NHS
North Middlesex University Hospital
NHS Trust

Providing outstanding care for local people in an unprecedented year

Our annual report for 2019-20

Our **values**

Throughout this report, where photographs show staff without face masks or personal protective equipment (PPE), these images were taken before the Covid-19 pandemic made such items necessary.

Contents

Welcome to our 2019-20 annual report

Chair's foreword

Since becoming Chair at North Mid towards the end of 2019, I have worked hard to meet as many members of staff as possible and to hear from them directly about how they feel about their roles, their teams, the North Mid and, most importantly of all, the patients that they care for.

I am truly in awe of their dedication, commitment and resilience, no more so than in the current climate. In the final months of 2019/20, with the Covid-19 pandemic declared, the entire hospital had to be repurposed to ensure we could safely care for our patients. This involved staff being redeployed, services moved offsite, and a complete overhaul of our medical rotas and ways of working.

Without hesitation, staff in all parts of the hospital worked tirelessly to ensure we maintained the safest and most caring service possible for patients and their families. I am proud to say that colleagues, organisations, businesses and volunteers right across our community have worked together in partnership to ensure that all our patients received the care they needed, at the time they needed.

I commend the leadership of Maria Kane, our Chief Executive and her executive team and thank my fellow Non-Executive Directors for their support during this most challenging of times.

Cedi Frederick

Chair

Chief Executive's foreword

At the time of writing our annual report and reflecting on 2019/20, we are in the midst of the biggest challenge the NHS has ever seen, facing unparalleled demand as a result of the Covid-19 pandemic. I have been so very humbled to see the extraordinary lengths staff at North Mid have gone to in order to cope with this emergency. They have had to increase critical care beds and ventilation capacity over the space of a weekend, whole wards and departments have been moved or repurposed in a matter of hours, and staff have retrained to go and work in new areas to help out colleagues.

It has been an incredible effort and I would like to thank our staff, their families for supporting them to work through this pandemic, our local residents and businesses for the amazing generosity and support they have given to the hospital, and our partners in health and social care in Enfield and Haringey.

Prior to Covid-19, 2019/20 had already been a busy year for the Trust. We regularly saw over 600 patients a day in A&E and we continued to have the busiest children's A&E in London. In August 2019 we published Our Forward View, setting out our aspirations for the next five years. We have made a good start in securing a quality improvement partner, playing a role in our Integrated Care System (ICS) in North London, and beginning the exciting job of developing a new Masterplan for the hospital site.

We are here to serve one of the most vibrant and diverse communities in the UK. London is one of the world's wealthiest cities and the area served by North Mid includes places of significant affluence. However, there are also pockets of huge poverty and deprivation and, with that, a difference in years of healthy life expectancy. Reducing this inequality is at the heart of everything we do at the North Mid, and will be the driving force for our future direction.

Looking back at our achievements over the past year, we must celebrate our successes, including the formal recognition our staff have received, our outstanding leaders programme and being rated Good for being a 'Well-Led' organisation by the Care Quality Commission (CQC). We must also continue to address those areas where we need to improve. And we must reflect on the learning from tackling Covid-19, and what we need to do to remain resilient for the future. None of this would be possible if it wasn't for the commitment of our wonderful staff and the close working relationships we have with our partners and local community, and I look forward to further developing these relationships as North Mid grows from strength to strength.

I would like to commend our Board of Executive and Non-Executive Directors, who have had to take difficult decisions this year, but I know they have only and always done so with our patients at the forefront of their minds.

Lastly I want to thank our patients, and those who care for and represent them. Your experience and feedback guide us to continually improve as we try to do our very best for you.

Maria Kane OBE

Chief Executive

North Mid – your local hospital

We provide local hospital services to approximately 320,000 people, providing care for patients in Enfield, Haringey and further afield. Our community is one of the most diverse in UK. It includes over 90 nationalities and less than a quarter of the local population define themselves as British.

There are particularly stark inequalities in healthy life expectancy between the west and east of both boroughs. Our community is also one of the most deprived in the UK, with the majority of the population living in deprivation and one in five children living in poverty. Rates of violent crime, in particular youth violence and knife crime, are higher than the London average.

Our catchment area includes a relatively high prevalence of people who smoke and of people who are overweight or obese, and 17% of the population of Haringey has a common mental health disorder such as depression or anxiety. About half of the patients treated in A&E attended because they saw it as the easiest place to get care; many could have been treated more appropriately in primary care.

Local services

We provide maternity, children's, and adult services across a range of medical and surgical specialities. Our adult and children's emergency departments are among the busiest in London, with over 184,000 patients seen last year, and 4,515 babies were delivered in our maternity unit.

Specialist services

Our specialist services include HIV, cardiology, blood disorders, diabetes and fertility. Our sickle cell and thalassaemia department is recognised as a national leading centre. In addition to a full range of cancer diagnosis and treatment services, the Helen Rollason Cancer Support Centre is based on-site and provides services to support cancer patients' wellbeing.

North Mid in numbers 2019/20

184,084
patients seen in A&E

5,174
women looked after for maternity care

181,298
x-rays and other radiology tests

24,778
inpatients cared for

429,314
outpatient appointments

5,065
surgical operations

4,515
babies born

Our Forward View

In the summer of 2019, we shared our Forward View for 2019-2024, setting out our aims and aspirations for the Trust for the next five years, working with local people, patients, and our partners in Enfield, Haringey and further afield. We committed to:

Provide outstanding care

We will provide:

- excellent outcomes for patients
- excellent experiences for for patients and staff
- excellent value for money

Partnering with others

We will work closely with our system partners to integrate health and care, and broader public services, and guide you towards the best service for you.

Keeping people healthy

We will use every opportunity we have to promote wellbeing, providing information and education for our community.

To support this, we have committed to three enabling programmes of work:

Well-resourced workforce

Digital transformation

Estate improvements

North Mid – of and for our local community.

Our patients…

In this section we briefly highlight just some of the initiatives we have put in place during 2019/20 to help patients.

Our patients

Supporting older patients – our 'Amber' unit

Our A&E department sees a high number of patients aged 65 or over (on average, 76 patients a day) and our frailty pathway has been designed to help us manage these patients and ensure we give them the best possible care. This pathway is supported by our new Geriatric Emergency Specialist Medicine Service (GEMS) team comprising of a Geriatrician, a Frailty Lead nurse and a member of the therapy team. The team's aims are to begin a comprehensive geriatric assessment within 60 minutes of the patient's arrival in A&E, to make early senior decisions about patients' care, and to identify those patients who can be treated in the Amber unit.

Formerly known as the Acute Assessment Unit, our new 'Amber' unit is designed to treat frail patients as part of a wider series of changes to help reduce unnecessary admissions, decrease lengths of stay and ultimately improve flow throughout the hospital. Patients admitted to Amber must be aged 65 or older and possess a Clinical Frailty Score (CFS) of 5 or more. Their stay on the unit lasts no longer than a day – after this, they will be discharged home or transferred on for further treatment and recovery.

The multi-disciplinary team, including colleagues from Enfield Integrated Community Therapy Team and Haringey Rapid Response, meet daily to discuss each Amber patient, ensuring acute care needs are met and that patients are fully supported on discharge. This helps to identify any risks in returning home and to clarify what support they will need (e.g. mobility assessment, walking aide, package of care or social service referral).

Improving patient experience

Extended visiting times: In December 2019, responding to feedback from our patients, visitors and staff, we extended visiting times across all wards from 7.30am until 8.00pm each day. This small but simple change has benefitted all our patients, their families and friends, by allowing visitors to come at a time that suits them. This means patients have a greater level of social interaction, which helps with their recovery. Families and carers can be present during the ward rounds and have discussions with the medical and clinical teams directly to ensure they remain informed of treatment and on-going plans.

Maintaining family contact during Covid-19: As a result of the Covid-19 crisis, we had to reduce visiting times and the number of visitors within the hospital. Of course, we understand the distress this inevitably caused and how important and beneficial it can be to a patient's recovery to see and hear their loved ones. But as an interim measure, we were generously donated a number of iPads to facilitate video calls between patients and relatives, and where this was not possible we arranged for members of our Patient Advice and Liaison Service (PALS) team to provide updates on a regular basis. And in May 2020, in discussion with our Ethics Committee and Infection Prevention and Control Teams, we relaxed some of these restrictions for our patients in ITU and visitors were allowed between 3pm and 5pm.

Digital North Mid: In 2019, the Trust Board agreed to invest £12m over the next three years to deliver our digital North Mid ambition and support staff to provide outstanding care to our patients. This investment will allow the Trust to use technology to improve patient experience so that patients can better manage their own health and interact with us through video consultations. The investment will also improve access to clinical information and the way in which clinical systems across North Central London (NCL) are integrated to enable clinicians to access patient records.

Quentin Blake artwork: In order to help brighten up our paediatric areas, and to help navigation around the hospital, world famous illustrator Sir Quentin Blake generously donated a number of illustrations which now adorn the walls of North Middlesex Hospital. These pieces in Sir Quentin's iconic style were formally unveiled in December 2019.

Innovation at North Mid

Cold caps during chemotherapy: Dr Raja, Consultant Oncologist, was keen to provide patients who had to undergo chemotherapy (causing them to lose their hair) an opportunity to preserve their hair and so reduce some of the psychological trauma they experienced. Cold caps are special tightly fitting hats worn during chemotherapy. Their cooling effect reduces blood flow to the scalp, which helps prevent hair loss for some patients. With support from Future Dreams, the breast cancer charity, and Paxman AB, the manufacturer of cold caps, we have secured a cooling machine with two caps attached (so double capacity) as well as servicing for five years. This generous donation was worth approximately £20,000. Many patients have now benefitted and have been extremely relieved that they did not have to lose their hair while undergoing chemotherapy.

Best practice in myeloma care: The Trust has been awarded a Clinical Service Excellence Programme Award by Myeloma UK for its myeloma treatment and care. Reviewers highlighted in particular the North Mid team's exceptional and innovative practice in multidisciplinary team (MDT) working, treatment and supportive care, and end of life care. Reviewers highlighted also the 'excellent feedback' they received from patients, and the palliative care team were commended for working with every member of the MDT and trying to construct as many advanced care plans as possible 'to get patients where they need to be'. Reviewers' noted 'a number of examples of the team going above and beyond to adapt to patients needs and provide the best possible care.'

Neonatal unit family-led ward rounds: As a result of patient feedback, we have established a weekly family-led ward round on our neonatal unit. The development care team, attending consultant or registrar and cot side nurse all join the round. Parents and the team are able to address the baby's weekly progress, the family's journey and the plan for discharge home. Feedback from parents has been very positive, as the comments below show.

Encouraging skin-to-skin baby contact: Following a successful £5,000 bid to the Trust's 'Dragons' Den', we procured four reclining chairs which encourage families to do more skin-to-skin contact with their baby and help improve breast feeding rates. Improving skin-to-skin contact reduces rates of sepsis and helps facilitate better growth, as well as temperature and respiratory stability. Since securing the chairs, the length of time doing skin-to-skin and breastfeeding has both increased, particularly for women post a caesarean section who all reported increased comfort.

"Everyone is so helpful and friendly, it makes a huge difference to how comfortable I feel about my baby's condition and care."

"Very helpful and informative. Definitely a good concept as I felt supported and armed with resources should I need them."

Research and development

Research and Development continues to support research activity across the Trust in several specialities. The main research activity is in recruiting patients into high-quality National Institute for Health Research (NIHR) portfolio adopted multi-centre studies, for which we receive funding from the North Thames Clinical Research Network (NT CRN).

Over the past year, we have recruited 480 patients to more than 40 clinical trials and other research studies. Main areas of activity include: oncology, reproductive health, infectious diseases, stroke, cardiovascular, dementia, paediatrics and critical care.

Care Quality Commission recognises North Mid as 'Well-Led' organisation

We have been rated as Good for 'Well-Led' as an organisation, following an inspection by the Care Quality Commission (CQC) in July 2019. Inspectors identified improvements in the 'Well-Led' domain and noted that the Trust has a 'strong organisational culture of collaboration, team-working and support and a common focus on improving the quality and sustainability of care and people's experiences, and that you were proud of the trust as a place to work and spoke highly of the culture and of the leadership team'.

The inspection took place as part of the CQC's annual inspection programme. As well as inspecting 'Well-Led' across the Trust, the CQC inspected Medical Care and Children's Services. We are pleased the CQC recognised the work and improvements that have taken place at North Mid, and as a result Emergency and Urgent Care services were also rated as Good. Overall, however, we remain rated as 'Requires Improvement'. We acknowledge we still have more to do, but because this was not a comprehensive inspection and focused only on three core services, it was not possible for the Trust's overall score to have improved.

Inspectors highlighted 14 areas of outstanding practice in their report. These include:

- Mental health: The Trust's We Can Talk programme, which provides mental health training for all staff, empowers non-mental health staff to manage the mental health needs of patients. Inspectors heard that the programme had provided staff with confidence to support patients with their mental health needs.

- Domestic violence: The Trust has developed a scheme to provide essential items for people escaping domestic violence. The Trust is also one of three sites in England appointed to develop a comprehensive health-led 'model response' for people experiencing domestic abuse. Inspectors reported that the two Independent Domestic Violence Advocates support local victims 'discreetly and sensitively'.
- Emergency foster care: The Trust provides emergency 'Kids Kits' for children and young people going into emergency foster care directly from hospital because of safeguarding concerns. This initiative was developed by one of the hospital's doctors and is supported financially by the hospital's charity. The kits are rucksacks filled with essential items (e.g. clothes, toiletries, toys, mobile phone) to support a child in crisis.
- Urgent and emergency services: Inspectors reported that managers and staff have a good understanding of the needs of the population and the community health profile. Services had worked with commissioners and other stakeholders to carry out several interventions to safeguard vulnerable people who access services and hard-to-reach patients, including outreach support for patients who are homeless or identified as rough sleepers.
- Youth violence: The area served by North Mid has some of the highest levels of serious youth violence in London, with more than 20 knife and gun fatalities involving teenagers and young people in 2018. Following a Knife Crime Roundtable convened by the Chief Executive in October 2018 (with local MPs, councillors, police, youth workers) the Trust provided a programme of outreach sessions in local schools, delivered jointly by emergency department consultants, local mentors, police and the voluntary sector. Youth workers were also embedded in the hospital's emergency department to work with victims and perpetrators of serious youth and gang-affiliated violence.
- Female genital mutilation (FGM): The Trust sees a significant number of patients from countries where FGM is practised and the North Mid's Iris Clinic provides specialist care for people affected by FGM. This includes an all-female team, an interpreting service, social support, FGM reversal surgery and other health advice, including gynaecological, contraceptive and sexual health advice. The Iris Clinic team also carry out community engagement, health promotion and education work.

In January 2020, the CQC undertook an unannounced inspection of A&E, prompted by the rise in the number of attendances and delays in ambulance handovers the Trust had experienced during December and early January as a result of winter pressures. During this inspection, the CQC identified a number of areas of good practice, including:

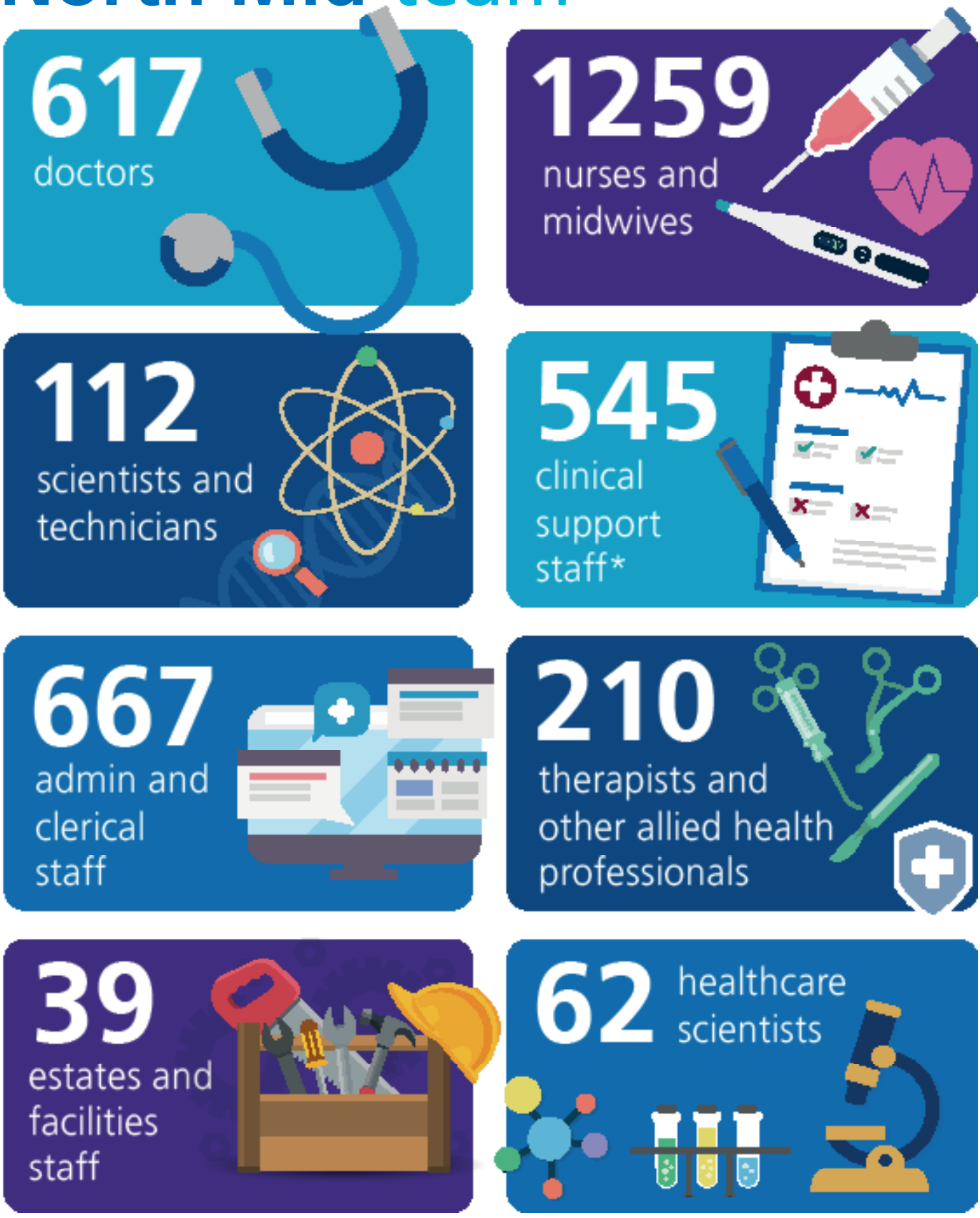
- Safe care: Patients were kept safe, with their safety closely monitored by staff.
- Responsiveness to challenges: Our responsiveness to the increase in attendances was commended, with specific mention of our new purpose-built area to receive patients arriving by ambulance and our 'sit to treat' area.
- Improvements in culture: Inspectors also noted the improvements in 'culture' within the department, with staff reporting feeling respected, supported and valued.

The Chief Inspector of Hospitals, Professor Ted Baker, praised our progress, saying he was 'pleased to see that care provided at the North Middlesex University Hospital emergency department has continued to improve'.

Our people...

Across the Trust as a whole, we employ more than 3,500 people, with nursing and midwifery making up the largest sector within our workforce.

Our **North Mid** team



*includes healthcare support workers, operating department practitioners, phlebotomists, and nursery nurses

Overseas nursing programme

In May 2019 we began recruiting international nurses. By the end of the following March, 61 international nurses had arrived, of whom 49 have successfully passed their Nursing and Midwifery Council (NMC) Objective Structured Clinical Examinations (OSCE). (The other 12 had tests booked but these were cancelled owing to Covid-19; however, all 12 have successfully been placed on the NMC temporary register.)

Our Practice Development Nurse (PDN) team designed a training programme to support international nurses to successfully complete the (NMC) Test of Competence (Part 2) OSCE, which enables them to register with the NMC and work in the UK. Training is delivered by our team of experienced PDNs (drawn from different specialities within the Trust) who provide regular evaluations and help ensure that our 100% pass rate will continue. The programme lead maintains direct links with the NMC and the University of Ulster to ensure the programme delivered is always up to date with all NMC OSCE requirements.

The programme lasts six weeks and covers all core elements required for successful completion of the OSCE. It begins with a welcome event, which offers newly arrived candidates an opportunity to meet staff from those areas in which they will be working once registered with the NMC. Established international nurses, who have already successfully completed the OSCE, are available to answer questions and be an ongoing source of support. This is followed by Trust induction and four weeks of intensive OSCE preparation training delivered at the same level expected from the test centres. As candidates are far from home, PDNs also provide pastoral care to ensure international nurses are supported throughout the training programme.

Our international nurses are now working as Band 5 nurses throughout the Trust as highly skilled professionals who are a vital resource in delivering the high standard of care expected by the community we serve.

Preceptorship

North Mid is one of the only London trusts to provide a multi-disciplinary preceptorship programme for nurses, midwives and allied health professionals (AHPs). This unique approach provides the chance to mix and learn with newly qualified practitioners from the multi-disciplinary team (MDT). The current preceptorship programme, which has been running for just over a year and has been in receiving positive evaluations from preceptees, builds on the success of our previous programme which was a finalist in the Nursing Times awards, and has been endorsed by the CapitalNurse Preceptorship Quality Mark.

CapitalNurse Graduate Guarantee

The CapitalNurse North Central London (NCL) Graduate Guarantee (GG) project links employers, Higher Education Institutes (HEIs) and student nurses to support final year student nurses in finding their first staff nurse post within NCL. Each student receives a letter (via their HEI) detailing the GG offer

agreed by all NCL employers. As an active member of the project, the Trust has agreed the following:

1. To guarantee an interview following the student's application
2. To undertake no assessments other than a short values-based interview
3. To provide conditional offer to be given the next working day after the interview
4. To ensure that the candidate is supported by a one-year CapitalNurse preceptorship programme
5. To provide the opportunity to work as a Band 3 Healthcare Support Worker after successful completion of the degree programme until NMC registration is confirmed.

We held two highly successful recruitment events within the Trust and made conditional offers of employment to 51 future nurses.

Advanced clinical practitioners

Having been active in raising the profile of Advanced Clinical Practitioners (ACPs) within the Trust, especially among clinical leads, North Mid is supporting Trainee ACPs (TACPs) during their training.

Interviews for TACP candidates were undertaken with the HEI course director at London South Bank University, our chosen provider. Unsuccessful candidates were given 1:1 feedback so they had an opportunity to discuss what they needed to develop in order to be ready for their next opportunity. The Trust has also been providing support to TACPs with academic writing.

