



Our Annual Report 2018 - 2019



Welcome

Welcome to our 2018/19 Annual Report. It has been another year of achievement. We are proud of the work our staff and volunteers do to support over 500,000 people living across North Central London and beyond to live longer healthier lives.

Again this year we thank all our colleagues for the continued progress the Trust has made in many areas. We continue to be rated "Good" overall and "Outstanding" for caring by the CQC and we have achieved a planned financial surplus while delivering a cost improvement of £13.3m.

The quality and safety and reported experience of our care continues to be very good, with low mortality rates, infection rates and great outcomes reported from our services; a highlight being that 100% of women in our maternity services saying they were treated with respect and dignity.

We have made huge improvements particularly in the waiting times for our community services, with some services now seeing 100% of patients within 6 weeks, and we have successfully met many of the constitutional standards. Unfortunately as with many Trusts we are still struggling to discharge or admit 95% of Emergency Department attendances within 4 hours despite considerable efforts to improve flow through the hospital. In part this is caused by the continuing rise in the number of people who attend the Emergency Department.

One area of focus this year has been our continued poor staff survey results which indicate that we have much to do around bullying and harassment. As a result we have conducted an external review. Out of this has come a fresh approach to engaging with our staff, which is already beginning to deliver results. These are outlined in the report and demonstrate our commitment to developing and rolling out a compassionate leadership culture to improve our staff experience.

Another theme in the report is that of systems working and partnership with our council, local GPs and NHS colleagues across North Central London as we start to design a new integrated care system to improve the coordination of services. We continue to work closely with UCLH NHS Foundation Trust on clinical pathways and have begun similar conversations with North Middlesex. We have also been liaising



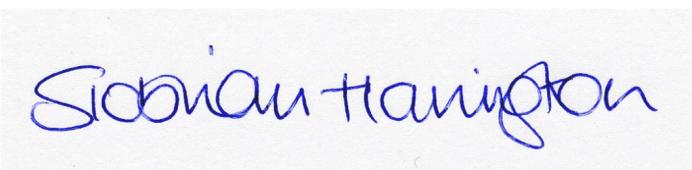
closely with council, mental health and primary care colleagues to see how we can work better together on a locality basis using the assets of the community and voluntary sector better.

Recruitment and retention has been a focus this year with improvements made particularly in the vacancy rates in the District Nursing which have come down from 37% to 18%. We have also made progress in the development of our estate, both through specific maintenance programmes and by starting a review of the longer term estates strategy. We are particularly proud of the comprehensive roll-out of various information technology improvements allowing for example the electronic recording of observations.

Over the last year we have also made the first steps in improving our engagement with the community at large as well as continuing our great work in co-design with our patients and service users. Examples of this have been improving connections with key stakeholders and the voluntary sector, through briefings and meetings; by inviting service users and the public to locality design events, and by Health Watch Islington and Bridge Renewal Trust running some engagement with the public on our estates plans.

The world in which we currently work is challenging, with increasing numbers of patients needing our services, restricted financial resources and limited recruitment potential. To do as well as we have over the past year is an outstanding achievement and credit to all our staff and our many hundreds of volunteers. We hope that the individual achievements in every sector of our Trust across both community and acute services highlighted throughout this report are acknowledged and celebrated by everyone.

We trust that this Annual Report reaffirms our ambition to lead the way in the provision of excellent integrated community and hospital services. All at Whittington Health are striving to help local people lead longer healthier lives.



Siobhan Harrington
CEO



Steve Hitchens
Chair

HELPING local people LIVE longer healthier lives!





1 **Overview**
Page 6

2 **Performance Report**
Page 15

3 **Accountability Report**
Page 60

4 **Remuneration and Staff Report**
Page 65

5 **Annual Governance Statement**
Page 77

6 **Finance Report and Accounts**
Page 94

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Overview

About us

Whittington Health is one of London’s leading integrated care organisations – helping local people to live longer, healthier lives.

We provide hospital and community care services to over half a million people living in Islington and Haringey as well as those living in Barnet, Enfield, Camden and Hackney. Whittington Health provided over 100 different types of health service (over 40 acute and 60 community services) in 2018/19. Every day, we aim to provide high quality and safe healthcare to people either in our hospital, in their homes or in nearby clinics. We are here to support our patients throughout their healthcare journey – this is what makes us an integrated care organisation.



Our Services and our Approach are Driven by our Mission and Vision:

We have an excellent reputation for being innovative, responsive and flexible to the changing clinical needs of the local population. We are treating more patients than ever before and are dedicated to improving services to deliver the best care for our patients.

Our mission:
Helping local people live longer, healthier lives

Our vision:
Provide safe, personal, coordinated care for the community we serve

Our Clinical Strategy

continued to help us deliver service improvements, focussing on the challenges faced by our local health and social care economy. This year we added three enabling objectives to create nine corporate objectives for the year:

- To deliver consistent, high quality, safe services
- To secure the best possible health and wellbeing for all our community
- To support our patients and users in being active partners in their care
- To integrate and coordinate care in person-centred teams
- To be recognised as a leader in the fields of medical and multi-professional education, and population-based clinical research
- To innovate and continuously improve the quality of our services to deliver the best outcomes for our local population

Enabled by:

- To recruit and retain high quality engaged staff
- To deliver efficient and financially sustainable services
- To deliver innovative estate, IT and other support services that enable the clinical objectives.

During the latter half of the year, we began work to review and revise our strategy and engaged with staff and stakeholders, with a revised strategy for 2019/24 being agreed in April 2019.

Our Values

The ICARE values developed through staff engagement and consultation continued to be fundamental to everything we do at Whittington Health and form the basis of expected staff behaviours. They are:



Our Services

Our priority is to deliver the right care, at the right time, and at the right place for our patients. We provide an extensive range of services from our main hospital site and run services from over 30 community locations in Islington and Haringey, and our dental services are run from sites across 10 boroughs.

As an integrated care organisation we bring safe and high-quality services closer to home and speed up communication between community and hospital services, improving our patients' experience. Key to our approach is partnering with patients, carers, GPs, social care, mental health and other healthcare providers.



Our organisation has a highly-regarded educational role. We teach undergraduate medical students (as part of University College London Medical School) and nurses and therapists throughout the year, alongside providing a range of educational packages for postgraduate doctors and other healthcare professionals.

Key Themes and Risks:

Quality and safety: quality and safety has remained our top priority and we have made huge progress in many areas such as community waiting times. We have continued to struggle to maintain the 4 hour emergency department target, but have consistently met most other targets.

Culture and recruitment: on the back of concerning staff survey data in the previous couple of years this year we conducted a thorough cultural survey and have put in place a number of interventions to reduce bullying and harassment and improve staff engagement. This also contributes to reducing the risk of high vacancy rates. Notable progress in this area has been made by the community teams who have reduced their vacancy rate considerably.

Systems working and integrated care: this year we have made huge progress with our collaborations with GP federations, councils and mental health trusts to start changing how we work as a system. We have been working hard with North London partners to help design what a North Central London integrated care system will look like, as well as practically working with the councils on how we integrate council services and the voluntary sector around smaller localities.

Improvement and productivity: the quality improvement programme has grown this year and we are seeing projects spring up all over the organisation. Productivity has been a challenge as we continue to live within our means, and we kept the winter escalation beds closed for longer this year than last.



Whittington Health: what we have achieved...

1,328,632 face to face patient contacts

535,209 At our hospital

In the **793,423** Community

97.5%

of patients said they would recommend our community services to friends or their family

18,256 Emergency admissions **↑ 4.6%** up on last year

2,224 Elective inpatient admissions

21,292 Day Case Admissions **↑ 8%** up on last year

98.3% of our inpatients said they would recommend us to family or their friends

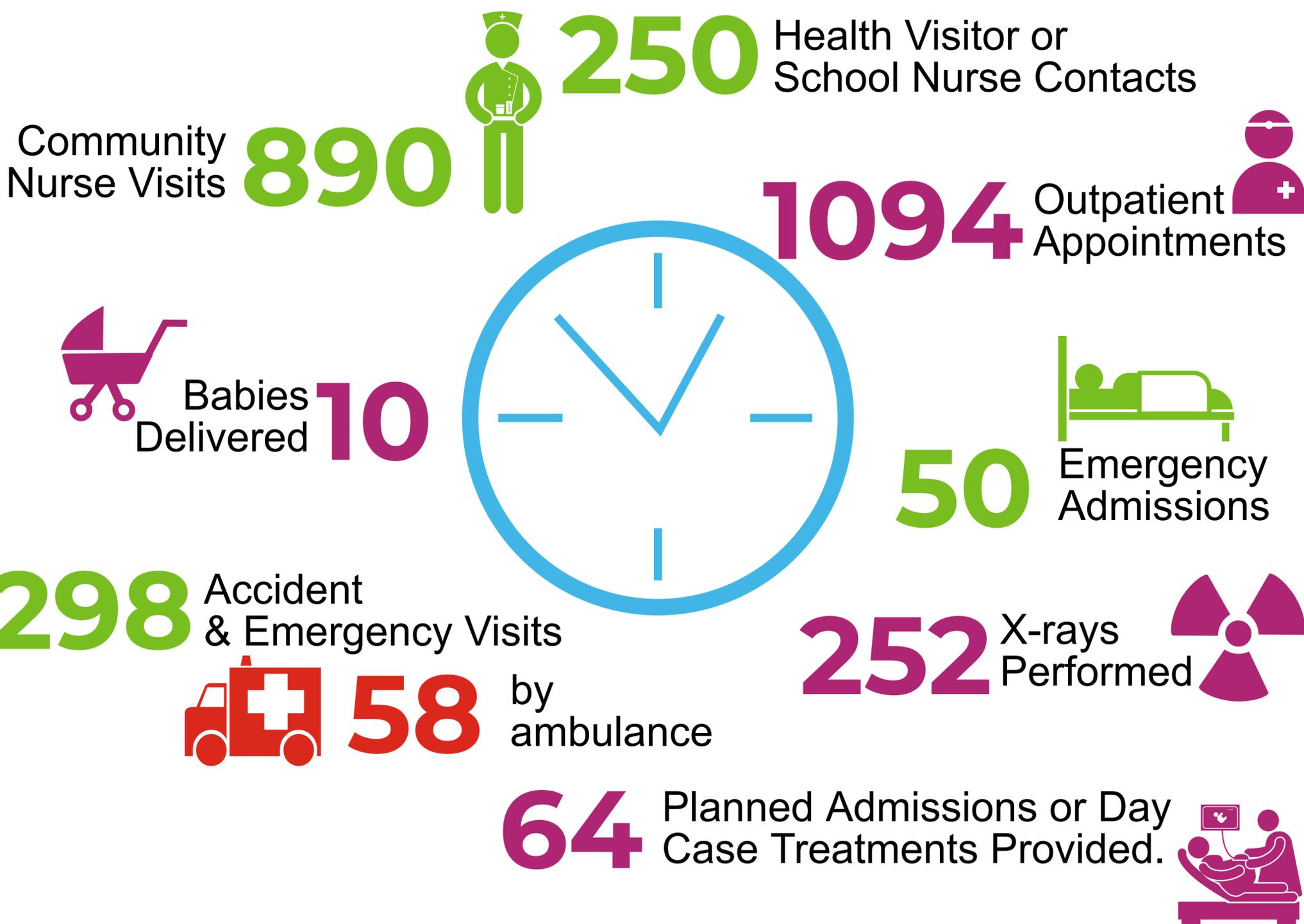
325,129 **↑ 7.6%** Community Nursing Visits

81,633 **↑ 2.6%** Physio Appointments

91,434 **↑ 8.8%** Health and School Nurse Visits

49,792 **↑ 25%** Dental Appointments

A day in our life...



Our Achievements:

We are proud of our staff and their commitment to delivering safe and high-quality care – over the past year our community and hospital teams have helped to pioneer new projects and secure numerous national professional awards and accolades. A few of the many highlights of the year and achievements of our staff are outlined below:

- **A revised strategy and road map** for becoming a successful and sustainable provider of integrated healthcare services for local people and helping them to live longer, healthier lives
 - **NHS 70 and Windrush:** Comfort Offorjindu, a Midwife at Whittington Health, was honoured with a Lifetime Achievement award at the NHS Windrush 70 awards, five Whittington Health nurses were awarded nursing leadership scholarships as part of the Leadership for Windrush; and the whole Trust celebrated with an open day
 - The Haringey Improving Access to Psychological Therapies (IAPT) service, along with the Shaw Trust, was officially designated as a **Centre of Excellence**. This is the first and only IAPT in the country to have received centre of excellence status
 - **Care Quality Commission's (CQC) unannounced visit** to Simmons House resulted in positive feedback
 - **Maternity Picker Survey results** - 100% of women responding said they were treated with respect and dignity, 98% had confidence and trust in staff
 - The 2018 Nursing Times **Nurse Leader of the Year Award** was awarded to Colette Datt, a Nurse Consultant in Children and Young People's services
 - **The haematology team** was awarded 'Highly Commended' for its work to prevent patients from developing dangerous blood clots at the recent prestigious Anticoagulation Achievement Awards
 - **UK National Cancer Patient Experience Survey** placed us 2nd in London and 35th overall in the
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- **Highest quartile for reporting incidents** on the National Reporting Learning Services which demonstrates a strong culture of openness and reporting to continuously improve patient safety
 - **Shortlisted for the 2018 HSJ Value awards for Clinical support services**, for improving the pharmacy outpatient service through design
 - **Shortlisted for the 2018 HSJ Value awards for Community health service redesign**
 - **The third highest uptake of flu vaccine** by our staff across London at 83.4%
 - Three of our consultants received a **'Top Teaching Award'** from UCL Medical School
 - An **annual cancer conference** in partnership with Macmillan Cancer Support which 150 people affected by cancer attended
 - The Whittington Health HR team, together with UCLH, won the **'Innovation in HR'** award at the Healthcare People Management Association annual awards for developing a new arrangement to simplify processes for staff to work at either Trust
 - The signature of a memorandum of understanding with the **Greater London Authority** to help achieve the Mayor of London's aim to increase the supply of affordable housing
 - In line with the NHS Long Term Plan, our teams worked very closely with the councils, mental health trusts and GPs to see how we can work in a more coordinated way at a **locality** level
 - A successful application to join the first cohort of NHS Improvement's **Children and Young People Transition Collaborative** which aims to support and improve clinical practice
 - Signing the **Armed Forces Covenant**
 - Our **partnership with The Autism Project** (TAP) resulted in several TAP students starting work placements within the hospital as part of the TAP programme which supports young autistic adults (aged between 18-25 years) to develop employability skills
 - The Care of Older People Team held a **Delirium Tea Party**, with volunteers doing art therapy and promoting activities and representatives from The Kissing It Better charity singing for patients on wards
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- After an independent report by Professor Duncan Lewis, around 600 staff took part in listening events and fed back on priorities to include in plans to **enhance the workplace culture**
 - **Caroline Fertleman, Consultant Paediatrician at Whittington Health, was promoted to Professor** at University College London
 - Following a review of operational management arrangements five **Integrated Clinical Service Units** came into operation on 1 July 2018, covering: Surgery and Cancer; Emergency and Integrated Medicine; Community Health for Adults; Children and Young People Services; and, Women's Health, Outpatients and Diagnostics
 - Successfully providing 100% of the mandatory items for the Trust's annual **Data Security and Protection toolkit** (DSP) submission
 - An excellent outcome from our assessment against NHS England's **Emergency Preparedness, Resilience and Response Framework**.
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Performance Report

How we Measure Performance:

Our board and its key committees use a performance scorecard which has been developed to include a suite of quality and other indicators at Trust and service level – enabling centralised reporting of performance and quality data and improved triangulation of information. The scorecard is based on the Care Quality Commission’s five domains of quality: safe, effective, caring, responsive and well led. The selection of indicators is based on NHS Improvement guidance for national outcome areas and also the Trust’s local priorities.

2018/19 Performance Outcomes and Analysis

The year-end position against a suite of indicators used to measure performance is outlined in the following tables.

Tables 1-5: Performance against national targets 2018/19, at a glance

Safe – people are protected from abuse and avoidable harm		
KPI description	Target	Outcome
Admission to adult facilities of patients aged under 16	0	0
Incidence of Clostridium Difficile	<16	13
Outstanding CAS alerts	0	0
Actual falls	400	432
Avoidable category 3 or 4 pressure ulcers	0	24
Harm Free Care (%)	>95%	92.6%
Non- Elective C-section rate (%)	<19%	21%
Medication errors causing serious harm	0	0
Incidence of MRSA	0	1
Never Events	0	0
Safety Incidents	0	32
VTE risk assessment (%)	>95%	95.4%
Mixed sex accommodation breaches	0	17

Effective – people’s care, treatment and support achieve good outcomes, promote a good quality of life and are based on the best available evidence		
KPI description	Target	Outcome
Breastfeeding initiated	>90%	92.6%
Smoking at delivery	<6%	5.8%
Non-elective re-admissions within 30 days	<5.5%	5.95%
Hospital standardised mortality ratio rolling within 12 months	100	81.9
Hospital standardised mortality ratio rolling within 12 months (weekend)	100	76.8
Mortality rate per 1000 admissions in-months	14.4	6.6
IAPT Moving to Recovery	>50%	58.0%
% seen within 2 hours of referral to district nursing night	>80%	90.5%
% seen within 48 hours of referral to district nursing night	>95%	92.1%
% of MSK patients with a significant improvement in function	>75%	80.5%
% of podiatry patients with significant improvement in pain	>75%	85.1%
% of patients with self-directed goals set at discharge	>70%	76.6%
% weight loss achieved at discharge	>65%	72%

Caring - Involving people in their care and treating them with compassion, kindness, dignity and respect		
KPI description	Target	Outcome
Emergency department – FFT % positive	>90%	81%
Emergency department – FFT response rate	>15%	13%
Inpatients – FFT % positive	>90%	92.7%
Inpatients – FFT response rate	>25%	17.8%
Maternity - FFT % positive	>90%	94.7%
Maternity - FFT response rate	>15%	51%
Outpatients - FFT % positive	>90%	91.9%
Outpatients - FFT responses	4800	4069
Community - FFT % positive	>90%	96.6%
Community - FFT responses	18,000	12190
Trust Composite FFT - % recommend	>90%	89.8%
Staff FFT - % recommend	>70%	70.5%
Complaints responded to within 25 working days	>80%	88.6%

Responsive - organising services so that they are tailored to people's needs		
KPI description	Target	Outcome
Emergency department waits – 4 hours	>95%	87.9%
Median wait for treatment (minutes)	<60 mins	83
Ambulance handovers waiting more than 30 minutes	0	245
Ambulance handovers waiting more than 60 minutes	0	39
12 trolley waits in A&E	0	4
Cancer – 14 days to first seen	>93%	94.2%
Cancer – 31 days to first treatment	>96%	100%
Cancer – 62 days from referral to treatment	>85%	91.1%
Diagnostic waits (<6 weeks)	>99%	98.9%
Referral to treatment times waiting <18 weeks (%)	>92%	92.2%
Referral to treatment time over 52 weeks	0	2

Well led - leadership, management and governance of the organisation assure the delivery of high-quality person-centred care, support learning and innovation, and promote an open and fair culture		
KPI description	Target	Outcome
Staff appraisal rate (%)	>90%	73.1%
Mandatory training rate (%)	>90%	82.0%
Permanent staffing WTEs utilised	>90%	87.2%
Staff sickness rate (%)	<3.5%	3.52%
Staff FTT – recommending the trust as a place to work	>50%	59.4%
Staff turnover rate (%)	<10%	12.6%
Vacancy rate against establishment (%)	<10%	12.8%

Monitoring Performance

The Trust's performance management framework acknowledges the national context as well as addressing local quality and service priorities. Whittington Health has a culture of continuous improvement using the cycle of performance management and uses a system of performance reporting against agreed measures and quality priorities. The monthly performance scorecard allows continuous monitoring of specific datasets such as quality and finance, service specific information and deviation from commissioned targets. This information is used to monitor compliance with service standards and contract review and is used to populate national external data sets.



Outcomes against scorecard indicators are reported to the weekly executive team meeting, bi-weekly to the Trust Management Group, monthly to respective Integrated Clinical Service Unit (ICSU) Boards, regularly to board sub-committees, and monthly to the Trust Board itself. All reports are monitored and discussed at these meetings to identify reasons for any underperformance, as well as reviewing progress of action plans to remedy underperformance. The Trust has developed a new performance scorecard for 2019/20 to ensure we continue to monitor the things that matter to the delivery of high quality care.

STATEMENT OF FINANCIAL POSITION

Spending on Agency and Temporary Staff

The Trust was set a very challenging agency cap target by NHS Improvement of £8.8m for 2018-19. The Trust realised early in the year that it would not remain within the cap and therefore, for internal operational management purposes, set itself a target of £12.8m. Trust spend on agency in the financial year is £12.0m. The Trust is aware that maintaining and improving our performance in relation to the use of agency and temporary staff is key to delivering quality and financial sustainability. As such, the Trust is putting a number of measures into place to control agency spend going forward, not least transferring its temporary staff management to Bank Partners from May 2019.

