals	(21,274)	0	0	0	0	(3,978)	(55)	0	(16,264)
Cost or valuation at 31 March 2016	563,920	14,710	357,540	2,076	17,031	133,021	1,208	25,885	12,449
Accumulated Depreciation at 1 April 2015	122,132	0	0	0	0	78,428	799	19,701	23,204
Provided during the year	27,873	0	14,852	120	0	9,530	112	2,119	1,140
Impairments recognised in operating expenses	340	0	0	0	0	335	0	0	5
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	11	0	(14)	0	0	3
Other Revaluations	(1,082)	0	(1,082)	0	0	0	0	0	0
Disposals	(21,274)	0	0	0	0	(3,978)	(55)	(977)	(16,264)
Depreciation at 31 March 2016	127,989	0	13,770	131	0	84,301	856	20,843	8,088
Net book value									
- Purchased at 31 March 2016	384,403	14,055	299,751	1,785	15,014	44,396	315	5,036	4,051
- Finance Leases at 31 March 2016	2,387	0	0	0	0	2,387	0	0	0
- PFI at 31 March 2016	16,602	0	16,602	0	0	0	0	0	0
- Government granted assets at 31 March 2016	2,970	0	2,812	0	0	129	0	3	26
- Donated at 31 March 2016	29,569	655	24,605	160	2,017	1,808	37	3	284
Total at 31 March 2016	435,931	14,710	343,770	1,945	17,031	48,720	352	5,042	4,361

9.2 Analysis of Property, Plant and Equipment

Net book value									
- Purchased at 31 March 2016	384,403	14,055	299,751	1,785	15,014	44,396	315	5,036	4,051
- Finance Leases at 31 March 2016	2,387	0	0	0	0	2,387	0	0	0
- PFI at 31 March 2016	16,602	0	16,602	0	0	0	0	0	0
- Government granted assets at 31 March 2016	2,970	0	2,812	0	0	129	0	3	26
- Donated at 31 March 2016	29,569	655	24,605	160	2,017	1,808	37	3	284
Total at 31 March 2016	435,931	14,710	343,770	1,945	17,031	48,720	352	5,042	4,361

9.3 Property, Plant and Equipment 2014/15

		Furniture & fittings			
		£'000	£'000	£'000	£'000
Total	£'000	14,487	368,659	1,486	27,744
Cost or valuation at 1 April 2014					
Additions (purchased	26,747	0	1,025	0	207
Additions (donated	18	0	0	0	0
Additions (assets purchased from cash donations	129	0	(72)	0	0
Impairments charged to operating expenses	(10,360)	(5)	(9,726)	(6)	0
Impairments charged to revaluation reserve	(2,944)	(105)	(2,819)	(20)	0
Reversal of impairments credited to operating income	8,656	0	8,419	216	0
Reversal of impairments credited to revaluation reserve	198	0	198	0	0
Reclassifications	(1,033)	0	12,974	0	0
Revaluations	(30,055)	333	(30,383)	(5)	0
Disposals	(14,822)	0	(1,694)	0	(9,863)
Cost or valuation at 31 March 2015	556,890	14,710	346,581	1,671	13,370
Buildings excluding dwellings					
Land	£'000	14,487	368,659	1,486	27,744
Buildings under construction					
Dwellings	£'000	14,487	368,659	1,486	27,744
Assets under construction					
Plant & machinery					
Transport equipment	£'000	1,166	25,686	131,016	4,255
Information technology	£'000	0	0	0	76
Furniture & fittings	£'000	0	0	0	108
Accumulated depreciation at 1 April 2014	149,785	0	27,525	161	0
Provided during the year	27,988	0	14,768	221	0
Impairments	289	0	24	0	9,768
Reversal of impairments	0	0	0	0	262
Reclassifications	(22)	0	81	0	0
Revaluations	(41,086)	0	(40,704)	(382)	0
Disposals	(14,822)	0	(1,694)	0	(9,863)
Depreciation at 31 March 2015	122,132	0	0	0	78,428
Net book value					
- Purchased at 31 March 2015	384,413	14,055	302,549	1,499	13,364
- Finance leases at 31 March 2015	2,821	0	0	0	43,928
- PFI at 31 March 2015	15,463	0	15,463	0	2,821
- Government grant assets at 31 March 2015	3,299	0	2,938	0	0
- Donated at 31 March 2015	28,762	655	25,631	172	324
Total at 31 March 2015	434,758	14,710	346,581	1,671	13,370
9.4 Analysis of Property, Plant and Equipment					
Net book value					
- Purchased at 31 March 2015	384,413	14,055	302,549	1,499	13,364
- Finance leases at 31 March 2015	2,821	0	0	0	43,928
- PFI at 31 March 2015	15,463	0	15,463	0	2,821
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- Finance leases at 31 March 2015	2,821	0	0	0	43,928
- PFI at 31 March 2015	15,463	0	15,463	0	2,821
- Government grant assets at 31 March 2015	3,299	0			