Currently, we have one qualified ACP working in the Urgent Care Centre and two TACPs in A&E, two TACPs in cardiology and two TACPs in critical care. All trainee ACP course fees are funded by Health Education England and are provided with clinical and educational supervision by consultants within their specialty. In March 2020, a new corporate lead for ACPs began working within the Clinical Workforce Transformation Team to further develop the ACP role and support structures within the organisation.

Apprentice trainee Nursing Associates

We currently have two Registered Nursing Associates in the Trust, and 50 people in four cohorts of Apprentice Trainee Nursing Associates (ATNAs) on the two-year apprenticeship pathway with Middlesex University. These four cohorts mainly comprise of internal staff from development programmes within the Trust. For the March 2020 cohort we opened up recruitment to external candidates for the first time and successfully recruited 8 ATNAs through this process.

Medical staff

2019/20 was marked by a number of initiatives to develop our medical workforce. We ran a series of successful consultant development days where we worked with consultant colleagues to develop Our Forward View and an understanding of quality improvement (QI) methodology. We also began a Clinical Director Development Programme to support medical leaders in their role, including sessions on finance, human resources and medical leadership.

We have received funding from Health Education England to support and develop our speciality doctor workforce. The GMC *Duties of a doctor* programme is now being run at the Trust and currently has 14 participants. There has been a high engagement from critical care, where several new fellows have been recruited from overseas.

We ran a regional Certificate of Eligibility for Specialist Registration (CESR) Training Day, which was attended by over 50 staff, associate specialist and specialty and middle grade doctors who were interested in pursuing CESR accreditation from across multiple specialities. The day included practical guidance and advice provided by a GMC CESR assessor as well as individual presentations from CESR accredited consultants.

With regards to trainee doctors, we have seen sustained improvements in the GMC survey in 2019. Particularly in the emergency department where trainees fed back that this was a department in which training and patient safety are prioritised. We have set up a Trainee Forum where doctors in training work with the Trust to improve their working lives. We also ran a 'Dragons' Den' in which trainees were able to pitch their ideas for fatigue charter funding. This has resulted in refurbishment of the junior doctor's common room and a fund for trainees to take up a new skill to improve their work life balance.

Responding to Covid-19

With the declaration of the Covid-19 pandemic, staff throughout the Trust rose to the challenge and embraced change, with many redeployed to assist in other parts of the Trust.

We recruited paramedics to work in our A&E and first-year student paramedics from Anglia Ruskin University to work as HCAs in both our A&E and Critical Care Units.

Our general surgeons assessed injuries in urgent care, Henry Atkinson, orthopaedic surgeon, undertook the role of Medical Controller in A&E, and Shruthi Belavadi, associate director of quality governance, with Patricia Mecinska, head of patient experience and involvement, both became well versed in bed-making across the Trust.

In mid-March, the GMC and Statutory Education Bodies (SEBs) announced that the planned rotations for junior doctors in April 2020 would not go ahead and minimised disruption to services by keeping junior doctors in departments in which they were already established members of the healthcare team.

Plans were made to redeploy members of staff from other specialities to medicine, critical care and A&E, which were likely to become very busy with the influx of patients. These plans were drawn up rapidly and within ten days of initial discussions doctors were deployed on their new rota. Trainees who were unable to do frontline work due to shielding formed a central team of co-ordinators whose task was to review staffing across the Trust each day and reallocate doctors according to needs.

There was a significant reduction in surgical activity – all elective operating and some clinics were cancelled – and it was clear that junior doctors across the specialities had to be re-organised as part of the response. Specialities such as general surgery, urology and orthopaedics saw patients directly in A&E.

The hospital was divided into four zones, with each zone allocated its own team of 35 doctors. In total, 140 junior doctors were redeployed. This enabled staffing decisions to be taken in the most efficient, responsive and flexible manner. Each group of doctors was further sub-divided according to their level of medical experience, which guided the nature of responsibilities they took on the wards.

There are also updated local guidelines for critical care and palliative team referrals. The re-organisation prompted an extensive programme of education. New local guidelines addressed clinical protocols, updated communication advice and escalation pathways. Due to the prohibitions on social distancing, this educational programme was delivered wholly online.

Junior doctors are also supported to look after their mental wellbeing. A space within the hospital has been converted into a 'wellbeing room' open to all staff who need some time out for rest and reflection. A wide range of wellbeing sessions, including mindfulness and workshops on topics like sleep and stress, were on offer as part of an effort to maintain staff morale. A clinical psychologist also facilitates peer support groups.

Project SEARCH

The programme – run in partnership with Project SEARCH, an international charity that works with organisations in the UK to help people with learning disabilities find a job – provides young people with a year-long supported internship at North Mid whilst they complete academic studies on site.

As the programme moved into its second term of delivery, students were able to transition into their second placement/rotation. Supported by job coaches and a tutor, each student was able to take part in a mini-interview with their new mentor. This helped create a small 'taster' of the interview process that students will become more familiar with as they continue to develop across the course of the project.

Rotating the Project SEARCH students through departments has had a number of benefits, for both students and substantive staff. Staff in teams have enjoyed being able to share their knowledge and experience, and mentors have seen students grow in both their attitude and maturity; students grasp the working environment well and ask appropriate questions. The project continues to have good levels of contact with parents; and annual reviews and regular employment planning meetings are held, involving feedback from the job coaches and hospital mentors. Parent feedback on the support provided to young people is positive.

During the final quarter of 2019/20, the focus was employment, with job coaches from Tottenham Hotspur Foundation delivering job club sessions. Students were helped to sign up to NHS Jobs, Health Careers and Indeed websites, which helped the students understand what jobs were suitable and realistic at this stage in their development. Following the job club, students were taught how to recognise their own skills and strengths within a job description or job specification, and have been supported to create and develop their first ever CV and develop personal statements.

We now have a group of students who are looking at the world of work in a positive way. Most of the group are now actively applying for vacancies, many within North Mid.

Staff networks

During 2019/20 the Trust successfully established three new staff networks – Women's, LGBT+ and DiverseAbility – in addition to maintaining the Ethnicity (BME) staff network.

The Women's Network was launched on International Women's Day in March 2019. It has held two events with external speakers: Yvonne Coghill, Director of WRES (Workforce Race Equality Standard) Implementation at NHS England, and Karen Hill, Head Coach of Tottenham Hotspur Ladies. Arising from topics discussed within the network, a sub-group was formed to lead on raising awareness regarding the menopause at work. Following a successful bid to the 'Dragon's Den' initiative, the network has been granted additional funding to develop a self-help kit for staff to purchase, which will include a fan, cooling towel to help with hot flushes and self-help tips.

The DiverseAbility Network has been so named to encourage positive representation of disabilities and to celebrate individual alternative ability (as opposed to inability). The launch was well attended and hosted speakers from the Epilepsy Society, Bart's Health Disability Network and NHS England Disability and Wellbeing Network. The network has established a steering group with representation from across the Trust which meets regularly and has and has formed a close working relationship with the learning disabilities team (which has a member on the steering group). As part of its commitment to improving services, the network has supported International Week of the Deaf, coordinated videos of members of the Board and staff signing, and welcoming deaf patients to a number of departments across the Trust.

The LGBT+ Network invited the co-chair of the LGBT+ network from the Royal Free Hospital to share ideas with the group with regards to gaining a higher profile and ideas for how to influence changes. As a result of some recent patient and staff experiences, the network is currently focusing on ensuring the organisation is visibly LGBT+ friendly, with particular focus on transgender in departments such as gynaecology. The chair of the network was recently invited to a staff meeting in the gynaecology unit to listen to staff experiences of welcoming a transgender patient into the department and the vulnerabilities for both patients and staff. As a result, the privacy and dignity policy is under review so that guidance for staff on how to welcome a transgender patient within the organisation is more robust.

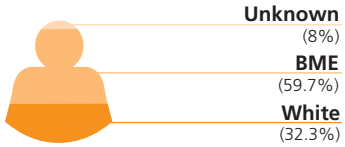
As part of the Trust's commitment to promoting diversity, the NHS Pride badge was launched in May 2019. Since the roll out, we have received an overwhelmingly positive response from patients, visitors and staff. These badges are part of a national NHS campaign to illustrate that the NHS is an inclusive place to work and receive treatment, specifically for those who identify as LGBTQ+.

The BME network had a successful start to the year; with events over the first quarter of 2019/20 celebrate the diverse population and staff groups at North Mid. The network has established a steering group with representation from across the Trust which meets regularly and has been instrumental in supporting our BAME staff during the Covid-19 crisis.

An equalities forum is also in place which brings together representatives from each staff network, Freedom to Speak up Guardians, staff support officers and the communications team to further embed the equalities agenda and collaborations across the organisation.

NHS Workforce Race Equality Standard (WRES) 2019

Total number of staff - 3370



Indicator one: Percentage of white and BME staff in the Trust

Non-clinical workforce | Clinical workforce

Indicator two

Relative likelihood of white staff being appointed from shortlisting compared to BME staff

In 2018, 1.47

1.73

Indicator three

Relative likelihood of BME staff entering the formal disciplinary process compared to white staff

In 2018, 1.82

1.08

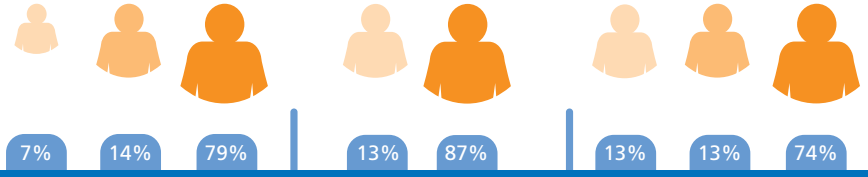
Indicator four

Relative likelihood of white staff accessing non-mandatory training and CPD compared to BME staff

In 2018, 1.0

1.00

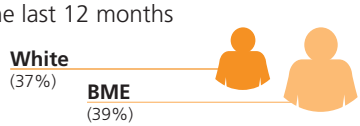
Indicator nine



Total Board membership | Executive membership | Voting membership

Indicator five

% of staff experiencing harrassment, bullying, or abuse from patients, relatives or members of the public in the last 12 months



Indicator six

% of staff experiencing harassment, bullying or abuse from staff in the last 12 months

Indicator seven

% believing that the Trust provides equal opportunities for progression or promotion

Indicator eight

% of staff who personally experienced discrimination at work from manager, team leader or other colleagues

Key

- White
- BME
- Unknown

- Info taken from ESR
- Info taken from Staff Survey

The NHS Workforce Race Equality Standard (WRES) provides a framework for ensuring the black and ethnic minority (BME) staff receive fair treatment in the workplace and have equal access to career opportunities.

The data presented here provides an overview of the Trust's performance against the nine WRES standards.

The Trust has successfully submitted data to the national team for the Workforce Disability Equality Standards (WDES), which is the first year of collection, and the Workforce Race Equality Standards (WRES).

We have also been leading on a pan-London project to implement decision tree checklists into disciplinary processes with the aim of ending the disproportionate number of BAME staff under formal disciplinary measures (WRES indicator 3). North Mid data for 2019 has shown improvement in WRES indicator 3 from 1.87 times more likely for a BAME member of staff to enter formal disciplinary in 2018, to 1.08 in 2019. This was the best score in London. This improvement shows that the decision tree checklist has had a positive impact on our assessments and decision-making with regard to invoking formal disciplinary proceedings, and our processes are now near to showing zero discrimination in this process.

The Trust sends concluded investigations to an independent company who assess and audit our processes and recommendations against national criteria, including WRES, and provide us with a formal report and potential recommendations. The latest report concluded there were no major concerns and suggested only minor recommendations relating to time constraints of investigating managers and their subsequent impact on length of investigation.

Work is required to improve data accuracy on Electronic Staff Record (ESR), as currently there are around 160 staff with a disability on ESR, yet the staff survey results indicate that indicate that at least 340 staff have a disability. This implies that staff may either not be aware they can seek support for conditions they have, or that staff do not feel safe to share that they have a disabling condition. Work is underway within the DiverseAbility Network to encourage staff to share information to further improve our policy development processes and improve the working environments within the organisation.

Trust values

In August 2019 we launched our refreshed organisational values – 'We are caring', 'We are fair', 'We are open' – which was the culmination of six months of staff engagement to better understand the culture and values we all want to see more of in the hospital.

Our values

We are compassionate and take time out to check on colleagues and patients

We are understanding and recognise each other as individuals

We are committed to improving our community for colleagues and patients/carers

- Showing empathy
- Being curious
- Showing humility
- Listening to others

We respect and understand each other's differences and backgrounds

We are consistent with providing realistic, clear expectations and constructive feedback

We are always looking for opportunities to develop all staff and our services

- Being consistent
- Listening to others
- Supporting each other

We embrace change and continuously challenge ourselves and colleagues to create meaningful improvement

We ask for help when we need it: we offer help when we see a colleague struggling and we are always open to challenge

We actively look for new ways of working and explore new partnerships across teams, divisions and organisations

- Speaking up
- Being curious
- Learning from mistakes

Staff and leadership development

Our 'Outstanding Leaders, Outstanding Care' programme, which was commissioned by the Board in October 2018 (with support from NHS Improvement and the London Leadership Academy), aims to improve staff experience by implementing a culture improvement plan and a new leadership development offer. During 2019, the newly created Culture Team spoke to over 1,500 members of staff across the Trust to understand staff experience and the culture within the organisation. As a result of this groundwork, the following cultural priorities were agreed:

1. Cascade and embed our values and vision
2. Create a 'speak up' culture
3. Create collective, compassionate and inclusive leadership
4. Address concerns of favouritism and nepotism
5. Improve interdepartmental team working
6. Improve health and wellbeing, focusing on work related stress
7. Improve the working environment of staff

Initial plans were put on hold as a result of Covid-19, and the Trust is now in the process of reshaping its improvement plans in light of the recent changes brought about by our response to Covid-19.

The Trust's leadership development programme aims to develop and improve the leadership skills of the 220 or so managers and senior managers across the Trust, including the medical leadership team, clinical directors and aspiring clinical directors. This programme is designed to create leaders that:

- Understand collective/distributive leadership
- Are compassionate and take inclusiveness seriously in their decision making and daily operational practices
- Have in-depth operational management skills
- Are able to lead and implement quality improvement plans using the Trust's QI methodology

Staff survey

This year's staff survey saw our highest response rate in six years, at 56%, beating our internal target by 6%. This is the second highest response rate in acute hospitals in London and above the national average.

Compared to last year, staff have given the Trust higher ratings for 70% of all questions asked. The most significant increase, 7%, was for the number of staff who would recommend North Mid as a place to work; nearly two-thirds (65%) now say they would.

Other improvements include 60% of staff now saying they would be "happy with the standard of care provided', and 78% who identified "care of patients/service users' as the organisation's top priority.

Despite this overall positive experience, there are still some areas that require improvement, including: equality, diversity and inclusion; bullying and harassment; and violence.

2018	2019	Top 5 scores (compared to average)
35%	36%	Q19b. Appraisal/review definitely helped me improve how I do my job
79%	79%	Q19f. Appraisal/performance review: training, learning or development needs identified
43%	49%	Q19e. Appraisal/performance review: organisational values definitely discussed
43%	45%	Q19c. Appraisal/performance review: Clear work objectives definitely agreed
13%	17%	Q11g. Not put myself under pressure to come to work when not feeling well enough

2018	2019	Most improved from last survey
86%	93%	Q22a. Patient/service user feedback collected within directorate department
57%	63%	Q28b. Disability: organisation made adequate adjustment(s) to enable me to carry out work
43%	49%	Q19e. Appraisal/performance review: organisational values definitely discussed
59%	65%	Q21c. Would recommend organisation as place to work
71%	75%	Q7c. Able to provide the care I aspire to

1811 of #TeamNorthMid had their say

We are proud of our survey results

We have **improved on 70%** of the survey questions compared to last year and North Mid is the **9th most improved Trust** out of 37 other Trusts who used Picker.

Our core strengths – what is working well

Quality of care

93% feel their role makes a difference to patients /service users

84% are satisfied with the quality of care I give to patients /service users

75% are able to deliver the care I aspire to

Quality of care

The majority of colleagues said that appraisals help them to: agree work objectives, improve how they do their jobs, feel valued by the Trust.

Self engagement

77% Care of patients/ service users is my Trust's top priority

76% say that we are enthusiastic about our job

74% feels there are frequent opportunities to show initiative in our role

64% would recommend North Mid as a place to work

Team work

We are great at team work!

63% of us meet regularly to discuss team's effectiveness

3 key areas we need to focus on

Equality, diversity and inclusion

Colleagues said the Trust is making adequate adjustments to enable us to carry out our work and many of us have not experienced discrimination at work from a manager/team leader or colleague. We are making progress but we are still below national average.

Safe environment – bullying and harassment

We want to do more around bullying or abuse from managers, patients, service users and their relatives.

Safe environment – Violence

This year more staff said they've experienced physical violence at work from patients/service users, their relatives or members of the public. There has also been an increase in staff experiencing physical violence at work from colleagues and managers.

Freedom to Speak Up Guardians

The government's response to Sir Robert Francis's Freedom to Speak Up review, which was published in 2015, led to a requirement in the NHS Contract for 2016-17 for every NHS Trust to have a local Freedom to Speak up Guardian from 1 October 2016.

The Trust has two Freedom to Speak up Guardians: Frances Evans, who was appointed in October 2016, and Sharnette Wallace-Mailor, who was appointed in July 2018 following a recommendation that the Trust required a second guardian. Both guardians work and support the Trust in addressing any patient safety concerns raised and disseminate any learning from case reviews, networking, training and workshops attended.

Nationally, October was designated Freedom to Speak up Month by the National Guardian's Office (NGO). An article in the True North magazine briefed staff on how important it is to speak up and the valuable contribution speaking up can make to patient safety. On 11 October 2019, a workshop was held with the theme 'Identifying and breaking down barriers to speaking up'. This focused on asking staff to identify any barriers that may stop them speaking up and how we can work together to break those barriers down.

The table below shows the number of concerns for the same six-month period in each of the past two years:

	Sept 18 – Feb 19	Sept 19 – Feb 20
Patient safety	21	19
Bullying and harassment	20	13
Behavioural / relationships /Culture	12	7
Infrastructure and environment	0	2
Leadership	2	6
Patient concern	0	1
Other concerns (signposting)	2	1
Total number of concerns raised	35	45

NB a concern can fall into more than one category

Flu campaign: 'Jab @ the Hut'

This year saw our most successful flu campaign, with 'Jab @ The Hut' achieving a vaccination rate of over 80% for staff working in frontline roles. North Mid was the third most protected Trust in London against the year's most dominant strand.

Recognition and awards

We continue to recognise the invaluable work of the people in #TeamNorthMid, as demonstrated by our annual staff awards. This year's event at Alexandra Palace was particularly well attended. Feedback from staff suggests these awards remain an important and valued part of the way our staff are recognised for the excellent work they do, day in, day out. We received over 300 nominations for this year's awards, our biggest year yet. In total, over 200 members of staff were nominated for awards, either as individuals or members of a team.

Our Chief Executive's Award went to Shereen Nimmo, head of midwifery and gynaecology. During the evening, we also recognised the long service of 11 colleagues who between them had given more than 250 years' combined service with the North Middlesex Hospital alone. That is a truly remarkable testament to our people.

Valerie Johnson was invited to attend a special garden party with the Queen at Buckingham Palace in recognition of the 49 years she has served, and continues to serve, as a nurse.

Our Trust and #TeamNorthMid have also been recognised by our peers, partners, NHS leaders and MPs over the past year. Here are some of those awards:

— MAY — 2019

North Mid were finalists for the 2019 Patient Safety Award, CHKS Top Hospitals, in recognition of our patient safety performance.

— JUNE — 2019

Chantel Palmer, Named Midwife for Safeguarding, walked away with the Health Equalities Award at this year's NHS Parliamentary Awards for her work supporting vulnerable women in North Central London.

— AUG — 2019

Debbie Twist and Mee Yee Yeang were awarded Silver Chief Nursing Awards by NHS Chief Nurse, Ruth May.

Deborah Wheeler and Valerie Johnson were both awarded Gold Chief Nursing Officer badges in recognition of their excellence and valued contribution to the NHS.

— NOV — 2019

Dr Andres Izquierdo-Martin, clinical director for emergency care, was shortlisted and highly commended at the HSJ Awards for Clinical Leader of the Year, one of only six leaders to reach the final.

Our service transformation team were shortlisted as finalists in Staff Engagement Award category for their work around Listening into Action and the team's role in championing and supporting staff-led improvements.

Our A&E Redevelopment Team, under the direction of Tony Hudgell, Head of Estates and Facilities, won the Building Better Healthcare Award in recognition of their work to revitalise our A&E unit.

— JAN — 2020

Shereen Nimmo, head of midwifery and gynaecology, and Fiona Laird, consultant midwife, were presented with silver and gold Chief Midwifery Officer Awards respectively by Professor Dunkley-Bent in recognition of their contribution to midwifery.

Magnolia Midwives, a multidisciplinary team who oversee around 600 pregnant women with moderate or severe mental illness, were publicly credited by the Nursing and Midwifery Council in leading the way in making mental health a priority. The team has also been shortlisted in the Excellence in Perinatal Mental Health category at the Royal College of Midwives awards.

Our partners...

During 2019/20 North Mid hosted a number of high-profile visitors (see list below) from across the NHS, professional bodies and the London Mayor's Office to showcase the improvements the Trust has made for our local residents and staff. Following Sir Simon Stevens' visit, he identified North Mid during his keynote speech at NHS Providers' annual conference as a Trust at which tangible and visible improvements have been achieved.

Sir Simon Stevens, CEO NHSE (5 June 2019)

Amanda Pritchard, Chief Operating Officer NHSE / CEO NHSI (20 January 2020)

Ruth May, NHSE/I Chief Nursing Officer (8 August 2019)

Sadiq Khan, Mayor of London (16 October 2019)

Professor Dame Donna Kinnair, CEO, Royal College of Nursing (30 October 2019)

Lib Peck, Director of Violence Reduction Unit at City Hall (20 November 2019)

Emma Wadey, National Head of Mental Health Nursing, NHSE/I (22 January 2020)

Gill Walton, CEO Royal College of Midwives (22 January 2020)

Professor Jacqueline Dunkley-Bent, NHSE/I Chief Midwifery Officer (29 January 2020)

Partnership working forms a key part of Our Forward View and we are committed to working with our partners in the NHS, our local councils, GPs and Primary Care Networks, and the voluntary sector, to continue to improve the care provided, and to ensure our local population has the best health it can. Below, we highlight just some of the improvements and changes we have been able to implement with the support of our partners.

Connected Communities

From November 2019, the Connected Communities programme has had a presence in North Mid's A&E. Connected Communities is a programme established by Haringey Council, and is able to provide information, advice, support and guidance to support people at the earliest opportunity, prevent their problems from escalating and encourage them to build personal resilience and support so they are better able to find solutions independently. Problems are not principally healthcare related but have the potential to lead to a healthcare need in the future if not dealt with. For example, Connected Communities offers support with debt advice and management, housing advice, social isolation, employment, education, voluntary work and childcare. They also support people to get online and improve digital skills.