Financial Position

At the start of the 2018-19 financial year, the Trust agreed a control total target of a £4.7m surplus in year with NHSI. Following an agreement with NHSI around the disposal of a non-clinical part of the main hospital site to Camden and Islington NHS FT, this target was revised to a surplus of £22.7m, after NHSI offered the Trust £12m in additional incentive Provider Sustainability Funding (PSF) in the event of exceeding the original control total. Following a decision by NHSI to exclude the impact of the Agenda for Change pay uplift from the assessment against financial targets, the Trust bettered this revised target by £0.1m and was eligible for an additional £6.2m in further incentive and bonus PSF. The final financial outturn was a £28.2m surplus against a control total of £21.9m.

This means that the Trust has achieved its control total for four years in a row, and has cleared its historic deficit from previous years (see also the value for money section below). While the Trust has been able to meet its financial targets for the year, some of this has been achieved through the use of non-recurrent measures and the application of PSF. Ignoring the impact of these measures, the Trust continues to run an underlying deficit each year, reported by NHSI of £6.6m at the end of March 2019.

Going Concern and Value for Money

As with previous years, we have prepared our annual accounts for 2018-19 on the going concern basis. This is in line with DH accounting guidance, which states that the Trust is a going concern if continuation of services exists. We have detailed above the positive trend in the Trust's finances. This improvement means that the Trust is now complying with the Department of Health duty to breakeven over a three-year period. This is significant for the Trust, as it means that external audit's conclusion on the Trust's arrangements for ensuring value for money in the use of its resources should be unqualified for the first time since 2014.

Financial Performance and Statement of Financial Position

Above, we have detailed the Trust's financial position for the year ending 31 March 2019, which indicates effective arrangements in the use of resources and a strongly positive trend in financial results. However, as a Trust we continue to face a challenging financial future.

Over the year we generated £348.6m in income, which was £25.3m higher than 2017-18 and £11.5m ahead of revised plans. This resulted primarily from the PSF award which was £27.6m as opposed to £10.6m in 2017-18;

Pay expenditure exceeded our budgeted level by £5.8m. The principal causes of this overspend were:

- Continued high level of vacancies across the Trust, leading to increased use of bank and agency staff;
- As with other Trusts, a national Agenda for Change pay award was applied in August 2018. The Trust was awarded £3.3m in additional income from DH, but it did not fully mitigate the £4.1m cost pressure resulting from the award.

Non-pay expenditure exceeded budgeted levels by £0.9m. The principal movements behind this were:

- Recognition of the costs associated with a new contract with a community education provider (£0.3m)
 - Four of the Trust's main hospital blocks experienced an I&E impairment in year of £0.2m
 - Depreciation in month relating to new additions added an extra £0.2m into non-pay costs
 - Increased corporate costs relating predominately to legal fees £0.4m
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Cash

The Trust has been in a strong cash position throughout the 2018-19 financial year, and ended the year with £25.2m in cash. This was £21.1m higher than at the end of 2017-18. The positive movement in cash resulted from:

- Receipt of PSF funding through the year;
- Receipt of proceeds from the sale of land to Camden and Islington NHS FT; and
- Strong collection rates on debt from both NHS and non-NHS organisations.

During the year, the Trust did not receive any additional cash support from the Department of Health, and has continued to pay down historic cash support loans. The Trust is not anticipating any significant cash issues in 2019-20, and has forecast to recycle cash holdings into capital programmes for future years, most notably into the Trust's estates strategy.

Property, Plant and Equipment

The Trust's outturn capital expenditure for the year is £14.7m. This is £0.1m lower than its revised forecast outturn, having reduced this outturn by £1m in month 5. The Trust has spent within its Capital Resource Limit of £8.8m by completing a disposal with a net book value of £6.3m. Notable within these levels of spend were investments in maternity and imaging, and updates to IT systems and hardware.

Receivables (debtors)

The Trust's receivables at the end of the financial year are £41.0m. This is £7.9m higher than plan and £10.6m higher than in 2017-18. These increases have been driven by the higher levels of core and incentive PSF. At the end of 2018-19, the Trust is owed £21.5m for PSF alone. The Trust expects this to be settled in July 2019. Collection of other old and current year debts in year has performed strongly.

Payables (creditors)

The Trust's payables at the end of the financial year are £40.6m. This is £0.9m higher than plan and £3.8m higher than in 2017-18. Overall, creditor performance has improved slightly on 2017-18. The Trust paid 88% of the value of invoices within 30 days, compared with 83% in 2017-18. Increases in creditor balances at year end have been partly driven by an ongoing supplier dispute (value £1.5m) and a change in Trust policy to invest spare cash rather than settle creditors in advance.

Risks

The Trust has a robust risk management policy and process as outlined in the annual governance statement below. However, For the purposes of this performance report, however, the key risks on our Board Assurance Framework are as follows:

- Failure to provide care which is 'outstanding' in being consistently safe, caring, responsive, effective or well-led and which provides a positive experience for our patients may result in poorer patient experience, harm, a loss of income, an adverse impact upon staff retention and damage to organisational reputation.
- Failure to support fragile services adequately, internally or via partnership with other providers leads to further instability where quality is reduced, or vital service decommissioned, or Trust reputation is damaged (e.g. Lower Urinary Tract service, Breast, Bariatrics).
- Failure to hit national and local performance targets results in low quality care, financial penalties and decommissioning of services – (e.g. Emergency Department, community etc.)
- Failure to recruit and retain high quality substantive staff could lead to reduced quality of care, and higher costs (e.g. nursing, junior doctors, medical posts)
- Failure to deliver savings plan for 2018/19 leads to adverse financial position, not hitting control total, loss of STF and reputational risk
- That the long term financial viability of the Trust is threatened by changes to the environment, long term plan, social care risks, political changes, organisational form changes
- Failure to provide robust urgent and emergency pathway for people with mental health care needs results in poor quality care for them and other patients, as well as a performance risk.
- Failure to modernise the Trust's estate may detrimentally impact on quality and safety of services, poor patient outcomes and affect the patient experience
- Breach of established cyber security arrangements results in IT services failing, data being lost and care being compromised
- That the culture of the organisation does not improve, and bullying and harassment continue, such that retention of staff is compromised and staff morale affected and ultimate patient care suffers as a result

Each of these risks had a clear mitigation plan and assurance process. The board considered other risks throughout the year as they arose, including for example the risk of losing staff or being unable to recruit as a result of the pending EU Exit. Many of these are highlighted throughout this report.

DELIVER CONSISTENT, HIGH QUALITY, SAFE SERVICES

We are on a journey to outstanding (#BetterNeverStops) to continually improve the quality of our services and the experience of the people who use our services. In preparation for a Care Quality Commission inspection we are starting with an evidence-based assessment of our current position. The Accountable Officer for quality and the Care Quality Commission is the chief nurse and director for patient experience.

Registration with the Care Quality Commission (CQC)

We are registered with the CQC without any conditions. During 2018/19, we participated in the following special reviews or investigations:

Over the last year the Trust has been focusing on sustainable improvements to the care provided to vulnerable children and young people in Haringey. This was in response to a Joint Targeted Area Inspection in November 2017 focusing on Neglect across Haringey Local Safeguarding Children's Board (LSCB) area. There has been effective collaboration across all agencies working in Haringey and the recommendations specifically identified for Whittington Health have been completed. Whittington Health undertook a Section 11 LSCB audit in February 2019 which provided evidence of the sustainability of the actions undertaken.

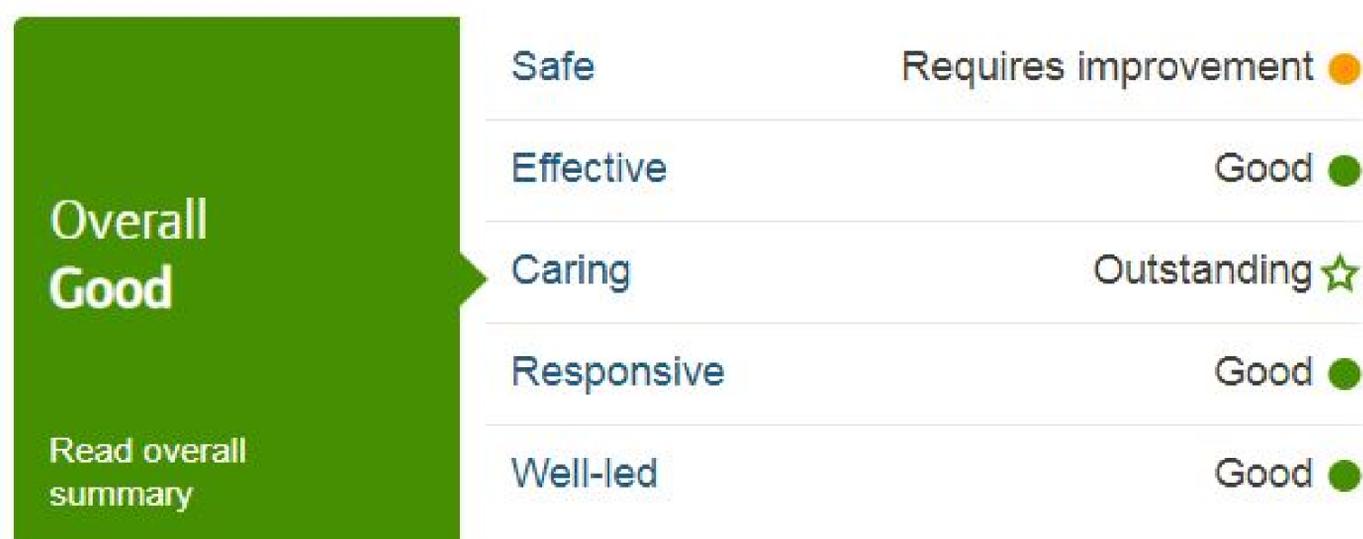
A Joint Targeted Area Inspection focusing on Sexual Abuse in the Family Home occurred across Islington LSCB area in November 2018. The formal response to this inspection was released on 29th January 2019 by the lead inspectors Ofsted. Whittington Health Services were inspected by a CQC team as part of this process. Services specifically reviewed included Children's Emergency Department, Community Child and Adolescent Mental Health Services (CAMHS), and School Nursing and Maternity, as well as a range of other agency and multi-agency services. A multi-disciplinary action plan is being developed to address the areas for improvement noted in the report.

On 27th February 2019 the CQC visited the Child and Adolescent Mental Health Inpatient unit - Simmons House- for an unannounced monitoring of the implementation of the Mental Health Act (MHA). Their particular focus was in relation to compliance with MHA paperwork. Their findings and feedback were provided to the organisation on the 13th March 2019. The feedback was very positive. They noted the improvements which had been made since they last inspected the service

in November 2017. The inspectors spoke very highly of the staff and patient care they observed during their inspection. This was reflected in the CQC report. There were 4 recommendations made by the CQC inspectors with no patient specific recommendations. A supporting action plan detailing the Trust's response and supporting actions addressing the CQC recommendations was submitted to the CQC on 2nd April 2019.

The CQC's last full inspection of the organisation took place in October 2017 and was published in February 2018. Its overall rating remains as 'Good' with the hospital moving from Requires Improvement to Good.

The new CQC methodology also includes Well Led and the Use of Resources which will be undertaken by NHS Improvement alongside CQC.



The Trust is focused on improving its safety rating and there is improved governance in place. For example;

- The Trust Board receives monthly reports on all serious incidents that have occurred that the previous month and importantly on how the Trust is learning from care and service delivery problems identified
- The Medical Director provides a quarterly Safety and Quality report to the Trust Board which is informed by reporting directly from the Patient Safety Committee and the Quality Committee
- Internal Audits of risk management and serious incident processes were completed with good learning and development which are being addressed through clear actions for the quality governance team

- The Trust's Safeguarding Adults & Safeguarding Children Committees have been brought together as one Committee under the responsibility of the Chief Nurse
- The Trust works closely with external regulators and patient safety reporting bodies such as the CQC, CCGs, NHS Improvement (NHSI) and the National Reporting and Learning System (NRLS)
- The Trust has processes in place to respond to patient safety alerts via the Central Alerts System (CAS).

Our work to deliver excellent care to patients is underpinned by our key quality principles:

- Providing safe services
- Providing clinically effective services
- Providing caring and compassionate services
- Providing the best experience of our services

The Trust was shortlisted for the CHKS 2018 Top Hospital Award for best performing Trust for 'Quality of Care' across the UK.

Quality Priorities

Each year the Trust agrees a number of priorities to improve the quality of our care for the people we serve. The priorities for 2018/19 were published in the 2017/18 Quality Account published in June 2018. The publication included progress on the previous year's priorities. Following consultation with staff, managers and stakeholders the Trust set 26 Quality priorities covering 3 domains

- Patient Safety
- Patient Experience
- Clinical Effectiveness

The Trust successfully met over 60% of its quality priorities and moved forward significantly with the remainder (some require another year as priorities for 2019-20).



Freedom to Speak Up Guardian

A new and full-time Freedom to Speak Up Guardian (FTSUG) for Whittington Health NHS Trust has been in post since late November 2018. As a priority, there has been good engagement with teams and services across Community and Hospital departments. Several services have been proactive in inviting the Guardian to attend local team meetings. This has been extended across the hospital and Trust corporate areas. Communication and visibility are two key points for the success of engaging with staff who may wish to raise concerns. The FTSUG has developed leaflets and posters explaining how to raise concerns in a safe and confidential way.



This year a clear and direct communication strategy has been developed in partnership with the Organisational Development Team and improvements are being made to the FTSUG intranet page regarding information on how to raise concerns. The Whistleblowing/ Raising Concerns policy has been updated March 2018. The role of the Trust Speak Up Inclusion Champions has been revised and is now aligned to the National Guardian's Office guidelines on helping staff to safely raise concerns. In order to avoid misunderstandings, the role was renamed Speak Up Advocate. The intention moving forward is to develop a network of Advocates throughout all different services across the Trust, with the vision being to have at least one Advocate in each Health Centre, Service and Ward area.

PATIENT SAFETY

Serious Incidents

The Serious Incident Executive Approval Group (SIEAG) comprising the Executive Medical Director/Associate Medical Directors, Chief Nurse, Chief Operating Officer, the Head of Quality Governance and Serious Incident (SI) Coordinator meets weekly to monitor and review Serious Incident investigation reports as defined within the NHSE Serious Incident Framework (March 2015). In addition, internal root cause analysis (RCA) investigations and resulting recommendations and actions are also monitored and reviewed by the panel.

All serious incidents are reported to North East London Commissioning Support Unit (NELCSU) via the Strategic Executive Information System (StEIS) and a lead investigator is assigned by the clinical director of the relevant Integrated Clinical Service Unit (ICSU). All serious incidents are uploaded to the NRLS (National Reporting and Learning System) in line with national guidance and CQC statutory notification requirements.

For 2018/19 the Trust reported 32 serious incidents compared to 38 reported in 2017/18. These included the themes of:

- safeguarding; adult & children
- patient absconding
- attempted self-harm
- confidential information leak, loss, information governance breach
- diagnostic incident including delay
- maternity obstetric incident
- slip, trips and falls
- sub-optimal care
- treatment delay
- unexpected death of a patient in hospital or the community

From January 2019, certain maternity incidents affecting the baby are being investigated by the Health Safety Investigation Bureau (HSIB); to date, three maternity incidents have been referred to HSIB and investigations are currently in progress.

Final investigation reports are reviewed at the SIEAG panel and ICSU directors or their representatives are required to attend to present their reports. The panel offers scrutiny and

challenge on the investigation and findings to ensure that contributory factors in relation to care and service delivery problems have been fully explored, root causes identified and actions required are aligned with the recommendations. The panel discusses lessons learnt and appropriate action, both immediate if applicable, and planned to prevent future harm occurrences.

On completion of the report the patient and/or relevant family member receives an outcome letter highlighting the key findings of the investigation, actions taken to improve services, what has been learnt and what steps are being put in place. A 'being open' meeting is offered in line with duty of candour recommendations. The report will be shared with the patient and/or family as requested. This is ideally done at a face to face meeting.

Lessons learned following the investigation are shared with all staff and ICSUs involved in the care provided through various methods including the 'Big 4' in theatres, 'message of the week' in maternity, obstetrics and other departments. Learning from incidents is shared through Trust wide multimedia including a learning zone on the Trust intranet, a regular patient safety newsletter, the chief executive monthly team briefing and the weekly electronic all staff Noticeboard.

Never Events

A never event is defined as a serious, largely preventable patient safety incident that should not occur if the available preventative measures have been implemented. The Trust reported one never event in 2018/19 and this related to:

A peripheral nerve block administered to the wrong shoulder. Actions taken to ensure this does not occur again included:

- Incident report shared to ensure all staff are aware of the 'Stop Before You Block' process; highlighted in Patient Safety Newsletter.
- Labels provided for staff to document performance of 'stop before you block'.
- Process to be re-audited to ensure compliance.

Learning from Deaths

During the period 1 April 2018 to 31 March 2019, 433 Whittington Health patients died in our inpatient wards or in our emergency department. The following number of deaths occurred in each quarter of 2018/19:

- 109 in the first quarter (April-June 2018)
- 84 in the second quarter (July-Sept 2018)
- 117 in the third quarter (October-Dec 2018)
- 123 in the fourth quarter (Jan – March 2019)

By 31 March 2019 the number of deaths in each quarter for which a case record review or an investigation was carried out was:

- 69/109 deaths in the first quarter
- 50/84 deaths in the second quarter

Quarter 3 and 4 death reviews are still in progress, so these figures are not available yet. Key learning identified from the patient mortality reviews includes:

- Ensuring there are more robust mechanisms in place to ensure that our clinically deteriorating patients are referred to our critical care outreach teams in a timely and appropriate way
- Ensuring we embed learning from end of life care discussions
- Ensuring all investigations on patients (imaging, pathology) are reviewed and acted upon in a timely and appropriate way

Actions taken in response to the findings include:

- Presentation of patient cases to a wide audience
- Developing and embedding NEWS2 national early warning score 2 and escalation protocols in response to introduction of electronic observation systems across the organisation
- Improved processes of maximising learning from all deaths
- Extending the learning from deaths process to investigate and learn from deaths in patients up to 30 days post discharge

Infection Control and Prevention

The Infection Prevention and Control Team (IPCT) provide a full service to hospital and community sites across Whittington Health. An executive director is responsible as the Director of Infection Prevention and Control (DIPC). The Chief Nurse and Director of Patient Experience took on this responsibility in June 2018.

Whittington Health takes the prevention and control of all infection seriously and supports the delivery of the Trust objective to deliver consistent, high quality, safe services by ensuring safe

care to patients and ensuring a clean and safe working environment for staff employed by the organisation. Infection prevention and control continues to be everyone's business.

There are reporting requirements on reporting of Healthcare associated infections (HCAI) in particular MRSA bacteraemia, Clostridium difficile diarrhoea, diarrhoea and/or vomiting outbreaks, E.coli bacteraemia, respiratory tract viral infection including influenza and surgical site infections.

MRSA	<ul style="list-style-type: none"> •There is a zero tolerance on MRSA blood stream infections (BSI). In 2018/19 WhittHealth reported one MRSA BSI that was line related and deemed avoidable.
Clostridium Difficile Infections (CDI)	<ul style="list-style-type: none"> •The Public Health England (PHE) recommendation for 2018/19 for CDI was 16, WhittHealth reported 13 cases of CDI.
E.Coli Bacteraemia	<ul style="list-style-type: none"> •There were 9 Trust-attributed EColi BSI this year, WhittHealth are in line with the national objective - halving healthcare-associated Gram-negative BSIs by 2021.
Influenza	<ul style="list-style-type: none"> •This winter there have not been any serious incidents declared and investigations undertaken into the care of any patients who died of influenza whilst an inpatient in the hospital. However, the Trust did palliate 3 people who came into hospital with influenza
Surgical Site Infections	<ul style="list-style-type: none"> •SSISS mandatory reporting to PHE is for 'at least 1 orthopaedic category for 1 period in the financial year'. WhittHealth participated in Q1 and Q2 in four categories (Hips, Knees, Neck of Femur and large bowel) reporting no infections.

Winter Flu Vaccination

Whittington Health has run a successful internal campaign in 2018/19 to encourage staff to have the annual flu vaccine. The campaigns are driven by staff safety and importantly, patient safety.

The uptake of the vaccine by front line staff was 83.4% which is the third highest rate in London and shows a consistent improvement year on year in the Trust. The campaign is a collaborative effort with the Occupational Health team, Infection Prevention and Control team, HR team and nursing teams working together to promote the staff vaccine.



PATIENT EXPERIENCE

Throughout 2018/19 the patient experience team has worked to develop a three year patient experience strategy. It was written to complement the Trust's clinical strategy, and to promote the Trust's ICARE principles and mission statement of helping local people live longer healthier lives.

It has been co-produced with professionals, facilitated patient focus groups, engaged patients, service users, and HealthWatch Haringey and Islington.

The Strategy was approved at the Trust Board in March 2019. It includes three ambitions, and the first year implementation plan has been drafted:

- We will improve the information we provide to patients and carers to enhance two-way communication.
- We will work in partnership with patients, families and carers to build a foundation for co-design and service improvement.
- We will improve our patients' journey ensuring we provide integrated holistic care, from the first contact and throughout their care.