9.5 Economic life of Property, Plant and Equipment

	Minimum Life (years)	Maximum Life (years)
Land	0	0
Buildings excluding dwellings	5	50
Dwellings	15	20
Plant & Machinery	5	15
Transport Equipment	7	7
Information Technology	5	8
Furniture & Fittings	10	10

9.6 Non-Property Valuations

Depreciated historical cost is the basis for determining fair value for the Trust's non-property assets. This is not considered to be materially different from fair value.

9.7 Property Valuations

Net book value of assets covered by valuation method	Buildings excluding dwellings		
	Land £'000	Buildings excluding dwellings £'000	Dwellings £'000
Modern Equivalent Asset (no Alternative Site)	14,710	343,770	1,945
Modern Equivalent Asset (Alternative Site)	0	0	0
Market value in existing use	0	0	0
Fair value (surplus PPE land and buildings)	0	0	0
Total at 31 March 2016	14,710	343,770	1,945

10 Non-current assets for sale and assets in disposal groups 2015/16

There were no non-current assets for sale and assets in disposal groups in 2015/16 and 2014/15.

11. Fixed Asset Investments

The Trust has holdings in the following companies that are commercially developing intellectual property. The Trust holdings in these companies carry a minimal value at the Balance Sheet date (31 March 2016 and 31 March 2015). None of the entities are material to the Trust's operations, nor classified as subsidiaries, associates or joint ventures under relevant accounting standards.

Companies in which the trust owns shares

	Shareholding
Epaq Systems Ltd	43.59%
Elaros 24/7 Ltd	19.00%
Independent Care Products Ltd	10.00%
Zilico Ltd	7.55%

Companies limited by guarantee

Devices for Dignity Ltd	Member
Medipex Ltd	Member
Olympic Legacy Park Ltd	Member

12.1. Inventories

	31 March 2016 £'000	31 March 2015 £'000
Drugs	6,363	6,228
Energy	330	356
Other (implantable devices, etc.)	9,207	7,501
Total	<u>15,900</u>	<u>14,085</u>

12.2 Inventories recognised in expenses

	2015/16 £'000	2014/15 £'000
Inventories recognised in expenses	111,737	116,116
Write down of inventories recognised as an expense	99	166
Total Inventories recognised in expenses	<u>111,836</u>	<u>116,282</u>

13.1. Trade receivables and other receivables

	31 March 2016 Total £'000	31 March 2015 Total £'000
Amounts falling due within one year:		
NHS receivables	13,772	26,583
Other receivables with related parties	2,754	4,676
Provision for impaired receivables	(3,771)	(2,547)
Prepayments	3,582	2,522
Accrued income	7,947	7,155
Interest receivable	24	24
Public Dividend Capital dividend receivable	62	661
VAT receivable	1,144	2,101
Other receivables	8,276	7,521
 Total due within one year	 33,790	 48,696
Amounts falling due after more than one year:		
Other receivables	3,682	3,818
 Total due after more than one year	 3,682	 3,818
 Total	 <u>37,472</u>	 <u>52,514</u>

13.2 Provision for impairment of receivables

	2015/16	2014/15
	£'000	£'000
At 1 April	2,547	2,761
Increase in provision	1,986	705
Utilised	(105)	(161)
Unused amounts reversed	(657)	(758)
At 31 March	3,771	2,547

13.3 Analysis of impaired receivables

Ageing of impaired receivables	£'000	£'000
0-30 days	43	69
30-60 days	15	66
60-90 Days	31	62
90-180 days	122	133
over 180 days	3,560	2,217
Total	3,771	2,547
Ageing of non-impaired receivables past their due date		
0-30 days	1,679	3,794
30-60 days	336	839
60-90 Days	834	1,287
90-180 days	1,596	1,315
over 180 days	880	736
Total	5,325	7,971

14. Current asset investments

The Trust had no current asset investments in either financial year.