Haringey Council funds the programme, but Connected Communities is open to all people regardless of borough connection. There has been promising early learning from this programme and the intention is to further strengthen this approach in the next year.

Masterplan

In April 2019 the Greater London Authority (GLA) purchased the land on which our Trust headquarters and Pathology buildings are currently situated. In order to support the delivery of Our Forward View, we have collectively agreed to use this land to develop a site master plan. Following a competitive tender process, we have awarded the master plan contract to IBI Group Incorporated. This will deliver affordable housing for the local community and build a new estate to provide complementary school and healthcare services, in addition to the acute services we already offer.

This development could include facilities such as a primary care centre, a nursing or residential home, pharmacy, crèche, cafes and coffee shops, and other such services. In developing our plans, we are taking into account the rapid population growth that we will see over the next ten years, for example in new areas such as Meridian Water.

Integrated discharge team and the 'winter room'

Winter is the busiest time of year for North Mid with increased pressures across the hospital. To ensure things run smoothly and patients spend no longer in hospital than they need to, North Mid redesigned and trialled a new model for patient flow and discharge. This involved bringing community partners and teams from across the hospital to work together in the 'Winter Room'.

This enabled everyone to collaborate in reducing internal delays experienced by inpatients, and to get patients home safely. During December, the average length of stay in hospital halved, falling from 18 days to nine days. Based on the success of the Winter Room, and the lessons learned, the new model has been adapted to form the basis of the new Integrated Discharge Team, who will be supporting ward staff all year round to make sure patients can leave hospital as soon as they are ready.

Christmas 2019

As noted above, December is always a busy month in any hospital. This year we were delighted that the generosity and support of our local community helped ensure that our patients still got to enjoy some of the festivities while away from home. We were joined by Spurs legends Ledley King, Ossie Ardiles and Gary Mabbutt who took time out of their busy schedules to spend time, over a mince pie, reminiscing about football memories with patients on our care of the elderly wards. Our younger patients were also surprised, and delighted, to be visited by players from Spurs current first team, who delivered presents on our paediatric wards and spent time talking to children and their parents. Not to be outdone, we hosted six different primary schools over the December period, who sang carols in our atrium and on the wards. The Helen Rollason Cancer Charity also organised a carol service, supported by former BBC Songs of Praise host Pam Rhodes.

Quality improvement

As part of the Trust's commitment to embedding quality improvement across the organisation, we commissioned the Institute for Healthcare Improvement (IHI) to review current quality improvement (QI) capability and capacity across the Trust. Following an on-site visit in November 2019, IHI developed a set of key recommendations, which are set out below. To help take these forward, IHI ran a two-day workshop with senior managers from across the Trust to look at specific 'wicked' problems and how the QI methodology could be utilised to address these. One key project was around medicines optimisation, which is currently being rolled out across all areas of the Trust; using this methodology, one ward was able to save over £6,000 by returning overstocked medicines.

IHI's recommendations:

- Determine a few vital priorities and align resources, organisational energy and action towards them; empower staff to discontinue activities and efforts that do not contribute to these priorities.
- Clarify which activities are QI and which are quality control/assurance.
- Communicate the organisation's commitment to creating the conditions for QI in order to transform ways of working across the service.
- Engage frontline staff directly in quality improvement; ask staff what matters to them.
- Develop and spread skills in the collection, use and display of data for improvement.

In order to develop and consolidate this work, the Trust is working with Western Sussex Hospitals NHS Foundation Trust who were one of the first acute Trusts to be independently rated as 'Outstanding' by the Care Quality Commission. Having been on their own journey of continuous improvement over the past few years, Western Sussex has experience of delivering QI in the complex and challenging environment of NHS acute care. A four-phase programme was planned from April 2020, building on the key foundation work from the IHI review. However, as a result of the Covid-19 pandemic, the start has been deferred until the second quarter of 2020/21.

Supporting our Covid-19 response

Cancer patients: During the peak of Covid-19, we had to move some of our services off site to protect cancer surgery patients. Specifically, we ensured that patients were cared for: urology at University College London Hospital NHS Foundation Trust, colorectal at The Princess Grace Hospital, and breast surgery at The Wellington Hospital. Most urgent cancer surgery needs were identified and prioritised in conjunction with the North Central London (NCL) Cancer Alliance.

Adult Retrieval Service: Prior to Covid-19, there was no formal inter-hospital transfer service in place. The NCL has, in conjunction with the London Ambulance Service (LAS), now developed and embedded a transfer service to decompress critical care patient numbers and transferred 13 patients to the NHS Nightingale London, demonstrating a rapid and MDT (multi-disciplinary team) workforce approach. The service was staffed with Senior Paramedics and will stay in place for the foreseeable future.

Tottenham Hotspur Football Club: Antenatal services were moved to Tottenham Hotspur Stadium, set up within two weeks as part of an innovative partnership with Spurs to ensure that planned maternity services could continue during the Covid-19 pandemic. It accommodates our midwife and consultant led antenatal clinics, ultrasound scanning, maternity day assessment unit and one of our community midwife teams, and means that women do not have to come onto the main hospital site for planned appointments. In the first five weeks of operating, over 1,500 women have been seen there.

Little Flame: This is a charity-based service consisting of five volunteers and a High Dependency Unit (HDU) ambulance; all the team were assigned to transport Covid-19 and non Covid-19 patients home. There was a four-day period in March when we relied totally on Little Flame to provide a discharge service for our patients, as their vehicle was already fully compliant with the specific infection and prevention control transport regulations. We have received many complimentary comments regarding their attitude and caring nature; the service they provide has been exceptional.

Great Ormond Street Hospital (GOSH): As part of the response to the Covid-19 pandemic, there was an agreement across NCL that paediatric inpatient work would all move to GOSH, to release capacity in the acute hospitals. North Mid inpatient care transferred there from 23 March, and the two children's wards on-site became adult wards. Pathways were put in place for children seen in Paediatrics A&E to transfer to GOSH, initially supported by St John's Ambulance Service, and then through a formal agreement with an independent ambulance provider. The Paediatric Day Assessment Unit here at the Trust became a short-stay admission area for children requiring a period of observation, but not admission to GOSH, and continued to run alongside urgent outpatient appointments. The paediatric clinical nurse specialists took on a greater role in supporting children with long-term conditions, working with the medical team to enable them to remain at home and prevent hospital admissions.

We would like to thank all our partners for their help and support in enabling us to carry on delivering vital services to patients, within the safest possible environments.

Our standards...

Key Figures	2017/18	2018/19	2019/20	17/18 - 18/19	18/19 - 19/20	Compound Annual Growth Rate 17/18 – 19/20
A&E Attendance	175,167	181,135	184,084	3%	2%	5%
Outpatient Attendances	401,072	426,824	429,314	6%	0.5%	6%
Admissions	79,608	83,432	80,215	5%	-4%	0.8%
Operation/ Procedures	37,642	40,445	35,833	7%	-13%	-5%
Babies Born	4,707	4,564	4,515	-3%	-1%	-4%

Summary of activity and growth

Attendances in A&E grew by 2% during 2019/20; this follows an increase of 3% between 2017/18 and 2018/19. There was a slight growth (0.5%) in the number of outpatient attendances during the past year, compared to a significant increase (6%) during 2018-19; the overall level of outpatient attendances was its highest ever at 429,314.

We again saw a reduction (1%) in the number of babies born at the Trust, continuing a decline in the previous year. This continues to be of concern to the Trust, although it is encouraging that the rate of decline has started to slow. The Trust will continue to strive to improve the patient experience and hopes to see a turnaround in the reductions that we have seen over the past three years.

Indicator	Target	Performance 18/19	Status
A&E 4 Hour performance (all types)	>95%	82.8%	85.8%
18 Weeks Referral to Treatment (RTT) – Incomplete Pathways	>92%	93.1%	94.2%
2WW – 2 Week Wait – Suspected Cancer	>93%	83.3%	90.7%
2WW - Breast Symptomatic	>93%	62.4%	73.6%
31 Day Decision to Treat to Treatment	>96%	96.8%	98%
31 Day Subsequent – Drug Treatment	>98%	99.2%	98%
31 Day Subsequent – Radiotherapy	>94%	95.2%	97.1%
31 Day Subsequent – Surgery	>94%	100%	98.1%
62 Day Referral to Treatment	>85%	74%	75.3%
62 Day Specialist Screening Service to Treatment	>90%	80.8%	88.2%
Diagnostic Waiting Times	>99%	98.9%	99.3%
Operations not rebooked within 28 days	0	48	26
Maternity Bookings within 13 weeks referrals received within 13 Weeks	>80%	75.5%	89.7%
Clostridium Difficile (aged 2+) – hospital acquired / received	33	29	26
MRSA Bacteraemias – Hospital Acquired	0	0	1
Mortality (SHMI) Rolling 12 Months (arrears up to Nov 19)	<100	89.1	88.1
Mortality (HSMR) Rolling 12 Months (arrears up to Feb 20)	<100	90.3	99.8

The Trust has prepared its 2019/20 annual accounts on a going concern basis. The Board has sought assurance that this basis of preparation is appropriate. Further detail can be found in the going concern accounting policies note in the annual accounts. This is also referenced in the auditor's report.

Key performance measures

Overall, the Trust met nine of the 17 standards. However, performance should be viewed in light of the impact of the Covid-19 pandemic, which was felt earlier in the Trust in February compared with other providers. The national directive to NHS providers to cancel all elective and non-cancer activity in order to manage capacity and resources during the Covid-19 pandemic had a substantial impact on patient flow and, therefore, operational performance.

Emergency care

Although the Trust has made significant progress in improving patient flow in A&E, performance against the four-hour performance indicator continued to be non-compliant in 2019/20. Performance improved by 3% in 2019/20 compared to the standard achieved 2018/19. Nationally, many Trusts continue to struggle to deliver 95% or above performance. New models of care were implemented and refined in 2019/20 and along with continued cross-system working with commissioners, primary care, social care and other secondary providers; the Trust has safely managed the flow of patients through the department.

18-week wait times

The Trust continues to have some of the best performance in England for referral from GPs to initial treatment. We have performed consistently this year, and historically, against this standard, even with the impact of the cancellation of non-urgent elective activity in the second half of the final quarter of 2019/20.

Cancer treatment waiting times

The Trust achieved four of the eight cancer standards.

The Trust focused on delivering and sustaining the 62-day standard from GP referral to first treatment in 2019/20. Although the standard was met in three months over the year, this compliant performance was not sustained. Key reasons for non-compliance related to complex pathways, patient choice delays as well as endoscopy and template biopsy, as well as unplanned Consultant sickness. Urology and colorectal tumour sites experience the highest volume of breaches. The cancer team has worked with the tumour site triumvirate leads to review clinical pathways and implement improvements ahead of the new 28-Day Faster Diagnosis standard, which was due to go live at the beginning of 2020/21 but has been postponed.

The Trust did not achieve the two-week wait standard for suspected cancers or for patients with breast symptoms. Although a number of the tumour sites experienced capacity issues and were at different times throughout the year individually non-compliant, the overall non-compliant performance was largely influenced by the breast tumour site. Here, a clinically led decision was taken to allow a longer window for the first attendance (up to day 21 rather day 14) with a view that patients will have been discharged or had a decision to treat by day 28 of their pathway, in line with the new 28-Day Faster Diagnosis standard.

Diagnostic waiting times

The Trust had been expecting to be compliant in 2019/20, but missed the 99% target by 0.1%. Compliant performance was reported for the first 11 months of the year, but following the national guidance to cancel all non-urgent activity, there was a reduction of more than 50% in attendances.

Infection control

Clostridium Difficile

We reported 29 cases of hospital onset healthcare associated (HOHA) Clostridium Difficile infection (CDI) in 2019/20. Of the 29 cases, 5 had lapses in care that were identified that might have contributed to CDI acquisition. The lapses in care were related to delays in sampling and inappropriate prescribing of antibiotic. Antimicrobial stewardship rounds have been re-implemented to address the inappropriate antibiotic prescribing. The CDI cases were reviewed for lapses in care in conjunction with NEL CSU.

Note: From April 2019 there was a significant change in the reporting algorithm for Trust apportioned CDI cases, so we cannot compare this data with that for previous years. For 2019/20 the

Trust trajectory was not more than 51 CDI cases. This figure included HOHA cases, i.e. positive results 48 hours after admission, and community onset healthcare associated (COHA) cases. COHA cases are patients who become positive less than 48 hours after admission but have also been an inpatient in our Trust in the last 4 weeks (of their admission date). Therefore in 2019/20 we reported 45 cases – 29 HOHA cases and 16 COHA cases – against our agreed trajectory of 51 cases.

MRSA

The national objective for all NHS Trusts in England from 2013 was to have no avoidable Meticillin Resistant Staphylococcus Aureus (MRSA) bloodstream infections. In 2019/20 there were no cases of MRSA bacteraemia assigned to the Trust.

Mortality rates

The table above shows the Trust Summary Hospital-level Mortality Indicator (SHMI) and the Hospital Standardised Mortality Ratio (HSMR). HSMR excludes deaths that are coded in particular ways, for example palliative care. SHMI includes all deaths. For both indicators, the expected level of mortality is 100, with scores between 90 and 110 representing statistically expected levels of mortality. Scores below 90 represent better than expected levels of mortality, and above 110 worse than expected. The Trust's HSMR for the 12 month period to December 2018 was 90.3. The Trust's SHMI for the 12 month period to September 2018 was 89.1, which is better than the statistically expected level of mortality and significantly below the national average.

Improving the quality of our services

Our Quality Account provides an in-depth analysis of quality issues and is available on our website.

Patient experience

Improving patient experience remained a key focus of our work in 2019/20. Patients provide feedback on their experiences of care in a range of ways, including providing compliments, making complaints, by contacting our patient advice and liaison service (PALS), completing the Friends and Family Test (FFT) using hand-held devices as well as kiosks, or online through our website. Comments are also posted on social media, including NHS Choices/ Care Opinion, Facebook and Twitter. Our monthly positive FFT results in outpatients, inpatients, maternity and A&E are shown in the table below. (Note: due to the Covid-19 pandemic, the FTT scoring system was paused for March 2020.)

Indicator Name	2018/19	2019/20	Variance
A&E - FFT %	65%	66%	1%
Inpatient - FFT %	88%	91%	3%
Maternity- FFT %	77%	81%	4%
Outpatients - FFT %	80%	85%	5%

Sustaining positive feedback from our patients continues to be a key challenge for the Trust to achieve. Although the Trust has seen an improvement in scores in all areas, these remain well below where the Trust would aspire to be. FFT scores across all domains have fluctuated over the past 11 months. This is a concern, particularly as access standards have improved in a number of areas. The Trust undertook a number of staff engagement initiatives during 2019/20, as well as building on its Listening into Action programme, appointed a head of Patient Experience and Involvement, and agreed a partnership with a double-rated CQC outstanding NHS Trust in order to drive improvements in these scores during 2020/21.

Anti-corruption and anti-bribery matters

The Trust is absolutely committed to maintaining an honest, open and well-intentioned atmosphere, so as to best achieve our values and the wider objectives of the NHS. It is, therefore, also committed to the elimination of bribery and corruption and to the rigorous investigation of any such allegations. The Trust has in place adequate procedures to prevent bribery, and procures goods and services ethically and transparently.

The Trust will not engage in any form of bribery, and we expect all employees, suppliers and other associated persons to comply with the Bribery Act 2010 at all times.

Sustainability and energy efficiencies

In 2019/20 our total energy consumption increased by 2.6% to 35.2 million kWh (kilowatt hours). Within this total, electricity consumption at 14.6 million kWh was 2.9% lower than the previous year, while gas consumption rose by 7.0% to 20.6 million kWh, reflecting that the last financial year was slightly cooler overall then the previous year. The Trust's solar panels contributed 55,000 kWh to the electricity consumption. Water consumption reduced by 19% to 127 million litres.

The government's Carbon Reduction Commitment ended in 2019, with the funds previously raised now being generated by an increase in the Climate Change Levy (CCL) on energy bills; however, the Trust continues to make progress towards reducing the level of carbon emissions generated by its operations and in 2019/20 our carbon dioxide emissions from energy consumption decreased by 4% from 8,128 tonnes to 7,806 tonnes. The original target for the NHS was a reduction in CO2 by 2020 of 34% compared to 1990, and the Trust has achieved an overall reduction in CO2 emissions on its annual energy consumption of 35%.

The Trust will continue to work towards future targets for carbon reduction. To date this has been achieved by the replacement of many of the hospital's older buildings with new energy-efficient buildings, as we continue to focus on other energy efficiency projects. During 2019/20 the Trust embarked on a major energy efficiency scheme, with the backing of NHS Improvement, utilising the Mayor of London's Energy RE:FIT (retro-fit) framework. Our maintenance partner, Bouygues, has identified energy savings and efficiencies which they are able to guarantee for a period of up to ten years. As well as achieving substantial cost savings, this is expected to deliver an annual reduction of around 9% of current carbon dioxide emissions. The project will continue to be worked up during 2020/21.

Other schemes implemented during the year include:

- Continued replacement of old light fittings in the retained estate with new energy efficient LED lighting.
- Implementing a smart metering system to better manage electricity consumption from 2020/21.
- A scheme was trialled in several locations, to collect, sterilise and re-use sharps containers; this will be rolled out to the whole site in 2020/21.
- Initiatives to improve waste management by better segregation, reducing landfill and increasing recycling; a new offensive waste stream to reduce volume of clinical waste was also introduced.
- Plans to introduce recycling centres at strategic points throughout the hospital to encourage separation of crisp packets, drinks cans, batteries, paper and cardboard, sandwich boxes.
- The Trust gained a bronze Green Apple Award for environmental best practice in 2019 for achieving an increase in the recycling rate of 37%.
- Waste food from patient catering now goes through the grey water process.
- 'Warp It' is an online platform that encourages re-use of assets that might otherwise be disposed of by enabling staff to identify, obtain or donate surplus stationery, furniture and equipment. This can avoid significant procurement costs where assets and equipment may already be available within the hospital.

Further initiatives will follow in 2020/21, including implementation of the NHS Contract in respect of sustainability by:

- Reducing air pollution, with the aid of a GLA air quality monitor installed at the front of the hospital.
- Further reducing the use of single-use plastics and getting our contractors to sign up to do the same.
- Encouraging return of walking aids.
- Reducing use of damaging anaesthetics agents such as desflurane and reducing carbon impact of asthma inhalers.

To the best of my knowledge and belief, the 2019/20 performance report is fair, true and accurate.

Signed 

Date: 17th June 2020

Maria Kane OBE
Chief Executive

Accountability report

This section provides information on the composition and organisation of the Trust's governance structures and how they support the achievement of objectives.

Corporate governance report

North Middlesex University Hospital NHS Trust is a medium-sized hospital in Edmonton, North London, providing emergency, general and specialist services for people in Enfield and Haringey – about half in each.

We provide a full range of services for adults and children and our specialists treat strokes, HIV and sickle cell disease and thalassemia, for which we are a leading centre. We offer radiotherapy and a dedicated clinic treats female genital cutting.

Most of our services are provided at Sterling Way, where we have been based for more than a century, but we also run clinics and services in the community, at partner hospitals and in collaboration with local GPs and mental health service providers.

We are a major local employer with 3,521 staff (March 2020). In 2019/20 we had a total annual income of £345.6 million.

Directors' report

Trust Board

The role of the Trust's Board of Directors is to consider the strategic, managerial standards, performance, governance and financial targets. NHS Trust boards are required to consist of full-time Executive Directors and part-time Non-Executive Directors, who collectively make up a unitary board of directors which functions as a corporate decision-making body. The executive directors are responsible for the day-to-day running of the Trust and work with the non-executive directors to translate the Trust's strategic vision into day-to-day operational practice. The role of non-executive directors is to provide an independent view on strategic issues, performance, key appointments and to hold the executive directors to account.

NHS Trust boards are required to have more non-executive members than executive members. Our Board is made up of a Chair and five Non-Executive Directors, the Chief Executive and four voting Executive Directors. The voting Executive Directors are the Medical Director, the Chief Nurse, the Chief Finance Officer and the Director of Strategic Development.

Our Board is also supported by the Chief Operating Officer and the Director of Human Resources and Organisational Development, both of whom are non-voting members of the Board.

Board members have a wide range of skills and bring experience gained from other NHS bodies, as well as public and private sector organisations. Due consideration is given to the composition of the Board in terms of the protected characteristic groups in the Equality Act 2010. Each member is appointed for their experience, business acumen and their relationship with the community.

The Chair and Non-Executive Directors are appointed by NHS Improvement. The Chief Executive and the Executive Directors are appointed by NHS Improvement and by members of the Remuneration Committee, which is composed of the Non-Executive Directors and the Chair.

In accordance with the requirements of the 'Fit and Proper Person Regulation' (Health and Social Care Act 2008 (Regulated Activities) Regulations 2014: Regulation 5) the Trust undertakes an annual assessment of all directors to ensure that they continue to meet the requirements of the regulations. This is in addition to ensuring compliance during the selection process. The intention of the regulation is to ensure that people who have director level responsibility for the quality and safety of care, and for meeting the fundamental standards are fit and proper to carry out this important role.

The performance of all directors is reviewed in an annual appraisal which forms the basis of their individual development plan: for Executive Directors, by the Chief Executive; for Non-Executive Directors and the Chief Executive by the Chair; and for the Chair, by self-assessment with sign-off by NHS England/Improvement.

The following sets out the membership of the Trust's Board, as at 31 March 2020:

Chair and Non-Executive Directors

Cedi Frederick

Chair

Current term of office:
7 October 2019 – 6 October 2021

In a 40 year career in the public, not-for-profit and private sectors, Cedi Frederick has held a series of senior positions including managing director of a BAME Housing Association and also chief executive

of a Barnet based multi-regional charity that supports people with learning disabilities, autism and mental health problems.

Cedi is currently the Managing Director of Article Consulting Ltd, working as a strategic coach and business mentor assisting organisations with strategy development, strategic and business planning and business development support and advice.

He has previously served as a Non-Executive Director at Barnet, Enfield and Haringey Mental Health NHS Trust, and at Hertfordshire Partnership University NHS Foundation Trust.

Alan Palmer

Non-Executive Director, Vice Chair and Senior Independent Director / Chair of the Audit Committee

Current term of office: 1 April 2019 – 31 March 2021 (first appointed 31 October 2016)

Alan has a background in finance, investment and banking in the City and is a fellow of the Institute of Chartered Accountants in England and Wales, and a fellow of the Association of Corporate Treasurers. He was previously on the board of Swan Housing Association and a non-executive director at East London NHS Foundation Trust. He has also been a non-executive director at the Kent Reliance Building Society and of Moat Homes Limited, and a trustee of the British Humanist Association. He served as secretary to the Lord Chancellor's Strategic Investment Board, which advised the Ministry of Justice on investment funds held in court for vulnerable adults and children.