In line with national reporting requirements in relation to **mixed sex/gender accommodation** we revised our reporting of mixed gender accommodation breaches to include intensive care patients. This meant that we experienced incidents of mixed gender accommodation for a short number of hours for some patients. The initial reporting was significant with the first few months of 2018/19 with between 5-7 breaches reported each month. This reduced over quarters two and three then as winter progressed there was a small number of accommodation breaches. This was due to bed capacity issues within the Trust where there was no medical bed available; however, privacy and dignity were maintained at all times and patients were informed and comfortable.

It is important to our staff that we get feedback from the people who use our services regarding their experience and the Trust uses an online system (Meridian) to collect feedback. The information is collected via iPads, comment cards, electronic links and on the website. Paper surveys are also available when electronic means are not appropriate.

In 2018/19, 42,080 people told us about their care and treatment as compared to 44,061 in 2017/18. One of the key questions we ask all patients is whether they would recommend the Trust to **Friends and Family** if they needed treatment.

In 2018/19 the average FFT recommend rate across all services was 91.76%; a slight increase from the 2017/18 average recommend rate of 91.65%.

Significant focus has been made within the largest clinical areas of the Trust to ensure improvements are seen in the response rate and recommendation rate. These departments and actions taken are described below:

Emergency department	<ul style="list-style-type: none">• Emergency department has allocated a patient experience lead from the nursing team. The patient experience team meet monthly with the lead to forward actions towards improving patient experience.• A child friendly FFT survey was designed and implemented for usage in ED paediatrics.• Enhanced presence of volunteers throughout 2018/19 to support with FFT collection
Hospital Inpatient Wards	<ul style="list-style-type: none">• Consistent improvement recommending rate with Trust typically performing above national average• Introducing RITA (Reminiscence Interactive Therapy and Activities) in response to patient feedback on one of our busier inpatient wards• Launching Sleep Well initiative to improve night time experience for patients on adult inpatient wards developed in response to patient feedback collected locally through FFT as well as national surveys• An increase over 30% for total number of volunteers supporting staff and inpatients on wards compared to previous year
Community Health Services	<ul style="list-style-type: none">• Consistently exceeded the national average in response and recommending rate)• One of the patient experience priorities for 2018/19 was to improve the collection of FFT response from podiatry by 50% from the previous year. This was achieved. This sustained improvement has been driven by the SMS FFT alerts introduced in the service.• Introduction of an iPad stand for the Child Development Centre in St. Ann's.

Learning from National Patient Surveys

The Trust received results for three national patient experience surveys during 2018/19. These were maternity survey (2018), inpatient survey (2018) and national cancer patient experience survey (2017).

The 2017 national cancer patient experience survey reported that Whittington Health remains a high performer across London, with over 50% of our feedback being above the national average. The overall care rating by respondents was 8.8, which sits alongside the national average and has remained consistent in recent years. Areas of particular improvement included:

- Inpatient experience
- Appointment delays
- Waiting times/communication about appointments and experiences within primary care

Narrative feedback from the survey details high volumes of very positive feedback for the oncology services, the chemotherapy nursing team, clinical nurse specialists (CNS), medical and Macmillan support teams. A full action plan has been developed, with a focus on inpatient and outpatient experience.

The 2018 maternity patient experience survey was very positive with 100% of women reporting that they were treated with dignity and respect and 98% reporting confidence and trust in staff. There are some areas of development including midwives giving consistent advice and bring aware of medical history. An action plan has been developed with the maternity teams in response to the report's findings.

The 2018 inpatient survey has been sent to the Trust. The results are currently under embargo and will be made public in June 2019.

Listening to what patients tell us is important in order to learn when care goes well, but more importantly, so that we learn when it does not meet the standard of care we should deliver through the concerns and complaints patients and their families or carers raise with us.

We know the vast majority of patients appreciate the kindness, care and expertise of our staff because they tell us. We record and report all compliments and received 327 formal compliments compared to 353 in 2017/18; however, these numbers do not capture the many lovely expressions of thanks that our staff regularly receive from patients. We are always grateful when patients and families take the time to tell us how much they appreciate our care.

The Trust has consistently achieved the 25 day response rate for complaints over 2018/19. The common themes of complaints are:

- Medical and nursing care
- Staff attitude
- Communication

Learning from complaints and compliments is reported to the Trust Quality Committee as well as to the Trust Board. Opportunities for staff to learn and act are undertaken in a number of ways and include:

Trustwide learning workshops using case studies	Spotlight on Safety (and service specific newsletters Cats Eyes and Medicines Matters)	Staff awareness campaigns via Communications using screensavers, posters and events	Trustwide communication via weekly noticeboard and targeted emails
ICSU and Trustwide Patient Safety Committees	Patient Safety Learning section on intranet	Patient Safety Forum monthly	Local arrangements such as '10@10' in ED
Patient Safety Learning section on intranet	Grand Rounds Monthly	Reflective sessions with individual staff and teams and Schwartz rounds	Feedback from Datix to Reporters

Clinical Audit and Quality Improvement

The Trust is committed to delivering effective quality improvement and governance in all the services it provides. The organisation sees quality improvement and clinical audit as an integral part of its arrangements for developing and maintaining high quality patient centred services. When carried out in accordance with best practice it improves quality of care and patient outcomes, provides assurance of compliance with clinical standards and identifies and minimises risk, waste and inefficiencies.

Whittington's quality governance and clinical audit and effectiveness teams were re-configured in 2018 to bring all related services within one department, the Quality Governance Department led by the Head of Quality Governance. Previously, the medical director had delegated responsibility from the Chief Executive for implementing effective governance arrangements for clinical audit activity; this now sits with the Chief Nurse. The Medical Director is responsible for leading quality improvement across the Trust.

- Reactive audits, vital to patient safety, will be the local priority on the Trust Integrated Clinical Service Units (ICSU) Quality Improvement programmes.
 - Project proposals will be subject to a regular quality review, prior to formal registration, to prevent duplication and to ensure alignment to local speciality priorities.
 - Re-launch of the Trust Clinical Audit Registration form to align with registration for Quality Improvement projects. A new, succinct version will facilitate the registration of QI projects to clinical audit.
 - Demonstrable improvements to patient care and/or service provision will be identified , to support Trust Learning across clinical effectiveness, patient safety and patient experience
 - Multidisciplinary Quality Improvement training and forums will include reflective learning on local clinical audit findings.
 - Clinical speciality performance in relation to local QI and clinical audit will continue to be monitored on an ongoing basis, with regular reporting via the ICSU Board meetings.
-

Research

Research at Whittington Health has had another successful year. The target set by North Thames Local Clinical Research Network (LCRN) was for 709 patients to be recruited in to National Institute of Health Research (NIHR) portfolio studies. This was met within the first nine months of the year and overall we recruited in excess of 1000 patients into these trials. We continued to deliver a cost-effective service, with a low cost per patient recruited compared with other trusts in the North Thames LCRN and have consistently met the NIHR benchmark for RTT (recruitment to time and target) for commercial trials.

The team has again been successful with trials, ASTEROID 5 (Uterine Fibroids study) continued to be delivered efficiently within the Trust to the extent that the research midwives also provided support to other sites at the sponsor's request and it is expected that ASTEROID 9 will open at Whittington Health next year. There has been a substantial increase in the number of patients recruited to commercial trials in year as a result of an observational study to evaluate routine care in Thalassaemia patients. Non-commercial studies have also been successful, the qFIT study (looking at early detection of bowel cancer) was the highest recruiting study with 230 Whittington Health patients recruited and the 'Whittington model' of recruitment was shared with other sites to boost recruitment. The reproductive health portfolio has seen multiple successful studies with overall recruitment in the year in excess of 260, and there is agreement in principle from LCRN North Thames for a business case to increase staffing capacity in this area during the coming year.

The size of the research team has remained stable thus maintaining capacity for delivering studies and raising the profile of research within the Trust, and it has been evident that as the team matures there is growing productivity. Following on from the introduction of a Trainee Research Practitioner role last year we have introduced an annual secondment opportunity for a Band 5 Junior Research Nurse post that has been successful and, subject to funding will continue in future years with the aim of increasing research capacity and capability within the Trust.

Aside from research delivery successes there have also been notable successes in terms of grant applications. Professor Ibrahim Abubakar (Institute of Global Health, UCL) has been supported via the Trust's research support service (Noclor) and secured an NIHR Programme Grant worth £2.5 million over 5 years; Research to Improve the Detection and Treatment of Latent Tuberculosis Infection (RID-TB) will begin in 2019 and encompasses various programmes of work including trials that will recruit via the North London TB Hub based at Whittington Health. Dr Sharon Millard (SLT at the Michael Palin Centre) has also been supported to secure an NIHR RfPB Grant (Research for Patient Benefit) worth £250,000 over 2 years; Evaluating Michael Palin Stammering Therapy for Children: a feasibility study which will explore the effectiveness of a Whittington Health developed clinical intervention in other specialist SLT settings.

Team successes include Fei Long (Research Nurse), Kayleigh Gilbert (Research Team Lead) and Kathryn Simpson (Research Portfolio Manager) and 'the Research Team' being shortlisted in the Trust excellence awards with Kayleigh Gilbert winning the Research Award. Osinachi Egole (Research Midwife) and Kathryn Simpson were both named as Whittington Health Heros in the NHS 70@70 celebrations in recognition for their contributions to research in the Trust. We have recently launched our ICARE for Research campaign and hope to expand on it in the coming year.

Also in the coming year we are keen to work with our nursing, allied health professionals and other colleagues to expand nurse-led research and other research into the impacts of integrated care, community services and population health approaches. One example this year, has been the introduction of outcomes measures for community services.



WORKFORCE

Our People

Our people are fundamental to our success in delivering high-quality patient care. We are proud of all our colleagues and recognise the important role they play in maintaining the health and wellbeing of the people we serve. The people we employ reflect the diverse backgrounds of the communities we serve and we have good representation of women and people from diverse ethnic backgrounds.

Our approach to developing our workforce is set out in our workforce strategy which was co-developed with staff. During 2017/18 we continued to deliver on the ambitions set out in the strategy and are pleased that a number of our performance indicators show how successful our plans have been.

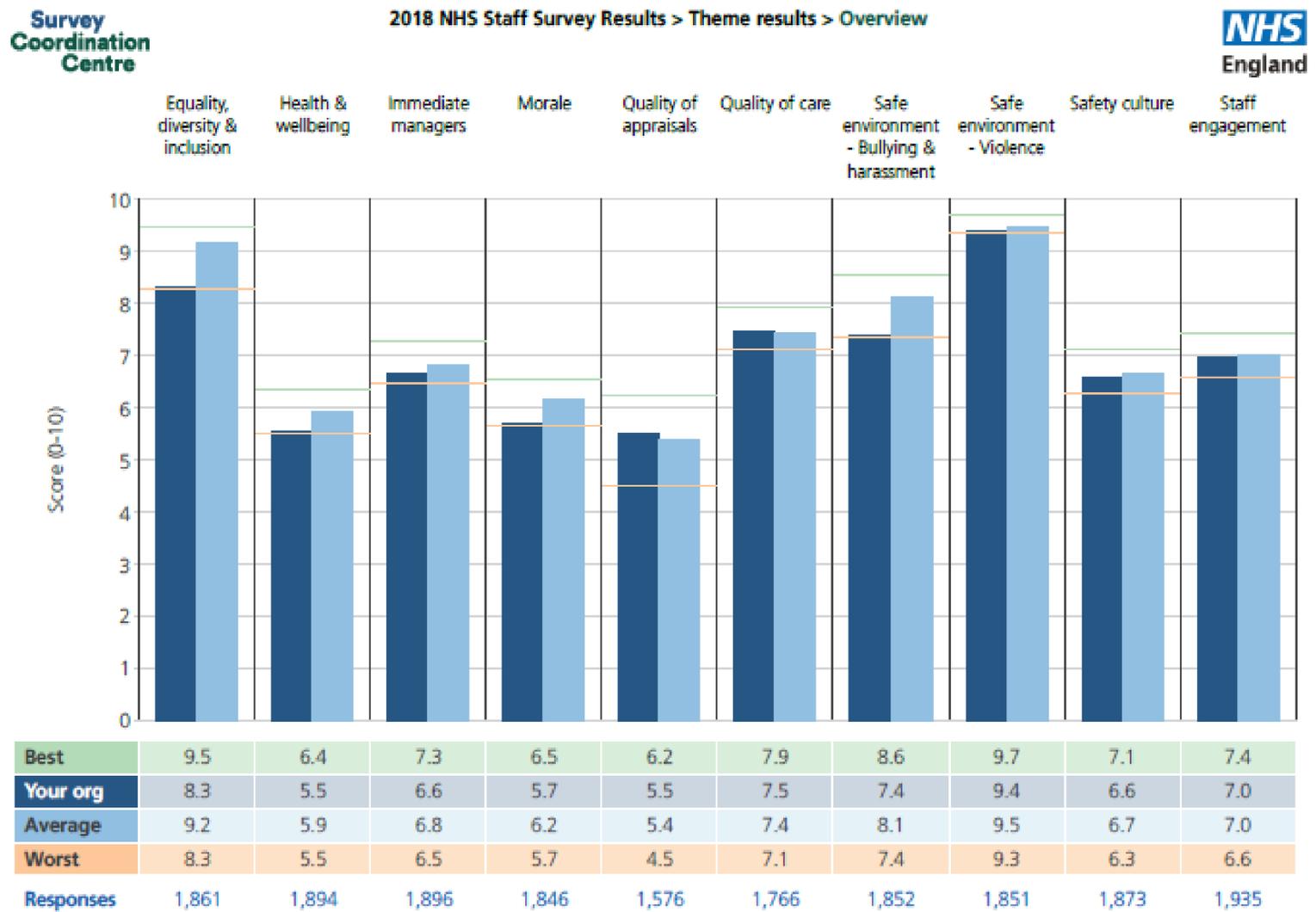
NHS Staff Survey 2018

We know that there is a strong link between positive staff engagement and patient experience and safety. We measure our success in terms of staff engagement and creating a good work environment through the annual NHS Staff Survey and the Staff Friends and Family Test, which is undertaken three times a year and in which we consistently scored above the national average. These survey and test results are closely monitored and discussed at the Trust Management Group, Partnership Group and Board meetings. Our staff survey results continue to be very important to us and are integral to forward planning on all staff matters.

This is the eighth year in which Whittington Health as an Integrated Care Organisation (ICO) has conducted the national staff survey and the second year in which the Trust opted to invite all eligible staff to complete it. Our data is presented as part of a cohort of 43 combined acute and community providers in England.

Of our 4097 eligible staff, 1958 staff took part in this survey, a response rate of 48.5% which is significantly above the average for combined acute and community trusts in England (40%), and compares with a response rate of 42% in the 2017 survey.

Whittington Health’s theme score of 7.0 for staff engagement matches the national score. Nationally the staff survey results for 2018 have been presented as ten key themes (moving away from the previous 32 key findings). The Trust’s results across the ten themes are set out in the graph below:



It is disappointing to note that of the 43 combined acute and community trusts, Whittington Health is not placed in the ‘best’ ranking for any of the ten themes and placed at the ‘worst’ for four of the themes, as detailed below:

Table 6: National Staff Survey Themes:

Theme	Whittington Health – overall trend
Equality, Diversity & Inclusion	Ranked with ‘worst trusts’. Decline from last year
Health & Wellbeing	Ranked with ‘worst trusts’. Decline from last year
Immediate Managers	Ranked as ‘below average’. Decline from last year
Morale	Ranked with ‘worst trusts’. <i>No ranking from previous years</i>
Quality of Appraisals	Ranked as ‘above average’. Decline from last year
Quality of Care	Ranked as ‘above average’. Decline from last year
Safe Environment – Bullying & Harassment	Ranked with ‘worst trusts’. Decline from last year
Safe Environment - Violence	Ranked as ‘below average’ Decline from last year
Safety Culture	Ranked as ‘below average’. Same as last year
Staff engagement	Ranked as ‘average’. Same as last year

As a result of this data and previous reviews, and as detailed in the following section, the Trust carried out an in-depth cultural review in 2018 which began to change the dialogue across the organisation and encouraged staff to speak out and speak up with the assurance that action would be taken. As a result the response rate to the national staff survey improved significantly and as anticipated staff felt comfortable in raising concerns. The staff survey action plan this year will be coupled with our culture improvement programme which will be the vehicle for improvement across the Trust. Whilst each ICSU/Directorate will have their own areas of focus across the ten themes, the Trust Board has agreed a major focus for two priority areas: improving responses to all bullying and harassment scores; and improving staff engagement scores.

Workforce Culture

As highlighted above and in previous reports staff have consistently reported they are experiencing bullying and harassment at work for a number of years. To understand staffs' experience more clearly, Professor Duncan Lewis, from Plymouth University Business School, was commissioned to undertake an independent review of the workplace culture at Whittington Health in 2018. The findings of this survey were reported to the Trust Board in July 2018 and disseminated to all staff.

The Trust immediately set about delivering actions in response to the 14 recommendations within the report. Alongside this staff also expressed a strong desire to have further input into the actions the Trust would take and a series of 'Listening Events' were subsequently held across the Trust. 550 staff took the opportunity to contribute their views through this process.

The initial response presented to the Trust Board, following Professor Lewis' report, set out some immediate actions that would be undertaken whilst further engagement was underway. These were:

- Introduction of Behavioural Framework and Standards
- New approaches to resolution
- Trained 29 coaches from across the Trust from both clinical and non-clinical roles, and at a variety of levels of seniority
- Trained 10 mediators to work with colleagues to improve the way staff address issues of concern and communicate with each other
- Joined with several other London Trusts in a reciprocal agreement to provide external independent mediation
- An electronic employee relations case management system was procured in summer 2018. This has allowed greater monitoring and traction on all cases

- Improved Staff Engagement
- Regular Pulse checks undertaken quarterly - “pulse checks” surveys to explore other elements of staff satisfaction at work. Whittington Health has adopted this approach and has added an additional question to the Staff Friends and Family Test.
- *Listening Events* - engaging over 550 staff
- *Staff Focus Corporate Communication*

Leadership Development Improvements

The new ICSU triumvirates have been supported in their development through a dedicated coaching and organisational development (OD) programme delivered by NHS Elect and the Trust’s OD team. This process has ensured greater clarity on role responsibilities, helped the triumvirate to agree their ICSU priorities, improved communication and teamwork by developing shared purpose and openly identified team strengths and weaknesses to develop strategies to support high levels of team functioning and build confidence and resilience.

Additionally, the following leadership and management developments have been delivered since the culture survey report:

- Executive Team Development
- Visible Leadership
- New Consultant Development Programme
- LEAD – medical leadership development sponsored by the Medical Director
- Leader and Influencer pilot – project based paired leadership development
- Band 6 & 7 clinical leaders programme
- iCARE values-based leadership development
- “Whittington Health “Passport to Manage” developed.

Actions Taken to Consult, Involve and Engage Staff

Our workforce is our primary asset in determining the quality of experience and care we provide. Therefore, staff engagement is paramount in supporting the implementation of improvements so that we foster a more positive work environment. A number of committees have been established to monitor the performance and delivery of the workforce priorities and consult with trade union colleagues:

- Workforce Assurance Committee
- Partnership Group
- Local Negotiating Committee (LNC)
- Culture Steering Group

Staff feedback is also obtained from the national staff survey, results of which are used to develop action plans for improvement. In addition, we communicate and engage in a range of ways, including:

- Monthly Staff Briefings with a written briefing emailed to all staff
- Frequent all staff emails
- A monthly CEO newsletter/blog
- A regularly updated intranet and website
- Social media accounts including Twitter and Facebook feeds for our Trust and some of our key specialisms
- GP newsletters and clinical education events
- Annual open days
- Working with journalists to shout about good news at our hospitals and being responsive to any press enquiries they may have

Embracing Equality, Diversity and Inclusion

We serve diverse local communities across the population and this diversity is reflected in the profile of our patients and workforce and brings many benefits. The Trust remains committed to providing services and employment opportunities that are inclusive across all strands of equality: age, disability, gender, ethnicity, race, religion and belief and sexual orientation in accordance with the Equality Act 2010 and our public sector equality duties. Our equality objectives set out our priorities to drive improvements in staff experience which aim to reduce inequalities for our diverse workforce.

The Inclusion Lead is responsible for monitoring progress against these priorities and regularly reports back on our performance. The Trust has in place a comprehensive plan to ensure better and fairer outcomes in recruitment and progression, as well as ambitious targets to improve diversity in senior management, ensuring all staff have the opportunity to achieve their full potential. The Trust continues to develop fair recruitment practices to ensure equal access to employment opportunities for all.



Our ambition remains to improve the health outcomes, access and experience of all of our patients, carers, visitors, volunteers and employees.

During the past year, we have:

- Submitted our annual Workforce Race Equality Standard outcome to NHS England in July 2018 and published our gender pay gap in March 2019. The Trust has a WRES action plan, delivery of which is overseen by the board's Workforce Assurance Committee.

- Engaged with and involved staff in the review of behaviours linked to the values which form part of our annual performance appraisal process for all staff, as well as agreeing personal development plans and career discussions
- Had equality and diversity training as a mandatory requirement for staff and provided unconscious bias training for managers
- Worked in partnership with staff side colleagues and unions
- The estates team has engaged with the Care Trade's Autism Project, and has integrated a new team member from the project into the team.