15. Payables

15.1 Trade and other payables

	31 March 2016	31 March 2015
	Total £'000	Total £'000
Amounts falling due within one year:		
NHS payables	15,970	12,431
Amounts due to other related parties	8,337	7,481
Trade payables - capital	9,804	8,761
Other trade payables	18,618	17,609
Other payables	8,393	7,783
Accruals	29,213	28,985
Social Security and other taxes	10,469	10,697
Total current trade and other payables	100,804	93,747
	31 March 2016	31 March 2015
	£'000	£'000
Amounts falling due after one year:	Total 0	Total 0
Total non-current trade and other payables	0	0

15.2 Early retirements detail included in payables above

	31 March 2016	31 March 2015		
	Total £'000	Number	Total £'000	Number
- to buy out the liability for early retirements over 5 years	0	0		
- number of cases involved		0		0
- outstanding pension contributions at 31 March	7,571		7,372	

16 Borrowings

	31 March 2016	31 March 2015
	£'000	£'000
Current		
Capital Loans from the Department of Health	1,445	1,445
Obligations under finance leases	443	427
Obligations under Private Finance Initiative contracts	582	594
Total Current Borrowings	2,470	2,466
Non- Current		
Capital Loans from the Department of Health	23,290	24,735
Obligations under finance leases	1,950	2,393
Obligations under Private Finance Initiative contracts	18,937	19,520
Total Non Current Borrowings	44,177	46,648

17 Other Liabilities

	31 March 2016 £'000	31 March 2015 £'000
Deferred Income	14,950	14,602
Total Other Current liabilities	14,950	14,602
Non-current		
Deferred Income	658	1,073
Total Other Non-Current Liabilities	658	1,073

18 Financial Obligations

18.1 Finance Lease Obligations

	31 March 2016 £'000	31 March 2015 £'000
Gross lease liabilities	2,684	3,221
of which liabilities are due		
- not later than one year;	536	536
- later than one year and not later than five years;	2,145	2,145
- later than five years.	3	540
Finance charges allocated to future periods	(291)	(401)
Net lease liabilities	2,393	2,820
- not later than one year;	443	427
- later than one year and not later than five years;	1,950	1,877
- later than five years.	0	516

18.2 Private Finance Initiative (PFI) Obligations (On Statement of Financial Position)

	31 March 2016 £'000	31 March 2015 £'000
Gross PFI liabilities	35,143	36,976
of which liabilities are due		
- not later than one year;	1,785	1,832
- later than one year and not later than five years;	6,739	7,005
- later than five years.	26,619	28,139
Finance charges allocated to future periods	(15,624)	(16,862)
Net PFI liabilities	19,519	20,114
- not later than one year;	582	594
- later than one year and not later than five years;	2,309	2,424
- later than five years.	16,628	17,096

18.3 Amounts included in operating expenses in respect of PFI transactions deemed to be in the categories listed below

	2015/16 £'000	2014/15 £'000
Building Maintenance	326	323
Insurance	151	150
Other management services	105	104
Depreciation	387	398
	969	975

18.4 Finance charges in respect of Private Finance Initiative (PFI) transactions

Finance charges in respect of PFI transactions are shown under note 7.2

18.5 PFI Scheme details

Estimated capital value of PFI scheme	£16,601k
Contract start date	December 2004
Contract handover date	March 2007
Length of project (years)	32
Number of years to end of project	20 years, 9 months
Contract end date	December 2036

18.6 The trust is committed to make the following payments for the total service element for on-SoFP PFI service concessions for each of the following periods

	31 March 2016 Hadfield Block £000	31 March 2015 Hadfield Block £000
Within one year	590	582
2nd to 5th years (inclusive)	2,512	2,479
Later than 5 years	12,686	13,491

The PFI scheme is a scheme to design, build, finance and maintain a new medical ward block on the Northern General Hospital site (Sir Robert Hadfield Block). The Trust is entitled to provide healthcare services within the facility for the period of the PFI arrangement.