Professor Deenan Pillay

University nominated Non-Executive Director

Current term of office:
19 August 2019 – 18 August 2021

Deenan is a clinical virologist and also Professor of Virology at University College London (UCL). His education includes PhD and medical degrees in the UK, and post graduate training in the US. His first consultant post was in Birmingham, where he established the national Antiviral Susceptibility Reference Laboratory. He then moved to UCL to lead a research programme on HIV drug resistance, as well as being appointed to a Consultant Virologist post at University College London Hospital NHS Foundation Trust (UCLH). His leadership roles have included being Infectious Diseases Programme Director for UCL Partners, and Director of the UCLH / UCL National Institute for Health Research Biomedical Research Centre.

In 2013 he was appointed as Director of the Wellcome Trust funded Africa Centre for Population Health in northern KwaZulu-Natal, South Africa, focusing on HIV and TB research. In 2016, this was refunded by the Wellcome Trust to become the Africa Health Research Institute, which now employs over 600 staff to undertake cross disciplinary research in a setting of immense health burden. He stepped down from this position in July 2019, to return to UCL.

Mehboob Khan

Non-Executive Director / Chair of the Workforce Committee

Current term of office: 1 April 2019 – 31 March 2021 (first appointed 31 October 2016)

Mehboob is a political adviser to London Councils, and works closely with the Mayor of London to ensure London government secures the resources and powers it needs to deliver for Londoners. Previously he was Leader of Kirklees Council in West Yorkshire for six years.

Mehboob has held many senior leadership positions in local government: Kirklees Council leader, Chair of West Yorkshire Fire Authority, and a national lead for the sector on crime and community safety. He has substantial experience of turn-around failing organisations, managing change and community co-production, leading on a council restructuring programme saving £120m per annum and increasing customer satisfaction.

Sarah Rapson

Non-Executive Director / Chair of the Finance, Performance and Planning Committee

Current term of office: 1 January 2019 – 31 December 2020 (first appointed as an Associate Non-Executive Director 1 September 2017 – 31 December 2018)

Sarah has been Director of Authorisations at the Financial Conduct Authority since 2016. She is responsible for ensuring there is a rigorous gateway for firms and individuals wishing to operate in the UK financial system. She joined from the Home Office where, from 2013-16, she was the director general of UK Visas and Immigration; from 2010-14 she was registrar general for England and Wales and from 2005-13 she worked at the Identity and Passport Service, latterly as CEO.

Before joining the civil service in 2005 Sarah's career was in retail financial services and included management positions at American Express, Barclays and Woolwich plc. She graduated in mathematics from Lancaster University and has an MBA from London Business School. She is a member of the gender leadership group of Business in the Community.

Dr Surendra Deo

Non-Executive Director / Chair of the Quality Committee

Current term of office: 1 January 2019 – 31 December 2020 (first appointed as an Associate Non-Executive Director 1 September 2017 – 31 December 2018)

Surendra grew up in Edmonton and attended local schools. He graduated in medicine from the Royal Free Medical School and trained as a General Practitioner (GP) at North Middlesex Hospital, as it was then called. He practised as a GP and forensic physician in Enfield and Haringey for 25 years. He is a past Fellow of the Royal College of General Practitioners and chaired its north east London faculty which he represented at college council. He remains a Fellow of the Royal College of Physicians and the Higher Education Academy. He has extensive experience in professional regulation: as an adjudicator for the Solicitors Regulation Authority, a case examiner and as an employer liaison advisor for the General Medical Council. He was also an associate dean for Health Education England in North London. He currently chairs a community charity and is vice president of a healthcare charity.

Chief Executive and Executive Directors

Maria Kane OBE

Chief Executive

In post since 18 December 2017

Maria joined the Trust in December 2017, after ten years as Chief Executive of Barnet, Enfield and Haringey Mental Health NHS Trust, which delivers local community and mental health services to our local population. Previously, she was responsible for strategy and planning and, latterly, corporate development, communications and public engagement at the Strategic Health Authority in London. Before this, Maria held a variety of senior roles in corporate and strategic development for the Royal College of Midwives, Medical Protection Society and the National Council of Voluntary Organisations.

Dr Emma Whicher

Medical Director

In post since 17 December 2018

Emma joined the Trust as our Medical Director in December 2018 having worked as NHS Improvement's regional Medical Director for London since 2016. Prior to joining NHS Improvement, Emma was medical director at South West London and St George's Mental Health Trust where she developed its quality improvement series and oversaw a £160m modernisation programme. A Consultant Psychiatrist specialising in drug and alcohol misuse, Emma continues her clinical practice alongside the Trust's psychiatric liaison team.

Sarah Hayes

Chief Nurse

In post since 18 December 2019

Sarah joined the Trust from Epsom and St Helier University Hospitals NHS Trust where she was Deputy Chief Nurse. Sarah has over 15 years' experience at senior management and leadership level in nursing, operational, and corporate leadership within the

NHS and has spent many years working in north London, and has worked across both hospital and community settings.

Sarah has been awarded the title of Queen's Nurse which is available to individual nurses who have demonstrated a high level of commitment to patient care and nursing practice.

Bimal Patel

Chief Finance Officer

In post since 2 March 2020

Bimal joined the Trust from London North West London University Healthcare NHS Trust, where he was interim Chief Finance Officer. Bimal has extensive NHS acute provider experience including experience as Deputy Finance Director. Bimal is a Chartered Institute of Management Accountants qualified accountant and has worked at all levels within finance, from a Trainee accountant to Head of Financial Management and then to Head of Financial Control. This led him on to Deputy Finance Director roles, including at Chelsea and Westminster NHS Foundation Trust.

Richard Gourlay

Director of Strategic Development

In post since 9 May 2016

Richard took up his current role in May 2016, having joined the hospital in February 2011 as General Manager for clinical support services and specialist medicine. From 2012 he led the hospital's operational reconfiguration for the Barnet, Enfield and Haringey Clinical Strategy. He has 20 years of acute hospital management experience, working predominantly across north London, managing medical and surgical specialties.

Dr Andrew Heeps

Chief Operating Officer
(non-voting member of the Board)

In post since 3 December 2018

Andy is an experienced Consultant Obstetrician and Gynaecologist. Prior to working at the Trust, Andy was Divisional Director for the Specialist medicine division at Barking, Havering and Redbridge University Hospitals Trust. His 15 year career in the NHS has also seen him hold leading roles in clinical and operational areas such as Associate Medical Director for Quality Improvement, and a brief stint as Acting Medical Director.

Mark Vaughan

Director of Human Resources and Organisational Development (non-voting member of the Board)

In post since 1 June 2018

Mark Vaughan joined the Trust having been a board director for over 16 years in the NHS at three acute and one mental health trust: the Queen Elizabeth Hospital in King's Lynn, West Hertfordshire Hospitals, the Royal National Orthopaedic Hospital, and Barnet, Enfield and Haringey Mental Health NHS Trust. Mark has worked in HR since 1992 and has spent most of his career in the NHS, including three years at Barnet Healthcare in the late 1990s.

Changes to Board membership

During 2019/20 there were a number of changes to the membership of the Board, as follows:

- Prof Aine Burns (University nominated Non-Executive Director) left the Trust on 30 April 2019 and was replaced by Deenan Pillay who joined the Trust in August 2019.
- Dr Peter Carter OBE ceased to be the Trust's Interim Chair on 31 October following the appointment of Cedi Frederick.
- David Stacey left his role as Director of Finance on 31 December 2019. Interim arrangements were put in place following David's departure with Ailsa Bawn, Deputy Director of Finance for Financial Management (January) and Adrian Byrne, Deputy Director of Finance for Strategy and Planning (February) formally acting as Acting Director of Finance until Bimal Patel took up his post as Chief Finance Officer.
- Deborah Wheeler retired from her role as Director of Nursing and Midwifery on 31 December 2019. Deborah was replaced by Sarah Hayes, Chief Nurse.

Board members' register of interests

A Register of Interests for all members of the Board is maintained by the Company Secretary and made available on the Trust's website. Set out below are the interests of Board members as at 31 March 2020.

Cedi Frederick, Trust Chair

- Owner of Article Consulting Ltd, a health and social care consultancy (not currently working with the NHS).
- Board Member of Basketball England (Governing Body of Basketball)

Alan Palmer, Non-Executive Director and Vice Chair

- No Interests to declare

Professor Deenan Pillay, Non-Executive Director

- Professor of Virology, University College London
- Director of UCLH/UCL Biomedical Research Centre
- Director of Artilala Ltd, a company undertaking science consultancy. Not expected to have any engagement with North Middlesex Hospital.
- Consultant to Wellcome Trust
- Director of The HIV Research Trust

Mehboob Khan, Non-Executive Director

- Political adviser at London Councils
- Councillor at the Royal Borough of Greenwich
- Non-Executive Advisor at Barking, Havering and Redbridge University Hospitals NHS Trust
- Director at VK Consultancy Services, providing coaching services

Sarah Rapson, Non-Executive Director

- Director of Authorisations at the Financial Conduct Authority
- Gender Leadership Steering Group at Business in the Community

Dr Surendra Deo, Non-Executive Director

- Chair of Sanatan Cultural Society
- Vice President of Association of Guyanese Nurses and Allied Professionals (AGNAP)

Maria Kane OBE, Chief Executive

- Advisory Group Member of CHKS, a provider of healthcare intelligence and quality improvement services (remuneration donated to charity)

Dr Andrew Heeps, Chief Operating Officer

- No Interests to declare

Bimal Patel, Chief Finance Officer

- No Interests to declare

Dr Emma Whicher, Medical Director

- Trustee of Hospital Rooms, a charity providing art to mental health hospitals

Sarah Hayes, Chief Nurse

- No Interests to declare

Mark Vaughan, Director of Human Resources and Organisational Development

- Partner works as a Senior Nurse at Imperial NHS Trust

Richard Gourlay, Director of Strategic Development

- Ad hoc pro bono work for Visions4health (healthcare consultancy firm)

Each Director confirms that they know of no information which would be relevant to the auditors for the purpose of their audit report and which the auditors are not aware of, and have taken all the steps that they ought to have taken to make themselves aware of any such information and to establish that the auditors are aware of it.

Board and Board level committee meetings 2019/20

The Board held six meetings during 2019/20, which were open to the public. The Trust also held its Annual General Meeting on 5 September 2019, at which we presented our Annual Report, our Annual Accounts and our Quality Account for 2018/19. The minutes and reports from Trust Board meetings are published on the Trust's website:

http://www.northmid.nhs.uk/About-Us/Trust-board-meetings.

To support the work of the Board in carrying out its duties effectively, the Trust has a number of formal Board level committees. Set out below are details of the membership of the Trust Board and its six committees as at 31 March 2020. Reports are provided to the Board (based on a standard pro-forma reporting template) by each of the Board level committees following their meetings.

The Trust suspended meetings of all Board level committees following the declaration of a pandemic by the World Health Organisation on 11 March 2020 in relation to COVID-19. The Trust subsequently implemented a 'governance lite' approach from April 2020, with regular contact between Executive Directors and Non-Executive Directors, and meetings restricted to the Trust Board and the Quality Committee being held via video conference with agendas focused on key issues around COVID-19.

	Trust Board	Audit Committee	Finance, Performance and Planning Committee	Quality Committee	Workforce Committee	Remuneration Committee	Charitable Funds Committee
Cedi Frederick	✓ Chair					✓ Chair	
Alan Palmer	✓	✓ Chair	✓			✓	✓
Deenan Pillay	✓		✓	✓		✓	
Mehboob Khan	✓	✓		✓	✓ Chair	✓	
Sarah Rapson	✓		✓ Chair			✓	✓ Chair
Surendra Deo	✓			✓ Chair	✓	✓	
Maria Kane	✓						
Andy Heeps	✓		✓	✓	✓		
Bimal Patel	✓		✓				✓
Emma Whicher	✓	Expected but not as a member		✓	✓		
Mark Vaughan	✓		✓		✓		
Richard Gourlay	✓		✓	✓			
Sarah Hayes	✓			✓	✓		

Roles of committees

Audit committee

The Audit Committee is established to provide the Trust Board with an independent and objective review of its financial systems, financial information, organisational governance and compliance with laws, guidance and regulations governing the NHS. It oversees the work of the Trust's Internal Auditors, External Auditors and the Local Counter Fraud Service and monitors the integrity of the financial statements of the Trust.

Finance, performance and planning committee

The purpose of the Finance, Performance and Planning Committee is to obtain assurance on behalf of the Trust Board that the Trust has plans in place to achieve the high levels of financial and operational performance expected.

Quality committee

The purpose of the Quality Committee is to provide scrutiny and challenge with regard to all aspects of quality and clinical safety, including strategy, delivery, clinical governance and audit, and patient experience in order to provide assurance to the Trust Board.

Workforce committee

The Workforce Committee is established to maintain a strategic overview of the Trust's workforce, educational and organisational development arrangements with a view to assessing their adequacy to provide a positive working environment for staff, to enable the provision of high quality care and good clinical outcomes for patients.

Remuneration committee

The purpose of the Remuneration Committee is to determine the remuneration and conditions of service of the Chief Executive and Executive Directors, ensuring that these properly support the objectives of the Trust, represent value for money and comply with statutory and Department of Health requirements.

Charitable funds committee

The purpose of the Charitable Funds Committee is to undertake the role as Corporate Trustee for all funds held in trust and to seek to maximise the benefit to the Trust from charitable funds in support of patient welfare, staff welfare, education and research.

Governance review

An external review of the Trust's governance arrangements was carried out by NHS Improvement during January – February 2020, and an action plan for improvements was considered by Board members in March 2020. This was placed on hold following the outbreak of the COVID-19 pandemic.

Board member appraisals

The process for appraisals has been established with the Chair and Regional Director of NHS Improvement responsible for appraisals of the Trust's Chair; the Chair conducting appraisals for the Non-Executive Directors and the Chief Executive; and the Chief Executive conducting appraisals for Executive Directors. These are completed on an annual basis during quarter one each year. Appraisals of Executive and Non-Executive Director performance for 2019/20 were scheduled for completion by the end of the first quarter of 2020/21; however, these were placed on hold following the outbreak of the COVID-19 pandemic.

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 Trust's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:

- Identify and prioritise the risks to the achievement of the policies, aims and objectives of North Middlesex University Hospital NHS Trust; and
- 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 North Middlesex University Hospital NHS Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Leadership arrangements for risk management are documented in the Risk Management Strategy, and further supported by the Trust's objectives and individual job descriptions. As Chief Executive, I have overall responsibility, and have delegated executive lead to the Chief Nurse and the Director of Strategic Development for the implementation of risk management and governance.

The Board recognises that risk management is an integral part of good management practice and to be most effective should be part of the Trust's culture. The Board is, therefore, committed to ensuring that risk management forms an integral part of its philosophy, practices and business plans.

The Board acknowledges that the provision of appropriate training is central to the achievement of this aim. Staff are appropriately trained and supported in incident reporting, carrying out risk assessments, mitigating risk and maintaining risk registers. Guidance on reporting incidents on Datix (an IT system used to record patient safety information), grading of incidents, risk assessment, risk registers, undertaking root cause analysis and statement writing, is available for staff on the Trust's intranet.

Employees, contractors and agency staff are required to report all incidents and concerns and this is closely monitored. The Trust supports an open culture, meaning that we are open with service users, carers and staff when things go wrong. A significant emphasis is placed upon ensuring that we comply with the requirements of the statutory Duty of Candour.

The Trust also supports a learning culture, sharing and embedding learning from incidents following an objective investigation or review. In addition, the Trust seeks to identify and share good practice within the organisation. This happens at Board and directorate level through various mechanisms including feedback from non-executive visits and the monthly staff awards and the annual staff awards event.

National guidelines and standards that relate to good practice are shared and there are processes in place to ensure action plans to implement recommendations are developed and monitored to completion.

During the past year, the Trust has strengthened its capacity to handle risk through the establishment of a Risk and Compliance Group. Led by the Chief Operating Officer, the Group oversees all risk registers and reviews any new additions to the significant risk register to ensure they are appropriate and have mitigating action plans in place to address the risk.

As Chief Executive, I have overall responsibility for ensuring effective risk management arrangements are in place. I have used the Board Assurance Framework (BAF), Significant Risk Register (corporate risk register) and divisional risk registers, internal audit, the Local Counter Fraud Service (LCFS), and external audit to ensure proper arrangements are in place for the discharge of statutory functions, as well as to detect and act upon any irregularities found and to ensure that the Trust is able to discharge its statutory functions in a legally compliant manner.

An updated risk appetite statement was agreed by the Trust Board in August 2019 which states that the Trust will not accept risks that materially impact on patient safety. However, the Trust has a greater appetite to accept moderate risks in terms of organisational issues, such as around finance / value for money, workforce and reputation, and high risks to exploring partnership working where there is a likely benefit to the local healthcare economy, and in the use of technology and to explore innovation in service delivery.

As Chief Executive, I have delegated key responsibilities to other executive directors. All Executive Directors report to me and the Executive team is held to account for its performance through

regular meetings with me and individual annual performance reviews.

The Trust has worked closely with NHS England/ Improvement, which is responsible for overseeing the performance management, clinical quality and governance of NHS Trusts. Performance against the national priorities set out in the Single Oversight Framework for NHS providers is discussed at the Provider Oversight Meetings held between the Trust and NHS England/Improvement covering the themes of quality of care; finance and use of resources; operational performance; strategic change; and leadership and improvement quality.

The risk and control framework

The key objectives regarding risk and control are to achieve:

- Compliance with external regulatory and other standards for quality, governance and risk including the Care Quality Commission's fundamental standards and regulations;
- Delivery of the Trust's strategic aims and objectives;
- A culture of effective risk management at all levels of the organisation;
- A robust framework to ensure all controls and mitigation of risks are in place and operating and to provide assurance to the Board of directors on all areas of governance.

These are:

- Corporate governance
- Quality governance
- Clinical governance
- Financial governance
- Risk management
- Information governance including data security
- Research governance
- Clinical effectiveness and audit
- Operational performance

Executive directors have responsibility for the management of strategic risk and operational risks within their individual portfolios. These include the maintenance of a risk register and the promotion of risk management training to staff within their directorates. A range of risk management training is available to staff based on their role and position within the organisation.

Risk identification and assessment is the process that enables the Trust to understand the range of risks faced the level of ability to control those risks, their likelihood of occurrence and their potential impacts. Risk assessment is a continuous process with risks assessed at ward, team and departmental level in line with risk assessment guidance. This is carried out proactively as part of the health and safety processes as well as reactively when risks are identified from incidents, complaints, local reviews, patient feedback and so on.

Risks are scored based on the impact or consequence of that risk (score 1-5) multiplied by the likelihood of the risk materialising (score 1-5). The risk scoring matrix evaluates the level of risk as low (1-3), medium (4-6), high (8-12) or significant (15-25). This guides the priorities for action and is used for all risk scoring within the Trust in order to ensure a consistent and standardised approach. This allows the organisation to gain an appreciation of the magnitude of each risk, set targets for improvement based on its risk appetite and track progress against an agreed, timed action plan. The Board of directors has agreed that all risks rated at 15 or above are to be collated into a Significant Risk Register, and are reported to the relevant Board level committee prior to consideration at the Trust Board.

Risks are recorded in risk registers and via the Datix system. A risk register is a specific tool for recording and managing risk in a standard format to allow comparison and aggregation. Taking each risk in turn, the risk register records the controls (the things we do to mitigate that risk) already in place, the original risk score and the current risk score based on those controls. Gaps in controls can then be identified and actions agreed to close these gaps.

Targets based on tolerable levels of risk have been agreed and progress towards achieving the tolerable risk score are tracked. Assurances (the evidence that controls are effective) are also recorded. The identification and management of risk as communicated in risk registers aids decision-making and resource prioritisation. It produces proper information by which the Trust can reassure the public, patients and stakeholders that it is effective and efficient and delivering the objectives of the organisation.

The Board Assurance Framework (BAF) is an essential tool which brings together the risks to achieving the Trust's strategic objectives and provides detail and assurance on the systems of control which underpin their delivery. It offers visible assurance on the Board's overall governance responsibilities.

Taking each risk in turn, the BAF records the controls and the assurances already in place. Gaps in controls and assurances can then be identified and actions agreed to close the gaps. By focusing on gaps in controls and assurances, the Board can be confident that all necessary steps are being taken to assure delivery of the Trust's overall objectives and obligations as above and that resources can be allocated in the right place. The BAF is a live document which is reviewed on a monthly basis. Some gaps in controls or assurances will also feature on the significant risk register as they present a current risk which requires mitigation.

The risks contained in the BAF are:

- Failure to safely achieving nationally mandated standards and targets.
- Failure to recruit and retain high quality staff.
- Failure to invest adequate resources in culture, leadership, staff engagement and experience will lead to low staff morale.
- Failure to enhance and maintain financial sustainability leading to repeated inability to achieve the annual control total leading to the loss of sustainability funding and reputational damage.
- Failure to ensure effective governance to underpin safety and quality.
- Failure to deliver a positive experience that meets the expectations of our patients.

Following the declaration of a pandemic by the World Health Organisation on 11 March 2020 in relation to COVID-19, regular updates to the above risks contained in the BAF were suspended, and an additional risk added entitled North Mid local response to the COVID-19 Pandemic. This captures in a single place all key issues being faced by the Trust, and links in with all identified risk register entries associated with COVID-19. Moving forward, this risk on the BAF will continue to provide the Board with an outline of the controls and assurances in place to manage the Trust's response to COVID-19.

The Trust has established an Executive Assurance Forum whose objective is to seek assurance that the Trust maintains robust systems of governance, risk management and internal control that enables clinical and managerial leaders to ensure safe, high quality, patient-centred care. Where gaps in controls and assurance are identified, the Forum will:

- Ensure corrective action is taken.
- Monitor effectiveness.
- Report the matter to the Board of directors, as required.

The Trust has a number of processes in place to assure the Board and its various committees (specifically the workforce committee) that staffing processes are safe, sustainable and effective. These include the following:

- The Board has an agreed three-year Workforce Strategy, with responsibility for monitoring its implementation delegated to the workforce committee.
- The Board also has an agreed three year recruitment strategy and action plans for addressing engagement / retention, addressing key issues in the annual staff surveys, an education and development strategy, and a culture and leadership strategy. Responsibility for monitoring each of these has been delegated to the workforce committee.
- The Board receives workforce details in its monthly Integrated Performance Report – this includes (amongst other things) staff in post and vacancy levels, turnover figures, staff sickness levels and mandatory training compliance. Key workforce indicators are discussed in greater depth at meetings of the Workforce Committee.
- Identified workforce risks are logged on the Board Assurance Framework and the significant risk register. Both documents are reviewed at meetings of the workforce committee, including an assessment of allocated risk rating and risk mitigation actions.
- Independent audits of workforce processes are submitted to and reviewed by the audit committee.

