# uclh

# Annual report and accounts 2019/20



UCLH is an NHS Foundation Trust comprising: University College Hospital (incorporating the Elizabeth Garrett Anderson Wing, the Macmillan Cancer Centre and University College Hospital at Westmoreland Street), Royal London Hospital for Integrated Medicine, Royal National ENT and Eastman Dental Hospitals, National Hospital for Neurology and Neurosurgery at Queen Square and Cleveland Street, Institute of Sport, Exercise and Health, Hospital for Tropical Diseases.

University College London Hospitals NHS Foundation Trust

Annual Report and Accounts 2019/20

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

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#### 1. Performance report

#### 1.1 Overview of performance

The purpose of the performance report is to provide an overview of our organisation, its purpose, the key risks and opportunities ahead, and our performance in the year.

The annual report has been prepared on the same group basis as the accounts.

#### 1.1.1 Chair and chief executive's overview

The annual report is an opportunity to reflect on the achievements and challenges of the past year and to thank our fantastic staff for all they do for our patients every day.

One of the highlights of the past year was the opening of the Royal National ENT and Eastman Dental Hospitals by HM The Queen in February 2020 which was a truly joyful event, much appreciated by our staff and patients. Staff moved from the Eastman Dental Hospital and the Royal National Throat Nose and Ear Hospital to the new building on Huntley Street in October 2019 with minimal disruption to our patients.

Life at the moment is dominated by the coronavirus pandemic. The trust is a different place to the way it was a year ago. The support from the community for the NHS and carers has also been overwhelming. Our staff have responded to this unprecedented challenge, going above and beyond since we first heard of coronavirus and especially since lock down. We would like to thank our chief nurse, Flo Panel-Coates, for co-leading our response to the pandemic and co-chairing our COVID-19 Strategic Incident Management Group which held its first meeting on 5<sup>th</sup> March 2020. This group is making sure that UCLH is ready and able to adapt to any changes required, including the challenge of ensuring supplies of PPE. UCLH was and is well prepared because of its fantastic teams who are working so hard to make sure our staff and patients are safe and receive excellent care.

In line with a directive from NHS England and Improvement in March 2020, all elective care ceased to ensure that the NHS had the capacity to provide care for patients with COVID-19. Most outpatient clinics have been held remotely to ensure that our patients receive care and treatment in a safe way; patient feedback has been extremely positive. Clinicians have been able to run remote telephone and video outpatient clinics from home with Epic proving an invaluable resource to support this. The digital healthcare team has rolled out support so that staff can work from home and face to face meetings have been replaced by video conferencing. Staff who have been working from home are being encouraged to continue to do this providing this is in line with service requirements. These new ways of working will continue.

The performance of our critical care/high dependency unit, acute medicine and emergency units has been exceptional. But also in other areas of our organisation clinical and non-clinical staff responded swiftly and successfully and were redeployed in sometimes completely new roles across the organisation. We have been able to support other providers in North Central London when they had capacity, staffing or PPE material issues and UCLH was never in a position not to be able to accept a patient. Staff at UCLH worked with UCL and the private sector to design and manufacture continuous positive airway pressure (CPAP) machines within weeks which have been in use at UCLH and across the world. This non-invasive form of ventilation has been

an important way of treating COVID-19 patients. There has been agreement that critical care capacity in North Central London needs to be doubled and that the additional capacity should be provided in two hubs – UCLH and the Royal Free. Work is already underway to identify a suitable place for expansion at UCLH.

Teams have worked tirelessly to reconfigure hospital services and repurpose areas for new uses and are now reconfiguring services again to enable safe patient pathways for elective patients. Staff were keen to volunteer to work in new areas and take on new roles. This really has been the most amazing experience where staff within the Trust have worked as OneTeam to deliver the best possible care to our patients and where providers in North Central London have worked together to support one other in the interests of NCL patients.

The pandemic has shown UCLH in a fantastic light, leading the way on critical care, virology and infection control, testing, procurement and cancer services. UCLH is also leading for North Central London on the provision and prioritisation of urgent cancer surgery for the whole of NCL at Westmoreland Street, the Princess Grace and the Wellington Hospitals. UCLH staff are also developing safe pathways to re-start elective surgery and diagnostic procedures.

We are very proud of the many research studies which are being undertaken to improve our understanding of the virus. Our director of research was able to create research capacity to do this by pausing research studies apart from those for serious or life-threatening diseases which would have meant withdrawing critical treatments for patients. He set up a COVID-19 research strategy group which has supported the establishment of more than thirty COVID-19 projects that are actively recruiting patients and staff at UCLH, partner organisations and community settings. There has been a really strong collaborative partnership spirit with many clinical research staff volunteering to join the COVID-19 team and strong patient and public involvement. These efforts have resulted in an enhanced team ethic in research and research support which we hope will continue. Epic has played an important role in supporting research with the digital clinical record being used for integrated working between the EHRS, business intelligence, the clinical research informatics unit and the data research platform. World class research continues to support our services, especially in cancer services and neurosciences.

The pandemic is a good example of the excellent teamwork and commitment to continuous improvement which was recognised by the CQC in 2018. But of course there are many other examples. We are pleased to say that, in September 2019, we achieved the cancer target for the first time in six years, with 87 per cent of patients beginning their treatment within the timeframe. This was a huge achievement for the teams and we hope to continue to maintain this performance once services return to normal. There are of course many other areas where performance still needs to improve, including the four hour target in the Emergency Department, diagnostic and cancer waiting times and referral to treatment targets but work is in hand to ensure that performance improves. Waiting times will increase as a result of the COVID-19 changes but we are hoping that new ways of working and an embedded electronic health records system will support improvement.

We finished the year with a deficit of £15.9m, £0.3m ahead of our final adjusted control total set by NHS England and Improvement. The underlying deficit before exceptional items was £19.6m. These figures include £25.2m of provider sustainability and financial recovery funding received as a result of meeting our financial target. Special financial arrangements are in place until at least the end of July and approved COVID-19 expenditure is being reimbursed by NHS England and Improvement. UCLH had an extremely challenging cost improvement plan for 2020/21 to help address a significant underlying deficit and will use the learning from the pandemic to accelerate transformation and new ways of working, although the adverse impact on financial performance and productivity is expected to last for some time.

UCLH continues to score well in the national staff survey for staff engagement. Most staff continued to say they would recommend UCLH as a place to be treated and to work (2019 staff survey). We, with our colleagues on the Board, are committed to improving patient and staff experience which we recognise is an ongoing priority, central to what we do. We will use the Trust values of safety, kindness, teamwork and improving to underpin our improvement programmes.

We are working more closely with our partners in North Central London than ever before to ensure that local people receive the best possible care in the most cost effective way possible.

We are looking forward to the opening of Phase 4 (cancer, surgery and proton beam therapy) in 2020/21. This facility will house one of the largest centres for the treatment of blood disorders in Europe.

We would like to take this opportunity to thank every single member of staff for continuing to deliver fantastic and compassionate healthcare in the midst of a challenging situation and we look forward to the challenge of continuing to deliver positive change for patients for generations to come.

**Baroness Julia Neuberger DBE** 

Juha NO

Chair

Professor Marcel Levi Chief executive

22 June 2020

#### 1.1.2 About UCLH

UCLH (University College London Hospitals NHS Foundation Trust) is situated in the heart of London. Our vision is to deliver top quality patient care, excellent education and world-class research. Our values of safety, kindness, teamwork and improving are at the heart of everything we do for our patients and staff.

#### UCLH comprises:

- University College Hospital (incorporating the Elizabeth Garrett Anderson Wing, the Macmillan Cancer Centre and University College Hospital at Westmoreland Street)
- Royal London Hospital for Integrated Medicine
- Royal National ENT and Eastman Dental Hospitals
- National Hospital for Neurology and Neurosurgery at Queen Square, Cleveland Street and Chalfont
- Institute of Sport, Exercise and Health
- Hospital for Tropical Diseases

We became one of the first foundation trusts in 2004. As a foundation trust we remain firmly part of the NHS but we manage our own budgets and shape the services we provide to better reflect the needs and priorities of our patients.

UCLH has a devolved management structure with strong clinical leadership. The board, led by the chair, sets the vision and values of UCLH and works to promote the success of the organisation. The board comprises non-executive directors, who bring independent advice and judgement to the board, and executive directors who manage day-to-day operational services.

The senior director team is chaired by the chief executive Professor Marcel Levi and includes our medical, nursing and corporate directors. We have three clinical boards (medicine board, specialist hospitals board, and surgery and cancer board) led by medical directors Dr Charles House, Dr Tim Hodgson and Professor Geoff Bellingan, respectively. Dr Gill Gaskin is medical director, digital healthcare. Our chief nurse, Flo Panel-Coates, oversees nursing and midwifery and delivery of care at UCLH in general. Our chief financial officer is Tim Jaggard. We have a number of corporate directorates.

Our council of governors comprises patient, public and staff members, and appointed representatives from stakeholder organisations. The council provides support and advice to UCLH and ensures we deliver services that meet the needs of the patients and communities we serve.