However, we know we can do more to build diversity into high-quality services and to meet the health needs of our diverse population. We will, therefore, use our move to locality-based working to better understand the needs of population groups and plan how we can work with our partners in primary care and the local authority to have a real impact on the health of BME communities.

Our latest public sector equality duty annual report shows we have a diverse and representative workforce of the London population. Like other NHS bodies, the Trust is striving to ensure that there is diverse representation at all pay grades in order to help meet guidance issued by NHS Improvement and NHS England in December 2018: A model employer.

Staff Health and Wellbeing

Our occupational health service is committed to a strong focus on health, safety and wellbeing for staff, patients and visitors. Our occupational health services include pre-commencement screening, work-related health checks, vaccination and immunisation programmes, and advice on reducing risks in the workplace. We also offer guidance to staff and managers on maintaining wellness in the workplace. We provide advice and information for managers on managing

sickness absence and how to support staff to return to work. We know that our staff value initiatives that support their health and wellbeing. We offer a wide range of opportunities to support staff through health and well-being programmes. Specialist referral services include cognitive behavioural therapy for mental wellbeing, along with advice, information and counselling via the Employee Assistance Programme

Statutory and Mandatory Training

The majority of core and mandatory skills are delivered through the Trust's online training site. The training modules and programmes are all tailored to meet the requirements of the organisation using software, voiceovers and videos to enable the e-learning to be interactive. The target completion rates vary according to the topic.

Regular corporate induction has been held throughout the year to welcome and orientate new colleagues to the trust. Trust induction includes key information such as Trust values and objectives and Trust-specific information to prepare new starters to be an effective member of the WH team. Each induction starts with a personal welcome on the first session on the first day from our Chief Executive who shares the progress that the Trust has made over the years, has a question and answer session and informs of the latest Trust updates.

The target of 90% compliance in statutory/mandatory training not being met and is at 82%. The Trust appraisal compliance rate is sitting at 73.1%. We are making a concerted effort to improve these two figures at the moment.

Modern Slavery Act

It is our aim to provide care and services that are appropriate and sensitive to all. We always ensure that our services promote equality of opportunity, equality of access, and are non-discriminatory. We are proud of our place in the local community and are keen to embrace the many cultures and traditions that make it so diverse. The diversity of this community is reflected in the ethnic and cultural mix of our staff. By mirroring the diversity that surrounds us, our staff are better placed to understand and provide for the cultural and spiritual needs of patients. In accordance with the Modern Slavery Act 2015, the Trust has made a statement on its website regarding the steps taken to ensure that slavery and human trafficking are not taking place in any part of its own business or any of its supply chains.

Commitment to Multi-Professional Education and Training

It is now a requirement for all students to have a learning portfolio to keep a log of education and training activities and reflective practice throughout their undergraduate training. As part of this process, all students need to have access to a mentor or supervisor.

Throughout the year, there are about 800 medical students, 550 nursing students and 190 midwifery students completing their clinical placements at the Whittington. All of them have access to 'NHS ePortfolio' or a 'Practice Assessment Document' and have an allocated mentor or educational/clinical supervisor.

We ran seven half day 'Learning together' inter-professional workshops in 2017/18 based on real patient stories from serious incidents that have happened at Whittington Health. Each workshop discussed a number of key themes and focused on shared learning and quality improvement. Themes such as adult safeguarding, cross-organisational working, discharge planning, end of life care, handover, information sharing, learning disability, mental and physical health, pressure ulcers, sepsis and team working were all explored in a positive and engaging learning environment. All workshops were facilitated by Whittington Health staff (from various professional backgrounds) and opened up to colleagues working in health, social care and the charity sector in Camden, Haringey and Islington. In total, the workshops were attended by 290 professionals from various backgrounds, with an average attendance of 40 people per workshop. Learning materials from all sessions have been made available on Whittington Moodle to share learning within Whittington Health and other local health and social care colleagues such as district nurses, GPs and social workers.

Excellence in Medical Education

As well as delivering first class care to our patients, we are committed to delivering the very best education and training to support our clinical student colleagues in taking the next steps in their careers. There was a successful Quality assurance visit from UCL Medical School in 2018/19. We were pleased to see the work of three of our consultants celebrated with a Top Teaching Award from UCL Medical School; Dr Bernard Davis, Dr Johnny Swart and Dr Anna Gerratt were presented with the awards in 2018.

We had some outstanding feedback in the GMC survey of doctors in training, with some specialties receiving the highest rating in London. This is a national survey, sent to all doctors in training, and it asks them about the hospital where they are working and the support and education that they receive there.

The Trust continues to be recognised for its reporting culture – trainees feel able to report issues without repercussions, that there are systems in place to deal with issues or concerns, and that concerns will be acted upon.

The has moved forwards with the Faculty of Medical Leadership/ NHS Providers/ NHS Improvement ‘Eight high impact actions to improve the working environment for junior doctors’ and set up a task and finish group to ensure all actions are fully implemented.

Introduction of the Nursing Associate Role

The Trust was part of the national pilot to train Nursing Associates alongside other trusts in North Central London in partnership with Middlesex University and London South Bank University. The role was designed to bridge the gap between health care assistants and registered nurses and was a recommendation of the Shape of Caring Review (2015). The standards for Nursing Associates are set by the NMC who are their regulatory body. The register opened on 28 January 2019 nationally and our nursing associates were among the first to be accepted onto the register. We are proud to have seventeen nursing associates working with us and have 26 currently in training.



CLINICAL SERVICE DEVELOPMENTS

Community Services

Our community services have worked extremely hard to significantly improve access times across this year, for example our Podiatry team has improved from seeing 27% within 6 weeks to 94% seen within 6 weeks. Nutrition and Dietetics have improved from 30% to 100% seen within 6 weeks.

We have designed and launched 4 new service websites to support our patients in self-care and referrers access our services eg. www.whittington.nhs.uk/BB for our Bladder and Bowel Service.

Our outstanding District Nursing service was the worthy winner of a HSJ Value Award in June 2018 for E-Community in Community Health Service Redesign. It was also used as a national example of good practice by NHSI for 'safer caseloads'. They have also reduced their vacancy rate from 39% to 12% improving continuity of patient care.

Our Improving Access to Psychological Therapies (IAPT) service not only has one of the highest recovery rates of any IAPT service nationally and is improving year on year, but is the first and only IAPT service to be designated by the Centre for Mental Health as a Centre of Excellence in Employment Support. They now also offer an innovative online computerised Cognitive Behavioural Therapy (CBT) which is achieving excellent recovery rates. IAPT for people with chronic physical health conditions (LTCs) is in its second year since the initial NHSE-funded pilot was first launched in September 2017. Ongoing funding has now been secured locally. IAPT for LTCs now sees patients with diabetes, chronic obstructive pulmonary disease (COPD), musculoskeletal chronic pain and cardiac illness, and very soon will start working with patients who have a medically unexplained symptom.

Our Self-Management Service has successfully delivered 17 Expert Patient Programmes/Diabetes Self-Management programmes over this year with very positive improvements in patient activation measures, demonstrating that our patients are better able to self-care their long term conditions. The service ran a successful self-management pilot for children and young people with asthma which resulted in a 66% reduction in the need for GP visits as well as a 33% increase in self-management confidence.

Our contract with Hackney Council to become lead provider of the Hackney Smokefree Service started July 1st 2018. The service consists of specialist advisors in behavioural change principles and interventions across over 40 locations in GP surgeries, participating pharmacies, and community clinics including at The Homerton University Hospital. We enjoy a strong partnership with the GP Confederation and The London Pharmacy Committee in Hackney to deliver this service.

Our Musculoskeletal (MSK) service has been leading on integrating the MSK patient pathway and is rolling out a single point of access for all MSK patients. This provides enhanced triage for all MSK patients and ensures patients are seen in the right place first time. It has now been rolled out to 50% of Haringey and Islington GP practices with plans for full roll out this year. The service has also developed an online self-referral form for MSK Physiotherapy improving patient access to prompt MSK care. They have also launched their own twitter account @WhitthealthMSK to increase access to self-care information.

Our community services are now able to evidence that our patients show significant benefit from their community treatment for a wide range of services including Musculoskeletal Physiotherapy, Podiatry, Nutrition and Dietetics and Community Rehabilitation Services. For example 93% of patients completing MSK Physiotherapy report a clinically significant improvement in their functional level and 93% of our patients undergoing community rehabilitation achieve their treatment goals. We are continuing to bring more patient reported outcomes online over the next quarter.

Maternity

The 2018 NHS Maternity Service survey is carried out annually by the Care Quality Commission. This year's survey results show that new families report that they were treated with dignity and respect 100% of the time with more than 95% reporting that they had confidence in staff at Whittington Health NHS Trust and that they were involved enough in decisions about their care.

Intermediate Care Pathways

We held 5 workshops regarding the redesign of the intermediate care pathways across Haringey & Islington. Agreement from the Trust and the two councils for further work is now in place and a clinical lead has been appointed to take this forward in the coming year.

Pathology

We have reached agreement with North West London NHS Partners to move to the next stage in becoming partners in their pathology network.

Children and Young People

Islington MSK has tackled significant DNA rates through the development of a 'back on track' exercise group at Lift gym in Islington for teenagers to bridge the gap between 1:1 physiotherapy sessions and returning to sport/goals. This has received good feedback and is well attended. There are plans to review how many CYP join the gym after the sessions on an ongoing basis. Integrated and co-located Bright start areas are now established in Islington across 3 localities focussing on early identification and support for families right from the start and working with the local authority to develop integrated outcomes.

Islington, Haringey and Camden have now developed designated clinical officers for children and young people with Special Educational Needs and Disability (SEND) to act as a strategic advisor to CCGs and monitor the quality of work and statutory time scales for CYP with accessing support with SEND

The Community Children's Nursing Team at Whittington Health NHS Trust led the implementation of a new service within the Hospital at Home service, offering home based phototherapy to babies with physiological jaundice. The Hospital at Home service is part of the Community Children's Nursing Team, delivering nursing care to acutely unwell children at home. The H@H team had their case study on home based phototherapy published on NHSI's atlas of shared learning and was showcased at the NHSI event in March.

The following awards were also celebrated:

- Hannah Marsden Band 5 Staff nurse shortlisted for Student Nursing Times awards - Mentor of the Year
 - Colette Datt, Nurse Consultant CYP - Nurse of the Year 2018 - Nursing Times
 - Laura Gratton and Sonal Patel Oncology Nurse CNSs - PENNA - Fiona Littledale - excellence in oncology award 2019
 - Colette Datt, Sandra Frimpong, Naheeda Rahman, Madeline Ioannou with external partners - PEnNA - National Patient experience award - Partnership working to improve the experience
 - Edith Aimiwu CNS Haemoglobinopathy Nurse - CYP Nurse of the Year 2018 - Whittington Health
 - Sinead Doherty CNS Allergy Nurse - Patient Safety Award 2018 - Whittington Health
-

- Marion Coyle HCA Ifor Ward - Whittington Health Hero 2018
- Transforming asthma care in schools in Islington: The Asthma Friendly Schools Project UK
- Karen Rodesano CCNT wrote an article on Transforming asthma care in schools in Islington: The Asthma Friendly Schools Project UK. It was published in the journal of school nursing.



SYSTEM WORKING

GP Federations

We have signed a memorandum of understanding with the two local GP Federations, that we will work together for the benefit of our populations. We have been working closely with GPs and commissioners in Haringey and Islington to develop new ways of working as they begin to work more at scale through primary care networks. Examples of this include our new integrated diabetes team that supports and trains GPs to keep patients' diabetes managed in the community, and our team working with Age UK and the GPs to use an e-frailty index to find and support patients before they deteriorate.

Localities

This year we have begun to work even more closely with our colleagues in the councils, mental health trusts, GPs, and the voluntary sector to create a new vision for our joined up services based around localities (3 in Islington and 4 in Haringey). We have agreed the following vision and we are now designing the operating model to deliver it:

We want to create a step forward in how well we prevent issues arising and nip them in the bud early, through more integrated public services and more resilient local communities. This means:

- A simpler, more joined up local system that offers the right support at the right time that manages the growth in demand and to reduce duplication in the system
- Integrated, multi-disciplinary teams from across the public sector working together on the same geography and tackling issues holistically, focused on relationship-building and getting to the root causes
- A workforce who feel connected to each other and able to work flexibly, better able to meet people's needs
- A new system partnership with the voluntary sector to co-ordinate local activity, networks and opportunities – so that we make the best use of the strengths and assets of our communities

Health and Wellbeing Partnership and North London Partners Strategic Transformation Plan

Our work with the Health and Wellbeing Partnership has accelerated as we have progressed areas of collaboration in frailty, diabetes, respiratory and intermediate care. Much of this work is now continuing as business as usual and we are going further through the work around localities. We have also worked closely with our North London Partners in health and care to start to develop a new Integrated Care System across the five boroughs of North Central London. Through

numerous workshops we have created prototypes with patients and services users and are beginning now to create the governance for borough level partnerships.

University College London NHS Foundation Trust

We have continued to work well with UCLH in various areas of collaboration including breast services, maternity, and general surgery. One particular success has been that patients with abscesses now come to Whittington Health for their day surgery instead of being admitted to a bed at UCLH.

North Middlesex University Hospital NHS Trust

At the latter end of the year we signed a Memorandum of Understanding with NMUH with the view to collaborating on clinical pathways and other areas where we can improve quality and efficiency better together.



INFORMATION GOVERNANCE AND CYBER SECURITY

Information Governance (IG) is to do with the way organisations process or handle information. The Trust takes its requirements to protect confidential data seriously and over the last 5 years has made significant improvements in many areas of information governance, including data quality, subject access requests, freedom of information and records management.

The Data Security and Protection (DSP) Toolkit is a policy delivery vehicle produced by the Department of Health; hosted and maintained by NHS Digital. It combines the legal framework including the EU General Data Protection Regulations 2016 and the Data Protection Act 2018, the Freedom of Information Act 2000 and central government guidance including the NHS Code of Practice on Confidentiality and the NHS Code of Practice on Records Management. The framework ensures the Trust manages the confidential data it holds safely and within statutory requirements.

During the year the Trust implemented an improvement plan to achieve DSP Toolkit compliance and to improve compliance against other standards. As a result, the Trust met the majority of the mandatory assertions and declared 100% compliance for 2018/19 against the mandatory assertions with an improvement plan in place for IG training which was declared at 76% against a target of 95%. The Trust's DSP Toolkit submission and former IG Toolkit submission can be viewed online at www.dsptoolkit.nhs.uk and www.igt.hscic.gov.uk.

All staff are required to undertake IG training. In 2018/19, the Trust reached an annual peak of 81% of staff being IG training compliant. The compliance rates are regularly monitored by the IG committee, including methods of increasing compliance. The IG department continues to promote requirements to train and targets staff with individual emails, includes news features in the weekly electronic staff Noticeboard and manages classroom-based sessions at induction.

INFORMATION MANAGEMENT AND TECHNOLOGY DEVELOPMENTS

This year we continued our work as a NHS England Global Digital Exemplar fast follower with the roll out of NEWS2 scoring system and “CareFlow Vitals”. Patients being treated at Whittington Hospital’s adult wards are now seeing staff recording details of their vital signs like breathing, blood pressure, oxygen saturation levels, pulse and temperature onto iPods and iPads instead of onto paper charts kept at the end of their bed.

The ‘CareFlow Vitals’ electronic observation system is cutting the amount of time it takes to complete a set of patient observations and reduces the likelihood of recording errors. Crucially, combined with the clinical skills and judgement of staff, it helps to identify deteriorating patients more rapidly, allowing specialist care to be provided more quickly.

The IT team has also successfully upgraded nearly 2000 computers to Windows 10.



SUSTAINABILITY

We are committed to delivering a clear programme of sustainable development across our services. Our plan aligns to the national strategy 'Sustainable, Resilient, Healthy People and Places'.

Our Plan

Our Sustainable Development Management Plan (SDMP) outlines the steps we are taking to reduce our emissions. Key points include:

- Helping staff and patients reduce carbon emissions by publishing green travel plans, and providing information on how to reduce carbon emissions in their personal lives
- Ensuring that our plans for the future include an assessment of their environmental impact
- Actively encourage and reward recycling as well as reducing the volume of waste through procurement and purchasing plans.

Reducing Carbon Emissions

The Trust has continued to invest in projects to reduce carbon emissions, including the continuation of a programme of improvements to our heating and ventilation control systems. The Trust has also successfully bid for a match funded NHSI LED lighting replacement project, with the intention of this work taking place during 2019, the project will reduce our carbon emissions by a further 204 tonnes per annum.

The Trust has also provided a letter of support to Islington Council to work with them in the development of a local heat network to collaboratively reduce carbon emissions across both the council and Trust estate.

Waste Disposal

2018/19 has seen the in-house recycling centre become fully imbedded within the normal operations of the Facilities waste team. A number of waste streams are sorted and recycled in large quantities, including cardboard, paper, plastic, oil, metal, wood and food.

The team has engaged with the Care Trade's Autism Project, and has integrated a new team member from the project into the team.

2019/20 will see a new waste contract implemented for both the acute and community sites. The main focus will be to improve recycling rates within the community estates.

Procurement

We continue our commitment to reduce the wider environmental and social impact associated with the procurement of goods and services, in addition to our focus on carbon.

Travel and Transport

We continue to work with Islington Council to improve sustainable transport within the borough. As part of our commitment to this we operate a total of 13 electric cars and we have issued approximately 370 Oyster cards to community staff to encourage the use of public transport while undertaking Trust business. Staff can take part in the Whittington Health Cycle2Work salary sacrifice scheme, and we have engaged with Islington Council's Zero Emission Network, and are committed to the borough's cleaner air strategy.

Our work with our local council has seen the introduction of carbon absorbing plants and soil at the hospital. Our patient transport team has undertaken training that ensures they meet the requirements of Islington's anti-idling campaign.

In line with our clinical strategy, the Estates Strategy will reduce the number of locations we deliver clinical services from, ensuring they are demographically positioned to serve our community more efficiently. This will reduce the travel times of our patients and staff, therefore reducing the carbon impact of all associated journeys made.

EMERGENCY PREPAREDNESS

Each year Whittington Health NHS Trust participates in the annual Emergency Preparedness, Resilience and Response (EPRR) assurance process by NHS England. The Core standards for EPRR are set out for NHS organisations to meet and the Trust's annual assessment was completed on the 11th of November 2018 by the North Central NHS England Assurance Team. The following results were achieved:

55 EPRR standards evidential measures.

- 55= Green (Fully Compliant),
- 0=Amber (Evidence of Progress),
- 0= (No evidence of progress)

Chemical, Biological, Radiological, Nuclear and Explosive (CBRNE) standards evidential measures

- 14=Green (Fully Compliant) 0= Amber (Evidence of Progress)
- Governance- Deep Dive Questions 6 = Green (Fully Compliant)

The trust has made progress on last year increasing the level of resilience to "Fully Compliant". The EPRR Action Plan for 2019 addresses areas for improvement throughout Whittington Health NHS Trust. The actions are reported through the Executive Committee and in six-monthly reports to Trust Board.

EU Exit Preparations

The Whittington Health NHS Trust has established an EU Exit Planning Group. The planning group is chaired by an executive member, Carol Gillen Chief Operating Officer. The chair provides regular updates to the Trust Management Group. The group is represented by Directors and service leaders. The group meets bi-weekly to discuss issues, actions and update the Trust's EU Exit Plan. The EU Exit Planning Group is regularly engaged with planning networks within Haringey, Islington, and London. The planning group has conducted table top exercises recommended by the Department of Health in preparation for EU Exit. The Whittington Health EU Exit planning team submits, daily, weekly and specific situation reports as requested by NHS England.

CONCLUSION TO THE PERFORMANCE REPORT AND STATEMENT OF FINANCIAL POSITION

The above document represents the performance report and statement of financial position of Whittington Health for the financial year 2018/19. As the CEO I believe this represents an accurate and full picture of the Trust for the year.

A handwritten signature in blue ink that reads "Siobhan Harrington". The signature is written in a cursive style.