19. Provisions for liabilities and charges

	Current 31 March 2016 £'000	31 March 2015 £'000		Non Current 31 March 2016 £'000	31 March 2015 £'000		
	Pensions relating to former staff	Legal claims		Agenda For Change			
Pensions relating to former staff	277			194			
Legal claims	1,791			1,484			
Agenda For Change	43			40			
Other	48			44			
Total	2,159			1,762			
	Pensions relating to former staff £'000	Legal claims £'000	Agenda For Change £'000	Redundancy £'000	Other £'000	31 March 2016 £'000	31 March 2015 Total £'000
At start of period	2,834	1,484	40	0	44	4,402	5,560
Change in discount rate	101	0	0	0	0	101	0
Arising during the year	59	1,624	3	0	4	1,690	1,562
Utilised during the year	(191)	(326)	0	0	0	(517)	(1,612)
Reversed unused	(13)	(991)	0	0	0	(1,004)	(1,151)
Unwinding of discount	38	0	0	0	0	38	43
At 31 March 2016	2,828	1,791	43	0	48	4,710	4,402

Expected timing of cashflows

Within one year	277	1,791	43	0	48	2,159	1,762
Between one and five years	761	0	0	0	0	761	747
After five years	1,790	0	0	0	0	1,790	1,893

Pensions relating to former staff represents the liability relating to staff retiring before April 95 (£557k) and Injury Benefit Liabilities (£2,271k).

Injury Benefits are payable to current and former members of staff who have suffered injury at work. These cases have been adjudicated by the NHS Pensions Authority.

The value shown is the discounted present value of payments due to the individuals for the term indicated by Government Actuary life expectancy tables, and the actual value of this figure represents the main uncertainty in the amounts shown.

Legal claims relate to -

- Claims brought against the Trust for Employers Liability or Public Liability. These cases are handled by the NHS Litigation Authority (NHS LA), who provide an estimate of the Trust's probable liability.

Actual costs incurred are subject to the outcome of legal action. Costs in excess of £10,000 per case are covered by the NHS LA and not included above. The provision for such cases totals £524k.

- A number of other legal cases, not being handled by the NHS LA, are also recorded under this heading. These total £141k.

- Provisions for certain other potential claims amount to £1,126k.

The Agenda for Change provision relates to amounts that may become due to members of staff if they accept the new rates of pay under Agenda For Change terms and conditions.

Other provisions relate to:

- Costs likely to be incurred due to Non Consultant Career Grade Medical Staff Pay Award (£48k).

£201,789,135 is included in the provisions of the NHS LA at 31/03/2016 in respect of clinical negligence liabilities of the Trust (31/3/2015 £99,201,817).

20. Revaluation Reserve

	Total Revaluation Reserve £'000	Revaluation Reserve - intangibles £'000	Revaluation Reserve - property, plant and equipment £'000
Revaluation reserve at 1 April 2015	39,584	0	39,584
Transfer by absorption	0	0	0
Impairments	83	0	83
Revaluations	1,114	0	1,114
Transfers to other reserves	(1,613)	0	(1,613)
Other recognised gains and losses	0	0	0
Revaluation reserve at 31 March 2016	39,168	0	39,168
Revaluation Reserve at 1 April 2014	32,697	0	32,697
Transfer by absorption	0	0	0
Impairments	(2,746)	0	(2,746)
Revaluations	11,031	0	11,031
Transfers to other reserves	(1,398)	0	(1,398)
Other recognised gains and losses	0	0	0
Revaluation reserve at 31 March 2015	39,584	0	39,584

21. Cash and cash equivalents

	31 March 2016 £'000	31 March 2015 £'000
At 1 April	81,431	76,214
Net change in year	5,304	5,217
At 31 March	86,735	81,431
Analysed as		
Cash at commercial banks and in hand	374	354
Cash at Government Banking Service	86,361	81,077
Bank overdraft	0	0
Cash and cash equivalents as in SoFP	86,735	81,431
Third party assets held by the NHS Foundation Trust	31 March 2016 £'000	31 March 2015 £'000
Monies held on behalf of patients	1	3

22. Capital Commitments

Commitments under capital expenditure contracts at the Statement of Financial Position Date were £11.595m (31 March 2015, £8.15m). The major components of these commitments are as follows:

Scheme	Property, Plant & Equipment 31 March 2016
	Amount £'000
CT Scanner Replacements	2,510
Weston Park Hospital Ward Refurbishment	2,151
Linear Accelerator	1,679
Magnetic Resonance Imaging (MRI) Scanner - Northern General Hospital	1,149
Medical Equipment - Ventilators	1,083
Haematology Sideroom	747
Special Care Baby Unit	669
Royal Hallamshire Hospital T Floor Chiller Replacement	624
Weston Park Hospital MRI Refurbishment	484
Other	499
Total	11,595

23. Events after the reporting period

There are no events after the reporting period to highlight.