We provide acute and specialist services to a diverse local population and to patients from across England and Wales. We balance the provision of nationally recognised specialist services with delivering high quality acute services to our local population.

UCLH is part of North London Partners in Health and Care, which is made up of clinical commissioning groups, local authorities and NHS providers in Camden, Islington, Haringey, Barnet and Enfield. The aims of the partnership are to improve health and care, and reduce health inequalities for the 1.3million people who live in these areas.

We are proud of our close partnership with UCL (University College London) which is consistently reported as one of the best performing universities in the world, especially for biomedical science. UCL's facilities are embedded across much of our hospital campus and the partnership is linked through a large number of joint clinical and academic appointments.

We are one of England's 20 biomedical research centres (BRCs) and we are a founding partner of UCLPartners, one of the UK's first academic health science centres (AHSCs).

We have a turnover of £1,217 million. We have approximately 9,700 staff who come from 120 nations and we care for more than one million patients a year. We are committed to the principles of equality and fairness for all of our staff and patients. We work with different communities to deliver better patient care that is inclusive, accessible and fair.

#### 1.1.3 Strategic developments

#### North Central London Sustainability and Transformation Partnership

The North Central London Sustainability and Transformation Partnership (STP) brings together councils, clinical commission groups (CCGs) and healthcare providers across the five boroughs of Haringey, Islington, Camden, Barnet and Enfield. Together we are the North London Partners in Health and Care. Our aims are to improve health and care for the 1.3million people who live in the area and to reduce health inequalities.

In January 2020, the STP began a public consultation on proposals to consolidate orthopaedic services into two hubs in North Central London (NCL) – one in the north and one in the south. The southern hub would involve UCLH and Whittington Health working in partnership to deliver improved care for orthopaedic patients. A decision is expected in the summer of 2020.

We continue to work with our partners on how we will deliver the ambitions of the NHS Long Term Plan. For example, we have begun working with the STP on proposals to develop integrated care systems, which will improve the experience and outcomes of patients who are being cared for by multiple organisations.

#### **Digital healthcare**

On Sunday 31 March 2019 we went live with Epic, our new electronic health record system, which marked the start of an exciting new digital era at UCLH. We went live across all of our sites simultaneously, and also launched MyCare UCLH, our new patient portal, and EpicCare Link, a portal for external healthcare providers.

We have successfully applied four Epic maintenance updates since go-live, as well as our first major upgrade of the system. In December, we held an Epic educational week, with more than 370 staff attending 37 masterclasses and webinars to improve their knowledge of the system. In February 2020, we went live with Beacon, Epic's chemotherapy prescribing module. Over time, this will improve the way in which we schedule and manage cancer treatment.

As expected with any major electronic health record implementation, we worked through a period of stabilisation, with a particular focus on report generation, patient tracking and management of the pharmacy inventory. We will continue to refine Epic so that it enables us to improve patient safety and care, the experience of our staff and increase productivity and efficiency, as well as strengthening our research capabilities.

We worked with our technology partner Atos to ensure the necessary technology and digital infrastructure was in place to open our new Royal National ENT and Eastman Dental Hospitals in October 2019.

Dr Gill Gaskin was appointed to the new role of medical director for digital healthcare in October 2019. The aim of the role is to drive forward digital innovation and transformation which will

benefit our patients and staff, and signals the strategic importance of digital healthcare at UCLH.

#### **New clinical facilities**

Our ambitious programme to improve and expand our estate continued through 2019/20.

Our new Royal National ENT and Eastman Dental Hospitals opened to patients in October 2019. The formal opening by Her Majesty The Queen took place in February 2020. The new state-of-the-art facility brings together the Royal National Throat Nose and Ear Hospital and the Eastman Dental Hospital under one roof. We are extremely proud of the teams who moved their services to the new location with minimal disruption to our patients.

The vacant Eastman Dental Hospital site was handed over to its new owners, UCL, at the end of October 2019. UCL is redeveloping the site as the dual hub for the national Dementia Research Institute and the Institute of Neurology. We are working with UCL to develop our own clinical space on the site.

Work on our new clinical facility for cancer and surgery on Grafton Way/Tottenham Court Road is progressing well. The facility will be home to one of only two NHS proton beam therapy (PBT) centres in the country. In the floors above the PBT service, we are creating one of Europe's largest centres for the treatment of blood disorders and a new surgical service with eight theatres. In the light of the coronavirus pandemic, this facility is likely to play an important part in our response to the COVID-19 pandemic in London.

During 2019/20 significant construction milestones were met for this facility, including the topping out. The facility is due to open to blood disorders and surgical patients in the autumn of 2020, with the PBT centre preparing to see its first patients in 2021. These opening dates reflect our latest planning and learning from The Christie NHS Foundation Trust about commissioning and training for a new PBT service.

#### **Mount Vernon Cancer Centre**

Following an "expressions of interest" process, UCLH was announced as the preferred provider for services delivered at Mount Vernon Cancer Centre (MVCC), currently part of East and North Herts NHS Trust. This decision is subject to a due diligence process. This process was paused for 3 months in April 2020 as a result of the COVID-19 pandemic and the earliest that UCLH would take over responsibility for the site is October 2021.

UCLH, NHS England, and East and North Herts will work with patients and stakeholders to develop a range of options for the future of services at MVCC. These options will include maintaining services at, or near, the current MVCC site.

#### **Private healthcare strategy**

UCLH has made a strategic commitment to improve and develop private healthcare business infrastructure and provision within the organisation. All profits from private work are reinvested to support NHS patients under our care.

We have created a central private healthcare team which is responsible for consolidating all the business functions for private healthcare services. The team's remit includes improving and modernising our billing and reporting processes and updating our contractual agreements with private medical insurers.

The team is also working on service improvements and developing clearly presented patient information and marketing.

The private healthcare team works closely with each division to deliver its private healthcare business plan effectively, looking at where there is capacity for more work and identifying how to maximise any financial contribution from its private service.

#### 1.1.4 Education and training

Delivering excellent education is integral to our mission and one of our strategic objectives is to support staff to fulfil their potential.

#### **Trust induction**

In 2019/20, 2,548 new staff attended our trust induction programme which now includes training on our new electronic health record system, Epic.

#### **Mandatory training**

In 2019/20, 86.6% per cent of staff had completed their mandatory training against a target of 85 per cent. We keep staff fully informed about their training requirements and managers receive monthly reports. We have also begun a review of the quality of the mandatory training we offer to ensure we deliver this in line with the interim NHS People Plan.

#### **Epic training**

In addition to new starters, we need to train approximately 2,500 other staff each year in Epic. This includes bank and agency staff and those on honorary contracts, as well as providing top-up training for existing staff.

We also trained approximately 500 staff to prepare for the implementation of Beacon – a chemotherapy prescribing module in Epic.

#### Leadership, management and skills development

We offer 20 different development programmes and workshops for staff at all levels, and support is available from 50 internal coaches and mentors.

#### **Graduate talent development**

UCLH has developed its own management training scheme to recruit and develop talented graduates into future leaders. We have 10 graduates on the programme, with the first cohort due to complete in September 2020.

#### **Apprenticeships**

We have 20 different apprenticeship qualifications available for either apprentice recruits or existing staff. New programmes launched in 2019/20 included the improvement technician, the registered nurse degree apprenticeship, the executive MBA apprenticeship programme and a level 5 apprenticeship in clinical leadership for consultants. There were 180 new apprenticeship enrolments in 2019/20, compared to 87 in 2018/19.

#### Improvement team

The improvement team continued to help build a culture of improvement at UCLH, giving people the knowledge, skills and confidence to adopt systematic, evidence-based approaches to improving services.

This year the team facilitated after action reviews and delivered 40 courses, including those on quality improvement and lean thinking. The team has provided training to more than 3,000 members of staff and coaching to individuals and teams to deliver their own improvement projects. The improvement team has also supported trust-wide projects such as the exemplar ward programme which focuses on improving the quality of patient and staff experience.

#### Staff networks

Staff networks are a key component of UCLH's equality and diversity strategy and our staff pledges. More than one thousand members of staff have signed up to five UCLH staff networks: BAME, disability, LGBT+, mental health, and women in leadership. In 2019/20, we delivered fourteen staff network events, three career development workshops, three career clinics, and supported 23 members of staff to reverse mentor senior leaders.

#### Undergraduate and postgraduate education

We provide postgraduate training to around 700 doctors and dentists, and placements for more than 400 undergraduate medical students each year. We train around 460 student nurses and midwives, as well as allied health professionals on placements. We aim to recruit as many of them as possible once they have completed their training.

#### **Medical education fellows**

Supported by UCLH Charity, we have appointed two junior doctors as education fellows to improve the delivery of postgraduate and undergraduate medical education. Projects the fellows have been working on include reviewing how the curriculum is delivered, supporting teachers, and developing resources.

#### Student hub

We have up to 200 medical students on placement at any one time. We have created a new space, called the student hub, where they can meet and study together in breaks between clinical activities.

#### **UCL Medical School final year exams**

Our education centre hosts part of the final year exams for UCL medical students in March every year. This year's exams involved 78 students and dozens of examiners, patients, actors and co-ordinators.