The Trust has published on its website an up-to-date register of interests for decision-making staff (as defined by the Trust with reference to the

guidance) and a register of all gifts, hospitality and sponsorship within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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 complies with NHS provider licence condition four in terms of effective governance structures, responsibilities of directors and subcommittees, the submission of timely and effective information, reporting lines and board oversight. The Board level committees established by the Board to support it in undertaking its responsibilities are the Audit Committee, Finance, Performance and Planning Committee, Quality Committee, Remuneration Committee, and Workforce Committee. Details of the roles of these committees are provided in the Corporate Governance Report. During the year, the chairs of Board level committees reported on their discussions and drew issues to the attention of the Board through chair's assurance reports to each Board meeting held in public.

Sustainable development

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

Care Quality Commission registration requirements

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

The CQC undertook an unannounced inspection of three core services between 2-4 July 2019. The Trust remained rated as 'Requires Improvement' overall, as the main inspection only focused on three of the core services and therefore it was not possible for the Trust's overall score to have improved due to the CQC's methodology.

The Inspection report indicated that the Trust continues to demonstrate incremental improvements on previous reports and ratings whilst highlighting the actions needed to further improve services. The report highlighted outstanding practice including:

- The Iris clinic providing specialist care for people affected by Female Genital Mutilation.
- The outreach programme to address gun and knife crime.
- Project Search – internship programme for people with learning disabilities.
- Horizon unit and peer-support workers in the emergency department
- Emergency kids kits.

The CQC identified 'Must Do' actions relating to medicines management, Mental Capacity Act, Deprivation of Liberty Safeguards and restraint, and policies and guidelines.

The CQC undertook a Well Led inspection between 13-15 August 2019. The Trust has seen the overall Well Led rating move to 'Good' alongside Caring, with Safe, Effective and Responsive remaining rated as 'Requires Improvement' overall.

Aspects contributing to the improvement in the overall Well Led rating moving to 'Good' included:

- The Trust's Forward View which provides a clear vision.
- Strong culture of collaboration and team working.
- Leadership, culture and governance used to drive improvements.
- Significant improvement in serious incidents and learning systems.

The CQC undertook an unannounced focused inspection of the emergency department in January 2020. Although unrated, this inspection highlighted the following areas where the Trust was performing well:

- Safety: Patients were kept safe, with their safety closely monitored. Dedicated staff and the reconfigured department has helped to make care safer.
- Responsiveness: One of the reasons for the inspection was the rise in time for ambulance teams to handover to our Emergency Department teams over the winter period. Our responsiveness to this challenge was commended, with specific mention of our new purpose built area to receive patients arriving by ambulance and our 'sit to treat' area. This has helped reduce our ambulance handover times and patients get seen by our teams sooner.
- Culture: Improvements were noted in the culture within the department, with staff feeling respected, supported and valued. The service has an open culture where patients, their families and staff could raise concerns.

Areas for improvement were the need to record all episodes of violence and aggression against staff, improving the triage process, and the size of the paediatric emergency department which was considered to be too small for the number of patients seen.

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

The Trust Board has overarching responsibility for ensuring that the organisation has appropriate arrangements in place to exercise its functions effectively, efficiently and economically, and in accordance with the Trust's principles of good governance. The Chief Finance Officer has delegated responsibility to determine arrangements to ensure a sound system of financial control.

The Trust produces an annual operating plan that is underpinned by detailed plans produced by each division. The plan details how the Trust will utilise its resources throughout the year, identifies the principal risks to the delivery of the plan and any mitigation, and is supported by detailed financial forecasting. The Chief Finance Officer and his team work closely with divisional and corporate managers throughout the year to ensure that a robust annual budget is prepared and delivered.

Each division is required to deliver cost improvement plans in order to ensure economy, efficiency and effective use of resources. The divisions work within agreed objectives and accountabilities which are monitored at monthly performance review meetings. The cost improvement plans are scrutinised and approved by the Medical Director and Chief Nurse via a series of quality impact assessments to ensure the quality of services are maintained.

The capital programme and the annual operating plan are informed by the Trust's objectives, quality improvement priorities and identified risks.

Monthly financial and operational performance reports are presented to the finance, performance and planning committee and the Trust Board. The Trust makes use of both internal and external audit functions to ensure that controls are operating effectively and to advise on areas for improvement.

In addition to financially related audits, the internal audit programme covers governance and risk issues. Individual recommendations and overall conclusions are risk-assessed and action plan priorities are agreed with Trust management and reported to the audit committee. The Trust also reviews information and feedback from regulators and external sources such as the CQC, the national staff survey and national patient surveys to benchmark performance against other organisations and to improve economy, efficiency and effectiveness.

The financial position affected the Trust's cash reserves, and during the year it relied on a Department of Health loan of £5m. Due to good cash management the Trust was able to repay £10.9m of historic revenue loans in the year. Taking this repayment into account the Trust's net repayment of revenue support for the year was £5.9m. During 2019/20 it was announced that existing revenue support loans as well as interim capital loans would be converted to Public Dividend Capital (PDC) as of the start of 2020/21. As a result the full balance of £9.8m of revolving working capital loans, £45.8m of interim revenue support loans and £1.5m of interim capital investment loans will be converted to PDC in 2020/21.

With the exception of the break-even duty and Better Payment Practice Code the Trust achieved its

other statutory financial targets, namely the 3.5% on average net relevant assets, the capital resource limit and the external financing limit.

As part of their annual audit, the Trust's external auditors are required to satisfy themselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. They do this by examining documentary evidence and through discussions with senior managers. The conclusions in relation to this work are made available to the Trust and presented to the Audit Committee.

In 2019/20 the Trust's total energy consumption increased by 2.6% to 35.2 million kWh (kilowatt hours). Within this total, electricity consumption was 2.9% lower at 14.6 million kWh, whilst gas consumption rose by 7.0% to 20.6 million kWh, reflecting that the last financial year was slightly cooler overall then the previous year. The Trust's solar panels contributed 55,000 kWh to the electricity consumption. Water consumption reduced by 19% to 127 million litres.

The government's Carbon Reduction Commitment ended in 2019, with the funds previously raised now being generated by an increase in the Climate Change Levy (CCL) on energy bills; however, the Trust continues to make progress towards reducing the level of carbon emissions generated by its operations and in 2019/20 our carbon dioxide emissions from energy consumption decreased by 4% from 8,128 tonnes to 7,806 tonnes. The original target for the NHS was a reduction in CO2 by 2020 of 34% compared to 1990 and the Trust has achieved an overall reduction in CO2 emissions on its annual energy consumption of 35%.

Fraud prevention

The Trust is committed to promoting and maintaining an absolute standard of honesty and integrity, and to eliminating fraud and illegal acts committed within the Trust. It undertakes rigorous investigations and seeks to take disciplinary action where appropriate, and seeks recovery of any losses where possible. The Trust has adopted best practice, as recommended by the NHS Counter Fraud Authority, and has an anti-fraud and bribery policy.

The Local Counter Fraud Specialist conducts a local risk assessment and devises an anti-fraud and bribery work plan which is approved and monitored by the audit committee. There are inductions and refresher fraud awareness sessions for staff and the Board of directors, and the Trust regularly publicises the procedure for staff to report any concerns about potential fraud and corruption.

Any concerns raised are investigated by local counter fraud specialists or NHS Protect as appropriate, and all investigations are reported to the audit committee.

Information governance

The data security and protection self-assessment toolkit has replaced the information governance toolkit. The assessment measures compliance, and provides commissioners and the public assurance that the organisation handles information correctly, protects against unauthorised access, loss, damage and destruction of data and now has an increased focus on cyber and information security alongside the evidence of the good information governance practice we already have in place.

All new staff are provided with information governance training at corporate induction. This includes an outline of the relevant legal position, NHS guidance and the Trust's policies relating to the safe and appropriate processing, handling and storage of information. Additionally, in accordance with the requirements of the data security and protection toolkit, all existing staff are required to undergo information governance training on an annual basis. This training is available as classroom training, workbook or e-learning.

Information governance and security-related incidents are reported via the Trust's incident reporting system and are managed as part of the Trust's information governance processes. All incidents which have a data protection element are investigated and reviewed by the information governance steering group which has been chaired by the Chief Finance Officer and Senior Information Risk Officer. Where an on-going information risk is identified, this is recorded on the relevant risk register, along with a note of actions to be taken to minimise the chances of occurrence and impact.

The Trust has a duty to report within 72 hours data breaches likely to result in a high risk of adversely affecting individual's rights and freedoms. Incidents

are reported through the NHS Digital data security and protection toolkit incident reporting tool. During 2019/20 the Trust reported 22 incidents to NHS Digital; of those, nine were also reported to the supervisory authority (the Information Commissioner's Office (ICO)). The incidents were investigated and the outcomes of investigations and any remedial actions were provided to the ICO. All incidents were reported within the statutory 72 hours and there were no further regulatory actions taken by the ICO.

The Network and Information Systems Regulations (NIS Regulations 2018) came into force on 10 May 2018 and are aimed at boosting the overall level of cyber security and physical resilience of network and information systems. The regulations apply to all providers of essential services, including health services. The Trust is designated as an 'operator of essential services'. Under the regulations the Department of Health may issue information notices to any organisation. During 2019/20 no notices were issued to the Trust.

Data quality and governance

In line with national good practice, the Trust has an elective access governance structure which includes the Trust elective access group meeting which has oversight of performance. It is also the forum for waiting times data quality (DQ) themes and issues to be raised. Members of this group (along with corporate managers) are part of the waiting times data quality group who categorise and prioritises DQ issues to develop and oversee the action plan for data quality improvement. This group has driven the creation of DQ reports to support the early flagging of errors leading to the correction and improvement of operational waiting times data.

Also within the elective access governance structure, the referral to treatment (RTT) data validation team sits separately from the operational specialty teams (as part of the corporate performance improvement Team) and provides second-line validation of the RTT data, prior to sign off and national submission. The team also has a monthly-cycle audit plan which focuses on waiting times data at specialty level, including auditing the correct application of clock starts, clock stops, inter-provider pathways and consultant to consultant pathways. The results of the audits are shared at the weekly patient tracking list (PTL) meetings for service managers to take back to their teams for correction and improvement.

A key area of risk in relation to quality and accuracy of data is user competency leading to inputting errors. To mitigate this risk, the Trust has implemented a programme of RTT face-to-face and online training for administrative and managerial staff which will extend to clinical staff over the coming months.

Modern Slavery Act 2015

In accordance with Section 54 of the Modern Slavery Act 2015, the Trust Board at its meeting on 5 December confirmed its commitment to ensuring there is no modern slavery or human trafficking in any part of our business activity and, in so far as is possible, similarly expects the same from our suppliers.

Our overall approach is governed by compliance with legislative and regulatory requirements and the maintenance and development of best practice in the fields of contracting and employment.

To identify and mitigate the risks of modern slavery and human trafficking in our own business, the Trust has established robust recruitment procedures, details of which are found in its recruitment and selection policy, which supports compliance with national NHS employment checks and CQC standards.

The Trust engages the Partners Procurement Service to contract on behalf of the Trust using the NHS conditions of contract. The Partners Procurement Service's senior category managers are Chartered Institute of Purchasing and Supply (CIPS) qualified and uphold the CIPS's code of professional conduct and practice relating to procurement and supply.

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 executive managers and clinical leads within the 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 Committee and the Quality Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board Assurance Framework and Significant Risk Register are reviewed by the relevant Board level committees and bi-monthly at every public meeting of the Trust Board. In addition, the Audit Committee considers a report at each meeting which seeks to provide assurance that the process for the Board Assurance Framework and Significant Risk Register are being adhered to. This provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

The Board has concluded that the systems of internal control are effective as evidenced below, but acknowledges that there is scope for improvements in certain areas:

- CQC registration with no conditions;
- CQC Well Led rating of 'Good';
- The Board Assurance Framework and the significant risk register;
- Presentation of the annual governance statement to the audit committee;
- Clinical audit plan, prioritised on areas of risk and concern;
- Internal audit plan, prioritised on areas of risk and concern;
- Internal audit periodic reports and follow up of internal audit recommendations;
- Internal audit annual report and head of internal audit opinion;
- ISA260 audit highlights memorandum (external audit report);
- Governance review 2020 (undertaken with support from NHS Improvement).

The head of internal audit opinion for 2019/20 concluded that:

'Significant assurance with minor improvements required' can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.'

Two 'partial assurance' reports and zero 'no assurance' reports were issued in 2019/20. The partial assurance reports related to:

- Quality governance – with three 'high' and three 'medium' risk recommendations identified.
- Cost improvement plans – with six 'medium' and one low risk recommendations identified.

The above 'partial assurance' reports did not prevent internal audit from issuing an overall opinion of 'significant with minor improvements' opinion as the Trust is implementing the recommendations raised to address the issues identified.

The status of recommendations is reported by the executive management team to internal audit and to the audit committee. Internal audit have raised no significant concerns regarding the progress being made against the recommendations.

There are elements of performance against national constitutional standards that were not achieved in-year, the most notable being the A&E waiting time target (as a result of the significant increase in the number of patients presenting at A&E and the number of patients who are ready for discharge from hospital but with no onward package of care available), and the 62 day cancer standard. The Trust continues to work to improve patient flow both internally within the hospital and externally across the system through the A&E Delivery Board, and to review cancer pathways. Our operational performance is detailed in the performance standards section of the annual report.

The Trust recognises that delivery of the Trust's financial plan is increasingly challenging, which is reflected nationally across the NHS provider sector. The Trust has strengthened both its financial reporting arrangements and governance structure to drive the achievement of the unprecedented saving challenge. We continue to explore every opportunity to improve the financial sustainability of the Trust. Our financial performance is detailed in the financial performance summary section of the annual report.

Conclusion

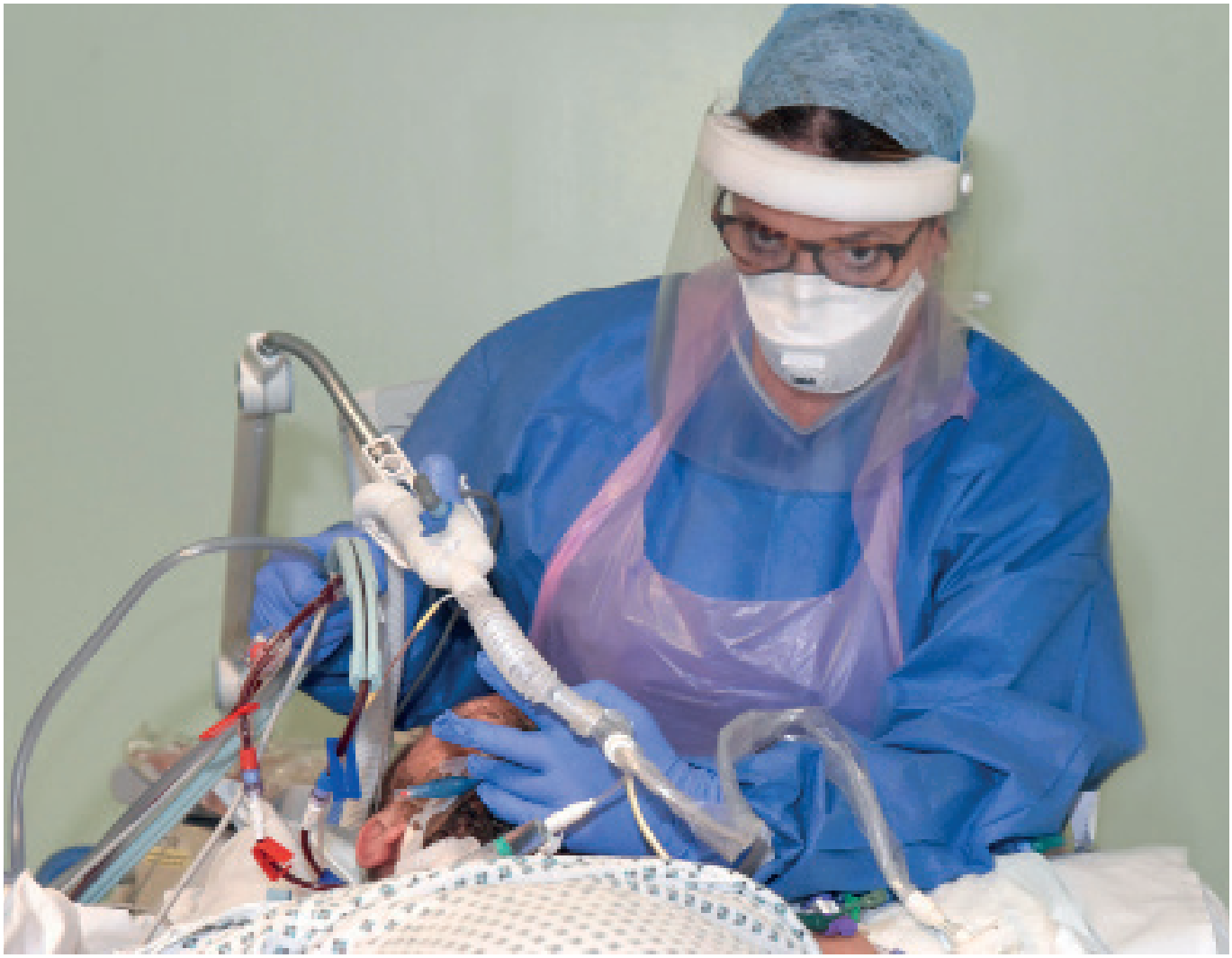
My overall opinion is that, taking into account the items referred to above and the mitigations put in place, there is an adequate system of internal control in place, which is designed to manage the key organisational objectives and minimise the Trust's exposure to risk, and that there have been no significant internal control issues. The Board of directors is committed to continuous improvement and enhancement of the system of internal control.

Signed _____

Date: 17 June 2020

Maria Kane OBE

Chief Executive



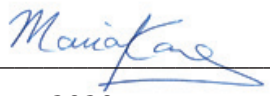
Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority (NHS Improvement), has designated that the Chief Executive should be the Accountable Officer of the North Middlesex University Hospital NHS 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, other items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which the Trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

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.

Signed 

Date 17 June 2020

Maria Kane OBE

Chief Executive

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;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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 on 17 June 2020

Maria Kane OBE

Chief Executive

Bimal Patel

Chief Finance Officer

Certificate on summarisation schedules

Trust Accounts Consolidation (TAC) Summarisation Schedules for North Middlesex University Hospital NHS Trust

Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2019/20 have been completed and this certificate accompanies them.

Finance Director Certificate

I certify that the attached TAC schedules have been compiled and are in accordance with:

- The financial records maintained by the NHS Trust;
- Accounting standards and policies which comply with the Department of Health and Social Care's Group Accounting Manual; and
- The template accounting policies for NHS trusts issued by NHS Improvement, or any deviation from these policies has been fully explained in the Confirmation questions in the TAC schedules.

I certify that the TAC schedules are internally consistent and that there are two validation errors.

I certify that the information in the TAC schedules is consistent with the financial statements of the NHS Trust.

Signed 

Date 17 June 2020

Bimal Patel, Chief Finance Officer

Chief Executive Certificate

I acknowledge the attached TAC schedules, which have been prepared and certified by the Chief Finance Officer, as the TAC schedules which the Trust is required to submit to NHS Improvement.

I have reviewed the schedules and agree the statements made by the Chief Finance Officer above.

Signed 

Date 17 June 2020

Maria Kane OBE, Chief Executive

Remuneration report

Remuneration policy – directors

The Trust's Remuneration Committee, which meets twice a year, is responsible for setting remuneration levels and terms and conditions of employment for Trust Executive Directors and the Trust Chief Executive Officer. Remuneration decisions are made on the basis of national guidance from NHSI, including guidance issued on award of cost of living increases for 2019/20. Where necessary, and as determined by national guidance, external authority (including Treasury approval) is secured for remuneration levels that exceed £150,000pa.

The following disclosures have been audited:

- Disclosures on Parliamentary accountability, as detailed in GAM 3.61
- Single total figure of remuneration for each director
- CETV disclosures for each director
- Payments to past directors, if relevant
- Payments for loss of office, if relevant
- "fair pay" (pay multiples) disclosures
- Exit packages, if relevant, and
- Analysis of staff numbers and costs.

Salaries and allowances

Title	Name	2019-20			2018-19		
		Salary (bands of £5,000)	All pension related benefits[1] (bands of £2,500)	Total[2] (bands of £5,000)	Salary (bands of £5,000)	All pension related benefits[3] (bands of £2,500)	Total[4] (bands of £5,000)
	Non-Executive Directors						
Chairman	Cedi Frederick (from 07/10/19)	15 - 20	0	15 - 20	0	0	0
Chairman	Peter Carter (to 31/10/19)	25 - 30	0	25 - 30	0 - 5	0	0 - 5
	Mehboob Khan	5 – 10	0	5 – 10	5 – 10	0	5 – 10
	Alan Palmer	5 – 10	0	5 – 10	5 – 10	0	5 – 10
	Dr Surendra Deo	5 - 10	0	5 - 10	5 – 10	0	5 – 10
	Sarah Rapson	0 - 5	0	0 - 5	0 - 5	0	0 - 5
	Prof Deenan Pillay (from 19/08/19)	0 - 5	0	0 - 5	0	0	0
	Aine Burns (to 30/04/19)	0 - 5	0	0 - 5	0 - 5	0	0 - 5
	Executive Directors						
Chief Executive	Maria Kane	215 - 220	40.0 – 42.5	255 - 260	205 - 210	162.5 – 165.0	370 - 375
Chief Finance Officer	Bimal Patel (from 02/03/20)	10 - 15	10.0 – 12.5	20 - 25	0	0	0
Finance Director	David Stacey (to 31/12/19)	100 - 105	22.5 – 25.0	125 - 130	125 – 130	40.0 – 42.5	165 - 170
Chief Nurse	Sarah Hayes (from 18/12/19)	30 - 35	27.5 – 30.0	60 - 65	0	0	0
Director of Nursing	Deborah Wheeler (to 31/12/19)	95 - 100	127.5 – 130.0	225 - 230	125 – 130	135.0 – 137.5	260 - 265
Medical Director	Dr Emma Whicher	175 - 180	35.0 – 37.5	210 - 215	45 – 50	42.5 – 45.0	90 - 95
Director of Strategic Develop-ment	Richard Gourlay	110 - 115	75.0 – 77.5	190 - 195	110 – 115	7.5 – 10.0	120 - 125
Chief Operating Officer	Dr Andy Heeps	130 - 135	65.0 – 67.5	195 - 200	40 - 45	20.0 – 22.5	60 - 65
Director of Human Resources	Mark Vaughan	135 - 140	27.5 – 30.0	160 - 165	110 – 115	87.5 – 90.0	195 - 200
Acting Director of Finance	Ailsa Bawn (01/20 – 02/20)	5 - 10	2.5 – 3.0	10 - 15	0	0	0
Acting Director of Finance	Adrian Byrne (02/20 – 03/20)	5 - 10	0 – 2.5	10 - 15	0	0	0

1 The pension related benefits comprise the notional change in the value of the pension over the estimated 20 year period after retirement. This change is calculated by the formula: 20 x the change in pension + change in lump sum. The formula assumes that there is no uplift to the opening pension and lump sum and the resultant increase is net of any employee pension contributions for the period.
2 The TOTAL column reflects both real and notional elements and should not be read as the total salary for the year.
3 The pension related benefits comprise the notional change in the value of the pension over the estimated 20 year period after retirement. This change is calculated by the formula: 20 x the change in pension + change in lump sum. The formula assumes that there is no uplift to the opening pension and lump sum and the resultant increase is net of any employee pension contributions for the period.
4 The TOTAL column reflects both real and notional elements and should not be read as the total salary for the year.