Siobhan Harrington
CEO



Accountability report

Members of Whittington Health's Trust Board

Non-Executive Directors:

Steve Hitchens, Chairman

Graham Hart (to September 2018)

Naomi Fulop (from October 2018)

David Holt

Deborah Harris-Ugbomah

Tony Rice

Anu Singh

Yua Haw Yoe

Executive Directors:

Siobhan Harrington, Chief Executive

Julie Andrews, Acting Medical Director (from mid-November 2018)

Stephen Bloomer, Chief Finance Officer

Norma French, Director of Workforce*

Carol Gillen, Chief Operating Officer

Richard Jennings, Medical Director (to mid-November 2018)

Michelle Johnson, Chief Nurse & Executive Director of Patient Experience

Jonathan Gardner, Director, Strategy, Development & Corporate Affairs (from May 2018)*

Sarah Humphery, Medical Director, Integrated Care*

*denotes non-voting board members

Membership of board committees

The following committees reported to the Board. (* denotes the committee chair)

Audit & Risk Committee

NEDs: Tony Rice, David Holt*, Deborah Harris-Ugbomah

Exec Directors: Stephen Bloomer, Jonathan Gardner, Carol Gillen

Charitable Funds' Committee

NEDs: Steve Hitchens, Tony Rice*, Graham Hart (Resigned September 2018)

Exec Directors: Jonathan Gardner, Michelle Johnson, Steve Bloomer, Siobhan Harrington

Estates Strategy Delivery Committee

NEDs: David Holt*, Anu Singh, Yua Haw Hoe

Exec Directors: Stephen Bloomer, Adrien Cooper, Jonathan Gardner

Finance & Business Development

NEDs: Tony Rice*, Deborah Harris-Ugbomah, Naomi Fulop (joined October 2018), Graham Hart (Resigned September 2018)

Exec Directors: Steve Bloomer, Norma French, Carol Gillen, Siobhan Harrington, Jonathan Gardner

Quality Committee

NEDs: Anu Singh*, Deborah Harris-Ugbomah, Yua Haw Yoe (Deputy Chair)

Exec Directors: Michelle Johnson, Adrien Cooper, Carol Gillen, Julie Andrews/Richard Jennings

Remuneration Committee

Neds: Anu Singh, David Holt, Yua Haw Yoe, Graham Hart (Resigned Sept 2018) Naomi Fulop (Joined October 2018) Tony Rice, Steve Hitchins*

Workforce Assurance Committee

NEDs: Steve Hitchins (*Sept), Graham Hart (*May) (Resigned Sept 2018) Naomi Fulop (joined October 2018) (*January).

Exec Directors: Norma French, Siobhan Harrington, Michelle Johnson, Steve Bloomer, Jonathan Gardner, Carol Gillen

Non-executive appraisal process

Each year, the chairman and non-executive directors evaluate their performance through appraisal and identify any areas for development. The appraisal of the non-executive directors is carried out by the chairman.

Trust Board of Directors' declarations of interest

In line with the Nolan principles of public life, Whittington Health NHS Trust is committed to openness and transparency in its work and decision making. As part of that commitment, we maintain and publish a register of interests which draws together declarations of interests made by members of the Board of Directors. In addition, at the commencement of each Board meeting, members of the Board are required to declare any interests in respect of specific items on the agenda. The declarations for 2018/19 are shown below:

Table 7: Non-Executive Directors – voting Board members:

Steve Hitchins, Chair	<ul style="list-style-type: none"> ▶ Member: Liberal Democrats ▶ Trustee, Whittington Health Charity <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▶ Wife : voting member of House of Lords who sits on Liberal Democrat benches
Anu Singh	<ul style="list-style-type: none"> ▶ Nil ▶ Trustee, Whittington Health Charity <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▶ Nil
Naomi Fulop	<ul style="list-style-type: none"> ▶ Honorary contract, Professor of Health Care Organisation & Management, Department of Applied Research, University College London ▶ Trustee, Whittington Health Charity <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <p>Nil</p>
David Holt	<ul style="list-style-type: none"> ▶ NED/SID, Chair of Audit Committee at Tavistock and Portman NHSFT ▶ NED, Chair of Audit Committee, Hanover Housing Association ▶ Deputy Chair, Chair of Audit Committee Ebbsfleet Development Corporation (MCLG) ▶ NED and Chair of Audit Committee, Planning Inspectorate (MCLG) ▶ Trustee, Whittington Health Charity <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▶ Wife Dr Kim Holt employed by Whittington Health – Children’s Safeguarding Lead Haringey
Deborah Harris-Ugbomah	<ul style="list-style-type: none"> ▶ Governor / Audit Committee Chair, Trinity Laban Conservatoire ▶ Director/ Audit Committee Chair, The Shared Learning Trust ▶ Independent Member -Audit Committee and Independent Member - Treasury Committee, Notting Hill Housing ▶ Director, Harris Manor Properties Ltd ▶ Director, HJM Property Solutions Ltd ▶ Co-founder & Consultant, Inspiring Insights ▶ Founder and UK Regional Lead, Lean In (UK Chapter) ▶ Trustee, Whittington Health Charity <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▶ Nil

Prof Graham Hart	<ul style="list-style-type: none"> ▸ Nil ▸ Trustee, Whittington Health Charity <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▸ Nil
Tony Rice	<ul style="list-style-type: none"> ▸ Chair, Dechra Pharmaceuticals PLC ▸ Chair, Xerxes (Investment company) ▸ Trustee, Whittington Health Charity <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▸ Nil
Yua Haw Yoe	<ul style="list-style-type: none"> ▸ Nil ▸ Trustee, Whittington Health Charity <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▸ Nil

Table 8: Executive Directors – voting Board members:

Siobhan Harrington	<ul style="list-style-type: none"> ▸ Nil <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▸ Nil
Stephen Bloomer	<ul style="list-style-type: none"> ▸ Chair, Whittington Pharmacy, Community Interest Company <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▸ Nil
Julie Andrews	<ul style="list-style-type: none"> ▸ Nil <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▸ Nil
Michelle Johnson	<ul style="list-style-type: none"> ▸ Trustee on Board of Roald Dahl Marvellous Children's Charity <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▸ Nil
Carol Gillen	<ul style="list-style-type: none"> Non-Executive Director, Whittington Pharmacy Community Interest Company <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▸ Nil

Table 9: Non-voting Board members:

Sarah Humphery	<ul style="list-style-type: none"> ▸ GP Partner Goodinge Group Practice, Goodinge Health Centre, 20 North Road, London N7 9EW: General Medical Services <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▸ Nil
Jonathan Gardner	<ul style="list-style-type: none"> ▸ Nil <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▸ Tbc
Norma French	<ul style="list-style-type: none"> ▸ Nil <u>Conflicts of interests that may arise out of any known immediate family involvement</u> <ul style="list-style-type: none"> ▸ Husband is consultant physician at CNWL (at UCLH)



Remuneration and Staff Report

The salaries and allowances of senior managers who held office during the year ended 31 March 2019 are shown in Table 1 below.

The definition of 'Senior Managers' given in paragraph 3.35 of the Department of Health Group Accounting Manual (GAM) 2018-19 is: "...those persons in senior positions having authority or responsibility for directing or controlling the major activities within the group body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments". For the purposes of this report, senior managers are defined as the chief executive, non-executive directors and executive directors, all Board members with voting rights.

Notes on table 10 (below)

1. The salary figures above represent the 2018-19 financial year and, therefore, reflect that some Directors were only in post for part of the year.
 2. Tony Rice donated his salary to Whittington Hospital NHS Trust Charitable Funds.
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Table 10: Salaries and allowances 2018-19

Name and title	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	Total (bands of £5,000)
Non-executive						
Steve Hitchins, Chair	20-25	0	0	0	0	20-25
David Holt	5-10	0	0	0	0	5-10
Tony Rice (Note 2)	5-10	0	0	0	0	5-10
Anu Singh	5-10	0	0	0	0	5-10
Yua Haw Yoe	5-10	0	0	0	0	5-10
Deborah Harris-Ugbomah	5-10	0	0	0	0	5-10
Professor Graham Hart	0-5	0	0	0	0	0-5
Professor Naomi Fulop	0-5	0	0	0	0	0-5
Executive						
Siobhan Harrington, Chief Executive	175-180	0	0	0	180-182.5	355-360
Carol Gillen, Chief Operating Officer	130-135	0	0	0	80-82.5	210-215
Dr Richard Jennings, Medical Director (to November 2018)	100-105	0	0	0	0	100-105
Dr Julie Andrews, Acting Medical Director (from November 2018)	75-80	0	0	0	62.5 – 65	135-140
Stephen Bloomer, Chief Finance Officer	155-160	0	0	0	27.5-30	185-190
Norma French, Director of Workforce	125-130	0	0	0	127.5-130	255-260
Michelle Johnson, Chief Nurse and Director of Patient Experience	105-110	0	0	0	107.5-110	210-215
Dr Sarah Humphery, Executive Medical Director: integrated care	35-40	0	0	0	17.5-20	55-60
Jonathan Gardner, Director of Strategy and Corporate Affairs	100-105	0	0	0	50-52.5	150-155

Table 11: Salaries and allowances 2018-19

Name and title	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	Total (bands of £5,000)
Non-executive						
Steve Hitchins, Chair	20-25	0	0	0	0	20-25
David Holt	5-10	0	0	0	0	5-10
Tony Rice (Note 2)	5-10	0	0	0	0	5-10
Anu Singh	5-10	0	0	0	0	5-10
Professor Graham Hart	5-10	0	0	0	0	5-10
Yua Haw Yoe	5-10	0	0	0	0	5-10
Deborah Harris-Ugbomah	5-10	0	0	0	0	5-10
Executive						
Simon Pleydell Chief executive to 15/9/2017	100-105	0	0	0	0	100-105
Siobhan Harrington, Director of Strategy / Deputy CEO to 15/9/2017 Chief Executive from 15/9/2017	140-145	0	0	0	127.5-130	270-275
Carol Gillen, Chief Operating Officer	120-125	0	0	0	0	120-125
Dr Richard Jennings, Medical Director	160-165	0	0	0	5-7.5	165-170
Dr Greg Battle, Executive Medical Director: Integrated Care	35-40	0	0	0	2.5-5	40-45
Stephen Bloomer, Chief Finance Officer	145-150	0	0	0	10-12.5	155-160
Norma French, Director of Workforce	115-120	0	0	0	12.5-15	130-135
Philippa Davies, Director of Nursing / Patient Experience	90-95	0	0	0	0	90-95
Sarah Hayes, Acting Chief Nurse (15/12/2017 to 12/2/2018)	10-15	0	0	0	35-37.5	45-50
Michelle Johnson, Chief Nurse and Director of Patient Experience (from 12/2/2018)	10-15	0	0	0	180-182.5	195-200

Statement of the Policy on Senior Managers' Remuneration

The remuneration committee follows national guidance on the salary of senior managers.

All elements of remuneration, including 'annual cost of living increases' (when applicable) continue to be subject to performance conditions. Executive directors were awarded a 3% pay increase (limited to £2,075) by the remuneration committee in June 2018; other decisions made by the Committee are reflected in the tables above. This is subject to the achievement of goals being objectively assessed. The governance arrangements for the committee form part of the Whittington Health's standing orders, reservations and delegation of powers and standing financial instructions last updated in April 2017.

In line with the requirements of the NHS Codes of Conduct and Accountability, the purpose of the committee is to advise the Trust Board about appropriate remuneration and terms of service for the chief executive and other executive directors including:

- all aspects of salary (including any performance-related elements/bonuses)
- provisions for other benefits, including pensions and cars
- arrangements for termination of employment and other contractual terms

Policy on Duration of Contracts, Notice Periods and Termination Payments

The contracts of employment for all senior managers are substantive (permanent), subject to market conditions when it may be imperative to consider other recruitment options. Senior managers are subject to regular and rigorous review of performance. All such contracts contain notice periods of either three months or six months. There is no provision for compensation for early termination in the contract of employment, but provision is made in the standard contract as follows

Clause 11: 'The Trust may at its discretion terminate a senior manager's contract with less or no notice by paying a sum equal to but no more than basic salary in lieu of notice less any appropriate tax and statutory deductions.'

Clause 12: 'Senior manager contracts may be terminated with immediate effect and without compensation for gross misconduct.'

Table 12: Board members' pension entitlements for those in the pension scheme 2018-19

Name and Title	Real increase in pension at pension age (bands of £2,500)	Real increase in lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2019 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2018	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2019	Employer contribution to stakeholder pension
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Siobhan Harrington	7.5 – 10	20-22.5	45-50	140-145 140	795	274	1087	26
Carol Gillen (note 1)	2.5 – 5	12.5 – 15	45-50	145-150	999	N/A	N/A	19
Richard Jennings	0-2.5	0-2.5	40-45	130-135	878	107	1005	15
Julie Andrews	2.5 -5	2.5-5	35-40	80-85	477	116	604	9
Stephen Bloomer	2.5 – 5	0	50-55	115-120	765	135	917	21
Norma French	5-7.5	12.5-15	30-35	70-75	489	95	596	19
Michelle Johnson	5-7.5	15-17.5	35-40	105-110	547	178	736	14
Sarah Humphery	0-2.5	0-2.5	10-15	15-20	161	18	203	5
Jonathan Gardner	2.5-5	0	15-20	0	118	55	175	15

Note 1: Due to individual circumstances NHS Pensions do not calculate a CETV for Carol Gillen.

The Trust's accounting policy in respect of pensions is described in Note 8.3 of the complete annual accounts document that will be uploaded to www.whittington.nhs.uk in September 2018. As non-executive directors do not receive pensionable remuneration, there are no entries in respect of pensions.

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

The real increase in CETV reflects the increase in the CETV effectively funded by the employer. It takes account of the increase in the 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 membership of the remuneration committee comprises the chairman and all the non-executive directors of Whittington Health NHS Trust. The committee has agreed several key principles to guide the remuneration of directors of the Trust.

Pay Multiples

Non-Executive Directors

The Trust follows NHS Improvement guidance for appointing non-executive directors.

The terms of the contract apply equally to all non-executive directors with the exception of the Chairman, who has additional responsibilities and accountabilities. The remuneration of a non-executive director is £6,157. The Chairman receives £21,105.

Salary range

The Trust is required to disclose the ratio between the remuneration of the highest-paid director in their organisation and the median remuneration of the workforce.

The mid-point remuneration of the highest paid director at Whittington Health in 2018-19 was £177,500 (2016-17 £162,500). This was 5.94 times the median remuneration of the workforce, which was £29,608 (2016-17 £34,495). The multiple has reduced from 2017-18 due to a change of the most highly paid individual.

In 2018-19, we had no employees (unchanged from 2017-18) who received remuneration in excess of the highest-paid director. Remuneration ranged from £6,157 to £175,945 (2016-17 £6,157 - £159,950).

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

Staff numbers and composition

To comply with the requirements of NHSI's Group Accounting Manual, the Trust is also required to provide information on the following:

- staff numbers and costs;
- staff composition by gender;
- sickness absence data;
- expenditure on consultancy;
- off-payroll arrangements; and
- exit packages.

This information has been included below:

Table 13: Breakdown of temporary and permanent staff members:

	Average WTE	
	2018/19	2017/18
Permanent staff		
Administration and Estates	893	993
Medical and Dental	464	458
Nurses & Midwives	1046	1069
Scientific, Therapeutic & Technical	692	680
Healthcare Assistants	532	516
Permanent staff total	3639	3717
Temporary staff		
Administration and Estates	202	201
Medical and Dental	48	47
Nurses & Midwives	233	222
Scientific, Therapeutic & Technical	82	48
Healthcare Assistants	142	113
Temporary staff total	707	631
All staff total	4346	4348

Table 14: Costs of temporary and permanent staff members

		Costs (£k)
		2018/19
Permanent staff		
Administration and Estates		38,593
Medical and Dental		41,752
Nurses & Midwives		55,517
Scientific, Therapeutic & Technical		38,533
Healthcare Assistants		17,641
Apprenticeship Levy		873
Permanent staff total		192,909
Temporary staff		
Administration and Estates		7,321
Medical and Dental		6,830
Nurses & Midwives		12,840
Scientific, Therapeutic & Technical		3,267
Healthcare Assistants		5,086
Temporary staff total		35,344
All staff total		228,253

Table 15: Sickness absence data

Staff Sickness Absence	2018/19	2017/18
Total days lost (Calendar Days Lost)	30,374	49,323
Average working days lost	8	8
Number of persons retired early on ill health grounds	1	0

Equality, Diversity and Inclusion

We believe that employing a workforce that reflects the diverse nature of the communities we serve will make us better at meeting the needs of our patients. At 31st March 2019 the Trust had 4,265 staff in post. 3,314 of these are female and 951 male. Of the executive board members at 31 March 2019, 5 are female and 3 are male.

Consultancy Spend

The Trust spent £0.7m on consultancy in 2018-19 (£1.2m in 2017-18). The majority of this expenditure was incurred with a partner organisation to help the Trust develop savings scheme ideas.

Off-Payroll Engagements

The Trust is required to disclose all off-payroll engagements as of 31 March 2019, for more than £245 per day and that last longer than six months. The Trust does not have any of these engagements.

Table 16: Exit packages for 2018-19

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies £s	Number of other departures agreed	Cost of other departures agreed £s	Total number of exit packages	Total cost of exit packages £s	Number of departures where special payments have been made	Cost of special payment element included in exit packages £s
Less than £10,000	1	6,096	0	0	0	6,096	0	0
£10,000 -£25,000	0	0	0	0	0	0	0	0
£25,001 -£50,000	0	0	0	0	0	0	0	0
£50,001 -£100,000	0	0	0	0	0	0	0	0
£100,001 -£150,000	0	0	0	0	0	0	0	0
£150,001 -£200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Total	1	6,096	0	0	1	6,096	0	0

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Scheme. Exit costs in this note are accounted for in full in the year of departure. Where Whittington Health has agreed early retirements, the additional costs are met by the Trust.





Annual Governance Statement

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS 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 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 Trust Accountable 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 Whittington Health NHS 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 Whittington Health NHS Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust has a robust approach to risk management with:

- The Board annually reviewing its risk management strategy and setting out its risk appetite
 - The Audit and Risk Committee taking delegated authority from the Board for oversight and assurance on the control framework in place to manage strategic risks to the delivery of the Trust's financial objectives. It is supported in this by other Board Committees providing assurance to the Board on the effective mitigation of risks, as follows:
 - The Quality Committee reviews and provides assurance to the Board on the management of risks relating to quality and safety, including all risk entries scored above 15 on individual Integrated Clinical Service Units (ICSUs) and corporate areas
 - The Finance & Business Development Committee provides assurance to the Board on the delivery of the Trust's financial sustainability strategic objective and reviews risks scored higher than 15 which relate to finance, information governance and information technology
 - The Workforce Assurance Committee reviews all workforce-related risks and their effective mitigation. It is supported in this by the Quality Committee which also monitors those workforce risks related to patient quality and safety
-

- A robust organisational governance structure, with clear lines of accountability and roles responsible for risk is in place for all staff
- The Chief Executive has overall accountability for the development of risk management systems and delegates responsibility for the management of specific areas of risk to named Directors
- All relevant staff being provided with risk management training as part of their induction to the Trust and face-to-face training from Risks Managers for those staff regularly involved in risk management
- Risk management training being provided for all executive and non- executive directors as part of Board development
- An open culture to empower staff to report and resolve incidents and risks through the Datix recording system and to share learning with teams

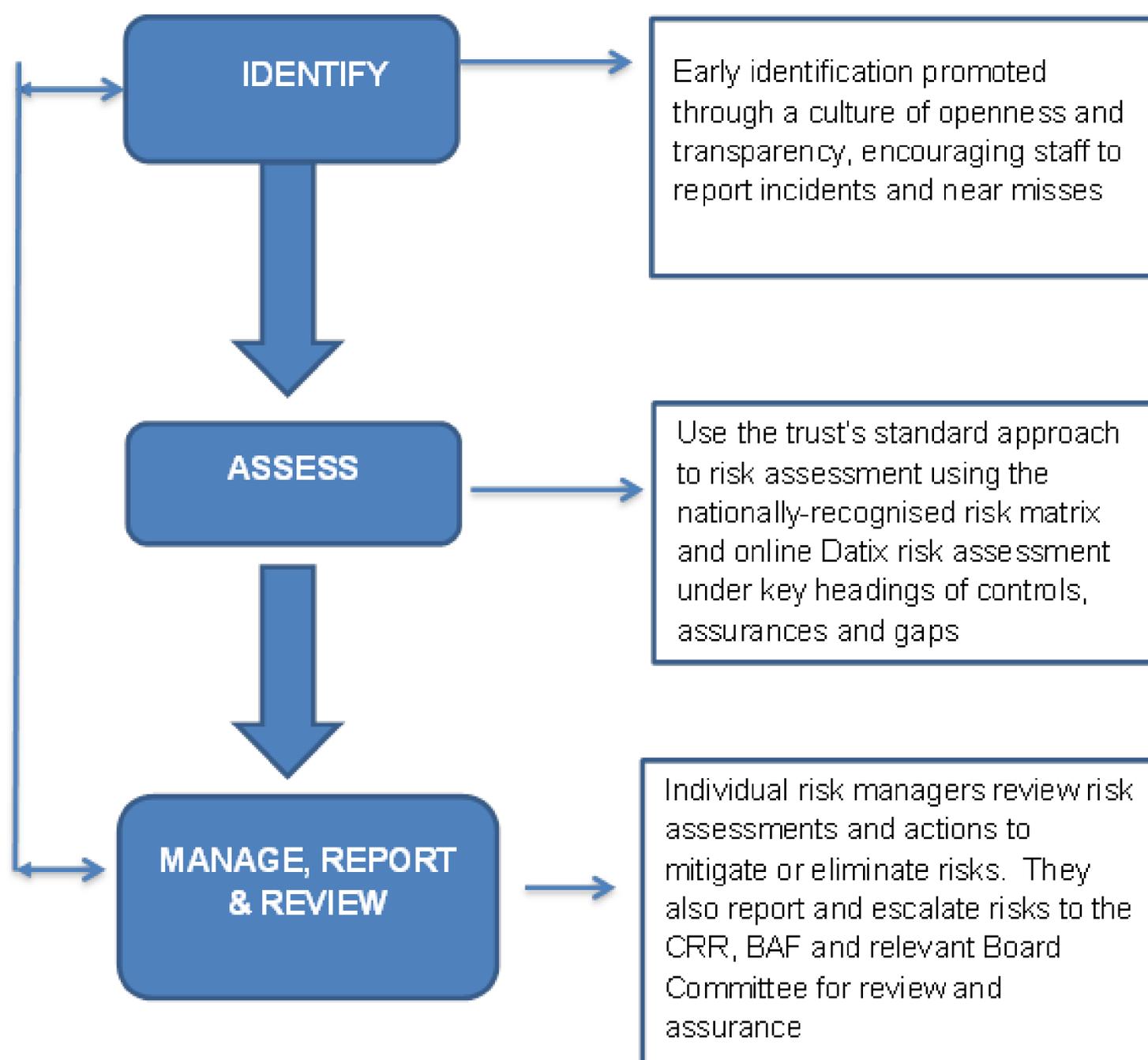
The risk and control framework

The aim of the Trust's risk management strategy is to support the delivery of organisational aims and objectives through the effective management of risks across all of the Trust's functions and activities through effective risk management processes, analysis and organisational learning.