#### **UCLH** summer school

The UCLH summer school is a five-day residential programme run by the education team, aimed at inspiring the next generation of healthcare professionals, especially those from disadvantaged backgrounds. The programme offers young people aged 16-17 an insight into what life as a healthcare professional is like and gives students the right skills to enhance their university applications.

The participants take part in a mixture of lectures, workshops and work experience placements, staying in UCL halls of residence and enjoying social activities.

There are 24 places on the programme, 75 per cent of which are offered free of charge to educational charities and students living in the local community. UCLH Charity has supported this initiative since it began in 2011.

#### 1.1.5 Research and development

#### NIHR biomedical research centre

UCLH is one of the largest NHS trusts and our academic partner, UCL is one of the world's leading biomedical research universities. By working together as a biomedical research centre (BRC) we have become leaders in translating fundamental biomedical research into clinical research that benefits patients.

The National Institute for Health Research (NIHR) has funded our BRC for five years until 2022. NIHR BRC status has enabled us to invest in staff, equipment, facilities and training to drive innovation in basic science and to turn this into new treatments and therapies for patients.

In particular, our BRC supports experimental medicine research which focuses on first in human studies. It also supports investment in the development of our data science and artificial intelligence capabilities, as outlined below.

We are committed to embedding a culture of research across our entire organisation in order to push the boundaries of medicine and technology to deliver positive change for patients and our staff.

In 2019/20, 232 new research studies were approved to begin recruitment at UCLH (267 in 2018/19).

We recruited 18,705 participants to research studies at UCLH in 2019/20 (15,564 in 2018/19).

#### **Data science**

Part of our work as a research hospital is to harness the power of data science and artificial intelligence (AI) to improve patient care and operational performance. We are also acutely aware of the need to ensure patient data is used appropriately, in line with national standards. UCLH has joined the UK Health Data Research Alliance which develops guidelines and standards in areas such as data security. We are also contributing to Office for Life Sciences policy discussions on the safe and effective use of clinical data in research.

The clinical and research informatics unit comprises UCLH clinicians, IT experts and UCL data scientists. The unit is developing systems architecture, governance structures, and contracting and data science capabilities to ensure there is a secure environment for the analysis of clinical data. Its purpose is to drive innovation in healthcare, increase efficiency and improve patient safety, outcomes and experience. Developments this year include the launch of the <a href="Find a Study">Find a Study</a> clinical trials platform which enables clinicians and patients to find all the trials for which a patient is eligible. The Find a Study platform is integrated within Epic, our new electronic health record system.

UCLH helped develop a new UK-wide partnership to transform the use of cancer data. DATA-CAN will help develop improved treatments and give patients faster access to clinical trials.

The BRC hosted a debate in October 2019 called *Your data, our challenge* in which patients questioned our researchers and senior leaders on how UCLH uses data in research. Representatives from industry and NHS Digital also joined the debate.

#### Al and missed appointments

Researchers at UCLH and UCL have used artificial intelligence (AI) methods to predict which patients are most likely to miss appointments. The team created an algorithm using records from 22,000 MRI scan appointments which was able to identify 90 per cent of those patients who did not attend. Being able to predict missed appointments could help hospitals to save significant sums every year and ensure our MRI scanners are used more efficiently.

#### Al and MS treatment

Researchers have devised a new Al-based method for detecting the brain's response to treatment for multiple sclerosis. The technology is substantially better at predicting the brain's response than a human expert using conventional techniques. The study team hopes that in future this method will be used before starting patients with MS on treatment.

#### **Neurodegenerative diseases**

Researchers, led by UCLH's Professor Sarah Tabrizi, began a global study of a ground-breaking drug for Huntington's disease, following a previous successful first-in-human trial. The drug is the first in the world to lower the level of the harmful huntingtin protein. The results of the study will be relevant to all neurodegenerative diseases and influence the development of clinical trials in Alzheimer's, Parkinson's and motor neurone diseases.

#### Prostate cancer surgery

UCLH consultant urological surgeon Greg Shaw is leading a trial of a technique to preserve men's sexual potency after prostate cancer surgery. The NeuroSAFE procedure is designed to avoid the removal, during surgery, of nerves near the prostate which are important for sexual function. The trial is recruiting participants across the UK.

#### Cancer screening

SUMMIT, the largest ever lung cancer screening study in the UK, has begun to identify patients at an early stage of the disease. This will enable their treatment to begin sooner when it has a greater chance of success. The research is being conducted by UCLH in collaboration with UCL, the NIHR UCLH BRC and GRAIL, Inc. (a US healthcare company focused on the early detection of cancer). We aim to recruit approximately 25,000 men and women aged 50-77 for screening.

#### **CAR T research**

UCLH's Dr Martin Pule is the third most prolific inventor of CAR T technology in the world, according to an analysis of filed patents by Nature Biotechnology. CAR T-cell therapy enables the patient's immune cells to be extracted and genetically modified so, when they are re-infused back into the body, they attack cancer cells. A BBC documentary, War in the blood, showcased our pioneering clinical trials in this area.

#### Radiotherapy

Cancer Research UK invested £14m into a partnership led by UCL's Professor Tariq Enver to develop next-generation radiotherapy research. Key research will be carried out at our proton beam therapy centre when it opens.

#### **Hearing loss genes**

In a study led by our BRC and King's College London, researchers analysed genetic data of more than 250,000 people and identified 44 genes linked to age-related hearing loss. Their findings give a much clearer understanding of how the condition develops and open up opportunities for the development of new treatments.

#### Influential people

The Evening Standard's 2019 list of the most influential people in London included several UCLH consultants and researchers including our director of research, Professor Bryan Williams.

#### Open day

More than 600 people visited UCLH's sixth annual event celebrating research and innovation in July 2019. The event was held across three floors of University College Hospital.

#### 1.1.6 Our objectives 2020/21

UCLH has five strategic objectives. We aim to deliver these through annual objectives, which we refresh each year. These have been reviewed in the light of the COVID-19 pandemic and reflect the current priorities for the Trust.

## Strategic objective: Provide highest quality care within our resources and increase our focus on safety

Objective	Responsible
Continue to reduce avoidable harm through agreed safety priorities and annual infection targets	Marcel Levi
Maintain patient experience, focus on new ways to connect with our patients and their families/carers/visitors	Flo Panel-Coates
Work towards all contact and booking with patients and GPs being timely, accurate and professional	Gill Gaskin
Ensure our safety and infection prevention and control processes minimise the impact of COVID-19 for patients and staff	Marcel Levi

## Strategic objective: Become a world class academic research hospital embedding research throughout the organisation and all disciplines

Deliver the promises of the Biomedical Research Centre bid and begin preparations for the next BRC funding round.	Bryan Williams
Develop our digital health research capability and partnerships to develop advanced analytics as a key part of the "Research Hospital"	Bryan Williams
Develop and encourage research opportunities for junior doctors, nurses and other clinical staff across UCLH	Marcel Levi
Drive and lead research to understand and mitigate the impact of COVID-19 in global healthcare	Bryan Williams

#### Strategic objective: Operational excellence through EHRS and optimised processes

Use the capabilities of our Electronic Health Record System to transform how we deliver patient-care e.g. virtual clinics	Gill Gaskin / Luke O'Shea
Following the impact of COVID-19 on routine services, ensure patients on routine pathways are clinically prioritised and have clear expectations of timescales for treatment	Geoff Bellingan
Shorten waits for patients in our emergency department and shorten the time patients wait for discharge from the trust	Charles House
Deliver clinically appropriate prioritised pathways for patients on cancer pathways, ensuring they are protected as far as possible from risks of COVID-19 and looking for opportunities to shorten waits where possible.	Geoff Bellingan

As host of the cancer alliance, define and deliver the best approach for cancer recovery across NCL, spanning early diagnosis, treatment and support for cancer patients.	Geoff Bellingan
Work with the wider London network to deliver expansion in critical care capacity	Geoff Bellingan
Work with local and specialist STP partners, including social care, to develop and implement a recovery plan post COVID-19, providing capacity to see the longest waiters through collaborative sharing of resources and prioritisation of patients across the STP as a whole.	Laura Churchward/ Tim Jaggard
Deliver our strategic programme for 2020/21: open the new clinical facility on Grafton Way/Tottenham Court Road; complete the redevelopment of our ED; complete the reorganisation of all sites to meet post-COVID-19 requirements, and work with stakeholders to agree the best solution for the Mount Vernon Cancer Centre transition	Charles House / Laura Churchward/ Geoff Bellingan

## Strategic objective: Develop all our diverse staff to deliver their potential and foster talent

Show care for all our staff by being a diverse and inclusive employer recognising the need to improve the experience of our Black, Asian and Minority Ethnic (BAME) staff	Liz O'Hara
Provide excellent education and focused development opportunities, ensuring we are able to respond adequately to any future COVID-19 demands	Emma Taylor
Improve staff experience by encouraging better working relationships, offering more flexible and remote working, and focus on staff safety and well-being.	Liz O'Hara

## Strategic objective: Improve financial sustainability of UCLH and the wider health economy

Play a lead role in developing an integrated care system in North Central London, enabling transformation of services and financial sustainability for UCLH and the wider system.	Tim Jaggard
Achieve financial plan with a focus on controlling expenditure and ensuring underlying financial position is sustainable upon exiting national COVID-19 financial arrangements	Tim Jaggard
Deliver productivity improvements utilising our strategic investments to drive further improvement working closely within our Sustainability and Transformation Partnership (STP) to identify further opportunities.	Tim Jaggard
Deliver our services sustainably by delivering on our Green Plan, including reduction of our carbon footprint	Linda Martin / Luke O'Shea

#### 1.1.7 Key risks and opportunities 2020/21

The table below identifies the most significant risks which the board has identified could prevent us from achieving our five strategic objectives. The table also outlines how we are seeking to reduce these risks in order to ensure the future success and sustainability of UCLH. In light of the COVID-19 pandemic, we are undertaking a detailed review of the Board Assurance Framework to ensure that this reflects the top strategic risks in the current organisational context.