Sarah Rapson, Non-Executive Director, elected to not receive remuneration for the role.

Pension benefits at 31 March 2020

Name	Real increase in pension at age 60 (bands of £2,500) £000	Lump sum at aged 60 related to real increase in pension (bands of £2,500) £000	Total accrued pension at age 60 (bands of £5,000) £000	Lump sum at aged 60 related to accrued pension (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2020 £000	Cash Equivalent Transfer Value at 1 April 2019 £000	Real increase (decrease) in Cash Equivalent Transfer Value £000	Employers contribution to stakeholder pension £000
Executive directors								
Maria Kane	2.5 – 5.0	0	45 - 50	95 - 100	929	862	36	0
Bimal Patel	5.0 – 7.5	12.5 – 15.0	35 - 40	75 - 80	545	434	109	0
David Stacey	0 – 2.5	0	10 - 15	0	131	110	11	0
Sarah Hayes	5.0 – 7.5	7.5 - 10	30 - 35	70 - 75	533	447	81	0
Deborah Wheeler	7.5 – 10.0	22.5 – 25.0	65 - 70	205 - 210	1,605	1,377	214	0
Emma Whicher	2.5 – 5.0	0 – 2.5	45 - 50	110 - 115	808	752	28	0
Richard Gourlay	2.5 – 5.0	5.0 – 7.5	35 - 40	80 - 85	650	571	63	0
Andy Heeps	2.5 – 5.0	2.5 – 5.0	25 - 30	55 - 60	440	378	42	0
Mark Vaughan	0 – 2.5	5.0 – 7.5	50 - 55	155 - 160	1,251	1,173	59	0
Ailsa Bawn	0 – 2.5	0 – 2.5	30 - 35	85 - 90	713	663	49	0
Adrian Byrne	0 – 2.5	0	10 – 15	0 - 5	108	89	18	0

There are no entries in respect of pensions for Non-Executive members as they do not receive pensionable remuneration.

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

Real Increase / (Decrease) in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. The factors used in the table above are 2.4% for 2019/20 and 3% for 2018-19. The Government Actuaries Department (GAD) factors for the calculation of Cash Equivalent Transfer Values (CETV) assume benefits are in line with CPI rather than RPI, which was used previously.

Fair pay disclosure

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The figure for the highest paid director is taken as the total remuneration paid.

The actual remuneration of the highest paid director in the North Middlesex University Hospital NHS Trust in the financial year 2019/20 was £217.2k (2018-19, £209.1k). This was 5.9 times (2018-19, 6.0, assuming the annual equivalent salary for the highest paid director) the median remuneration of the workforce, which was £37.1k (2018-19, £34.8k). The median remuneration excludes any bank and agency staff paid by the Trust.

In 2019/20, 0 (2018-19, 0) employees received remuneration in excess of the salary of the highest paid director. Individual staff remuneration ranged from £17.0k to £217.2k (2018-19, £16.7k - £209.1k). Total remuneration includes salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Staff report

Staff costs

	Permanent £'000	Other £'000	2019/20 total £'000	2018-19 total £'000
Salaries and wages	135,918	0	135,918	126,755
Social security costs	15,856	0	15,856	14,932
Apprenticeship levy	712	0	712	671
Employer's contributions to NHS pen-sions	16,248	0	16,248	15,174
Employer's contributions to NHS pen-sions paid by NHSE on Trust's behalf (6.3%)	7,147	0	7,147	0
Termination benefits	0	0	0	0
Temporary staff	0	35,524	35,524	32,913
TOTAL	**175,881**	**35,524**	**211,405**	**190,445**
Costs capitalised as part of assets	425	173	598	415

Average number of employees (WTE basis)

	Permanent Number	Other	2019/20 Total Number	2018-19 Total Number Restated
Medical and dental	524	66	590	583
Administration and estates	616	77	693	662
Healthcare assistants and other support staff	484	124	608	629
Nursing, midwifery and health visiting staff	1,047	239	1,286	1,185
Nursing, midwifery and health visiting learners	53	0	53	39
Scientific, therapeutic, technical and healthcare science staff	408	21	429	336
TOTAL	**3,132**	**527**	**3,659**	**3,434**
Number of employees (wte) engaged on capital projects	6	2	8	6

As of 31 March 2020, the Trust employed 3,522 members of staff (headcount).

Staff composition	Male	Female
Directors	4 (57%)	3 (43%)
All other staff	855 (24%)	2,660 (76%)

Staff sickness absence

The average number of working days lost to staff sickness absence in the year to 31 March 2020 was 14.66 calendar days (2018-19 - 8.95 working days). Please note this figure has been amended as our current data analysis is completed using calendar days, rather than working days as previously in 2018/19.

Disabled staff

The Trust is committed to the employment and subsequent support of staff who declare as disabled. The Trust is an accredited 'Disability Confident' employer; this means disabled applicants are guaranteed an interview if they meet the person specification for the post under consideration.

Suitable adjustments are made to interview processes to allow for declared disabilities to be accommodated. The Trust has an in-house Occupational Health Department which provides assessments and support to disabled staff during the recruitment process. Similarly, assessments and support are offered to staff if they become disabled during the course of their employment at the Trust.

Staff have access to Hearing Loop and other reasonable and suitable adjustments to premises are made to accommodate disabled staff wherever possible. Disabled staff have equal access to training, career development and promotion opportunities – access issues are monitored by all protected characteristics and where necessary remedial actions taken.

A network for disabled staff – DiverseAbility – has been established, offering disable staff the opportunity to have a clearly defined voice in decisions made within the hospital.

Trade union (TU) facility time

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017, which took effect from 1 April 2017, Trusts are required to publish details of facility time taken by directly employed, recognised trade-union representatives employed by the Trust. The tables below provide details for the trust.

TU representative – (total number of employees who were TU representatives in 2019/20).

Number of employees who were relevant union officials during the relevant period	Number (FTE)
	14

Percentage of time spent on facility time – the facility time spent by employees who were TU representative officials.

Percentage of time working on facility time	Number of employees
0%	0
1-50%	13
51%-99%	0
100%	1

Percentage of pay bill spent on facility time – the percentage of the total pay bill spent on paying employees who were TU representatives for facility time during the relevant period and the percentage based on the total pay bill.

Total cost of facility time	£110.7k
Total pay bill	£221,405k
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.05%

Paid TU activities

Time spent on paid TU activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid TU activities by TU representatives during the relevant period ÷ total paid facility time hours) x 100	98%

Expenditure on consultancy

The Trust has spent £312k on consultancy in the year to 31 March 2020, (2018/19 - £150k). Consultancy is being defined as the provision to management of objective advice and assistance relating to strategy, structure, management or the operation of the Trust in pursuit of its objectives.

Off-payroll engagements

For all off payroll engagements as of 31 March 2020, for more than £245 per day and that last longer than six months

Number of existing engagements as of 31 March 2019	Number
Of which, the number that have existed:	0
for less than one year at the time of reporting	0
for between one and two years at the time of reporting	0
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	0
for 4 or more years at the time of reporting	4

For all new off payroll engagements between 1 April 2019 and 31 March 2020, for more than £245 per day and last longer than 6 months

Number of new engagements, or those that reached six months in duration be-tween 1 April 2018 and 31 March 2019	Number
Of which, the number that have existed:	0
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	0
No. engaged directly (via PSC contracted to the department) and are on the de-partmental payroll)	0
No. of engagements reassessed for consistency / assurance purposes during the year	0
No. of engagements that saw a change to IR35 status following the consistency re-view	0

Further to changes in the rules regarding the employment status of workers engaged through personal service companies, the Trust has assessed interim workers. The Trust has ensured that, following assessment of employment status, income tax and national insurance obligations are correctly accounted for.

Number of off payroll engagements of Board members and / or senior officers with significant financial responsibility, during the year	0
Number of individuals that have been deemed 'Board members and / or senior officers with significant financial responsibility during the financial year.	11

Reporting of compensation schemes – exit packages 2019/20

The Trust offered a mutually agreed resignation scheme (MARs) scheme to staff in the year; as reported below the applications of 5 members of staff were approved.

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Less than £10,000	0	4	4
£10,000 - £25,000	1	4	5
£25,001 - £50,000	0	1	1
£50,001 - £100,000	0	0	0
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
> £200,000	0	0	0
Total number of exit packages by type	1	9	10
Total cost (£)	**16,049**	**102,872**	**118,921**

Reporting of compensation schemes – exit packages 2018-19

The Trust offered a mutually agreed resignation scheme (MARs) scheme to staff in the year, as reported below the applications of 5 members of staff were approved.

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Less than £10,000	0	1	1
£10,000 - £25,000	0	2	2
£25,001 - £50,000	2	3	5
£50,001 - £100,000	0	0	0
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
> £200,000	0	0	0
Total number of exit packages by type	2	6	8
Total cost (£)	**59,729**	**133,947**	**193,676**

Other exit packages

Other Exit packages – disclosures (Excludes compulsory redundancies)	Number of exit package agreements	Total value of agreements £000's	18-19 Number of exit package agreements	18-19 Total value of agreements £000's
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	1	11	5	101
Early retirements in the efficiency of the service con-tractual costs	0	0	0	0
Contractual payments in lieu of notice	8	92	0	0
Exit payments following Employment Tribunals or court orders	0	0	1	33
Non contractual payments requiring HMT approval	0	0	0	0
Total	**9**	**103**	**6**	**134**
Non contractual payments made to individuals where the payment value was more than 12 months of their annual salary	0	0	0	0

Equality, diversity and inclusion

In 2019/20 the Trust has continued to improve its performance on equality, diversity and inclusion. We have a dedicated equality, diversity and inclusion (EDI) Lead, reporting to the Board through the Director of HR and OD. We have also worked in partnership with EDI colleagues from Barnet, Enfield and Haringey (BEH) Mental Health Trust to develop strategic initiatives across both our respective Trusts, promoting equality of access and opportunity for our staff and patients. We continue to be an active member of pan-London groups whose aim is to ensure minority staff are treated fairly in terms of standard HR processes. Our staff networks have been expanded – we now have staff networks in place for BAME, LGBT+ and female staff members, as well as a network for disabled staff.

The Trust is responding to its responsibilities under the Equality Act 2010 and has published its gender pay gap report and annual equality information report. Equality objectives up to 2021 have been agreed and are being implemented as part of the Trust's 3Cs workforce strategy.

Specific achievements in 2019 -2020 to address equality issues are listed below:

- Increased representation at Board level of BAME members
- Significant improvement in the incidence of BAME staff being issued with a disciplinary sanction
- Risk assessments of all staff in the light of emerging data on the impact of Covid-19 on particular sections of the community (including BAME staff)
- Continued expansion of the Trust's apprenticeship programme (including clinical apprenticeships) in conjunction with local colleges and training providers
- Expansion of staff networks.

We continue to respond to the NHS contractual requirements relating to equality. For example, data about our performance against the Gender Pay Gap and the NHS Workforce Race Equality Standard was submitted to NHS England by the required deadline.

The Board understands its accountability for the Trust's performance on equality and human rights and is committed to improving our performance. In 2019/20 the Board received reports on a range of issues related to the equality agenda. Matters relating to equality, diversity and inclusion are also regular agenda items at the Workforce Committee.

The tables below provide information on the diversity of the Trust's workforce, using headcount figures as at March 2020.

Age profile

Table 21 shows the Trust is a multi-generational workplace with a wide age span.

Table 21: Staff profile by age band – March 2020		
Age bands	**Number**	**% (to nearest whole number)**
16-20	13	<1
21-25	260	7
26-30	471	13
31-35	482	14
36-40	465	13
41-45	476	14
46-50	445	13
51-55	394	11
56-60	266	8
61-65	181	5
66-70	50	1
71 & above	18	1
Total	**3,521**	**100**

Disability profile

Table 22: Staff profile by disability – March 2020		
	Number	**% (to nearest whole number)**
No disability	2,698	77
Not stated	770	22
Defined disability	53	2
Total	**3,376**	**100**

Ethnicity profile

The Trust has an ethnically diverse workforce with 62% of staff being from black and minority ethnic backgrounds (60% in 2018-19).

Table 23: Staff profile by ethnic group – March 2020		
Ethnic origin	**Number**	**% (to nearest whole number)**
White – British	654	19
White – other	424	12
Mixed ethnic group	113	3
Asian or Asian British	708	20
Black or black British	1059	30
Any other ethnic group	301	9
Not stated	262	7
Total	**3,521**	**100**

Gender profile

Table 24 shows the majority of the Trust's workforce is female which reflects the gender balance for the NHS as a whole.

Table 24: Staff profile by gender – March 2020		
Gender	**Number**	**% (to nearest whole number)**
Female	2,663	76
Male	858	24
Total	**3,521**	**100**

Religion or belief profile

Table 25 shows that the Trust is religiously diverse with nearly a quarter of the staff recording a religion other than Christian.

Table 25: Staff profile by religion or belief – March 2020		
Religion or belief	**Number**	**% (to nearest whole number)**
Buddhism	29	1
Christianity	1566	44
Hinduism	197	6
Islam	391	11
Jainism	8	<1
Judaism	27	<1
Sikhism	15	<1
Other	203	6
No religion or belief	205	6
Not stated	880	25
Total	**3,521**	**100**

Sexual orientation profile

Table 26 shows that fewer than 3% of staff disclosed that they were lesbian, gay or bisexual. Twenty four per cent of staff did not disclose their sexual orientation.

Table 26: Staff profile by sexual orientation – March 2020		
Sexual orientation	**Number**	**% (to nearest whole number)**
Bisexual	37	1
Gay or Lesbian	35	1
Heterosexual	2,580	73
Other sexual orientation not listed	6	<1
Not stated	859	24
Undecided	4	<1
Total	**3,521**	**100**

Employment consultation, participation and trade union relationships

We continued to hold regular staff briefing and question and answer sessions (for instance, regarding our most recent CQC visit) in which staff have the opportunity to hear about corporate priorities and to put questions to members of the executive and other senior leaders. Monthly written team briefings are circulated to all divisions and departments; these are shared with all staff through face to face briefings by team managers. Written team briefings are also made available to all staff through the Trust's intranet.

During 2019/20 we continued our 'Listening into Action' programme. Alongside this, we continued our programme of events for staff to meet executive team members in an informal setting. We continued "Staff Conversations", a new forum which replaces Executives' Question Time and which is designed to encourage more open discussion about key issues and concerns. Our monthly Schwartz Rounds – where staff have the opportunity to discuss their experiences at work in a supportive and confidential environment – have proven to be extremely popular.

We continue to enjoy healthy and constructive partnership arrangements with all our staff-side organisations. There are well-established mechanisms in place to formally consult with trade-union organisations through our Joint Staff Committee (JSC) and Local Negotiating Committee (LNC) for medical staff. We also have agreed procedures for consulting with staff on organisational changes affecting staff working arrangements and conditions. These procedures allow staff and their representatives to actively participate and shape proposals to change and improve their working environments with formal means of redress if staff are not happy with any changes being proposed. We have worked extremely closely with our staff-side organisations during the Covid-19 pandemic; in particular we have met and kept staff side representatives fully informed of the measures we have been implementing to safeguard the health, safety and wellbeing of our staff.

Pay policy

As an NHS body we honour and fully implement nationally-determined agreements on staff pay and terms and conditions of employment, including cost-of-living pay increases and incremental progression. We submit our views on national pay arrangements and actively participate in national discussions on the future of pay, pensions and terms and conditions of employment in the NHS. We have implemented national and local initiatives to support staff with changes to the NHS Pension tax framework.

Conclusion

To the best of my knowledge and belief, the 2019/20 accountability report is fair, true and accurate.

Signed 

Date: 17 June 2020

Maria Kane OBE

Chief Executive

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North Middlesex
University Hospital
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NHS Trust

Our annual accounts

For year ended 31 March 2020

Annual accounts for year ended 31 March 2020

Statement of comprehensive income

	Note	2019/20 £000	2018/19 £000
Operating income from patient care activities	3.1	307,724	285,555
Other operating income	4	37,866	35,168
Operating expenses	5.1	(325,300)	(316,931)
Operating surplus from continuing operations		**20,290**	**3,792**
Finance income	10	193	151
Finance expenses	11.1	(7,605)	(7,671)
PDC dividends payable		(106)	-
Net finance costs		**(7,518)**	**(7,520)**
Other (losses)		(8)	(46)
Retained surplus / (deficit) for the year		**12,764**	**(3,774)**
Other comprehensive income			
Impairments	6	4,510	(854)
Revaluations		-	691
Total comprehensive income / (expense) for the period		**17,274**	**(3,937)**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		12,764	(3,774)
Remove net impairments not scoring to the Departmental expenditure limit		(12,208)	601
Remove I&E impact of capital grants and donations		(75)	(11)
Remove 2018/19 post audit PSF reallocation (2019/20 only)		(431)	-
Adjusted financial performance surplus / (deficit)		**50**	**(3,184)**

The notes on pages 5 to 49 form part of these accounts.

Statement of financial position

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	13.1	5,208	5,609
Property, plant and equipment	14.1	204,109	190,946
Receivables		682	-
Total non-current assets		**209,999**	**196,555**
Current assets			
Inventories	15	3,128	3,153
Receivables	16.1	21,282	26,086
Cash and cash equivalents	17.1	26,266	27,609
Total current assets		**50,676**	**56,848**
Current liabilities			
Trade and other payables	18.1	(38,304)	(39,261)
Borrowings	20	(63,648)	(6,864)
Provisions	22.1	(255)	(325)
Other liabilities	19	(4,498)	(4,689)
Total current liabilities		**(106,705)**	**(51,139)**
Total assets less current liabilities		**153,970**	**202,264**
Non-current liabilities			
Borrowings	20	(103,724)	(171,569)
Provisions	22.1	(1,230)	(634)
Total non-current liabilities		**(104,954)**	**(172,203)**
Total assets employed		**49,016**	**30,061**
Financed by			
Public dividend capital		137,099	135,418
Revaluation reserve		21,587	17,379
Income and expenditure reserve		(109,670)	(122,736)
Total taxpayers' equity		**49,016**	**30,061**

The notes on pages 5 to 49 form part of these accounts.

The financial statements on pages 1 to 49 were approved by the Board on 17 June 2020 and signed on its behalf by

Chief Executive:  Date: **17 June 2020**

Statement of changes in equity for the year ended 31 March 2020

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**135,418**	**17,379**	**(122,736)**	**30,061**
Surplus for the year	-	-	12,764	**12,764**
Impairments	-	4,510	-	**4,510**
Public dividend capital received	1,681	-	-	**1,681**
Other reserve movements	-	(302)	302	**-**
Taxpayers' and others' equity at 31 March 2020	**137,099**	**21,587**	**(109,670)**	**49,016**

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**129,717**	**17,931**	**(119,351)**	**28,297**
(Deficit) for the year	-	-	(3,774)	**(3,774)**
Other transfers between reserves	-	(389)	389	**-**
Impairments	-	(854)	-	**(854)**
Revaluations	-	691	-	**691**
Public dividend capital received	5,701	-	-	**5,701**
Taxpayers' and others' equity at 31 March 2019	**135,418**	**17,379**	**(122,736)**	**30,061**

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.

Income and expenditure reserve

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

Statement of cash flows

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus		20,290	3,792
Non-cash income and expense:			
Depreciation and amortisation	5.1	12,750	12,522
Net impairments	6	(12,208)	601
Income recognised in respect of capital donations		(176)	(104)
(Increase) / decrease in receivables and other assets		3,785	(6,237)
(Increase) / decrease in inventories		25	163
Increase / (decrease) in payables and other liabilities		(959)	4,607
Increase / (decrease) in provisions		524	34
Net cash flows from operating activities		**24,031**	**15,378**
Cash flows from investing activities			
Interest received		194	175
Purchase of intangible assets		(1,348)	(366)
Purchase of PPE and investment property		(7,608)	(9,031)
Sales of PPE and investment property		16	20
Receipt of cash donations to purchase assets		92	-
Net cash (used in) investing activities		**(8,654)**	**(9,202)**
Cash flows from financing activities			
Public dividend capital received		1,681	5,701
Movement on loans from DHSC		(5,702)	11,440
Capital element of finance lease rental payments		(682)	(657)
Capital element of PFI, LIFT and other service concession payments		(4,687)	(4,549)
Interest paid on loans		(1,657)	(1,892)
Interest paid on finance lease liabilities		(88)	(89)
Interest paid on PFI, LIFT and other service concession obligations		(5,846)	(5,741)
PDC dividend refunded/(paid)		261	(383)
Net cash flows from / (used in) financing activities		**(16,720)**	**3,830**
Increase / (decrease) in cash and cash equivalents		**(1,343)**	**10,006**
Cash and cash equivalents at 1 April - brought forward		**27,609**	**17,603**
Cash and cash equivalents at 31 March	17.1	**26,266**	**27,609**

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 2019/20 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.

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.

International Accounting Standard 1 requires the board to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. The Trust Board has considered the advice in the Department of Health and Social Care Group Accounting Manual that the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern. Department of Health bodies should therefore prepare their financial statements on a going concern basis unless informed by the Department of Health and Social Care of the intention for dissolution without transfer of service or function to another entity.

The Trust has incurred a surplus of £50k (excluding impairments) in 2019/20. This position includes provider sustainability funding (PSF) and financial recovery funding (FRF) of £15.3m, without which a deficit of £15.2m would have been incurred, £1.1m adverse to the control total. This includes an allowable cost of COVID-19 related annual leave, without which the Trust would have achieved a favourable variance of £80k against the control total.

On 2 April 2020 the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow repayment. The affected loans totaling £57.2m are classified as current liabilities within these financial statements. As the repayment of these loans will be funded through the issue of PDC, this does not present a going concern risk for the Trust.