The Trust's approach to risk management aims to:

- embed the effective management of risk as part of everyday practice
- support a culture which encourages continuous improvement and development
- focus on proactive, forward looking, innovative and comprehensive rather than reactive risk management
- support well thought through decision-making

A snapshot of the trust's risk management process is highlighted overleaf



Local risk registers at ICSU and corporate level along with the corporate risk register (CRR) and board assurance framework (BAF), seek to present an overview of the main risks facing the organisation. The local risk registers are reviewed, updated and monitored regularly by the relevant ICSU Board and corporate services' leads and, if necessary, a risk can be escalated onto the corporate risk register, which is monitored by the Trust Management Group and Quality Committee. Respective BAF entries are monitored by executive director risk leads who assess the status of their risk entry and its effective mitigation. The BAF is also monitored by the Audit & Risk Committee and Trust Board.

Board assurance framework

The Board Assurance Framework (BAF) has been reviewed thoroughly this year and provides a framework for reporting of the principal strategic risks to the delivery of the Trust's business. It identifies the risk appetite and the controls and assurances in place to mitigate these risks, the gaps or weaknesses in controls and assurances, and actions required to further strengthen these mechanisms. The Audit & Risk Committee leads on oversight of the mitigation of risks to delivery of the Trust's strategic objectives and is supported by other relevant board committees and the executive committee. We are conducting a further iteration of the BAF in 19/20 to make the risk appetite clearer and link to the new strategic objectives.

One of the key improvements the Board have made to the BAF this year has been to include a more explicit link to the strategic objectives of the Trust and be clear about the first, second, and third lines of assurance for each of these risks. Where there were gaps in assurance these have been discussed and filled.

Structure and presentation:

BAF entries to the delivery of the Trust's 2018/19 strategic objectives were as follows. Each entry has a detailed assurance framework of first, second and third line committees or processes:

-  Failure to provide care which is 'outstanding' in being consistently safe, caring, responsive, effective or well-led and which provides a positive experience for our patients may result in poorer patient experience, harm, a loss of income, an adverse impact upon staff retention and damage to organisational reputation.
-  Failure to support fragile services adequately, internally or via partnership with other providers leads to further instability where quality is reduced, or vital service decommissioned, or Trust reputation is damaged (e.g. Lower Urinary Tract service, Breast, Bariatrics).
-  Failure to hit national and local performance targets results in low quality care, financial penalties and decommissioning of services – (e.g. Emergency Department, community etc.)
-  Failure to recruit and retain high quality substantive staff could lead to reduced quality of care, and higher costs (e.g. Nursing, junior doctors, medical posts)
-  Failure to deliver savings plan for 2018/19 leads to adverse financial position, not hitting control total, loss of STF and reputational risk
-  That the long term financial viability of the trust is threatened by changes to the environment, long term plan, social care risks, political changes, organisational form changes
-  Failure to provide robust urgent and emergency pathway for people with mental health care needs results in poor quality care for them and other patients, as well as a performance risk.
-  Failure to modernise the Trust's estate may detrimentally impact on quality and safety of services, poor patient outcomes and affect the patient experience
-  Breach of established cyber security arrangements results in IT services failing, data being lost and care being compromised
-  That the culture of the organisation does not improve, and bullying and harassment continue, such that retention of staff is compromised and staff morale affected and ultimate patient care suffers as a result

Assurances

The BAF includes assurances and these were rated as relevant to the control/risk reported against. The assurances are timely and are also updated over time. Furthermore, there is allocated responsibility for submission and assessment.

Gaps in the assurance framework

The BAF also highlights gaps within assurances which trigger development of actions to improve assurances.

BAF review and update

The review and updating of BAF entries is led by Executive risk leads

Risk appetite

In line with good practice, the Trust has a documented risk appetite based upon the impact on the Trust of risks materialising. Individual risks on the BAF are allocated a target score against which progress is reported in the BAF.

Embedding risk management

Risk management is embedded throughout the organisation in a variety of ways including:

- Face-to-face training for key risk managers
- Review of the risk register entries by the Quality Committee and Trust Management Executive
- Oversight of key BAF entries by Board Committees
- A review of the BAF every six months by the Trust Board

In addition, the trust can highlight the following in its risk and control framework:

- The clinical governance agenda is led by the Trust's Director of Nursing & Medical Director. Monitoring arrangements are delivered through a structure of committees, supporting clear responsibilities and accountabilities from board to front line delivery.
 - The Quality Committee is a committee of the Board, which affords scrutiny and monitoring of our risk management process and has oversight of the quality agenda. Serious incidents and the monitoring of the Corporate Risk Register (TRR) is a standing item
 - The Trust's clinical governance structure ensures there are robust systems in place for key governance and performance issues to be escalated from frontline services to Board and gives assurance of clinical quality. It gives a strong focus on service improvement and ensures high standards of delivery are maintained.
-

- The Board and the relevant committees use a performance scorecard which has been developed to include a suite of quality indicators at Trust and service level aligned to each of the Care Quality Commission's five domains of Quality.
- The Trust's quality improvement strategy is encapsulated in our Better Never Stops (our journey to outstanding) programme. The programme is a structured quality improvement plan and we have quality improvement plans in all services to monitor and demonstrate compliance with the CQC's fundamental standards and against each of the CQC's domains and Key Lines of Enquiry (KLOE).

The Board of Directors

Membership of the Board of Directors is currently made up of the Trust chairman, five independent, non-executive directors, and eight executive directors of which five are voting members of the Board. The key roles and responsibilities of the Board are as follows:

- To set and oversee the strategic direction of the Trust;
- Review and appraisal of financial and operational performance;
- To review areas of assurance and concerns as detailed in the chair's assurance reports from its board committees;
- To discharge their duties of regulation and control and meet our statutory obligations;
- To ensure the Trust continues to deliver high quality patient quality and safety as its primary focus, receiving and reviewing quality and patient safety reports and the minutes and areas of concern highlighted in board committees' minutes, particularly the Quality Committee, which deals with patient quality and safety;
- To receive reports from the audit and risk committee, the annual internal auditor's report and external auditor's report and to take decisions, as appropriate;
- To agree the Trust's annual budget and plan and submissions to NHS Improvement;
- To approve the annual report and annual accounts; and
- To certify against the requirements of NHS provider licence conditions.

The board of directors meets eleven times per year and a breakdown of attendance for the board's meetings held in 2018/19 is shown below:

Table 17: Board Attendance:

Job title and name	Meetings attended (out of 11 unless stated)
Chairman, Stephen Hitchins	11
Non-Executive Director, Graham Hart	2 / 4
Non-Executive Director, Naomi Fulop	6 / 6
Non-Executive Director, David Holt	8
Non-Executive Director, Deborah-Harris-Ugbomah	11
Non-Executive Director, Tony Rice	10
Non-Executive Director, Anu Singh	11
Non-Executive Director, Yua Haw Yoe	11
Chief Executive, Siobhan Harrington	11
Medical Director, Richard Jennings	6 / 7
Acting Medical Director, Julie Andrews	4 / 4
Chief Finance Officer, Stephen Bloomer	11
Chief Operating Officer, Carol Gillen	9
Chief Nurse & Director of Patient Experience, Michelle Johnson	9
Director of Workforce, Norma French	10
Director of Strategy, Development & Corporate Affairs, Jonathan Gardner	9 / 9
Medical Director, Integrated Care, Dr Sarah Humphery	9 / 9

Board and committee oversight and assurance

The board of directors leads on integrated governance and delegates key duties and functions to its sub-committees. In addition the board reserves certain decision making powers including decisions on strategy and budgets.

There are five key committees within the structure that provide assurance to the Board of directors. These are: Audit and Risk; Estates Strategy Delivery, Quality; Finance and Business Development; and Workforce Assurance. There are two additional board committees: Charitable Funds and Remuneration. We also have a wholly owned subsidiary pharmacy.

There are a range of mechanisms available to these committees to gain assurance that our systems are robust and effective. These include utilising internal and external audit, peer review, management reporting and clinical audit.

Audit & Risk Committee

The audit & risk committee is a formal committee of the Board and is accountable to the Board for reviewing the establishment and maintenance of an effective system of internal control. The Committee holds five meetings per annum at appropriate times in the reporting and audit cycle. This committee is supported on its assurance role by the finance & business development, quality and workforce assurance committees in reviewing and updating key risks pertinent to their terms of reference.

This committee also approves the annual audit plans for internal and external audit activities and ensures that recommendations to improve weaknesses in control arising from audits are actioned by executive management. The audit and risk committee ensures the robustness of the underlying process used in developing the Board assurance framework. The board monitors the BAF and progress against the delivery of annual objectives each quarter, ensuring actions to address gaps in control and gaps in assurance are progressed.

Quality Committee

The quality committee is a formal committee of the Board and is accountable to the Board for reviewing the effectiveness of quality systems, including the management of risks to the Trust's quality and patient engagement strategic priorities as well as operational risks to the quality of services. The committee meets at least six times per year. It also monitors performance against quarterly quality indicators, the quality accounts and all aspects of the three domains of quality namely - patient safety, clinical effectiveness and patient experience.

Finance & Business Development Committee

The finance & business development committee reviews financial and non-financial performance across the Trust, reporting to the Board. It also has lead oversight for risks to the delivery of Trust's strategic priorities relating to sustainability, along with delivery of the Trust's strategy for information management and technology. The committee holds six full meetings each year.

Estates Strategy Delivery Committee

Established in November 2018 as a formal committee of the Board, this forum in the Trust's governance structure provides assurance to the Board on the delivery of the organisation's estates strategy and reviews risks to effective delivery.

Workforce and Education Committee

The workforce and education committee meets five times each year and leads on oversight of BAF risks which relate to the Trust's staff engagement and recruitment and retention strategic priorities.

It reviews performance against the delivery of key workforce recruitment and retention plans and the annual outcome for the Workforce Race Equality Standard submission to NHS England. In addition, the committee will also review those staff engagement actions taken following the outcome of the annual NHS staff survey and delivery of the Trust's workforce culture improvement plan.

Workforce planning

The workforce planning process is aligned and integrated with the Trust's business planning process, led by individual ICSUs. Throughout the process ICSUs Clinical and Operational Directors are supported by HR Business Partners who advise and challenge ICSUs on the workforce impact of their plans and ensure alignment with workforce and clinical strategy. This involves:

- Working with ICSUs to discuss workforce issues such as recruitment and retention, activity planning, education requirements and the delivery of key performance indicators;
- Analysing and monitoring workforce changes at a local level (which is aggregated to a Trust wide position);
- Ensuring current and future workforce needs are represented in business plans, consider growth, as well as options to develop new roles, new ways of working, and associated training implications.
- Monthly 'run rate' meetings, to analyse temporary staffing to ensure long term recruitment strategies are in place
- Dedicated nurse recruitment team focusing on international and local recruitment
- Middle grade doctor recruitment working group focussed on ED.

Final ICSU plans are presented individually to the Trust's Board, Executives and all other Clinical, Operational and Corporate Directors in a peer-review and challenge session. Following this, amended plans are used to inform the Trust's Operational Plan.

Whittington Health complies with the "Developing Workforce Safeguards" through the following actions:

- The Medical Director and Chief Nurse have confirmed that there are established processes to ensure that staffing is safe, effective and sustainable.
 - The nursing and midwifery staffing establishment and skill mix (based on acuity and dependency data and using an evidence-based toolkit where available) is reported to the Board by ward or service area twice a year
 - All workforce risks are reviewed quarterly at the Performance Review Groups. Action plans for reducing amber and red rated risks are monitored on a quarterly basis by the Trust Management Group.
-

- High level risks are reported to Workforce Assurance Committee quarterly, which is chaired by a Non-Executive Director and subsequently added to the Board Assurance Framework.
- Safe nurse staffing levels are monitored continuously, supported by ongoing assessment of patient acuity. As part of 'Showing we care about speaking up' we encourage and support all staff to nursing scorecards triangulate workforce information with other quality metrics.
- Workforce intelligence and Key Performance Indicators (KPIs) are reported alongside quality metrics at the Trust Board monthly and are standing items on Performance Review Group meetings (PRGs). The Workforce Assurance Committee receives comprehensive corporate workforce information and analysis. Metrics include vacancy and sickness rates, turnover and appraisal compliance and temporary staffing.
- Any changes and significant (over £50k) cost improvement plans have a quality impact assessment.

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 has published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the '*Managing Conflicts of Interest in the NHS*' guidance.

The Trust is fully compliant with the registration requirements of the Care Quality Commission.

Sustainability

The Trust is currently reviewing its sustainability strategy and delivery model as part of its broader Estates strategy review process, this in line with statutory and mandatory requirements.

The organisation is committed to delivering its core services from energy efficient buildings, utilising sustainable transport infrastructure and supply chains for its consumables usage.

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

The trust has in place a range of processes which help to ensure that resources are used economically, efficiently and effectively. These include:

- monthly reporting of financial and non-financial performance to the Trust Board of directors and the finance and business development committee of the Board;
- a monthly review of performance by the Trust Management Group and additional review meetings where ICSUs and corporate directorates are held to account for financial and non-financial performance;
- the production of annual reference costs, including comparisons with national reference costs;
- benchmarking of costs and key performance indicators (KPIs) against other combined acute and community Trusts providers;
- standing financial instructions, standing orders and treasury management policy;
- a budget holder's manual which sets out managers' responsibilities in relation to managing budgets;
- guidance on the declaration of conflicts of interest and standards of business conduct;
- reports by Grant Thornton part of the annual internal audit work plan on control mechanisms which may need reviewing;
- the Head of Internal Audit's draft and final opinions being presented to the audit and risk committee;
- external audit of our accounts by KPMG LLP who also provide an independent view of the Trust's effective and efficient use of resources, particularly against value for money considerations; and
- good performance under NHS Improvement's Single Oversight Framework for NHS providers

Information governance

The following are the incidents and outcomes of investigations in relation to information governance breaches this year:

- IGSI028 (May 2018) – Theft of a backpack of a containing health visitor sheet and diary. ICO decision: no further action.
 - IGSI029 (June 2018) - Inappropriate access to staff member's medical record another staff member. ICO decision: to be confirmed.
 - IGSI030 (Jan 2019) - Staff member inappropriately disclosed the phone number of safeguarding patient's foster carer to the patient's husband, the subject of safeguarding issues. ICO decision: To be confirmed.
-

Annual quality account

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. A committee of the Trust's Board, the Quality Committee, provides assurance on the Quality Account and the quality priorities and ensures the maintenance of effective risk management and quality governance systems. This includes reviewing key areas identified in the Trust Patient Safety Committee and Patient Experience Committee, and undertaking two deep-dives per annum into each of the ICSUs. The Trust has sought external assurance on its quality account and has selected indicators for external assurance in line with the national guidance. There are mandatory reporting requirements which include 'Learning from deaths' and a statement regarding progress in implementing the priority clinical standards for seven day hospital services. The report will also include information on ways that Whittington Health ensures staff can speak up (including how feedback is given to those who speak up) and how they ensure staff who do speak up do not suffer detriment. The report will also include a statement on the annual position on medical and dental staff in training rota gaps and plans for improvement to reduce these gaps. Also as part of our annual internal audit we have asked our RTT waiting lists to be looked at.

Provider licence conditions

In terms of the NHS provider license condition four, the Board confirmed that the trust applies principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of healthcare services. In particular, the board is satisfied that the trust has established and implements:

- an effective Board and Committee structure;
- clear responsibilities for the Board and Committees reporting to the Board and for staff, reporting to either the Board or its Committees; and
- clear reporting lines and accountabilities throughout the organisation.

Review of effectiveness

As Accountable 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 trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit and risk committee and quality committee, if appropriate and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The board ensures the effectiveness of the system of internal control through clear accountability arrangements.

An annual “Head of Internal Audit Opinion” based on the work and audit assessments undertaken during the year for 2018/19 was issued and states:

“Our overall opinion for the period 1 April 2018 to 31 March 2019 is that based on the scope of reviews undertaken and the sample tests completed during the period, that Partial assurance can be given on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. The level of non-compliance in certain areas puts some system objectives at risk. The weaknesses identified which put system objectives at risk relate to the Trust communicating its risk appetite and controlling the removal of risks from the risk register, and the need to ensure that consultant job plans are recorded and approved on the system”

The Trust’s executive team has reviewed and fully-accepted the internal audit team’s recommendations. An action plan is in place so that a revised risk management strategy, incorporating the recommended changes, is considered and adopted at the in early 2019 to set out the updated expectations in this area for 2019/20.

I confirm that no other significant internal control issues have been identified.



Siobhan Harrington
CEO

Date: 24 May 2019



Finance Report and Accounts

The Whittington Health NHS Trust

Annual accounts for the year ended 31 March 2019

Statement of the chief executive's responsibilities as the accountable officer of the trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the trust;
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.



Siobhan Harrington, Chief Executive

28 May 2019

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy.

By order of the Board



Siobhan Harrington
Chief Executive



Stephen Bloomer
Chief Finance Officer

28 May 2019

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF
WHITTINGTON HEALTH NHS TRUST**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Whittington Health NHS Trust ("the Trust") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2019 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to NHS Trusts in England and included in the Department of Health Group Accounting Manual 2018/19.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Director's conclusions we considered the inherent risks to the Trust's operations, including the impact of Brexit, and analysed how these risks might affect the Trust's financial resources, or ability to continue its operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

Other information in the Annual Report

The Accountable Officer is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we

have not identified material misstatements in the other information. In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health Group Accounting Manual 2018/19. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health Group Accounting Manual 2018/19.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 3, the directors are responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on Page 2 the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained in the statement set out on page 2, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied 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 the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017 as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Board of Directors of Whittington Health NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Board 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 Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Whittington Health NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Neil Hewitson
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
28 May 2019

Statement of Comprehensive Income

		2018/19	2017/18
	Note	£000	£000
Operating income from patient care activities	3	293,280	285,505
Other operating income	4	55,366	37,889
Operating expenses	6.1	(317,863)	(310,068)
Operating surplus/(deficit) from continuing operations		<u>30,783</u>	<u>13,326</u>
Finance income	11	96	44
Finance expenses	12.1	(3,192)	(3,163)
PDC dividends payable		(5,008)	(4,667)
Net finance costs		<u>(8,104)</u>	<u>(7,786)</u>
Other gains / (losses)	13	6,176	(28)
Surplus / (deficit) for the year from continuing operations		<u>28,855</u>	<u>5,512</u>
Surplus / (deficit) for the year		<u>28,855</u>	<u>5,512</u>
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(4,521)	(119)
Revaluations		2,193	4,981
Other reserve movements		-	470
Total comprehensive income / (expense) for the period		<u>26,527</u>	<u>10,844</u>

Statement of Financial Position

		31 March 2019 £000	31 March 2018 £000
	Note		
Non-current assets			
Intangible assets	14.1, 14.2	6,799	4,144
Property, plant and equipment	15.1, 15.2	212,298	215,731
Receivables	19.1	604	656
Total non-current assets		219,701	220,531
Current assets			
Inventories	18	1,448	1,354
Receivables	19.1	40,438	30,363
Cash and cash equivalents	20.1	25,165	4,051
Total current assets		67,051	35,767
Current liabilities			
Trade and other payables	21	(40,614)	(36,977)
Borrowings	23	(29,776)	(20,195)
Other financial liabilities		-	-
Provisions	25.1	(693)	(1,343)
Other liabilities	22	(281)	(320)
Total current liabilities		(71,364)	(58,835)
Total assets less current liabilities		215,388	197,463
Non-current liabilities			
Borrowings	23	(27,542)	(38,448)
Provisions	25.1	(1,182)	(890)
Total non-current liabilities		(28,724)	(39,338)
Total assets employed		186,664	158,125
Financed by			
Public dividend capital		66,691	64,679
Revaluation reserve		95,735	98,542
Income and expenditure reserve		24,238	(5,096)
Total taxpayers' equity		186,664	158,125

The notes on pages 13 to 61 form part of these accounts.