Strategic objective: Provide the highest quality of care within our resources and increase our focus on safety		
Risk	Mitigation	
The COVID-19 pandemic constrains our ability to provide routine services at normal business as usual levels.	The SDT is overseeing our response to the COVID-19 pandemic and recovery through a special weekly meeting with an enlarged membership and clear sub-group structure.	
The limited scope of activity will severely prolong waiting times for patients already on routine pathways.  There is also risk to clinical outcomes as we may not quickly identify routine cases which should be upgraded to urgent pathways, as well as to patients who defer their attendances and then have to be rebooked.  This major disruption to service provision will have consequential financial impact	We are prioritising emergency and urgent care on our main site and working within nationally-approved clinical guidelines to ensure patients requiring priority cancer treatments or time-sensitive urgent treatments receive these through designated hubs created on sites that are not directly treating patients with COVID-19 or have defined separate pathways for this care.  We are working within the North Central London sustainability and transformation partnership (STP) and wider healthcare colleagues through a strategic recovery framework.  NHS England and Improvement have put in place special financial arrangements until 31st July 2020. These are likely to be extended to ensure no financial detriment over	
as well through 2020/21.	the period of the pandemic.	
The quality of care we provide could deteriorate because we need to save money.	Our cost improvement plans (CIP) focus on improving patient experience by reducing waste and increasing efficiency so that quality and savings targets can be achieved together.	
	We carry out an assessment of each saving scheme to make sure we have understood and are able to manage any risks to quality before deciding whether to carry on with the scheme.	
	Medical directors (and, where appropriate, other senior clinical staff) scrutinise cost improvement plans before they are implemented.	
	We use the national safer nursing care tool to determine ward staffing levels.	

Older parts of UCLH are in a state of disrepair which could impact on the quality of our	We undertake regular maintenance, focusing on preventative checks and repairing areas in need.		
services.	We conduct an annual survey to fully evaluate the condition of our buildings.		
A cyber-attack could lead to some of our critical IT systems	We carry out extensive risk assessments of our ability to defend against cyber-attacks.		
not being available.	We have good technical controls provided by our IT provider which include anti-virus, anti-malware, firewalls and data encryption.		
	We test these controls on a regular basis, and have a good system for keeping up-to-date with the latest protections for computers and servers.		
	We are reviewing existing plans in the wake of increasing cyber-attacks more generally during the COVID-19 pandemic.		
Strategic objective: Become a world-class academic research hospital embedding research throughout the organisation and all disciplines			
Risk	Mitigation		
Some annual research funding	Our BRC and clinical research facility are working with the wider research community to achieve the standards needed to generate future income.		
streams will be constrained over time.	wider research community to achieve the standards		
streams will be constrained over time.	wider research community to achieve the standards needed to generate future income.  I excellence through an electronic health record system		
streams will be constrained over time.  Strategic objective: Operationa	wider research community to achieve the standards needed to generate future income.  I excellence through an electronic health record system		
streams will be constrained over time.  Strategic objective: Operationa (EHRS) and optimised processe	wider research community to achieve the standards needed to generate future income.  I excellence through an electronic health record systemes		
streams will be constrained over time.  Strategic objective: Operationa (EHRS) and optimised processe  Risk  We could fail to provide high quality care because of	wider research community to achieve the standards needed to generate future income.  I excellence through an electronic health record systemes  Mitigation  We will use Epic to track whether patients have a future booking as needed. Epic will provide much better functionality for tracking all the events that patients need		

UCLH fails to deliver benefits from technology change (due to lack of investment or implementation failures) leading to quality issues or financial loss.

The implementation of Epic, our EHRS, in particular could have unintended negative impacts on quality of care, service delivery or our financial position.

We implemented Epic in March 2019 which will improve patient care and also help us make financial savings.

Our EHRS team, our EHRS suppliers and teams from across the trust, have focused on addressing any unintended consequences from introducing the new system. We have a number of very senior clinical leaders with roles dedicated to making the system work for the benefit of our patients.

We have a set of metrics to track how we are doing against key issues that could be affected by the process of implementing Epic. We also have a comprehensive governance structure around all aspects of Epic.

We work with our digital transformation partner, Atos, to deliver benefits from our investment in technology.

We are actively involved in NCL plans to improve the use of digital patient records across GP surgeries, hospitals and mental health trusts.

We participate in NHS England's regional and national digital programmes. We are aware of the latest standards and involved in national strategy.

## Strategic objective: Develop all our diverse staff to deliver their potential and foster talent

Risk	Mitigation
Exit from the European Union (EU) may make it more difficult to retain some staff and to fill certain vacancies.	Our workforce framework details action to sustain recruitment and aid retention. A supporting retention and recruitment group oversees action.
	We are closely monitoring trends in starters and leavers' data to assess any impact of our exit from the EU and/or tighter labour supply in national and international contexts.
	In 2019/20 the chief executive directly communicated with staff born in EU countries outside of the UK to assure them of our support during exit from the EU. We have provided free legal support to colleagues wanting to remain in the UK.

Not having enough nurses and midwives to cover some roles will make it difficult to deliver the highest quality of care. We monitor all of our wards very closely for risks associated with staffing levels.

We also monitor how well we are getting temporary staff to fill vacancies, as well as recruitment rates and national/ international markets.

We learn from colleagues across the NHS as to how we can attract more nursing staff and redesign our staffing models to manage with fewer nurses.

Around five to ten per cent of junior doctor posts are vacant at UCLH, which places an additional workload on those in post and impacts on the quality of their training and education.

We continue to create education and research fellowships, as well as registrar posts which allow for enhanced research time.

We are seeking funding to explore how an international recruitment campaign for junior doctors could be run.

We are working with UCL to streamline the recruitment process for joint appointments and student placements. We have agreed to share some pre-employment checks with UCL (rather than re-doing them) and we are aiming to do the same for some postgraduate placements.

## Strategic objective: Improve the financial sustainability of UCLH and the wider health economy

R	į	S	k

## The special funding allocated during the COVID-19 period may not be enough to cover our activity costs.

There is significant uncertainty surrounding the funding regime post 31<sup>st</sup> July 2020 and long-term.

#### Mitigation

We are focused on embedding a strong financial control environment to ensure all expenditure is reasonable, justifiable and essential through vacancy control procedures and review of monthly financial positions.

We will continue to focus on rigorous cost improvement planning, delivery and oversight processes. We will continuously review opportunities that could be added in to the savings programme as the Trust progresses through the recovery phase.

We are engaged in national work to design the funding regime for 2021/22 and beyond. We are working with the Shelford Group and NHS Providers engaging with NHS England and Improvement to ensure the 2020/21 financial regime secures sustainability for UCLH and other providers.

UCLH may be unable to adapt as quickly as required to new payment mechanisms that may replace Payment by Results. This may lead to a lack of alignment with the wider health economy, and therefore threaten UCLH's own financial sustainability.

The risk is exacerbated by regional and national reconfiguration work which could shift responsibility for managing financial envelopes from commissioners to providers, along with the financial risk from lack of national funding.

We closely monitor the commissioning landscape to anticipate any changes to funding streams.

We are actively engaged with the North Central London Sustainability and Transformation Partnership and with national colleagues, including the design of new payment mechanisms and financial architecture to ensure no adverse consequences.

We have a commercial and contracts function at UCLH which helps design payment models that support improved patient care without passing too much risk to providers.

We are leading new care models that use different tariff to fund different ways of funding and running clinical services.

#### **Opportunities**

There are also a number of opportunities which we will seek to capitalise on in the coming year to help us deliver our strategic objectives. For example, we will continue to build on the successful implementation of Epic to drive forward digital innovation in healthcare, education and research. We will also continue to work closely with our partners in NCL and beyond to deliver on the opportunities and ambitions of the NHS Long Term Plan.

Given increased public awareness of the urgent need to address environmental and sustainability issues, we will also be supporting staff to adopt more green practices which are not only better for the environment but also result in improved patient care and more efficient services.

For further details about all of these opportunities see sections 1.1.3 Strategic developments, 1.1.5 Research and development and 1.2.4 Environmental matters and sustainability.