24. Contingencies

	31 March 2016 £'000	31 March 2015 £'000
Gross value	(258)	(284)
Amounts recoverable	0	0
Net contingent liability	(258)	(284)

Contingencies represent the consequences of losing all current third party legal claim cases (see note 19).

25 Related Party Transactions

Sheffield Teaching Hospitals NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health. During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Sheffield Teaching Hospitals NHS Foundation Trust. Details of Directors' remuneration and benefits can be found in note 4.4 to the accounts. The Declaration of Directors' interests is to be found on Page 24 of the Annual Report.

The Department of Health is regarded as a related party. During the year Sheffield Teaching Hospitals NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

The main entities with whom the Trust has transacted are listed below:

	2015/16	2014/15
	Income £'000	Expenditure £'000
NHS Sheffield CCG	376,485	2,980
NHS Bassetlaw CCG	6,033	6,297
NHS North Derbyshire CCG	18,986	19,220
NHS Barnsley CCG	25,354	26,692
NHS Rotherham CCG	21,747	21,702
NHS Doncaster CCG	13,878	12,797
NHS Hardwick CCG	3,548	3,626
NHS Wakefield CCG	1,130	1,116
NHS England	343,400	242
Health Education England	59,411	61,673
Community Health Partnerships	464	823
NHS Litigation Authority	8,131	10,702
National Blood Authority	6,321	6,797
Doncaster and Bassetlaw Hospitals NHS Foundation Trust	7,002	8,611
Sheffield Health and Social Care NHS Foundation trust	1,611	3,506
Sheffield Children's NHS Foundation Trust	8,673	4,058
Barnsley Hospital NHS Foundation Trust	5,210	1,990
Chesterfield Royal NHS Foundation Trust	2,455	3,213
The Rotherham NHS Foundation Trust	4,088	1,856
		4,268
		1,412

In addition, the Trust has had a number of material transactions with other joint enterprises, government departments and other central and local government bodies. Most of these transactions have been with the Department of Education and Skills in respect of The University of Sheffield, and with Sheffield City Council in respect of joint enterprises.

The Trust considers other NHS Foundation Trusts and NHS bodies to be related parties, as they and the Trust are under the common control of Monitor (NHS Improvement from 1 April 2016) and The Department of Health. During the year the Trust contracted with certain other Foundation Trusts and Trusts for the provision of clinical and non-clinical support services.

Of the Trust's total receivables of £37,472k at 31 March 2016, (£52,514k at 31 March 2015, note 13.1) £21,781k (£34,399k at 31 March 2015) was receivable from NHS bodies. This sum comprises, in the main, monies due from Commissioners in respect of health care services invoiced, but not paid for, at the Statement of Financial Position date.

The remainder of the balance comprises monies owed from NHS Trusts in respect of clinical support services provided. £2,457k was receivable from the University of Sheffield at 31 March 2016, (31 March 2015, £3,636k) in respect of clinical and estates support services provided.

During the year the Trust purchased healthcare from Thornbury Private Hospital in the sum of £2,134k (2014/15 £2,063k.) The Trust also purchased orthopaedic healthcare from Sheffield Orthopaedics Ltd, a limited company which manages healthcare provided at Thornbury and Claremont private hospitals. The spend was minimal in year (2014/15 £91k). Certain of the Trust's clinical employees have an interest in this company.

Payables falling due within one year of £100,804k (31 March 2015, £93,747k, note 15.1) include £15,970k owing to NHS bodies (31 March 2015, £12,431k). This sum includes monies owing to other NHS Trusts and Foundation Trusts for clinical support services received.

Certain members of the Trust's Governors' Council are appointed from key organisations with which the Trust works closely. These governors represent the views of the staff and of the organizations with and for whom they work. This representation on the Governors' Council gives important perspectives from these key organisations on the running of the Trust, and is not considered to give rise to any potential conflicts of interest.

The Trust is a significant recipient of funds from Sheffield Hospitals Charitable Trust. Grants received in the year from this Charity amounted to £1.0m (2014/15, £1.0m). The Trust has also received revenue and capital payments from a number of other charitable funds. During the year, certain of the trustees of the charitable trusts from whom the Trust has received grants were members of the NHS Foundation Trust Board.