The Trust is seeking additional revenue support from NHS England and NHS Improvement for 2020/21 and 2021/22 of £12.9 million and £12.5 million respectively in order to achieve breakeven. It is therefore anticipated that it may be some time before the Trust can achieve financial balance on a sustainable basis given constraints in the wider health economy. The Board has prepared its financial plans and cash flow

forecasts on the assumption that support funding will continue to be received through the Department of Health and Social Care (DHSC) and NHS Improvement (NHSI) if required, and that this support funding is contingent on achievement of agreed financial targets.

The Board has prepared its financial plans and cash flow forecasts on the assumption that support funding will continue to be received through the Department of Health Social Care and NHS Improvement if required, although this support funding has not yet been requested nor confirmed. On the basis that the Trust receives this support funding in future years, it is not anticipated that any further borrowing will be required in 2020/21, and that existing capital loans can be repaid whilst maintaining the cash balance within the limits set out by the Department of Health Social Care through to June 2020.

The Trust Board has carefully considered the principle of going concern and the Directors have concluded that there are material uncertainties related to the financial sustainability (profitability and liquidity) of the Trust which may cast significant doubt about the ability of the Trust to continue as a going concern.

Nevertheless, the going concern basis remains appropriate. This is because the Trust Board has a reasonable expectation that the Trust will have access to adequate resources in the form of financial support from the Department of Health and Social Care to continue to deliver the full range of mandatory services for the foreseeable future.

Note 1.3 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

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. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

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 performance obligations are satisfied. In practical terms this means that treatment has been given, 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.

Provider sustainability fund (PSF) and Financial recovery fund (FRF)
The PSF and FRF enable providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

Note 1.4 Other forms of income

Grants and donations
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. Where the grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income
The value of the benefit received when accessing funds from 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 from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.5 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 two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care 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: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The 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 1.6 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 1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- 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.

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.

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.

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.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

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

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees. 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.

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 expenditure.

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.

De-recognition
Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

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.

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.

Private Finance Initiative (PFI) transactions
PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent 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, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	5	60
Plant & machinery	5	15
Transport equipment	5	7
Information technology	5	8
Furniture & fittings	5	10

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 1.8 Intangible assets

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

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

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

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.

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 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.

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.

Useful lives 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
Information technology	5	8

Note 1.9 Inventories

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

Note 1.10 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 1.11 Financial assets and financial liabilities

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 the Office for National Statistics.

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.

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 are classified as subsequently measured at amortised cost,

Financial liabilities are classified as subsequently measured at amortised cost

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

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

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

Impairment of financial assets
For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets 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.

De-recognition
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.

The Trust as a 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 implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the 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.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position 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 1.13 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 HM Treasury's discount rates effective for 31 March 2020:

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% in real terms (plus 0.29% 2019/20)

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 22.2 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 liabilities are not recognised, but are disclosed in note 22.3, 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.

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 and grant 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 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 in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note 17.2 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.

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 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

Note 1.21 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2021, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 1.27% but this may change between now and the adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021/22, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The Trust currently has a number of arrangements for the use of buildings where no contract is in place. These arrangements are primarily with other NHS bodies. In the absence of a contract the Trust's judgement on the expected future use of these buildings could have a material affect on the valuation of the right of use asset and lease liability. The Trust does not expect there to be a material revenue impact.

The Trust has estimated the impact of applying IFRS 16 on existing contractual leases. Further work is required to estimate the impact where there is currently no contract. The Trust is working with a number of bodies to formalise existing arrangements which will make valuation more certain in the future.

The level of uncertainty over arrangements without a contract means the Trust is unable to provide an accurate estimate of the impact of applying IFRS 16 in 2021/22 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions.

Note 1.22 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:

The Trust has a PFI contract for a number of buildings and management has judged that following the principles of IFRIC 12 the assets are recognised as items of property, plant and equipment together with a liability to pay for them.

The Trust took the decision not to consolidate the charitable funds on the grounds of material. The Charitable Funds generated a total revenue of 66k for the year ended 31 March 2020.

Note 1.23 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:

(i) The Trust's estimation of its non current asset values and useful economic life involves estimation and judgement. During 2019/20 a valuation of all the Trust's land and buildings was carried out by an external professional valuer as at 31 March 2020. Specialised buildings are valued based on a depreciated Modern Equivalent Asset(MEA) basis with non specialised buildings valued based on Existing Use (EUV). The valuation provided has been used for closing net replacement costs. The valuation is based on current location and footprint. This reflects the Trusts favourable location based near the border of Enfield and Haringey – the two key purchasers and with miminal unutilised space. Remaining useful economic lives are included at note 14.5.

The valuation exercise was carried out between January and March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to excercise professional judgement in providing the valuation and this remains the best information available to the Trust.

The valuation report does not provide a potential scale of the uncertainty and includes factors which might lead to a higher as well as lower valuation. The assessed value of the buildings is £166m. The impact of a 5% change would be to change the PDC dividend by £0.15m in 2019/20 based on the closing value of assets. The impact in 2020/21 would be a change in depreciation of £0.40m as well as £0.15m change in PDC dividend based on the opening value of assets.

The valuation report refers to the significant uncertainty created by the COVID-19 Pandemic. The valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case.

(ii) The Trust has estimated the level of recovery of its non-NHS receivables and made allowances of £2,255,000 (£2,039,000 as at 31 March 2019) for the expected level of impairment to those receivables. The provision is based both on the age of the debt and knowledge of the recoverability of specific debts. Actual experience may differ from these estimates. A provision of 21.79% (21.89% in 2018/19) is made in respect of Road Traffic Act Debtors.

Note 2 Operating segments

The North Middlesex University Hospital NHS Trust operates within one segment of healthcare provision.

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

Note 3.1 Income from patient care activities (by nature)

	2019/20 £000	2018/19 £000
Acute services		
Elective income	29,927	32,179
Non elective income	102,035	93,306
First outpatient income	19,816	19,080
Follow up outpatient income	29,763	27,732
A & E income	25,722	22,024
High cost drugs income from commissioners (excluding pass-through costs)	17,429	18,119
Other NHS clinical income	70,169	64,923
Community services		
Community services income from CCGs and NHS England	1,144	1,099
Income from other sources (e.g. local authorities)	2,788	2,860
All services		
Private patient income	63	106
Agenda for Change pay award central funding	-	2,453
Additional pension contribution central funding	7,147	-
Other clinical income	1,721	1,674
Total income from activities	**307,724**	**285,555**

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2019/20 £000	2018/19 £000
NHS England	53,853	48,767
Clinical commissioning groups	245,918	229,074
Department of Health and Social Care	-	2,453
Other NHS providers	565	673
NHS other	2,786	-
Local authorities	2,818	2,808
Non-NHS: private patients	63	106
Non-NHS: overseas patients (chargeable to patient)	610	609
Injury cost recovery scheme	1,111	1,065
Total income from activities	**307,724**	**285,555**
Of which:		
Related to continuing operations	307,724	285,555
Related to discontinued operations	-	-

Note 3.3 Overseas visitor disclosure

	2019/20 £000	2018/19 £000
Income recognised this year	610	609
Cash payments received in-year	239	196
Amounts added to provision for impairment of receivables	142	149
Amounts written off in-year	101	96

Note 4 Other operating Income

	2019/20			2018/19		
	Contract income £000	Non-contract income £000	Total £000	Contract income £000	Non-contract income £000	Total £000
Research and development	614	-	**614**	554	-	**554**
Education and training	11,195	279	**11,474**	12,507	177	**12,684**
Non-patient care services to other bodies	3,460	-	**3,460**	3,623	-	**3,623**
Provider sustainability fund (PSF)	7,642	-	**7,642**	14,435	-	**14,435**
Financial recovery fund (FRF)	7,941	-	**7,941**	-	-	**-**
Marginal rate emergency tariff funding (MRET)	147	-	**147**	-	-	**-**
Income in respect of employee benefits accounted on a gross basis	-		**-**	45		**45**
Receipt of capital grants and donations	-	176	**176**		104	**104**
Other income	6,412	-	**6,412**	3,723	-	**3,723**
Total other operating income	**37,411**	**455**	**37,866**	**34,887**	**281**	**35,168**
Of which:						
Related to continuing operations			**37,866**			**35,168**
Related to discontinued operations			**-**			**-**

The Financial Recovery Fund (FRF) was introduced in 2019/20 to support systems' and organisations' efforts to make all NHS services sustainable

Note 4.1 Revenue from contract with customers recognised in the period

	2019/20 £000	2018/19 £000
Revenue recognised in the reporting period that was included in contract liabilities at the previous period end	2,061	3,494

Note 4.2 Transaction price allocated to remaining performance obligations

The Trust's review determined that there is no revenue from existing contracts that requires to be allocated to remaining performance obligations

Note 5.1 Operating expenses

	2019/20	2018/19
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	391	456
Purchase of healthcare from non-NHS and non-DHSC bodies	3,192	2,077
Staff and executive directors costs	210,780	189,836
Remuneration of non-executive directors	79	81
Supplies and services - clinical (excluding drugs costs)	30,490	29,709
Supplies and services - general	9,333	9,602
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	23,117	23,634
Inventories written down	2	2
Consultancy costs	312	150
Establishment	2,221	2,522
Premises	12,824	12,236
Transport (including patient travel)	2,202	2,119
Depreciation on property, plant and equipment	11,090	10,999
Amortisation on intangible assets	1,660	1,523
Net impairments	(12,208)	601
Movement in credit loss allowance: contract receivables / contract assets	139	62
Movement in credit loss allowance: all other receivables and investments	251	99
Increase/(decrease) in other provisions	40	190
Change in provisions discount rate(s)	14	(3)
Audit fees payable to the external auditor		
audit services- statutory audit	66	54
other auditor remuneration (external auditor only)	-	11
Internal audit costs	127	127
Clinical negligence	15,102	17,277
Legal fees	265	220
Insurance	153	152
Education and training	1,371	1,605
Rentals under operating leases	568	516
Redundancy	27	161
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	7,716	7,475
Car parking & security	913	859
Hospitality	33	40
Losses, ex gratia & special payments	6	44
Other services, eg external payroll	2,682	2,257
Other	342	238
Total	**325,300**	**316,931**
Of which:		
Related to continuing operations	325,300	316,931
Related to discontinued operations	-	-

Note 5.2 Other auditor remuneration

	2019/20 £000	2018/19 £000
Other auditor remuneration paid to the external auditor:		
1. All assurance services	-	11
Total	**-**	**11**

Note 5.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1m (2019/20: £1m).

Note 6 Impairment of assets

	2019/20 £000	2018/19 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	(12,541)	113
Other	333	488
Total net impairments charged to operating surplus / deficit	**(12,208)**	**601**
Impairments charged to the revaluation reserve	(4,510)	854
Total net impairments	**(16,718)**	**1,455**

Note 7 Employee benefits

	2019/20 Total £000	2018/19 Total £000
Salaries and wages	135,918	126,755
Social security costs	15,856	14,932
Apprenticeship levy	712	671
Employer's contributions to NHS pensions	23,395	15,174
Temporary staff (including agency)	35,524	32,913
Total gross staff costs	**211,405**	**190,445**
Recoveries in respect of seconded staff	-	-
Total staff costs	**211,405**	**190,445**
Of which		
Costs capitalised as part of assets	598	415

The increase in the Employer's contributions to NHS pensions primarily relates to an increase in the contribution rate from 14.38% to 20.68%. The increase which equates to £7.1m is centrally funded via NHS England.

Note 7.1 Retirements due to ill-health

During 2019/20 there was I early retirement from the Trust agreed on the grounds of ill-health (none in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-Health retirements is £72k (£0k in 2018/19).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 8 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 for Health and Social Care 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 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 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 to 20.6%, and the Scheme Regulations were amended accordingly.

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 9 Operating leases

Note 9.1 North Middlesex University Hospital NHS Trust as a lessee

	2019/20 £000	2018/19 £000
Operating lease expense		
Minimum lease payments	568	516
Total	**568**	**516**

	31 March 2020 £000	31 March 2019 £000
Future minimum lease payments due:		
- not later than one year;	606	579
- later than one year and not later than five years;	987	1,519
- later than five years.	47	124
Total	**1,640**	**2,222**
Future minimum sublease payments to be received	-	-

Note 10 Finance income

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

	2019/20 £000	2018/19 £000
Interest on bank accounts	193	151
Total finance income	**193**	**151**

Note 11 Finance expenditure

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

	2019/20 £000	2018/19 £000
Interest expense:		
Loans from the Department of Health and Social Care	1,667	1,827
Finance leases	90	90
Main finance costs on PFI and LIFT schemes obligations	3,396	3,557
Contingent finance costs on PFI and LIFT scheme obligations	2,450	2,196
Total interest expense	**7,603**	**7,670**
Unwinding of discount on provisions	2	1
Total finance costs	**7,605**	**7,671**

Note 12 Other gains / (losses)

	2019/20 £000	2018/19 £000
Losses on disposal of assets	(8)	(46)
Total (losses) on disposal of assets	**(8)**	**(46)**

Note 13 Intangible assets

Note 13.1 Intangible assets - 2019/20

	IT - Purchased £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2019 - brought forward	**12,681**	**830**	**13,511**
Additions	562	697	**1,259**
Reclassifications	401	(401)	**-**
Valuation / gross cost at 31 March 2020	**13,644**	**1,126**	**14,770**
Amortisation at 1 April 2019 - brought forward	**7,902**	**-**	**7,902**
Provided during the year	1,660	-	**1,660**
Amortisation at 31 March 2020	**9,562**	**-**	**9,562**
Net book value at 31 March 2020	**4,082**	**1,126**	**5,208**
Net book value at 1 April 2019	**4,779**	**830**	**5,609**

Note 13.2 Intangible assets - 2018/19

	IT - Purchased £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2018 - as previously stated	**12,195**	**-**	**12,195**
Additions	496	830	**1,326**
Disposals / derecognition	(10)	-	**(10)**
Valuation / gross cost at 31 March 2019	**12,681**	**830**	**13,511**
Amortisation at 1 April 2018 - as previously stated	**6,389**	**-**	**6,389**
Provided during the year	1,523	-	**1,523**
Disposals / derecognition	(10)	-	**(10)**
Amortisation at 31 March 2019	**7,902**	**-**	**7,902**
Net book value at 31 March 2019	**4,779**	**830**	**5,609**
Net book value at 1 April 2018	**5,806**	**-**	**5,806**

The Trust capitalises the cost of procured software and software licences, plus the cost of implementing new systems. These assets are held at amortised cost price. There has been no indexation or revaluation applied to the current intangible assets.

All intangible assets are amortised. The useful lives are estimated by Trust management or based on contract terms. Useful lives are regularly assessed to ensure reasonableness. The current software has total useful lives of between 5 and 8 years with remaining lives between 0 and 8 years.

Note 14 Property, plant and equipment

Note 14.1 Property, plant and equipment - 2019/20

	Land £000	Buildings excluding 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 2019 - brought forward	**20,402**	**200,297**	**1,851**	**34,428**	**119**	**9,815**	**3,723**	**270,635**
Additions	-	2,373	1,821	2,241	-	1,099	25	**7,559**
Impairments	-	(231)	-	-	-	-	-	**(231)**
Reversals of impairments	-	4,741	-	-	-	-	-	**4,741**
Revaluations	-	(42,744)	-	-	-	-	-	**(42,744)**
Reclassifications	-	1,905	(2,180)	13	-	262	-	**-**
Disposals / derecognition	-	-	-	(2,235)	(12)	-	-	**(2,247)**
Valuation/gross cost at 31 March 2020	**20,402**	**166,341**	**1,492**	**34,447**	**107**	**11,176**	**3,748**	**237,713**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**47,782**	**-**	**21,928**	**91**	**7,375**	**2,513**	**79,689**
Provided during the year	-	7,170	-	2,689	13	940	278	**11,090**
Impairments	-	333	-	-	-	-	-	**333**
Reversals of impairments	-	(12,541)	-	-	-	-	-	**(12,541)**
Revaluations	-	(42,744)	-	-	-	-	-	**(42,744)**
Disposals / derecognition	-	-	-	(2,211)	(12)	-	-	**(2,223)**
Accumulated depreciation at 31 March 2020	**-**	**-**	**-**	**22,406**	**92**	**8,315**	**2,791**	**33,604**
Net book value at 31 March 2020	**20,402**	**166,341**	**1,492**	**12,041**	**15**	**2,861**	**957**	**204,109**
Net book value at 1 April 2019	**20,402**	**152,515**	**1,851**	**12,500**	**28**	**2,440**	**1,210**	**190,946**

Note 14.2 Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018	**20,402**	**194,476**	**663**	**33,571**	**119**	**9,338**	**3,555**	**262,124**
Additions	-	5,422	1,750	3,585	-	498	185	**11,440**
Impairments	-	(854)	-	-	-	-	-	**(854)**
Revaluations	-	691	-	-	-	-	-	**691**
Reclassifications	-	562	(562)	-	-	1	(1)	**-**
Disposals / derecognition	-	-	-	(2,728)	-	(22)	(16)	**(2,766)**
Valuation/gross cost at 31 March 2019	**20,402**	**200,297**	**1,851**	**34,428**	**119**	**9,815**	**3,723**	**270,635**
Accumulated depreciation at 1 April 208	**-**	**39,897**	**-**	**22,031**	**79**	**6,522**	**2,250**	**70,779**
Provided during the year	-	7,284	-	2,551	12	874	278	**10,999**
Impairments	-	1,779	-	-	-	-	-	**1,779**
Reversals of impairments	-	(1,178)	-	-	-	-	-	**(1,178)**
Disposals / derecognition	-	-	-	(2,654)	-	(21)	(15)	**(2,690)**
Accumulated depreciation at 31 March 2019	**-**	**47,782**	**-**	**21,928**	**91**	**7,375**	**2,513**	**79,689**
Net book value at 31 March 2019	**20,402**	**152,515**	**1,851**	**12,500**	**28**	**2,440**	**1,210**	**190,946**
Net book value at 1 April 2018	**20,402**	**154,579**	**663**	**11,540**	**40**	**2,816**	**1,305**	**191,345**

During the year a revaluation of the whole Trust estate as at 31 March 2020 was carried out by Gary Howes MRICS and Chris Soar MRICS of Montagu Evans LLP. Following the valuation exercise there was an increase in the building value of £16.72m. The majority of the increase refelected an increase in the BCIS location index for Enfield from 115 to 123. All but two of the Trust's blocks increased in value, by a total of £17.28m. Of this total £15.54m was treated as a reversal of impairment in operating expenses - the extent the relavant blocks had been impaired in the past. The balance of £4.74m was taken to the revaluation reserve. Of the blocks reducing in value, one related to a new block which became operational during 2019/20. A reduction in value of £0.17m relating to this block has been treated as an impairment charged to operating expenses. The remaining reduction of £0.39m relating to an existing building has been first used to eliminate the £0.23m revaluation reserve relating to that block with the balance of £0.16m treated as an impairment charged to operating expenses. The valuation of land was unchanged.

For the substantial majority of buildings, valuations were carried out at Depreciated Replacement cost on a Modern Equivalent Asset basis in line with the GAM for specialised buildings. This represents fair value under IFRS assuming that the buildings continue to be used for the provision of NHS services. A number of non specialised areas were valued at market value for existing use. This included parts of buildings used for administration with a value of £145k. The valuation was based on the existing location. This reflects the fact the fact that a substantial majority of the Trusts patients and income are from Enfield and Haringey.

As part of their valuation report Montagu Evans have highlighted material uncertainties over the valuation figures as a result of the ongoing impact of the Covid 19 crisis.

Note 14.3 Property, plant and equipment financing - 2019/20

	Land £000	Buildings excluding 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 2020								
Owned - purchased	20,402	75,524	1,401	11,767	15	2,684	921	**112,714**
Finance leased	-	-	-	-	-	163	-	**163**
On-SoFP PFI contracts and other service concession arrangements	-	90,580	-	-	-	-	-	**90,580**
Owned - government granted	-	-	91	-	-	-	-	**91**
Owned - donated	-	237	-	274	-	14	36	**561**
NBV total at 31 March 2020	**20,402**	**166,341**	**1,492**	**12,041**	**15**	**2,861**	**957**	**204,109**

Note 14.4 Property, plant and equipment financing - 2018/19

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2019								
Owned - purchased	20,402	69,077	1,851	12,245	28	2,105	1,168	**106,876**
Finance leased	-	-	-	-	-	322	-	**322**
On-SoFP PFI contracts and other service concession arrangements	-	83,195	-	-	-	-	-	**83,195**
Owned - donated	-	243	-	255	-	13	42	**553**
NBV total at 31 March 2019	**20,402**	**152,515**	**1,851**	**12,500**	**28**	**2,440**	**1,210**	**190,946**

During 2018/19 a revaluation of the whole Trust estate as at 31 March 2019 was carried out by Gary Howes MRICS, Chris Soar MRICS and Jaspreet Rahi MSc of Montagu Evans LLP. Following the valuation exercise there was a reduction in the building value of £764k. This included a reduction of £488k for a new extension valued on a modern equivalent asset basis for the first time. This reduction was treated as an impairment with a charge to operating expenditure. The remaining £276k net reduction was split between a further £113k impairment with a charge to operating expenditure with the balance of £153k offset against the Revaluation Reserve. The land value was unchanged.

Note 14.5 Range of lives of property, plant and equipment - 2019/20

Economic Lives of Non-Current Assets	Min life Years	Max life Years
Buildings excl Dwellings	5	60
Plant & Machinery	5	15
Transport Equipment	5	7
Information Technology	5	8
Furniture and Fittings	5	10

Note 14.6 Donations of property, plant and equipment

During the year the Trust received donations of £84k . Of this total £71k came from the North Middlesex Hospital Charitable Fund having been raised to support a radiotherapy project to replace a CT scanner. In addition £92k was funded by grants from TFL to improve bus access and provide cycle facilities on site.

Note 15 Inventories

	31 March 2020 £000	31 March 2019 £000
Drugs	1,848	1,686
Consumables	1,213	1,392
Energy	67	75
Total inventories	**3,128**	**3,153**
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £39,542k (2018/19: £36,444k).
Write-down of inventories recognised as expenses for the year were £2k (2018/19: £2k).

Note 16.1 Trade receivables and other receivables

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables	18,961	23,485
Allowance for impaired contract receivables / assets	(1,626)	(1,594)
Allowance for other impaired receivables	(629)	(445)
Prepayments (non-PFI)	2,220	1,686
Interest receivable	54	55
PDC dividend receivable	-	336
VAT receivable	1,109	1,479
Other receivables	1,193	1,084
Total current receivables	**21,282**	**26,086**

The great majority of trade is with CCGs. As CCGs are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

Note 16.2 Allowances for credit losses - 2019/20

	2019/20		2018/19	
	Contract receivables and contract assets £000	All other receivables £000	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 April - brought forward	**1,594**	**445**	**-**	**1,997**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018			1,651	(1,651)
New allowances arising	148	252	106	100
Reversals of allowances	(9)	(1)	(44)	(1)
Utilisation of allowances (write offs)	(107)	(67)	(119)	-
Allowances as at 31 Mar 2020	**1,626**	**629**	**1,594**	**445**

Note 17.1 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.