#### 1.1.8 Going concern disclosure

The directors have considered the application of the going concern concept to UCLH based upon the continuation of services provided by UCLH.

The financial reporting manual (FReM) emphasises 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. This is based on the assumption that upon any dissolution of a foundation trust, the services will continue to be provided.

The directors consider that there will be no material closure of NHS services currently run by UCLH in the next business period (considered to be 12 months) following publication of this report and accounts.

Given the deteriorating financial context, both within the wider NHS as well as specific to the trust, the directors have also given serious consideration to the financial sustainability of UCLH as an entity, and in relation to UCLH's available resources.

In relation to UCLH as an entity, the directors have a reasonable expectation that UCLH has adequate resources to continue to service its debts and run operational activities for at least the next business period following publication of this report. UCLH has sufficient cash to ensure its obligations are met over this time period given the potential mitigations identified for a downside scenario.

Beyond the 12 month period, financial sustainability will be dependent on how a number of factors develop, not least the funding regime, including the availability of financial recovery funding (FRF).

After making enquiries, the directors have a reasonable expectation that UCLH has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the accounts. With the unprecedented measures in place due to COVID-19, funding arrangements for 2020/21 are continually changing with the Trust closely monitoring all interim funding arrangements.

#### 1.2 Performance analysis

#### 1.2.1 Chief financial officer's report

#### Introduction

2019/20 was an exciting but challenging year for UCLH. On 1 April 2019 we went live with our new electronic health record system (EHRS), which replaced over one hundred separate clinical systems. This programme had a far wider scope than most electronic patient record implementations, with significant benefits but also associated financial risk. In October 2019, the Eastman Dental Hospital (EDH) and most ENT services moved to the new Royal National ENT and Eastman Dental Hospitals facility on Huntley Street. As with all significant strategic service moves, this brought additional costs and financial risk.

Reflecting these financial pressures, UCLH set a plan in 2019/20 to deliver a deficit of £14.2m, in line with the target set by NHS England and Improvement (NHSEI). We also agreed fixed ("block") contracts with our main commissioners to help support financial sustainability across the North Central London system and beyond, and to protect both UCLH and commissioners from changes in the way clinical activity is counted as a result of the new EHRS.

Our target was adjusted at year-end to a deficit of £16.2m reflecting the additional annual leave carried over by staff due to the COVID-19 response in March 2020. Against this revised plan, we reported a deficit of £15.9m, £0.3m favourable to plan. In preparation for the COVID-19 pandemic, UCLH incurred additional direct costs totalling £5.8m and also lost income of £2.8m. Additional income of £8.6m was received to cover this COVID-19 financial impact in full.

The underlying deficit, before exceptional items, was £19.6m. This is considered the best measure of our underlying financial performance.

#### Our financial performance

UCLH was set, in common with all other NHS providers, a control total for our overall financial performance in 2019/20. This required us to deliver no worse than a £14.2m deficit, including £25.2m of Provider Sustainability Fund (PSF) and Financial Recovery Fund (FRF) income that was contingent upon us delivering against our control total. Accepting this control total required UCLH to set and deliver a significant savings target, totalling £45m, which was achieved in full.

There were a number of exceptional transactions that were reported in the 2019/20 financial year. These are summarised in the following table:

	Plan	Actual
Reported deficit for the year	-7.7	-48.4
Items excluded from performance against regulatory control total:		
Less capital donations / donated asset depreciation	-6.5	-4.0
Add back net impairment costs from asset revaluation	0.0	37.4
Less prior year sustainability funding received in 2019/20	0.0	-0.9
Reported deficit against original control total	-14.2	-15.9
Adjustment to control total for COVID-19 annual leave carry forward	-2.0	0.0
Reported deficit against final adjusted control total	-16.2	-15.9
Add back exceptional net loss on disposal of assets	0.0	4.7
Less payment contingent upon vacating EDH	-7.5	-8.5
Add back impairment charged to control total	0.0	0.1
Underlying deficit before exceptional items	-23.7	-19.6

The net loss on disposal of assets primarily related to legacy ICT systems that were no longer required following the implementation of the new EHRS.

In addition to the exceptional items noted above, there were two significant one-off impairments (reductions in the carrying value of assets) during the year. As part of UCLH's strategic development and, as per accounting standards, at the point of opening the new Royal National ENT and Eastman Dental Hospitals we were required to revalue the asset. Similarly, at the point we fully brought the EHRS into use, we were required to value this asset within our financial statements. The new hospital was valued independently by our specialist estates advisors and the EHRS asset was valued independently by PWC. Further detail is set out within note 13 to the financial statements.

Total income for UCLH grew by just over five per cent to £1,217m compared to £1,158m the previous year. The largest proportion of increase is within income from clinical activities. Total non-NHS income represented seven per cent of total operating income, significantly lower than the cap laid out in the Health and Social Care Act.

Operating expenditure excluding impairments grew by just over nine per cent to £1,178m compared to £1,079m the previous year. Within this, pay costs increased by around 13 per cent. The largest single factor contributing to this increase was a significant centrally funded increase in employers' pension contributions. Agency costs totalled £8.5m, a reduction from the previous year total of £10.2m – this represents one of the lowest rates of agency usage in the NHS. It remains a priority for UCLH to ensure that we are deploying our staff as efficiently and productively as possible. We expect there to be continued challenges in 2020/21 in relation to the need to cover posts in shortage areas with temporary staff, and the impact of COVID-19. The Trust's cash balance has decreased during the year, from an opening position of £257m to a closing balance of £219m at 31 March 2020. The reduction reflects a high value of prepayments made ahead of the year end and the financial impact of COVID-19 for which cash funding was not received until April.

Our gross borrowing increased during the year from £530m to £556m (including the private finance initiative (PFI) which is a particularly expensive form of borrowing). This increase is primarily as a result of further loan drawn down to fund the construction of our new hospital sites and our electronic health record system.

UCLH continues to focus on improving performance in relation to recovery of debts, although in the current financial context in the NHS it is increasingly challenging to recover debt from other NHS trusts which are themselves facing financial challenges.

#### Better payment practice code

UCLH aims to pay its suppliers within 30 days of receipt of goods or a valid invoice (whichever is later) in line with the Better Payment Practice code and monitors performance against this target.

The majority of delays are due to the complexity of internal and external processes – for example receiving invoices late and processing invoices that do not have a purchase order number or sufficient supporting information to enable authorisation of payment. Progress against this target has been slower than planned – however, monthly monitoring of performance shows a sustained improvement since October 2019 in terms of both value and volume. We continue to focus on this as an area for improvement in 2020/21.

Bills paid by volume

		2019/20	2018/19
Total	Invoices paid	158,613	152,695
	Paid within due date	82,357	101,646
	%	51.9%	66.6%
NHS	Invoices paid	4,930	3,259
	Paid within due date	627	911
	%	12.7%	28.0%
Non NHS	Invoices paid	150,654	149,436
	Paid within due date	81,730	100,735
	%	54.3%	67.4%

Bills paid by value

		2019/20	2018/19
Total	Invoices paid	963,392	917,766
	Paid within due date	709,289	693,708
	%	73.6%	75.6%
NHS	Invoices paid	43,818	33,045
	Paid within due date	9,870	11,940
	%	22.5%	36.1%
Non NHS	Invoices paid	919,575	884,721
	Paid within due date	699,419	681,768
	%	76.1%	77.1%

#### Improving productivity and efficiency

UCLH remains committed to improving productivity and efficiency and supports the national work led by NHSEI to help trusts benchmark against each other and identify opportunities to increase productivity and efficiency in ways that improve, or at the very least sustain, patient

experience and the quality of care we offer. We have worked closely with NHSEI in the development of the "Model Hospital" initiative to help identify and spread good practice.

While there are some challenges with data quality and comparability across hospitals, most notably in relation to PFI hospital costs and specialist drugs and patient devices, UCLH's overall cost per "weighted activity unit" (the Model Hospital measure of productivity) decreased again in the latest published figures (relating to 2018/19) and is now within 1% of the national median. This is despite the significant structural inefficiency that UCLH has to bear in relation to the PFI, which costs around £18.5m a year in interest alone.

We continue to focus on improving productivity in a sustainable way, working hard both internally to maximise the use of expensive resources such as theatres, and externally with partners such as other hospitals, and successfully delivered our efficiency target of £45m, although included within this figure were a number of one-off schemes such as the final £8.5m payment contingent upon vacating the old Eastman Dental Hospital site. It is likely, given the increased costs associated with implementing Epic, that we will see a temporary reduction in overall levels of productivity as measured by the Model Hospital when 2019/20 figures are released, and the impact of COVID-19 is likely to significantly affect productivity in 2020/21 and beyond.