Name **Siobhan Harrington**
 Position **Chief Executive Officer**
 Date **28-May-19**

Statement of Changes in Equity for the year ended 31 March 2019

	Public dividend capital £000	Revaluation reserve £000	Financial assets reserve* £000	Other reserves £000	Merger reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2018 - brought forward	64,679	98,542	-	-	-	(5,096)	158,126
Impact of implementing IFRS 15 on 1 April 2018	-	-	-	-	-	-	-
Impact of implementing IFRS 9 on 1 April 2018	-	-	-	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-	-	28,855	28,855
Transfers by absorption: transfers between reserves	-	-	-	-	-	-	-
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	-	-
Other transfers between reserves	-	-	-	-	-	-	-
Impairments	-	(4,521)	-	-	-	-	(4,521)
Revaluations	-	2,193	-	-	-	-	2,193
Transfer to retained earnings on disposal of assets	-	(479)	-	-	-	479	-
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-	-
Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-	-	-	-	-	-
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	-	-	-	-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	-	-	-
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	-	-	-
Other recognised gains and losses	-	-	-	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	-	-
Public dividend capital received	2,012	-	-	-	-	-	2,012
Public dividend capital repaid	-	-	-	-	-	-	-
Public dividend capital written off	-	-	-	-	-	-	-
Other movements in public dividend capital in year	-	-	-	-	-	-	-
Other reserve movements	-	-	-	-	-	-	-
Taxpayers' equity at 31 March 2019	66,691	95,735	-	-	-	24,239	186,665

* Following the implementation of IFRS 9 from 1 April 2018, the 'Available for sale investment reserve' is now renamed as the 'Financial assets reserve'

Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital £000	Revaluation reserve £000	Available for sale investment reserve £000	Other reserves £000	Merger reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2017 - brought forward	62,404	94,093	-	-	-	(11,491)	145,006
Surplus/(deficit) for the year	-	-	-	-	-	5,513	5,513
Transfers by absorption: transfers between reserves	-	-	-	-	-	-	-
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(413)	-	-	-	413	-
Other transfers between reserves	-	-	-	-	-	-	-
Impairments	-	(119)	-	-	-	-	(119)
Revaluations	-	4,981	-	-	-	-	4,981
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-	-
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-	-
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-	-
Recycling gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-	-
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	-	-	-
Other recognised gains and losses	-	-	-	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	-	-
Public dividend capital received	2,275	-	-	-	-	-	2,275
Public dividend capital repaid	-	-	-	-	-	-	-
Public dividend capital written off	-	-	-	-	-	-	-
Other movements in public dividend capital in year	-	-	-	-	-	-	-
Other reserve movements	-	-	-	-	-	470	470
Taxpayers' equity at 31 March 2018	64,679	98,542	-	-	-	(5,096)	158,126

Information on reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Financial assets reserve / Available-for-sale investment reserve

This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevivable election at recognition.

Merger reserve

This reserve reflects balances formed on merger of NHS bodies.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows

	Note	2018/19 £000	2017/18 £000
Cash flows from operating activities			
Operating surplus / (deficit)		30,783	13,327
Non-cash income and expense:			
Depreciation and amortisation	6.1	6,516	8,375
Net impairments	7	258	25
Income recognised in respect of capital donations	4	(1,000)	(187)
(Increase) / decrease in receivables and other assets		(11,088)	(4,696)
(Increase) / decrease in inventories		(93)	347
Increase / (decrease) in payables and other liabilities		3,216	(2,515)
Increase / (decrease) in provisions		(358)	(7)
Tax (paid) / received		-	-
Operating cash flows from discontinued operations		-	-
Other movements in operating cash flows		(394)	-
Net cash generated from / (used in) operating activities		27,840	14,669
Cash flows from investing activities			
Interest received		112	28
Purchase and sale of financial assets / investments		-	-
Purchase of intangible assets		(3,665)	(1,107)
Sales of intangible assets		-	-
Purchase of property, plant, equipment and investment property		(8,139)	(4,924)
Sales of property, plant, equipment and investment property		12,500	-
Receipt of cash donations to purchase capital assets		1,000	-
Prepayment of PFI capital contributions		-	-
Investing cash flows of discontinued operations		-	-
Cash movement from acquisitions / disposals of subsidiaries		-	-
Net cash generated from / (used in) investing activities		1,808	(6,003)
Cash flows from financing activities			
Public dividend capital received		2,012	2,275
Public dividend capital repaid		-	-
Movement on loans from the Department of Health and Social Care		(164)	(164)
Movement on other loans		-	-
Other capital receipts		-	-
Capital element of finance lease rental payments		(869)	(848)
Capital element of PFI, LIFT and other service concession payments		(1,159)	(1,121)
Interest on loans		(339)	(405)
Other interest		(20)	-
Interest paid on finance lease liabilities		(201)	(197)
Interest paid on PFI, LIFT and other service concession obligations		(2,577)	(2,437)
PDC dividend (paid) / refunded		(5,217)	(4,879)
Financing cash flows of discontinued operations		-	-
Cash flows from (used in) other financing activities		-	-
Net cash generated from / (used in) financing activities		(8,534)	(7,776)
Increase / (decrease) in cash and cash equivalents		21,114	890
Cash and cash equivalents at 1 April - brought forward		4,051	3,161
Prior period adjustments		-	-
Cash and cash equivalents at 1 April - restated		4,051	3,161
Cash and cash equivalents transferred under absorption accounting		-	-
Unrealised gains / (losses) on foreign exchange		-	-
Cash and cash equivalents at 31 March	20.1	25,165	4,051

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Note 1.1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Note 1.2 Going concern

These accounts have been prepared on a going concern basis.

The Trust has continued to deliver against its financial targets. By delivering its control total the Trust benefitted from additional Provider Sustainability Funding of £6.2m, enabling to Trust to report a surplus of £28.9m.

Note 1.3.1 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018). Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.3.2 Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.3.3 Other income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

During the year the Trust sold land to another NHS organisation resulting in a surplus of £6.1m.

Note 1.4 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

Note 1.5 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.6 Property, plant and equipment

Note 1.6.1 Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

Note 1.6.2 Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Full revaluations are undertaken every 3 years, with indexation adjustments used in the intervening years. The last full valuation was on 31 March 2017. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

An item of property, plant and equipment which is surplus with no plan to bring back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Note 1.6.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:

- management are committed to a plan to sell the asset
- an active programme has begun to find a buyer and complete the sale
- the asset is being actively marketed at a reasonable price
- the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
- the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Note 1.6.4 Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Note 1.6.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

PFI and LIFT 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 IAS 17, the underlying assets are recognised as property, plant and equipment, 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. Lifecycle costs are capitalised in the same way as other capital expenditure.

Note 1.6.6 Useful lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life	Max life
	Years	Years
Land	-	-
Buildings, excluding dwellings	16	85
Dwellings	66	66
Plant & machinery	5	15
Transport equipment	-	-
Information technology	3	10
Furniture & fittings	5	5

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.7 Intangible assets**Note 1.7.1 Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the trust intends to complete the asset and sell or use it
- the trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and
- the trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

Note 1.7.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Amortisation

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Note 1.7.3 Useful economic life of intangible assets

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Software licences	5	5
Licences & trademarks	5	5
Patents	5	5
Other (purchased)	5	5

Note 1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Note 1.9 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.10 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO₂ emissions. The trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO₂ it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO₂ emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO₂ emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

Allowances acquired under the scheme are recognised as intangible assets.

Note 1.11 Financial assets and financial liabilities**Note 1.11.1 Recognition**

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Note 1.11.2 Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

Financial assets and financial liabilities at fair value through income and expenditure

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Note 1.11.3 Derecognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Note 1.12 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Note 1.12.1 The trust as lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

Note 1.12.2 The trust as lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Note 1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 25.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in the notes (when they arise) where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in the notes when they arise, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.15 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

- (i) donated assets (including lottery funded assets),
- (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
- (iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.16 Value added tax

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.17 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 1.18 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 the trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.19 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Property, plant and equipment

The Trust's land and building assets are valued on the basis explained in note 17 to the accounts. Cushman & Wakefield (C&W), our independent valuer, provided the Trust with a valuation of land and building assets (estimated fair value and remaining useful life). The valuation, based on estimates provided by a suitably qualified professional in accordance with HM Treasury guidance, leads to revaluation adjustments. Future revaluations of the Trust's property may result in further changes to the carrying values of non-current assets.

Provisions

Provisions have been made for legal and constructive obligations of uncertain timing or amount as at the reporting date. These are based on estimates using relevant and reliable information as is available at the time the accounts are prepared. These provisions are estimates of the actual costs of future cash flows and are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made. The carrying amounts and basis of the Trust's provisions are detailed in note 25 to the accounts.

Impairment of receivables

The Trust impairs different categories of receivables at rates determined by the age of the debt. Additionally, specific receivables are impaired where the Trust deems it will not be able to collect the amounts due. Amounts impaired are disclosed in note 19.2 to the accounts.

Note 1.20 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. We also refer to the following financial statement disclosure notes where further detail is provided on individual balances containing areas of judgement:

Notes 3 and 4: revenue - work in progress and credit note provisions;
Notes 15 and 17: property, plant and equipment;
Note 19.2: provisions for credit notes and impairment of receivables; and
Note 21: accruals.

Note 1.21 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

Note 2 Operating Segments

The Trust's operational management structure is delivered through five clinical integrated care service units covering both the acute and community services.

The Trust has aggregated its operating segments in line with IFRS 8 on the basis that the nature of the services continue to be the same, the provision of healthcare.

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3.1

Note 3.1 Income from patient care activities (by nature)	2018/19	2017/18
	£000	£000
Elective income	22,446	21,831
Non elective income	51,866	50,077
First outpatient income	11,514	10,604
Follow up outpatient income	14,741	9,909
A & E income	14,540	10,953
High cost drugs income from commissioners (excluding pass-through costs)	8,479	7,883
Other NHS clinical income	59,726	69,416
Community services		
Community services income from CCGs and NHS England	70,284	-
Income from other sources (e.g. local authorities)	-	68,952
All services		
Private patient income	86	195
Agenda for Change pay award central funding	3,263	-
Other clinical income	36,335	35,685
Total income from activities	293,280	285,505

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2018/19	2017/18
	£000	£000
NHS England	29,275	30,953
Clinical commissioning groups	245,267	230,841
Department of Health and Social Care	3,263	-
Other NHS providers	2,606	3,833
NHS other	-	-
Local authorities	10,763	18,210
Non-NHS: private patients	86	62
Non-NHS: overseas patients (chargeable to patient)	134	120
Injury cost recovery scheme	546	319
Non NHS: other	1,340	1,167
Total income from activities	293,280	285,505
Of which:		
Related to continuing operations	293,280	285,505
Related to discontinued operations	-	-

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2018/19	2017/18
	£000	£000
Income recognised this year	134	120
Cash payments received in-year	17	98
Amounts added to provision for impairment of receivables	100	169
Amounts written off in-year	7	105

Note 4 Other operating income

	2018/19	2017/18
	£000	£000
Other operating income from contracts with customers:		
Research and development (contract)	422	186
Education and training (excluding notional apprenticeship levy income)	16,228	17,943
Non-patient care services to other bodies	7,142	6,048
Provider sustainability / sustainability and transformation fund income (PSF / STF)	27,626	10,640
Income in respect of employee benefits accounted on a gross basis	294	253
Other contract income	1,768	1,757
Other non-contract operating income		
Research and development (non-contract)	-	-
Education and training - notional income from apprenticeship fund	-	-
Receipt of capital grants and donations	1,000	187
Charitable and other contributions to expenditure	-	-
Support from the Department of Health and Social Care for mergers	-	-
Rental revenue from finance leases	-	-
Rental revenue from operating leases	886	875
Amortisation of PFI deferred income / credits	-	-
Other non-contract income	-	-
Total other operating income	55,366	37,889
Of which:		
Related to continuing operations	55,366	37,889
Related to discontinued operations	-	-

Note 5 Additional information on revenue from contracts with customers recognised in the period

	2018/19
	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	320
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-

Note 5.1 Transaction price allocated to remaining performance obligations

	31 March
	2019
	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	
within one year	-
after one year, not later than five years	-
after five years	-
Total revenue allocated to remainig performance obligations	-

The trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 6.1 Operating expenses

	2018/19	2017/18
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	-	-
Purchase of healthcare from non-NHS and non-DHSC bodies	729	626
Purchase of social care	-	-
Staff and executive directors costs	228,253	219,002
Remuneration of non-executive directors	60	60
Supplies and services - clinical (excluding drugs costs)	24,240	23,390
Supplies and services - general	3,734	4,159
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	13,137	12,601
Inventories written down	-	-
Consultancy costs	705	1,229
Establishment	2,153	2,084
Premises	10,546	12,425
Transport (including patient travel)	278	378
Depreciation on property, plant and equipment	5,691	6,188
Amortisation on intangible assets	825	2,187
Net impairments	258	25
Movement in credit loss allowance: contract receivables / contract assets	18	-
Movement in credit loss allowance: all other receivables and investments	397	136
Increase/(decrease) in other provisions	97	413
Change in provisions discount rate(s)	-	-
Audit fees payable to the external auditor		
audit services- statutory audit	72	61
other auditor remuneration (external auditor only)	12	12
Internal audit costs	-	-
Clinical negligence	10,113	10,742
Legal fees	792	453
Insurance	193	188
Research and development	17	80
Education and training	1,493	1,982
Rentals under operating leases	6,280	5,169
Early retirements	-	-
Redundancy	-	-
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,089	1,037
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	-	-
Car parking & security	-	-
Hospitality	15	23
Losses, ex gratia & special payments	-	-
Grossing up consortium arrangements	-	-
Other services, eg external payroll	-	-
Other	6,666	5,418
Total	317,863	310,068
Of which:		
Related to continuing operations	317,863	310,068
Related to discontinued operations	-	-

Note 6.2 Other auditor remuneration

	2018/19	2017/18
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	12	12
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	12	12

The net figure paid to the auditor for the 2018/19 financial statement audit is £60k.

It is also noted that the auditor is also engaged for the trust's wholly owned subsidiary Whittington Pharmacy CIC (Company No.10593765); their fee for this work is £12k (excl VAT). This fee is not included within table 6.2 above as the subsidiary does not exceed the materiality test and is therefore not consolidated.

Note 6.3 Limitation on auditor's liability

The contract signed on 24 October 2018, states that the liability of KPMG, its members, partners and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed £1m, aside from where the liability cannot be limited by law. This is in aggregate in respect of all services.

Note 7 Impairment of assets

	2018/19	2017/18
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	-
Unforeseen obsolescence	-	-
Loss as a result of catastrophe	-	-
Changes in market price	258	25
Other	-	-
Total net impairments charged to operating surplus / deficit	258	25
Impairments charged to the revaluation reserve	4,521	119
Total net impairments	4,779	144

Note 8.1 Employee benefits

	2018/19	2017/18
	Total	Total
	£000	£000
Salaries and wages	177,954	171,508
Social security costs	17,858	17,266
Apprenticeship levy	873	844
Employer's contributions to NHS pensions	20,743	20,314
Pension cost - other	-	-
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	6	587
Temporary staff (including agency)	11,961	9,355
Total gross staff costs	229,395	219,874
Recoveries in respect of seconded staff	-	-
Total staff costs	229,395	219,874
Of which		
Costs capitalised as part of assets	1,142	872

In line with the GAM, employee benefits should be shown in the accounts note in a single column for all categories of staff, which matches those shown for employee benefits in the staff costs disclosure in the Staff Report part of the annual report. See paragraphs 5.32 - 5.36 in the GAM for more detail.

See the "Staff report tables" tab for the disclosure that is now required in the Staff Report section of the annual report.

Note 8.2 Retirements due to ill-health

During 2018/19 there was 1 early retirement from the trust agreed on the grounds of ill-health (none in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £52k (0k in 2017/18).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Note 10 Operating leases

Note 10.1 The Trust as a lessor

This note discloses income generated in operating lease agreements where The Whittington Health NHS Trust is the lessor.

	2018/19 £000	2017/18 £000
Operating lease revenue		
Minimum lease receipts	886	875
Contingent rent	-	-
Other	-	-
Total	886	875
	31 March 2019 £000	31 March 2018 £000
Future minimum lease receipts due:		
- not later than one year;	886	875
- later than one year and not later than five years;	3,544	3,500
- later than five years.	-	-
Total	4,430	4,375

Note 10.2 The Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where The Whittington Health NHS Trust is the lessee.

	2018/19 £000	2017/18 £000
Operating lease expense		
Minimum lease payments	6,280	5,169
Contingent rents	-	-
Less sublease payments received	-	-
Total	6,280	5,169
	31 March 2019 £000	31 March 2018 £000
Future minimum lease payments due:		
- not later than one year;	6,280	4,868
- later than one year and not later than five years;	22,671	18,849
- later than five years.	37,418	34,795
Total	66,369	58,512
Future minimum sublease payments to be received	-	-

Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

	2018/19	2017/18
	£000	£000
Interest on bank accounts	96	28
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
Other finance income	-	16
Total finance income	96	44

Note 12.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2018/19	2017/18
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	394	530
Other loans	-	-
Overdrafts	-	-
Finance leases	201	197
Interest on late payment of commercial debt	20	-
Main finance costs on PFI and LIFT schemes obligations	1,600	1,513
Contingent finance costs on PFI and LIFT scheme obligations	977	923
Total interest expense	3,192	3,163
Unwinding of discount on provisions	-	-
Other finance costs	-	-
Total finance costs	3,192	3,163

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2018/19	2017/18
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims under this legislation	20	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 13 Other gains / (losses)

	2018/19	2017/18
	£000	£000
Gains on disposal of assets	6,176	-
Losses on disposal of assets	-	(28)
Total gains / (losses) on disposal of assets	6,176	(28)
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	-	-
Total other gains / (losses)	6,176	(28)

Note 14.1 Intangible assets - 2018/19

	Software licences £000	Licences & trademarks £000	Patents £000	Internally generated information technology £000	Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2018 - brought forward	12,448	-	-	-	-	-	-	1,292	-	13,740
Transfers by absorption	-	-	-	-	-	-	-	-	-	-
Additions	2,426	-	-	-	-	-	-	-	-	2,426
Impairments	-	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-	-
Reclassifications	2,097	-	-	-	-	-	-	(1,043)	-	1,054
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 31 March 2019	16,971	-	-	-	-	-	-	249	-	17,220
forward	9,596	-	-	-	-	-	-	-	-	9,596
Transfers by absorption	-	-	-	-	-	-	-	-	-	-
Provided during the year	825	-	-	-	-	-	-	-	-	825
Impairments	-	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-	-	-
Amortisation at 31 March 2019	10,421	-	-	-	-	-	-	-	-	10,421
Net book value at 31 March 2019	6,550	-	-	-	-	-	-	249	-	6,799
Net book value at 1 April 2018	2,852	-	-	-	-	-	-	1,292	-	4,144

Note 14.2 Intangible assets - 2017/18

	Software licences £000	Licences & trademarks £000	Patents £000	Internally generated information technology £000	Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2017 - as previously stated	11,394	-	-	-	-	-	-	-	-	11,394
Prior period adjustments	-	-	-	-	-	-	-	-	-	-
restated	11,394	-	-	-	-	-	-	-	-	11,394
Transfers by absorption	-	-	-	-	-	-	-	-	-	-
Additions	1,054	-	-	-	-	-	-	1,292	-	2,346
Impairments	-	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 31 March 2018	12,448	-	-	-	-	-	-	1,292	-	13,740
previously stated	7,409	-	-	-	-	-	-	-	-	7,409
Prior period adjustments	-	-	-	-	-	-	-	-	-	-
Amortisation at 1 April 2017 - restated	7,409	-	-	-	-	-	-	-	-	7,409
Transfers by absorption	-	-	-	-	-	-	-	-	-	-
Provided during the year	2,187	-	-	-	-	-	-	-	-	2,187
Impairments	-	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-	-	-
Amortisation at 31 March 2018	9,596	-	-	-	-	-	-	-	-	9,596
Net book value at 31 March 2018	2,852	-	-	-	-	-	-	1,292	-	4,144
Net book value at 1 April 2017	3,985	-	-	-	-	-	-	-	-	3,985

Note 15.1 Property, plant and equipment - 2018/19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2018 - brought forward	47,896	158,473	1,116	1,279	32,546	-	13,590	136	255,036
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	1,194	-	7,889	2,092	-	1,045	2	12,222
Impairments	(458)	(4,321)	-	-	-	-	-	-	(4,779)
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	1,610	583	-	-	-	-	-	-	2,193
Reclassifications	-	451	1	(1,477)	(17)	-	(14)	2	(1,054)
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	(3,409)	(1,848)	(1,067)	-	(152)	-	-	-	(6,476)
Valuation/gross cost at 31 March 2019	45,639	154,532	50	7,691	34,469	-	14,621	140	257,142
Accumulated depreciation at 1 April 2018 - brought forward	-	4,992	32	-	24,422	-	9,825	34	39,305
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	2,800	18	-	1,564	-	1,281	28	5,691
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(152)	-	-	-	(152)
Accumulated depreciation at 31 March 2019	-	7,792	50	-	25,834	-	11,106	62	44,844
Net book value at 31 March 2019	45,639	146,740	-	7,691	8,635	-	3,515	78	212,298
Net book value at 1 April 2018	47,896	153,481	1,084	1,279	8,124	-	3,765	102	215,731

Note 15.2 Property, plant and equipment - 2017/18

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2017 - as previously stated	47,896	150,284	1,054	2,426	28,745	-	12,127	93	242,625
Prior period adjustments	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2017 - restated	47,896	150,284	1,054	2,426	28,745	-	12,127	93	242,625
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	2,267	-	-	3,981	-	1,463	43	7,754
Impairments	-	985	-	(1,147)	-	-	-	-	(162)
Reversals of impairments	-	18	-	-	-	-	-	-	18
Revaluations	-	4,919	62	-	-	-	-	-	4,981
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(180)	-	-	-	(180)
Valuation/gross cost at 31 March 2018	47,896	158,473	1,116	1,279	32,546	-	13,590	136	255,036
Accumulated depreciation at 1 April 2017 - as previously stated	-	2,394	15	-	22,423	-	8,423	14	33,269
Prior period adjustments	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 1 April 2017 - restated	-	2,394	15	-	22,423	-	8,423	14	33,269
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	2,598	17	-	2,151	-	1,402	20	6,188
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(152)	-	-	-	(152)
Accumulated depreciation at 31 March 2018	-	4,992	32	-	24,422	-	9,825	34	39,305
Net book value at 31 March 2018	47,896	153,481	1,084	1,279	8,124	-	3,765	102	215,731
Net book value at 1 April 2017	47,896	147,890	1,039	2,426	6,322	-	3,704	79	209,356

Note 15.3 Property, plant and equipment financing - 2018/19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2019									
Owned - purchased	45,639	69,686	-	7,691	6,653	-	3,515	78	133,262
Finance leased	-	4,381	-	-	1,750	-	-	-	6,131
On-SoFP PFI contracts and other service concession arrangements	-	71,777	-	-	-	-	-	-	71,777
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-	-
Owned - donated	-	896	-	-	232	-	-	-	1,128
NBV total at 31 March 2019	45,639	146,740	-	7,691	8,635	-	3,515	78	212,298

Note 15.4 Property, plant and equipment financing - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2018									
Owned - purchased	47,896	75,207	1,084	1,279	6,663	-	3,765	89	135,983
Finance leased	-	4,465	-	-	1,441	-	-	-	5,906
On-SoFP PFI contracts and other service concession arrangements	-	72,894	-	-	-	-	-	-	72,894
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-	-
Owned - donated	-	915	-	-	20	-	-	13	948
NBV total at 31 March 2018	47,896	153,481	1,084	1,279	8,124	-	3,765	102	215,731

Note 16 Donations of property, plant and equipment

The GAM 5.90 and 5.91 require trusts to disclose details of any donations of property, plant and equipment received during the year, including any restriction or conditions imposed by the donor.