	2019/20 £000	2018/19 £000
At 1 April 2019	**27,609**	**17,603**
Net change in year	(1,343)	10,006
At 31 March 2020	**26,266**	**27,609**
Broken down into:		
Cash at commercial banks and in hand	2	2
Cash with the Government Banking Service	26,264	27,607
Total cash and cash equivalents as in SoFP	**26,266**	**27,609**
Total cash and cash equivalents as in SoCF	**26,266**	**27,609**

Note 17.2 Third party assets held by the trust

North Middlesex University Hospital NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2020 £000	31 March 2019 £000
Bank balances	17	24
Total third party assets	**17**	**24**

Note 18.1 Trade and other payables

	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	18,433	19,072
Capital payables	5,432	5,654
Accruals	5,933	6,968
Social security costs	2,251	2,128
Other taxes payable	2,015	2,028
PDC dividend payable	31	-
Other payables	4,209	3,411
Total current trade and other payables	**38,304**	**39,261**
Of which payables from NHS and DHSC group bodies:		
Current	4,719	8,091
Non-current	-	-

Note 18.2 Early retirements in NHS payables above

There were no early retirements due to ill health in 2019/20. (2018/19 nil)

Note 19 Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	4,498	4,689
Total other current liabilities	**4,498**	**4,689**

Note 20 Borrowings

	31 March 2020 £000	31 March 2019 £000
Current		
Loans from DHSC *	58,595	1,495
Obligations under finance leases	436	682
Obligations under PFI, LIFT or other service concession contracts	4,617	4,687
Total current borrowings	**63,648**	**6,864**
Non-current		
Loans from DHSC	5,365	68,157
Obligations under finance leases	636	1,072
Obligations under PFI, LIFT or other service concession contracts	97,723	102,340
Total non-current borrowings	**103,724**	**171,569**

* including £155k of accrued interest

The Trust currently has Fifteen loans with the Department of Health and Social Care the details are as follows:

The first capital loan was taken out in September 2010. £440k is payable every six months until September 2025. Interest of 2.74% is payable on the outstanding balance.

The second capital loan was taken out in December 2012. £95k is payable every six months until September 2022, Interest of 1.04% is payable on the outstanding balance.

The third capital loan was taken out in December 2014. £140k is payable every six months until December 2024, Interest of 1.9% is payable on the outstanding balance.

The fourth loan is a revolving working capital facility which was repayable by February 2021 or earlier if the Trust had surplus cash. Interest of 3.5% is payable on the outstanding balance.

During 2017/18 the Trust took out six individual interim revenue support loans totalling £28m. These were repayable within three years of the loan date or earlier if the Trust had surplus cash. Interest of 3.5% is payable on the outstanding balance.

During 2018/19 the Trust took out five individual interim revenue support loans totalling £20.89m. These are repayable within 3 years of the loan date or earlier if the Trust had surplus cash. Interest of 1.5% is payable on the outstanding balance. Early repayments were made of two of the loans taken out in 2017/18 with a value of £8.1m.

During 2019/20 the Trust took out one interim revenue support loan of £5.0m. This was repayable within three years of the loan date or earlier if the Trust had surplus cash. Interest of 1.5% is payable on the outstanding balance. An early repayment of £10.852m was made against the revolving working capital loan.

During 2019/20 the Trust took out a new interim capital investment loan of £1.5m which was repayable through half yearly payments of £50k over 15 years. The interest rate is 0.32%

During 2019/20 it was announced that existing revenue support loans as well as interim capital loans would be converted to PDC as of the start of 2020/21. As a result the full balance of £9.80m of revolving working capital loans, £45.79m of interim revenue support loans and £1.50m of interim capital investment loans are treated as current borrowings. Following the conversion the Trust will only have the three earlier capital loans outstanding.

Note 20.1 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC	Finance leases	PFI schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2019	**69,652**	**1,754**	**107,027**	**178,433**
Cash movements:				
Financing cash flows - payments and receipts of principal	(5,702)	(682)	(4,687)	**(11,071)**
Financing cash flows - payments of interest	(1,657)	(55)	(3,396)	**(5,108)**
Non-cash movements:				
Application of effective interest rate	1,667	55	3,396	**5,118**
Carrying value at 31 March 2020	**63,960**	**1,072**	**102,340**	**167,372**

Note 20.2 Reconciliation of liabilities arising from financing activities - 2018/19

	Loans from DHSC	Finance leases	PFI schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2018	**58,067**	**2,410**	**111,576**	**172,053**
Cash movements:				
Financing cash flows - payments and receipts of principal	11,440	(657)	(4,549)	**6,234**
Financing cash flows - payments of interest	(1,892)	(89)	(3,557)	**(5,538)**
Non-cash movements:				
Impact of implementing IFRS 9 on 1 April 2018	210	-	-	**210**
Application of effective interest rate	1,827	90	3,557	**5,474**
Carrying value at 31 March 2019	**69,652**	**1,754**	**107,027**	**178,433**

Note 21 Obligations under finance leases where the trust is the lessee.

Obligations under finance leases where North Middlesex University Hospital NHS Trust is the lessee.

	31 March 2020	31 March 2019
	£000	£000
Gross lease liabilities	**1,273**	**2,054**
of which liabilities are due:		
- not later than one year;	523	769
- later than one year and not later than five years;	750	1,285
- later than five years.	-	-
Finance charges allocated to future periods	(201)	(300)
Net lease liabilities	**1,072**	**1,754**
of which payable:		
- not later than one year;	436	682
- later than one year and not later than five years;	636	1,072
- later than five years.	-	-

Note 22.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Clinician pension tax reimbursement	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2019	**783**	**26**	**87**	**-**	**63**	**959**
Change in the discount rate	**14**	**-**	**-**	**-**	**-**	**14**
Arising during the year	**68**	**9**	**-**	**682**	**68**	**827**
Utilised during the year	(129)	(8)	(45)	-	(30)	**(212)**
Reversed unused	**(46)**	**-**	**(42)**	**-**	**(17)**	**(105)**
Unwinding of discount	**2**	**-**	**-**	**-**	**-**	**2**
At 31 March 2020	**692**	**27**	**-**	**682**	**84**	**1,485**
Expected timing of cash flows:						
- not later than one year;	161	10	-	**-**	**84**	**255**
- later than one year and not later than five years;	394	17	-	**682**	**-**	**1,093**
- later than five years.	137	-	-	**-**	**-**	**137**
Total	**692**	**27**	**-**	**682**	**84**	**1,485**

Pensions cost relate to the funding of pensions for staff made redundant or taking voluntary early retirement. The full projected cost is charged in the year the employee leaves the Trust based on actuarial estimations. The primary uncertainty is the actual length of life. Legal claims are employment tribunal cases. The probability of the claim succeeding and potential cost are estimated by the Trust's legal advisors. NHS Resolution have assessed the personal injury cases, included in Other, and provided similar estimations for both potential cost and probability that the cost will materialise.

From 2019/20 a new provision relating to the impact of an increase in NHS pension benefits on the in year tax charge for clinicians has been recognised. Clinicians can have the additional tax paid by the NHS Pension Scheme without loss of pension when they retire. This would require the employer to top up the payment on retirement. The Trust has included a provison for the future cost. However there is an offsetting commitment from NHS England to reimburse the Trust for this cost when it materialises. There is no impact on the Trust costs.

Note 22.2 Clinical negligence liabilities

At 31 March 2020, £276,163k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of North Middlesex University Hospital NHS Trust (31 March 2019: £270,944k).

Note 22.3 Contingencies

	31 March 2020 £000	31 March 2019 £000
Value of contingent liabilities		
NHS Resolution legal claims	(137)	(322)
Employment tribunal and other employee related litigation	-	(86)
Gross value of contingent liabilities	**(137)**	**(408)**
Amounts recoverable against liabilities	105	297
Net value of contingent liabilities	**(32)**	**(111)**
Net value of contingent assets	**-**	**-**

The contingencies represent the balance of potential costs not accrued for the personal injury cases included within provisions. These values have not been recognised as a cost or outstanding liability.

Note 23 Contractual capital commitments

	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment	2,223	1,151
Intangible assets	194	825
Total	**2,417**	**1,976**

Capital commitments for PPE include orders placed before the 31st March 2020 where goods or works have not yet been fully delivered by year end. Significant costs included £597k for a CT scanner, £539k for X-Ray rooms and £439k for ventilators. Commitments for intangibles includes two partially complete software orders as part of the Trusts global digital exemplar (GDE) faster followers programme. The increase is partly as a result of Covid-19, both as a result of delays in deliveries and increased orders in March.

Note 24 On-SoFP PFI - Additional information

During 2010/11 the Trust took possession of a new PFI hospital. Under IFRIC 12 this is accounted for as an asset of the Trust with a corresponding liability on the balance sheet.

The contract with the PFI provider, ByNorth, runs until May 2041. At the end of this period ownership of the PFI assets will transfer to the Trust without charge. Monthly Unitary Payments are made covering the repayment of finance, including interest, building maintenance costs of the new buildings and replacement of components of these buildings. Maintenance of the Trust's existing buildings are also covered by the unitary payments.

The construction scheme was in two phases with phase two completed in July 2011 when an additional asset and liability was recognised.

The Unitary Payment increases each year in line with inflation as measured by the Retail Price Index (RPI). The increased cost is split between operating costs and contingent rental. Contingent rentals, related to the impact of inflation on the lease liability, are included within finance costs.

In March 2017 the Trust agreed to a refinancing of ByNorth's PFI borrowing, which involves a change from a 6 month loan facility to a monthly one. This takes effect from 2017/18 and runs for 5 years. In accordance with the terms of the PFI contract, the benefits are shared between ByNorth and the Trust. The net savings to the Trust will be a total of £346k over the 5 years by reducing the annual expense each year.

Note 24.1 Inputed finance lease obligations

North Middlesex University Hospital NHS Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI schemes:

	31 March 2020 £000	31 March 2019 £000
Gross PFI liabilities	**188,107**	**194,127**
Of which liabilities are due		
- not later than one year;	10,497	10,533
- later than one year and not later than five years;	40,728	40,378
- later than five years.	136,882	143,216
Finance charges allocated to future periods	(85,767)	(87,100)
Net PFI obligation	**102,340**	**107,027**
- not later than one year;	4,617	4,687
- later than one year and not later than five years;	18,885	18,809
- later than five years.	78,838	83,531

Note 24.2 Total on-SoFP PFI commitments

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

	31 March 2020 £000	31 March 2019 £000
Total future payments committed in respect of the PFI arrangements	**399,226**	**407,827**
Of which payments are due:		
- not later than one year;	18,762	18,303
- later than one year and not later than five years;	75,292	73,383
- later than five years.	305,172	316,141

Note 24.3 Analysis of amounts payable to service concession operator

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

	2019/20 £000	2018/19 £000
Unitary payment payable to service concession operator	**18,249**	**17,777**
Consisting of:		
- Interest charge	3,396	3,557
- Repayment of balance sheet obligation	4,687	4,549
- Service element and other charges to operating expenditure	6,597	6,372
- Revenue lifecycle maintenance	1,119	1,103
- Contingent rent	2,450	2,196
Total amount paid to service concession operator	**18,249**	**17,777**

Note 25 Financial instruments

25.1 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 commissioners and the way those commissioners 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 – 15 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 PFI contract, which runs for a further 21 years, includes an implicit interest rate of 3.31%. The Trust therefore has low exposure to interest rate fluctuations. The total finance charges for the PFI contract includes contingent rent, which results from cumulative indexation of the finance lease payments by RPI inflation. The impact of inflation is expected to be mitigated by increasing cash generated from activities.

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 2020 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 and NHS England, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. Repayment of DHSC capital loans, detailed in note 20, is funded from the depreciation of the assets funded by the loans. The PFI borrowing described in note 24 is repayable monthly over the 31 year term. This is funded from a combination of depreciation and operating income. The Trust currently has a £9.8m revolving working capital loan and £45.8m of interim revenue support loans. However in 2020/21 these are to be converted in full to PDC for which no repayment is required. However NHSI has indicated that further revenue support will be made available to Trusts in deficit if required. Assuming continuing support, the Trust does not face significant liquidity risk.

Note 26 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2020	**Total book value £000**
Trade and other receivables excluding non financial assets	**18,635**
Cash and cash equivalents	**26,266**
Total at 31 March 2020	**44,901**

Carrying values of financial assets as at 31 March 2019	**Total book value £000**
Trade and other receivables excluding non financial assets	**22,585**
Cash and cash equivalents	**27,609**
Total at 31 March 2019	**50,194**

Note 26.1 Carrying values of financial Liabilities

Carrying values of financial liabilities as at 31 March 2020	**Total book value £000**
Loans from the Department of Health and Social Care	**63,960**
Obligations under finance leases	**1,072**
Obligations under PFI, LIFT and other service concession contracts	**102,340**
Trade and other payables excluding non financial liabilities	**31,658**
Total at 31 March 2020	**199,030**

Carrying values of financial liabilities as at 31 March 2019	**Total book value £000**
Loans from the Department of Health and Social Care	**69,652**
Obligations under finance leases	**1,754**
Obligations under PFI, LIFT and other service concession contracts	**107,027**
Trade and other payables excluding non financial liabilities	**32,897**
Total at 31 March 2019	**211,330**

Note 26.2 Maturity of financial liabilities

	31 March 2020 £000	**31 March 2019 £000**
In one year or less	95,306	39,761
In more than one year but not more than two years	6,495	6,403
In more than two years but not more than five years	17,951	79,455
In more than five years	79,278	85,711
Total	**199,030**	**211,330**

Note 27 Losses and special payments

	2019/20		2018/19	
	Total number of cases Number	**Total value of cases £000**	**Total number of cases Number**	**Total value of cases £000**
Losses				
Cash losses	47	65	-	-
Fruitless payments	6	20	2	29
Bad debts and claims abandoned	81	108	28	96
Stores losses and damage to property	21	44	6	10
Total losses	**155**	**237**	**36**	**135**
Special payments				
Compensation under court order or legally binding arbitration award	6	7	2	1
Ex-gratia payments	16	89	15	76
Total special payments	**22**	**96**	**17**	**77**
Total losses and special payments	**177**	**333**	**53**	**212**
Compensation payments received		-		-

Note 28 Related parties

During the year none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, have undertaken any material transactions with North Middlesex University Hospital NHS Trust.

The Department of Health is regarded as a related party. During the year North Middlesex University Hospital NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. The Trust has listed below, in order of significance, organisations which had transactions in excess of £1m with the Trust during 2019/20.

Enfield CCG

Haringey CCG

NHS England

Health Education England

East and North Hertfordshire CCG

Waltham Forest CCG

Barnet CCG

Department of Health

City and Hackney CCG

Redbridge CCG

Islington CCG

West Essex CCG

Royal Free London NHS Foundation Trust

University College London Hospitals NHS Foundation Trust

The Whittington Health NHS Trust

NHS Resolution

NHS Blood and Transplant

The Trust has significant balances with the following Government departments

HMRC

NHS Pension Scheme

London Borough of Enfield

Note 29 Better Payment Practice code

Non-NHS Payables	2019/20 Number	2019/20 £000	2018/19 Number	2018/19 £000
Total non-NHS trade invoices paid in the year	35,540	196,921	36,991	188,527
Total non-NHS trade invoices paid within target	25,463	165,510	27,532	159,585
Percentage of non-NHS trade invoices paid within target	71.6%	84.0%	74.4%	84.6%
NHS Payables				
Total NHS trade invoices paid in the year	1,408	26,344	1,457	26,755
Total NHS trade invoices paid within target	509	19,460	590	23,049
Percentage of NHS trade invoices paid within target	36.2%	73.9%	40.5%	86.1%

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 30 External financing limit

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

	2019/20 £000	2018/19 £000
Cash flow financing	(8,047)	1,929
Finance leases taken out in year	-	-
Other capital receipts		
External financing requirement	**(8,047)**	**1,929**
External financing limit (EFL)	9,337	20,211
Under spend against EFL	**17,384**	**18,282**

Note 31 Capital resource Limit

	2019/20 £000	2018/19 £000
Gross capital expenditure	8,818	12,766
Less: Disposals	(24)	(76)
Less: Donated and granted capital additions	(176)	(104)
Plus: Loss on disposal from capital grants in kind	-	-
Charge against Capital Resource Limit	**8,618**	**12,586**
Capital Resource Limit	9,910	12,616
Under spend against CRL	**1,292**	**30**

Note 32 Breakeven duty financial performance

	2019/20 £000
Adjusted financial performance surplus (control total basis)	50
Add back income for impact of 2018/19 post-accounts PSF reallocation	431
Breakeven duty financial performance surplus	**481**

Note 33 Breakeven duty rolling assessment

	1997/98 to 2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000
Breakeven duty in-year financial performance		6,044	3,103	669	1,973	10,662
Breakeven duty cumulative position	(4,897)	1,147	4,250	4,919	6,892	17,554
Operating income		168,126	180,593	181,283	183,991	216,083
Cumulative breakeven position as a percentage of operating income		0.7%	2.4%	2.7%	3.7%	8.1%

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Breakeven duty in-year financial performance	415	(8,284)	(10,464)	(27,956)	(3,184)	481
Breakeven duty cumulative position	17,969	9,685	(779)	(28,735)	(31,919)	(31,438)
Operating income	244,386	249,757	276,147	277,778	320,723	345,590
Cumulative breakeven position as a percentage of operating income	7.4%	3.9%	(0.3%)	(10.3%)	(10.0%)	(9.1%)

Note 34 Post balance sheet events

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual to advise this is considered an adjusting event after the reporting period for providers. Outstanding interim loans totalling £57.3231m as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months.

The UK Government has issued a mandate to NHS England for the continued provision of services in England 2020/21 and CCG allocations have been set for the remainder of 2020/21. While these allocations may be subject to minor revision as a result of the COVID-19 financial framework, the guidance has been clarified to inform CCG's that they will be provided with sufficient funding for the year. Providers can therefore continue to expect NHS funding to flow at similar levels to that previously provided where services are reasonably still expected to be commissioned. While mechanisms for contracting and payment are not definitely in place, it is clear that NHS services will continue to be funded, and government funding is in place for this. For the period April 2020 to July 2020 the Trust is receiving income via block contract lump sums.

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Independent auditor's report to the Directors of North Middlesex University Hospital NHS Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of North Middlesex University Hospital NHS Trust (the 'Trust') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2020 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Trust's future operational arrangements.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Trust's future operational arrangements. However, no audit should be expected to predict the unknowable factors or all possible future implications for an entity associated with these particular events.

Material uncertainty relating to going concern

We draw attention to note 1.2 in the financial statements, which indicates that The Trust has incurred a surplus of £50k (excluding impairments) in the year to 31 March 2020. This position includes provider sustainability funding (PSF) and financial recovery funding (FRF) of £15.3m, without which a deficit of £15.2m would have been incurred. The Directors are seeking additional support from NHS England and NHS Improvement for 2020/21 and 2021/22 of £12.9 million and £12.5 million respectively. It is therefore anticipated that it may be some time before the Trust can achieve financial balance on a sustainable basis. The Board has prepared its financial plans and cash flow forecasts on the assumption that support funding will continue to be received through the Department of Health and Social Care (DHSC) and NHS Improvement (NHSI) if required. On the basis that the Trust achieves its 2019/20 financial plan, it does not anticipate that any further borrowing will be required in the financial year. DHSC and NHSI have not, as at the date of our report, confirmed that support funding will be provided if it is required by the Trust.

These events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt about the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – effects of Covid-19 on the valuation of land and buildings

We draw attention to Note 1.23 of the financial statements, which describes the effects of the Covid-19 pandemic on the valuation of land and buildings as at 31 March 2020. As disclosed in Note 1.23 to the financial statements, in applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2015 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the guidance issued by NHS Improvement or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020 and the requirements of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- 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 make a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters except on 23 May 2019 we referred a matter to the Secretary of State under section 30(a) of the Local Audit and Accountability Act in relation to the Trust setting a deficit budget for the year ending 31 March 2020.

On 5 June 2020, we referred a matter to the Secretary of State:

- under section 30(b) of the Local Audit and Accountability Act 2014 in relation to the Trust's ongoing breach of its break-even duty for the three-year period ending 31 March 2020
- under section 30(a) of the Local Audit and Accountability Act 2014 in relation to the Trust setting a deficit budget for the year ending 31 March 2021 and the resultant ongoing breach of the Trust's breakeven duty for the three-year period ending 31 March 2021.

Responsibilities of the Directors and Those Charged with Governance for the financial statements

The Directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions, for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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.

The Audit Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception - 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, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We have nothing to report in respect of the above matter.

Responsibilities of the Accountable Officer

The Accountable Officer is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 21(1)(c) and 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 and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether in all significant respects, the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements – Certificate

We certify that we have completed the audit of the financial statements of North Middlesex University Hospital NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the Directors of the 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 Trust's Directors 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 Trust and the Trust's Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Grady

Paul Grady
Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

London
19 June 2020

Independent Auditor's Statement to the Board of Directors of North Middlesex University Hospital NHS Trust on the NHS Trust Consolidation Schedules

We have examined the consolidation schedules designated TAC02 to TAC29 for tables outlined in red, excluding TAC05A, TAC23, and TAC28A of North Middlesex University Hospital NHS Trust, version 1.19.12.2B for the year ended 31 March 2020, which have been prepared by the Chief Finance Officer and acknowledged by the Chief Executive.

For the purpose of this statement, reviewing the consistency of figures between the audited financial statements and the consolidation schedules extends only to those figures within the consolidation schedules which are also included in the audited financial statements.

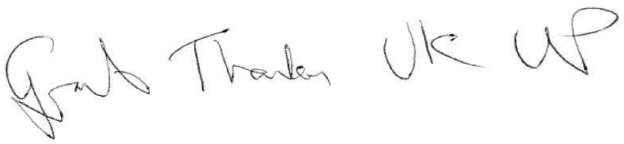
Auditors are required to report on any differences over £300,000 between the audited financial statements and the consolidation schedules.

Unqualified audit opinion on the audited financial statements; no differences identified

The figures reported in the consolidation schedules are consistent with the audited financial statements, on which we have issued an unqualified opinion.

Use of our statement

This statement is made solely to the Board of Directors of North Middlesex University Hospital NHS Trust in accordance with Part 5 paragraph 20(5) of the Local Audit and Accountability Act 2014 and paragraph 4.2 of the Code of Audit Practice and for no other purpose. Our work has been undertaken so that we might state to the Board of Directors those matters we are required to state to them in a consistency statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Board of Directors as a body, for our audit work, for this statement, or for the opinions we have formed.



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19 June 2020