In common with most other hospitals implementing a new EHRS, UCLH has also experienced challenges in relation to the way the new system counts clinical activity differently to our previous clinical systems. We continue to work on improving data quality and in time the new system will offer significant support for initiatives to improve productivity

#### Outlook for 2020/21 and beyond

Even before the unique challenges placed on NHS organisations as a result of the COVID-19 pandemic, UCLH was facing a tough financial year in 2020/21 with an unprecedented savings requirement of £69m to meet our draft plan of a £38m deficit (before any financial recovery fund income) as a result of a number of strategic financial issues including:

- A significant reduction in income due to a revised national NHS methodology for Market Forces Factor (MFF), the top-up received by trusts to reflect the unavoidable costs of providing services in high cost areas. Current plans will see UCLH lose around £50m of income per year as a result of this change (which is phased in over five years), without any related opportunity to reduce costs, and therefore UCLH's deficit is likely to increase significantly over this period
- The first full year of costs associated with the opening of the new Royal National ENT and Eastman Dental Hospitals
- The costs of opening and running Phase 4, the new facility for Proton Beam Therapy, short stay surgery and haematology
- The first full year of depreciation relating to the new EHRS
- Commissioner affordability constraints, most notably in specialised commissioning and within North Central London CCG, and the need for UCLH to support system financial sustainability rather than simply achieve our organisational financial target through growth

These challenges, combined with the emerging COVID-19 pressures and uncertainty, have created additional financial risk for the Trust in 2020/21. The NHS financial system has been redesigned for the initial period of response to COVID-19 which is aimed at ensuring trusts can

deliver a break-even position during the first part of the financial year, but the medium- and long-term funding arrangements remain unclear. Regardless of the funding arrangements, the impact of COVID-19 on UCLH's cost base and productivity is significant and will last for some time - for example, the need to deliver services whilst adhering to infection prevention and control guidance (including segregation of patient pathways, staff changing, personal protective equipment and patient testing prior to surgery and other procedures) has a very large and detrimental impact upon the number of patients that UCLH can treat within the capacity that we have in terms of workforce and space. More positively, UCLH is fortunate in having the additional capacity that Phase 4 will deliver, which will enable us to treat more patients, COVID-19 or otherwise, than would otherwise have been the case.

In addition to this our PFI costs continue to rise in line with the retail price index each year, which is well in excess of the inflation that UCLH is funded for through the NHS tariff. This is becoming increasingly unaffordable without additional funding or support for UCLH to terminate its PFI contract and bring it back into the public sector.

Despite the continued short-term focus of the NHS on in-year financial performance, and the ongoing financial uncertainty relating to COVID-19, the UCLH Board remains committed to taking a medium-term view of financial sustainability. We will do this while maintaining an absolute focus on maintaining quality and safety, providing the necessary support to all areas of the Trust to meet the challenges ahead. We continue to increase our collaboration with organisations across health and social care within North Central London with the ambition of helping UCLH to deliver world class care to our patients, as well as continuously improving how efficiently we provide that care working together with our partners.

Tim Jaggard Chief financial officer

22 June 2020

### 1.2.2 Overview of our performance 2019/20

The following table outlines our performance against our objectives for 2019/20.

Strategic objectives	Annual objectives	Good	Acceptable	Limited
Provide the highest quality of care within our resources and increase our focus on safety	Continue to reduce avoidable harm through agreed safety priorities and annual infection targets.		Х	
	Maintain patient experience, with improvements in agreed areas		X	
	Work towards all contact and booking with patients and GPs being timely, accurate and professional		Х	
Become a word-class academic research hospital embedding research throughout the organisation and all disciplines	Deliver the promises of the biomedical research centre bid	Х		
	Develop advanced analysis and urban health programmes as key parts of the research hospital		Х	
	Develop and encourage research opportunities for junior doctors, nurses and other clinical staff across UCLH	X		
Operational excellence through our electronic health record system (EHRS) and optimised processes	Go live with our electronic health record system, stabilise it, and start delivering the improvements we have planned for patients		X	
	Improve our patients' experience of waiting, both from referral to diagnosis and treatment, and while waiting in the building			X
	Shorten waits for patients in our emergency department and patients waiting for discharge from the trust		X	
	Shorten waiting times at all stages of pathways for cancer patients, including earlier diagnosis for patients in the cancer alliance		Х	

Strategic objectives	Annual objectives	Good	Acceptable	Limited
	Deliver earlier diagnosis for cancer patients across the sector through the cancer alliance		×	
	Work with local and specialist partners to develop new pathways, improve integration and support preventative care for local patients		X	
	Open phase 5, complete the emergency department development, and deliver phase 4 and Westmoreland Street milestones		X	
Develop all our diverse staff to deliver their potential and foster talent	Promote equality and inclusion and demonstrate we are an employer of choice		X	
	Improve staff experience	X		
	Enable high quality training	Х		
Improve the financial sustainability of UCLH and the wider health economy	Achieve financial targets with a focus on controlling expenditure		Х	
	Deliver productivity improvements in line with NHS Improvement's Model Hospital and use of resources programmes		X	
	Further develop our role within the STP to deliver financial sustainability	X		

#### 1.2.3 Detailed review of our performance 2019/20

#### **Emergency department (ED) four-hour standard**

We did not achieve the standard that 95 per cent of patients should spend less than four hours in our ED in 2019/20. However, our average waiting times for patients who were critically ill or injured were mostly better than the national and London averages. The average number of patients attending our ED increased by 3.6% per cent compared to the previous year.

There were periods when there were more patients than available cubicles in ED, which meant that some space in our urgent treatment centre (for minor injuries and illnesses) had to be reallocated to patients with more serious conditions. The main reason for over-crowding in ED was insufficient bed availability in University College Hospital, meaning patients who needed to be admitted could not be transferred out of the department. To address this we have:

- Opened additional beds at the National Hospital for Neurology and Neurosurgery. These
  beds accommodate patients with neurological conditions who no longer need to be cared
  for in the hyper acute stroke unit at University College Hospital but who are awaiting a bed
  at another hospital.
- Introduced support staff to help coordinate arrangements for patients who are ready to go home.
- Blended housekeeper and bed-cleaner roles to increase the speed at which beds become available after a patient has been discharged.

78 patients waited longer than 12 hours in ED in 2019/20. These were mostly patients with complex mental health needs who needed a psychiatric inpatient bed elsewhere. We continue to work with Camden and Islington NHS Foundation Trust to improve care for local patients for whom we have less breaches. However, many patients with complex mental health needs attending our ED live outside of London and it is challenging to find them care closer to home within this timeframe.

We continue to work with colleagues in social care, mental health and community healthcare to address the system-wide factors which cause delays in discharge for patients who are medically fit to go home but who need support from these services. We have a joint improvement plan which is monitored by the system-wide A&E delivery board, chaired by UCLH's chief executive.

The redevelopment and expansion of our ED continued throughout the year and is due to finish in summer 2020. This new space has meant it is quicker for ambulance crews to transfer patients into the department and for staff to triage patients.

#### **Cancer waiting times**

For 9 months of the year, we met the standard that 93 per cent of patients who are urgently referred with suspected cancer should have their first appointment within 14 days. When we missed the target, it was mostly the result of patients choosing to delay their first outpatient appointment.

We achieved the standard that all cancer patients should receive treatment within 31 days of the date of decision to treat in all months.

Like other major cancer centres, historically we have struggled to meet the target that 85 per cent of patients with cancer should begin their first treatment within 62 days of an urgent GP referral. In September, we passed this standard for the first time in six years, with 87 per cent of patients beginning their treatment within this timeframe. We maintained this performance for three months (September, October and November). This was the result of a huge effort across the organisation. We continue to work closely with referring hospital trusts to speed up patients' movement through the healthcare system.

To sustain and improve our performance we:

- Introduced a new waiting list process as part of our transformation programme, supported by the corporate cancer chief of operations from NHSEI. The approach ensures we focus on all patients who are at risk of breaching in advance of their breach date, regardless of whether their pathways started at UCLH or another hospital.
- Continued to review breaches, including those patients who could not have been treated before their target date, to identify whether their treatment pathways could be shortened for others in future. Our breach assessments continue to be independently verified to ensure we learn as much as possible.
- Maintained flexible surgical capacity to treat the sudden surge in referrals for robotic prostatectomy surgery. This included extending operating sessions into evenings and weekends, as well as working with the private sector.
- Continued to work with referring organisations in the North Central and East London sector to reduce waiting times for patients who receive care at several hospitals. Our aim is to speed up the diagnosis phase so that patients are referred to UCLH at an earlier stage for specialist treatment.

#### Referral to Treatment (RTT)

We did not meet the standard that 92 per cent of patients should be treated within 18 weeks of GP referral in 2019/20. We also did not meet the target to maintain our total waiting list size at the same level as March 2018. This was mainly due to the issues associated with the implementation of Epic, our new electronic health record system. Key challenges included:

- During the Epic go-live period, we prioritised resolving operational issues which had a
  direct impact on patient care over focusing on administrative processes associated with
  the RTT target.
- There were various issues with the migration of RTT-related data into Epic, which compromised the quality of our performance data.
- Staff were not always able to see which patients were on RTT pathways to enable them to be prioritised in chronological order.

To recover our performance we have:

- Recruited a central team of ten administrative staff to validate data so that we have an accurate picture of the waiting list.
- Developed automated fixes which identify data errors that can be resolved directly in the system, without manual intervention.