The Whittington Charity has donated cash rather than assets in year, £1,000k towards the Trust's maternity redevelopment.

Note 17 Revaluations of property, plant and equipment

Land, buildings and dwellings were valued in March 2019 by qualified independent valuers Cushman and Wakefield. The assets were revalued on a fair value basis.

In line with the current valuation methodology, buildings have been recategorised as 'blocks' and the various components within each block grouped as one. Each block is considered as an individual item and depreciated over its estimated useful economic life.

Note 18 Inventories

	31 March	31 March
	2019	2018
	£000	£000
Drugs	1,081	1,171
Work In progress	-	-
Consumables	91	43
Energy	39	26
Other	237	115
Total inventories	<u>1,448</u>	<u>1,355</u>
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £13,137k (2017/18: £12,670k). Write-down of inventories recognised as expenses for the year were £0k (2017/18: £0k).

Note 19.1 Trade receivables and other receivables

	31 March 2019 £000	31 March 2018 £000
Current		
Contract receivables*	35,842	
Contract assets*	-	
Trade receivables*		18,999
Capital receivables	-	-
Accrued income*		11,020
Allowance for impaired contract receivables / assets*	(1,228)	
Allowance for other impaired receivables	(1,364)	(2,177)
Deposits and advances	-	-
Prepayments (non-PFI)	2,603	758
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	16
Finance lease receivables	-	-
PDC dividend receivable	(71)	-
VAT receivable	2,430	1,746
Corporation and other taxes receivable	-	-
Other receivables	2,226	-
Total current trade and other receivables	40,438	30,363
Non-current		
Contract receivables*	-	
Contract assets*	-	
Trade receivables*		-
Capital receivables	-	-
Accrued income*		-
Allowance for impaired contract receivables / assets*	-	
Allowance for other impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	-	-
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
VAT receivable	-	-
Corporation and other taxes receivable	-	-
Other receivables	604	656
Total non-current trade and other receivables	604	656
Of which receivables from NHS and DHSC group bodies:		
Current	33,277	22,461
Non-current	-	-

*Following the application of IFRS 15 from 1 April 2018, the trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

Note 19.2 Allowances for credit losses - 2018/19

	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 Apr 2018 - brought forward		2,177
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	1,210	(1,210)
Transfers by absorption	-	-
New allowances arising	18	397
Changes in existing allowances	-	-
Reversals of allowances	-	-
Utilisation of allowances (write offs)	-	-
Changes arising following modification of contractual cash flows	-	-
Foreign exchange and other changes	-	-
Allowances as at 31 Mar 2019	<u>1,228</u>	<u>1,365</u>

Note 19.3 Allowances for credit losses - 2017/18

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

	All receivables £000
Allowances as at 1 Apr 2017 - as previously stated	2,806
Prior period adjustments	
Allowances as at 1 Apr 2017 - restated	<u>2,806</u>
Transfers by absorption	
Increase in provision	136
Amounts utilised	(765)
Unused amounts reversed	
Allowances as at 31 Mar 2018	<u>2,177</u>

Note 20.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2018/19	2017/18
	£000	£000
At 1 April	4,051	3,161
Prior period adjustments	-	-
At 1 April (restated)	4,051	3,161
Transfers by absorption	-	-
Net change in year	21,114	890
At 31 March	25,165	4,051
Broken down into:		
Cash at commercial banks and in hand	60	64
Cash with the Government Banking Service	7,105	3,987
Deposits with the National Loan Fund	18,000	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	25,165	4,051
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	25,165	4,051

Note 20.2 Third party assets held by the trust

The trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March	31 March
	2019	2018
	£000	£000
Bank balances	7	6
Monies on deposit	-	-
Total third party assets	7	6

Note 21 Trade and other payables

	31 March 2019 £000	31 March 2018 £000
Current		
Trade payables	10,857	18,345
Capital payables	5,620	4,903
Accruals	14,965	8,010
Receipts in advance (including payments on account)	-	-
Social security costs	2,811	2,507
VAT payables	-	-
Other taxes payable	2,530	-
PDC dividend payable	(185)	95
Accrued interest on loans*		55
Other payables	4,016	3,062
Total current trade and other payables	<u>40,614</u>	<u>36,977</u>
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance (including payments on account)	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables	<u>-</u>	<u>-</u>
Of which payables from NHS and DHSC group bodies:		
Current	6,469	9,167
Non-current	-	-

*Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note . IFRS 9 is applied without restatement therefore comparatives have not been restated.

Note 22 Other liabilities

	31 March 2019 £000	31 March 2018 £000
Current		
Deferred income: contract liabilities	281	320
Deferred grants	-	-
PFI deferred income / credits	-	-
Lease incentives	-	-
Other deferred income	-	-
Total other current liabilities	<u>281</u>	<u>320</u>
Non-current		
Deferred income: contract liabilities	-	-
Deferred grants	-	-
PFI deferred income / credits	-	-
Lease incentives	-	-
Other deferred income	-	-
Net pension scheme liability	-	-
Total other non-current liabilities	<u>-</u>	<u>-</u>

Note 23.1 Borrowings

	31 March 2019 £000	31 March 2018 £000
Current		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from the Department of Health and Social Care	27,445	18,490
Other loans	-	-
Obligations under finance leases	1,185	655
PFI lifecycle replacement received in advance	-	-
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	1,146	1,050
Total current borrowings	<u>29,776</u>	<u>20,195</u>
Non-current		
Loans from the Department of Health and Social Care	2,128	11,192
Other loans	-	-
Obligations under finance leases	186	1,667
PFI lifecycle replacement received in advance	-	-
Obligations under PFI, LIFT or other service concession contracts	25,228	25,589
Total non-current borrowings	<u>27,542</u>	<u>38,448</u>

Note 23.2 Reconciliation of liabilities arising from financing activities

	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2018	29,682	-	2,322	26,639	58,643
Cash movements:					
Financing cash flows - payments and receipts of principal	(164)	-	(869)	(1,159)	(2,192)
Financing cash flows - payments of interest	(339)	-	(201)	(2,577)	(3,117)
Non-cash movements:					
Impact of implementing IFRS 9 on 1 April 2018	55	-	-	-	55
Transfers by absorption	-	-	-	-	-
Additions	-	-	-	-	-
Application of effective interest rate	394	-	201	1,600	2,195
Change in effective interest rate	-	-	-	-	-
Changes in fair value	-	-	-	-	-
Other changes	(55)	-	(82)	1,871	1,734
Carrying value at 31 March 2019	29,573	-	1,371	26,374	57,318

Note 24 Finance leases

Note 24.1 The Trust as a lessee

Obligations under finance leases where The Whittington Health NHS Trust is the lessee.

	31 March 2019 £000	31 March 2018 £000
Gross lease liabilities	3,439	4,390
of which liabilities are due:		
- not later than one year;	981	981
- later than one year and not later than five years;	1,831	2,782
- later than five years.	627	627
Finance charges allocated to future periods	(2,068)	(2,068)
Net lease liabilities	1,371	2,322
of which payable:		
- not later than one year;	1,185	655
- later than one year and not later than five years;	1	1,482
- later than five years.	185	185
Total of future minimum sublease payments to be received at the reporting date	-	-
Contingent rent recognised as an expense in the period	-	-

The Trust leases the Stroud Green Health Centre. The lease started in 1993 and is scheduled to last for 125 years. The Trust's main finance lease is for imaging equipment through the Managed Equipment Service contractor, Althea. This arrangement started in 2007 and is currently scheduled to run until 2027.

Note 25.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Pensions: injury benefits* £000	Legal claims £000	Re- structuring £000	Equal Pay (including Agenda for Change) £000	Redundancy £000	Other £000	Total £000
At 1 April 2018	1,018	-	48	-	-	-	1,167	2,233
Transfers by absorption	-	-	-	-	-	-	-	-
Change in the discount rate	-	-	-	-	-	-	-	-
Arising during the year	-	-	25	-	-	-	100	125
Utilised during the year	(179)	-	-	-	-	-	(276)	(455)
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-	-	-
Reversed unused	-	-	(28)	-	-	-	-	(28)
Unwinding of discount	-	-	-	-	-	-	-	-
At 31 March 2019	839	-	45	-	-	-	991	1,875
Expected timing of cash flows:								
- not later than one year;	150	-	45	-	-	-	498	693
- later than one year and not later than five years;	150	-	-	-	-	-	50	200
- later than five years.	539	-	-	-	-	-	443	982
Total	839	-	45	-	-	-	991	1,875

Other provisions include:

1. estimated employer's liability in relation to pending negligence claims with NHS Resolution
2. ongoing and potential employment tribunal cases. The employment tribunal provision represents management's estimate (and that of our legal advisers) of liability based on experience.
3. potential dilapidations from the transfer of leased estates back to the lessor.
4. potential liability in the event that the Trust is unable to achieve a range of greenhouse gas reduction targets.

Note 25.2 Clinical negligence liabilities

At 31 March 2019, £121,917k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of The Whittington Health NHS Trust (31 March 2018: £99,506k).

Note 26 Contingent assets and liabilities

	31 March 2019 £000	31 March 2018 £000
Value of contingent liabilities		
NHS Resolution legal claims	-	(18)
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	-
Gross value of contingent liabilities	<u>-</u>	<u>(18)</u>
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	<u>-</u>	<u>(18)</u>
Net value of contingent assets	-	-

Note 27 Contractual capital commitments

	31 March 2019 £000	31 March 2018 £000
Property, plant and equipment	10,624	365
Intangible assets	4,754	3,530
Total	<u>15,378</u>	<u>3,895</u>

The Trust's principal capital commitments relate to significant capital schemes ongoing in future years, most notably GDE Fast Follower in IM&T and the ongoing estates strategy work.

Note 28 On-SOFP PFI, LIFT or other service concession arrangements

Blocks A and L of the Trust's sites are provided under a PFI arrangement and were brought onto the balance sheet in 2007.

Note 28.1 Imputed finance lease obligations

The Whittington Health NHS Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2019 £000	31 March 2018 £000
Gross PFI, LIFT or other service concession liabilities	38,618	40,299
Of which liabilities are due		
- not later than one year;	2,504	2,465
- later than one year and not later than five years;	10,185	10,040
- later than five years.	25,929	27,794
Finance charges allocated to future periods	(12,244)	(13,660)
Net PFI, LIFT or other service concession arrangement obligation	26,374	26,639
- not later than one year;	1,146	1,050
- later than one year and not later than five years;	5,374	4,966
- later than five years.	19,854	20,623

Note 28.2 Total on-SOFP PFI, LIFT and other service concession arrangement commitments

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2019 £000	31 March 2018 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	104,653	94,173
Of which liabilities are due:		
- not later than one year;	5,637	5,285
- later than one year and not later than five years;	23,992	21,815
- later than five years.	75,024	67,073

Note 28.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2018/19	2017/18
	£000	£000
Unitary payment payable to service concession operator	5,560	5,261
Consisting of:		
- Interest charge	1,600	1,513
- Repayment of finance lease liability	1,153	1,089
- Service element and other charges to operating expenditure	1,089	1,037
- Capital lifecycle maintenance	741	699
- Revenue lifecycle maintenance	-	-
- Contingent rent	977	923
- Addition to lifecycle prepayment	-	-
 Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	 -	 -
 Total amount paid to service concession operator	 5,560	 5,261

Note 29 Financial instruments

Note 29.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with Clinical Commissioning Groups (CCGs) and the way those CCGs 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. The Trust's 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 borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2018 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with CCGs, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 29.2 Carrying values of financial assets

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Held at fair			Total book value £000
	Held at amortised cost £000	value through I&E £000	Held at fair value through OCI £000	
Carrying values of financial assets as at 31 March 2019 under IFRS 9				
Trade and other receivables excluding non financial assets	34,257	-	-	34,257
Other investments / financial assets	-	-	-	-
Cash and cash equivalents at bank and in hand	25,165	-	-	25,165
Total at 31 March 2019	59,422	-	-	59,422

	Assets at fair value				Total book value £000
	Loans and receivables £000	through the I&E £000	Held to maturity £000	Available-for-sale £000	
Carrying values of financial assets as at 31 March 2018 under IAS 39					
Trade and other receivables excluding non financial assets	27,881	-	-	-	27,881
Other investments / financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	4,051	-	-	-	4,051
Total at 31 March 2018	31,932	-	-	-	31,932

Note 29.3 Carrying value of financial liabilities

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Held at amortised cost £000	Held at fair value through the I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9			
Loans from the Department of Health and Social Care	29,573	-	29,573
Obligations under finance leases	1,371	-	1,371
Obligations under PFI, LIFT and other service concession contracts	26,374	-	26,374
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	34,331	-	34,331
Other financial liabilities	-	-	-
Provisions under contract	1,032	-	1,032
Total at 31 March 2019	92,681	-	92,681

	Other financial liabilities £000	Held at fair value through the I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2018 under IAS 39			
Loans from the Department of Health and Social Care	29,682	-	29,682
Obligations under finance leases	2,322	-	2,322
Obligations under PFI, LIFT and other service concession contracts	26,639	-	26,639
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	34,470	-	34,470
Other financial liabilities	-	-	-
Provisions under contract	1,215	-	1,215
Total at 31 March 2018	94,328	-	94,328

Note 29.4 Fair value of financial assets and liabilities

The Trust considers that book value is a reasonable approximation of the fair value of financial assets and liabilities.

Note 29.5 Maturity of financial liabilities

	31 March 2019 £000	31 March 2018 £000
In one year or less	63,210	55,879
In more than one year but not more than two years	2,029	2,791
In more than two years but not more than five years	6,080	4,499
In more than five years	21,362	31,159
Total	92,681	94,328

Note 30 Losses and special payments

	2018/19		2017/18	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	18	18	12	11
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	33	29	104	123
Stores losses and damage to property	-	-	-	-
Total losses	51	47	116	134
Special payments				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	-	-	-	-
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	-	-	-	-
Total losses and special payments	51	47	116	134
Compensation payments received		-		-

Note 31.1 Impact of the implementation of IFRS 9 Financial Instruments

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £55k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £1k decrease in the carrying value of receivables.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £1,084k.

Note 31.2 Impact of the implementation of IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

Note 32 Related parties

During the year no Trust Board members or members of key management staff, or parties related to them, has undertaken any material transactions with the Trust.

Dr Sarah Humphery is both Executive Medical Director for Integrated Care for the Trust and a GP with Goodinge Group Practice. In 2018-19, the Trust paid £10k to Goodinge. There were no balances outstanding.

David Holt is a non-executive director at the Trust and also at Tavistock and Portman NHS FT. The Trust's balances and transactions with Tavistock and Portman were as follows: income £80k, expenditure £41k, debtors £11k, creditors £99k.

The Department of Health is considered a related party. During the year the Trust has had a significant number of material transactions with the Department and with other entities for which the Department is the parent Department. For example material income was received from the following such entities:

	Income (£000s)	Expenditure (£000s)	Debtors (£000s)	Creditors (£000s)
Islington CCG	108,332	0	945	321
Haringey CCG	95,371	0	2,846	59
NHS England	58,098	0	21,529	0
Health Education England	15,553	13	246	18
Barnet CCG	11,812	0	34	166
Camden CCG	10,890	0	17	0

Material expenditure was incurred with the following other entity within the NHS:

	Income (£000s)	Expenditure (£000s)	Debtors (£000s)	Creditors (£000s)
NHS Resolution (formerly NHS Litigation Authority)		10,287		

The Trust completed a land sale transaction with Camden and Islington Foundation Trust in the financial year. The proceeds from this transaction were £12,500k.

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of the material transactions have been with:

	Income (£000s)	Expenditure (£000s)	Debtors (£000s)	Creditors (£000s)
London Borough of Islington	7,552	1,869	502	21

Note 33 Prior period adjustments

No adjustments have been made to prior period audited figures.

Note 34 Events after the reporting date

The Trust has considered whether there are any material post balance sheet events to disclose. We have concluded that there is nothing to disclose here.

Note 35 Better Payment Practice Code

	2018/19	2018/19	2017/18	2017/18
	Number	£000	Number	£000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	65,436	138,751	88,858	130,706
Total non-NHS trade invoices paid within target	56,233	129,821	80,109	119,606
Percentage of non-NHS trade invoices paid within target	85.9%	93.6%	90.2%	91.5%
NHS Payables				
Total NHS trade invoices paid in the year	5821	17965	7019	19622
Total NHS trade invoices paid within target	4160	8671	2541	5660
Percentage of NHS trade invoices paid within target	71.5%	48.3%	36.2%	28.8%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 36 External financing

The trust is given an external financing limit against which it is permitted to underspend:

	2018/19	2017/18
	£000	£000
Cash flow financing	(21,294)	(748)
Finance leases taken out in year		
Other capital receipts		
External financing requirement	(21,294)	(748)
External financing limit (EFL)	(10,021)	(716)
Under / (over) spend against EFL	11,273	32

Note 37 Capital Resource Limit

	2018/19	2017/18
	£000	£000
Gross capital expenditure	14,648	10,100
Less: Disposals	(6,324)	(28)
Less: Donated and granted capital additions	(1,000)	(166)
Plus: Loss on disposal from capital grants in kind	-	-
Charge against Capital Resource Limit	7,324	9,906
Capital Resource Limit	10,700	11,314
Under / (over) spend against CRL	3,376	1,408

Note 38 Breakeven duty financial performance

	2018/19
	£000
Adjusted financial performance surplus / (deficit) (control total basis)	28,190
Remove impairments scoring to Departmental Expenditure Limit	-
Add back non-cash element of On-SoFP pension scheme charges	-
IFRIC 12 breakeven adjustment	1,172
Breakeven duty financial performance surplus / (deficit)	29,362

Note 39 Breakeven duty rolling assessment

	1997/98 to 2008/09	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Breakeven duty in-year financial performance		139	508	1,120	3,614	1,165	(7,342)	(14,788)	(3,670)	6,158	29,362
Breakeven duty cumulative position	3,971	4,110	4,618	5,738	9,352	10,517	3,175	(11,613)	(15,283)	(9,126)	20,237
Operating income		176,853	186,300	278,212	281,343	297,397	295,007	294,211	309,255	323,394	348,646
Cumulative breakeven position as a percentage of operating income		2.3%	2.5%	2.1%	3.3%	3.5%	1.1%	(3.9%)	(4.9%)	(2.8%)	5.8%



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