Certain entities with whom the Trust trades are considered related parties. These entities are to an extent controlled and / or influenced by certain Trust Executive and Non-Executive Directors by the nature of their engagement with that body. As mentioned in the Directors' Report, a full Register of Directors' Interests is maintained by the Assistant Chief Executive. The Trust is satisfied that any conflicts of interest which may arise are declared, and that therefore all transactions with related parties according to the definition above are at arm's length. All material values are disclosed in the table and notes above.

26. Financial Instruments

26.1 Financial assets

	Loans and receivables £000	Assets at fair value through the SoCI* £000	Held to maturity £000	Available-for-sale £000	Total £000
Trade and other receivables excluding non financial assets	26,855				26,855
Cash and cash equivalents at bank and in hand (at 31 March 2016)	86,735				86,735
Total at 31 March 2016	113,590	0	0	0	113,590
Trade and other receivables excluding non financial assets	28,270				28,270
Cash and cash equivalents at bank and in hand	81,431				81,431
Total at 31 March 2015	109,701	0	0	0	109,701

* SoCI - Statement of Comprehensive Income on page 120.

26.2 Financial liabilities by category

	Other financial liabilities £000	Liabilities at fair value through the SoCI* £000	Total £000
Liabilities as per Statement of Financial Position			
Borrowings excluding Finance lease and PFI liabilities	24,735		24,735
Finance lease obligations	2,393		2,393
Obligations under Private Finance Initiative contracts	19,519		19,519
Trade and other payables excluding non financial assets	81,876		81,876
Provisions under contract	0		0
Total at 31 March 2016	128,523	0	128,523
Borrowings excluding Finance lease and PFI liabilities	26,180		26,180
Finance lease obligations	2,820		2,820
Obligations under Private Finance Initiative contracts	20,114		20,114
Trade and other payables excluding non financial assets	75,267		75,267
Provisions under contract	888		888
Total at 31 March 2015	125,269	0	125,269

* SoCI - Statement of Comprehensive Income on page 120

26.3 Fair values of financial assets and liabilities at 31 March 2016

The fair value of the Trust's financial assets and liabilities at 31 March 2016 equates to the book value.
The book value of financial assets and liabilities is shown in notes 26.1 and 26.2

Financial risk management

Financial reporting standard IFRS7 requires disclosure of the role that financial instruments have had during the period in creating and changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with Clinical Commissioning Groups, and the way those Clinical Commissioning Groups are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's Treasury Management operations are carried out by the Finance Department, within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust has borrowings for capital expenditure, but is subject to affordability as confirmed by the FT Financing Facility.

28. Losses and Special Payments

Losses

	2015/16 Number	2014/15 Value £'000	2014/15 Number	2014/15 Value £'000
Cash Losses	8	59	3	0
Fruitless payments and constructive losses	2	80	0	0
Bad debts and claims abandoned	81	94	132	159
Stores losses (including damage to buildings and property)	19	110	22	175
	110	343	157	334

Special Payments

Extra-contractual payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
Compensation payments	0	0	1	18
Special severance payments	0	0	0	0
Ex -gratia payments	69	11	84	17
	69	11	85	35

No individual items exceeding £300,000 were incurred in either year.

These losses are reported on an accruals basis.

29. Public Dividend Capital Dividend

The Trust is required to absorb the cost of capital at a rate of 3.5% of average net relevant assets, and to pay a dividend based on this rate to HM Treasury. The rate of 3.5% is applied to the Trust's net relevant assets, which are abated by the value of donated assets and average daily cash balances held with the Government Banking Service. This resulted in a dividend of £9,959k (2014/15 £9,879k).

The borrowings are for a maximum remaining period of 21 years, in line with the associated assets, and interest is charged at 4.80% and 4.59%, fixed for the life of the respective loans. The Trust therefore has low exposure to interest rate fluctuations in this area. The Trust also has borrowings in respect of leasing and its PFI contract which incur fixed interest rates of 3.83% and 6.32% respectively. Exposure to interest rate risk is therefore low as these borrowings are fixed.

Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2016 are in receivables from customers, as disclosed in the Trade and other receivables note.

Liquidity risk

The Trust's operating costs are largely incurred under contracts with Clinical Commissioning Groups, or the Department of Health, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its internally generated resources. The Trust is not, therefore, exposed to significant liquidity risks.

27. Third Party Assets

The Trust held £1,294 (31 March 2015, £3,023) at bank and in hand at 31 March 2016, which related to monies held on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts.

For more information or if you would like this document provided in a different language or large print please contact:

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