- Improved booking processes to make it easier for teams using the booking system.
- Used training and communications to change working practices for both clinicians and administrators.
- Developed a collaborative network of operational managers, business intelligence colleagues and Epic technical support team colleagues that meets weekly to identify and address problems and share learning outcomes.

We also missed the target that no patient should wait more than 52 weeks for treatment. In 2019/20 194 patients had waited, or were waiting, more than 52 weeks for treatment (23 patients in 2018/19). Breaches of this standard were mainly in specialist services where there is a shortage of alternative providers nationally. This includes our gynaecology mesh removal service and paediatric dentistry. We have run additional surgical lists and outpatient clinics to try to manage demand. We are also working with commissioners to address the number of referrals from outside our catchment areas. We received national funding from NHS Improvement in Quarter 4 to carry out some gynaecological mesh procedures in the private sector in order to ease the pressure on our inpatient critical care beds over the winter period.

We started to notice the impact of COVID-19 on our 52 week breach position in late February 2020 as patients booked for treatment elected to defer their visit in order to self-isolate. In March 2020, we took the necessary trust-wide decision to reduce elective activity to release critical care beds and to lower our overall footprint in response to government advice. This led to the number of breaches, which had been reducing to smaller numbers each month, rising exponentially during March 2020.

#### **Diagnostic waiting times**

Between May and August 2019, we did not report our performance on the waiting time diagnostic standard because the quality of our data was poor following the implementation of Epic.

For the remainder of the year, we did not meet the standard that 99 per cent of patients should wait less than six weeks for a diagnostic test. For most of the year, this was mainly due to two key issues; a significant number of diagnostic tests had not been automatically starting six-week wait clocks in Epic, resulting in staff being unable to effectively book chronologically, and some tests were not flagged in Epic to the appropriate clinical service team. Both issues have since been addressed, including a trust-wide large scale validation programme. We put a recovery plan in place and this was supported by winter funding from NHSEI to reduce the number of patients waiting for diagnostic tests by using private providers. Our performance over the winter period had started to improve to the point where it aligned with that of most trusts across the country. However COVID-19 impacted diagnostics in a similar way to RTT with only tests for patients on suspected cancer and urgent pathways being undertaken throughout March. Equally, referrals for tests had declined by more than 70 per cent which was not unexpected. This meant that our performance by year-end had dropped to 78 per cent.

#### **Patient feedback**

We achieved good results in the 2019 Picker national inpatient survey. Ninety per cent of patients rated their overall care as seven out of 10 or better (88 per cent in 2018). This puts us above the national average for acute trusts.

We ask patients in a number of departments the following question from the national friends and family test (FFT): "Would you recommend our services to your friends and family if they needed similar care or treatment?"

We have seen some improvement for our inpatients and emergency department patients with 95 per cent and 87 per cent respectively recommending our services. With some disruption in outpatients during the introduction of our new EHRS, we saw a slight decline with 90 per cent of patients recommending our services. In 2018/19, inpatients scored 94 per cent, outpatients 92 per cent and ED 85 per cent.

We have continued to call a sample of 250 patients each month who have used non-emergency transport to collect feedback. There has been a drop in patients recommending the service from 88 per cent in 2018/19 to 85 per cent in 2019/20. This meets the target we have agreed with the provider, but UCLH is working with the provider to improve the service offered.

#### Care Quality Commission (CQC) maternity survey

In January 2020, the CQC published findings from its national maternity survey. The survey, which was undertaken in February 2019, covered all aspects of maternity provision: antenatal care, care during labour and birth, and post-natal care.

Compared to the previous survey, our results show an increase in the number of women who said they had been treated with respect and dignity, and who had confidence and trust in the staff providing their care.

We are always looking at ways to improve our maternity service based on the feedback we receive. For example, we are working to improve the experience of patients when they contact the service by phone. We are also supporting women to use our new electronic patient portal, MyCare UCLH, as an alternative option to communicate with us.

Our Maternity Voice Partnership (MVP) group, which launched in October 2019, gives women an opportunity to provide feedback to our midwifery team about the service and to help shape its future development.

We are seeking to reduce unnecessary delays in discharge so new mums can return home as soon as possible. We have also appointed a perinatal mental health midwife to support staff to have meaningful conversations with patients about their wellbeing during pregnancy and after birth.

#### **Healthcare associated infections**

There were 70 *Clostridium difficile* infection (CDI) toxin positive cases reported in 2019/20 (56 cases in 2018/19), against a threshold of less than 87 cases. Each case is reviewed with the lead clinical commissioning group (CCG) to determine whether or not it was due to the care the patient received at UCLH. Of the 27 cases reviewed to date, none were assessed to be a result of lapses in care at UCLH. There are 43 cases still under review.

Our plan to reduce CDI cases aims for the highest standards of environmental cleanliness, by ensuring staff follow good infection prevention and control practices. We have also introduced CDI ward rounds to ensure the best treatment of cases.

In April 2019, NHS Improvement updated the reporting algorithm for CDI to include a wider group of patients in the figures. NHSEI recognised this may increase the numbers of cases that are assigned to trusts.

There were four cases of Methicillin-resistant *Staphylococcus aureus* (MRSA) bacteraemia in 2019/20 (one case in 2018/19). The threshold for the trust is zero. Of these four MRSA bacteraemia cases, two were from the same patient and one was a contaminated blood sample. The fourth case was a patient with MRSA likely to have been colonised before admission. A review of each case concluded none of the bacteraemia could have been prevented.

There were 95 cases of *Escherichia coli* bacteraemia this year (105 cases in 2018/19). We continue to reinforce our multidisciplinary programme for reducing the number of device-related infections, improving oral hydration and the use of appropriate antibiotic treatment for urinary infection both in hospital and the community.

There have been 41 cases of *Pseudomonas aeruginosa* bacteraemia this year (53 cases in 2018/19). The number of cases is related to the number of immune-suppressed patients across the trust. We are working with clinical teams to improve practices and with the estates department to ensure the water is monitored and mitigations are implemented.

In the winter of 2019/20, our virology team used rapid flu and respiratory syncytial virus testing in our emergency department (ED) for the third year. This provided highly-valued support to ED clinicians and the infection prevention and control team. The test facilitates clinical decision-making, bed management and patient flow in the acute wards of University College Hospital.

#### Mortality

UCLH's Summary Hospital-level Mortality Indicator (SHMI) is consistently good. We ranked 2 out of 131 trusts in England in the latest SHMI performance ratings (December 2018 to November 2019). The ratings are compiled by NHS Digital.

We have continued to improve how we learn from deaths in order to improve safety and care. Our quarterly reports to the board highlight learning from complaints, serious incidents and mortality reviews, including where we have changed practices to improve care.

#### Non-emergency patient transport

The performance of our non-emergency transport provider, G4S, continued the improvement from the previous year. They met the agreed contracted performance target in eight of the twelve months in 2019.

We introduced a number of measures this year to improve the service including:

- implementation of an online programme which allows staff to track the progress of their transport request
- introduction of patient liaison officers at our main sites to assist patients and support discharge planning
- making more efficient use of vehicles by reducing the number of exclusive-use car and ambulance journeys.

We continue to work closely with G4S to improve the quality and efficiency of the service.

# Monitoring quality and performance

We undertake a detailed review of performance against all key metrics and monitor the effect of recovery action plans. Results are presented at the SDT meeting, to the QSC for assurance monitoring, and to the board as part of detailed performance and quality packs.

# 1.2.4 Environmental matters and sustainability

We are firmly committed to making efficient use of resources and to improving the health and resilience of the communities we serve.

In line with NHS sustainability commitments, our priorities are to:

- Reduce carbon emissions by 65 per cent by 2019/20, by 80 per cent in 2024/25 and by 100 per cent in 2050 (against a 2007/08 baseline). Our annual consumption of gas and electricity has increased by about 1.5% this year. However, all our electricity has been generated from renewable sources, which has contributed significantly towards our carbon reduction targets. We are on track to achieving net zero carbon emissions by 2050, as required by the Climate Change Act (2008).
- Increase recycling rates from 36 per cent to 40 per cent by 2019/20, and 80 per cent by 2024/25. Our waste recycling rates reached 42.5% in the final quarter of 2019/20.
- Stop buying single-use plastic stirrers and straws by April 2020 (except in cases where a
  patient has a specific clinical need). Stop purchasing single-use plastic cutlery, plates and
  cups by April 2021.
- Continue to maintain our water consumption at current levels so that we remain among the most efficiently-performing trusts on this measure, as determined by the Model Hospital.

This year we have launched a five year green plan which will enable us to deliver on our priorities and help to ensure our services and estate are as efficient and sustainable as they can be.

Throughout the year, we encourage our staff to participate in a wide range of events to raise awareness of sustainability issues, including:

- NHS Sustainability Day
- Recycle Week
- Clean Air Day
- Sustainable Health and Care Week

We provide educational resources on our intranet to support staff to make changes in the workplace, as well as at home.

# 1.2.5 Social, community and human rights issues

We are committed to ensuring our services and employment practices meet the needs of all people, including those with protected characteristics under the Equality Act 2010. This is in accordance with our public sector equality duties under the NHS Constitution.

Under the Equality Act 2010 there are nine protected characteristics:

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

We recognise the importance of respecting and protecting the human rights of our patients, staff and members, in line with the Equality and Human Rights Commission's guidance.

Our equalities objectives are to improve patient care and staff experience and reduce inequalities among staff and patients. We carry out assessments to confirm that our policies, functions and services are not discriminatory and develop action plans to address any shortcomings. We publish an annual equality report that sets out how UCLH meets specific employment duties and includes monitoring data, achievements and priorities for action.

We are committed to safeguarding all our patients, in particular those living in vulnerable circumstances. We participate in local multi-agency safeguarding boards with our partners. Our trained safeguarding champions apply our policies and procedures around the clock and they are supported by a team of safeguarding child and adult leads who have expert knowledge. There are named executive leaders for child and adult safeguarding and six-monthly reports are presented to the board. There is safeguarding training for all staff.

We provide comprehensive patient information and language support services to meet the needs of our diverse population. Interpreting services are available in most common languages, as well as British Sign Language. We provide core information leaflets in an easy read format.

A multi-faith spiritual care team is available to support patients and staff. The team reflects the diverse faiths and beliefs of our local population and staff.

We have five staff networks: BAME, disability, LGBT+, mental health, and women in leadership. These groups meet regularly to discuss ideas, build professional relationships and hold events. The aim of these networks is to give staff who have traditionally been under-represented at senior levels a collective voice. These networks are part of our strategy to deliver our equalities objectives and reduce inequalities among staff.

For further information see section 2.1.9 Equality reporting (patients) and section 2.3.14 Equality reporting (staff).

For information about anti-bribery matters see section 2.3.6 Staff policies and actions.

# 1.2.6 Modern slavery and human trafficking statement

Modern slavery is the recruitment, movement, harbouring or receiving of children, women or men through the use of force, coercion, abuse of vulnerability, deception or other means for the purpose of exploitation.

Individuals may be trafficked into, out of, or within, the UK. They may be trafficked for a number of reasons, including sexual exploitation, forced labour, domestic servitude and organ harvesting.

The Modern Slavery Act 2015 introduced changes in UK law which focus on increasing transparency in supply chains.

UCLH is committed to improving our practices to combat slavery and human trafficking. We are committed to ensuring there is no modern slavery or human trafficking in any part of our business and, as far as possible, require our suppliers to have a similar ethos.

We consider modern slavery factors when making procurement decisions and we use NHS Terms and Conditions for Goods and Services for specification and tender documents. This requires suppliers to comply with all relevant legislation and guidance, including modern slavery conditions.

We also ensure that procurement staff receive regular legal briefings and appropriate training so that they are aware of legislative requirements in this area.

Modern slavery awareness is included in mandatory safeguarding training for all staff. If a member of staff has concerns relating to modern slavery, these are managed by our safeguarding team which refers into the National Referral Mechanism, as required by the Act.

# 1.2.7 Important events after year end

The Trust's response to COVID-19 began in March 2020 and continues into 2020/21. A national emergency was declared in March 2020 in response to the COVID-19 pandemic which necessitated the ceasing of elective admissions to ensure that the NHS was prepared to be able to treat patients suffering from COVID-19. Wards and other clinical areas were repurposed to facilitate the doubling of capacity of critical care beds and to free up beds for patients suffering from COVID-19. Temporary financial support arrangements were put in place, with NHSEI agreeing to cover the incremental costs incurred in responding to changes required by our COVID-19 response. The COVID-19 Strategic Incident Management Group was established on 5<sup>th</sup> March 2020, chaired by the Chief Executive and the Chief Nurse, reporting to the SDT. The Group continues to meet regularly to ensure UCLH is in a position to respond in a timely fashion to all aspects of the pandemic, including infection prevention and control, supplies of personal protective and other equipment, bed utilisation, workforce issues and patient pathways. In May 2020, the SDT agreed to set aside half of all SDT meetings to oversee recovery and transformation with an extended membership.

# 1.2.8 Overseas operations

In April 2019 we signed a collaboration agreement with Danat Al Emarat Hospital for Women and Children in the United Arab Emirates (UAE). The aim of the collaboration is to advance the hospital's maternity, women's health, and neonatology services.

The collaboration has two phases, starting with an assessment of the hospital's services using international clinical protocols and UCLH's standards, which is complete. We are now developing proposals for the second phase which would include quality improvement initiatives, education and research collaborations and policy development.

Signature to the performance report:

Professor Marcel Levi Chief executive

22 June 2020

# 2. Accountability report

# 2.1 Directors' report

# 2.1.1 UCLH board and committees

The board, led by the chair, sets the vision and values of UCLH and works to promote the success of the organisation. It is responsible for the organisation's decision-making and performance to ensure UCLH delivers high quality, safe and efficient services.

The board meets six times a year in public, although part of these meetings is held in private to deal with confidential matters.

The board comprises nine non-executive directors (including the chair), and seven executive directors. On 31<sup>st</sup> March 2020, there was one vacant non-executive director post. The vacant non-executive director post was filled from 1 April 2020.

The chief executive is accountable to the board for running all aspects of the operational business of the trust.

The chair leads the board and ensures its effectiveness. The chair sets the agenda for the board. The agenda includes reports from the standing committees of the board and reports on performance and finance.

During the year, the board also receives various presentations to assure board members that the organisation is focused on delivering its objectives.

The board held five seminars this year to discuss strategic issues facing UCLH. Topics covered included a review of the implementation of Epic, end of life care, the gender identity service, the North Central London long term plan, integrated care, patient experience, staff experience, complaints and sustainability.

Board papers for the public meeting are published on the UCLH website and shared with governors. Governors also receive a monthly performance report, and the agenda and minutes of confidential meetings.

### **Board members**

The board as a whole has a diverse range of skills, experience and expertise to enable it to deliver balanced stewardship of the trust. Directors' details, together with their committee membership as at 31 March 2020, are given below.

Board members declare their interests at the time of their appointment and annually. The register of directors' interests is published annually as part of the Trust's annual register of interests, gifts and hospitality. It can be found on our website or can be obtained from the trust secretary.

Directors are also required to confirm they meet the "fit and proper person" condition set out in Regulation 5 of the Health and Social Care Act 2008 (Regulated Activities) Regulation 2014. All our directors meet the "fit and proper person" test.

To contact the board there is a dedicated email address, <u>uclh.directors@nhs.net</u>, as well as a telephone and postal address, which can be found on the UCLH website.

### Non-executive directors

# **Baroness Julia Neuberger DBE Chair**

Chair of remuneration committee

Baroness Julia Neuberger became UCLH chair on 25 February 2019.

Throughout her career, Julia has made an extensive contribution to healthcare policy and management. In the 1990s she was chair of the Camden and Islington Community Trust, and chief executive of The King's Fund from 1997 to 2004. Julia was also chair of the Liverpool Care Pathway Review and one of the vice chairs on the 2018 Independent Review of the Mental Health Act.

In October 2019, NHS Improvement announced that Julia was to become the new chair of Whittington Health NHS Trust. The appointment began on 1 April 2020. Julia will continue as chair of UCLH – the two posts are separate appointments.

### **Dr Jane Collins**

Vice chair

Chair of audit committee

Member of finance and investment, remuneration, and workforce committees

Dr Jane Collins qualified in medicine at Birmingham University. After training jobs in Southampton and London, she was appointed as a consultant paediatric neurologist at Guy's Hospital and then moved to Great Ormond Street Hospital. She was appointed chief executive of both Great Ormond Street Hospital for Children and the Great Ormond Street Hospital Children's Charity in 2001. From 2012 until early 2019 she was chief executive of Marie Curie. Jane was on the advisory board of the King's Fund from 2013 until 2017 before becoming a board member. She was chairman of the London Clinical Senate Council between 2013 and 2018. She is an honorary fellow of UCL and the Institute of Child Health, UCL. Other external roles included co-chairing the Ambitions for Palliative and End of Life Care group.

Jane joined UCLH as a non-executive director in November 2018. She was appointed as vice chair in November 2019 and became chair of the audit committee in January 2020.

# Dr Junaid Bajwa

Chair of research and innovation committee Member of finance and investment, and remuneration committees

Dr Junaid Bajwa was born at UCLH and is a practising GP with experience of serving a deprived London community. He has been interested in the use of technology and data to improve patient outcomes for many years, and has worked with NHS England on projects involving artificial intelligence (AI) and data analytics. In addition he also works for Merck Sharp and Dohme as the global executive director for partnerships and strategic alliances, within its digital accelerator.

Junaid joined UCLH as a non-executive director in September 2018.

### Althea Efunshile CBE

Senior independent director Chair of workforce committee Member of quality and safety and remuneration committees

Althea Efunshile has had a 30-year career in local and central government, during which she gained extensive senior management experience. She was deputy chief executive of Arts Council England where she was responsible for the national investment strategy, corporate governance and operational delivery.

Prior to that she held a number of director level posts within the Department for Education all of which were concerned with improving outcomes for disadvantaged children and young people. She has been the executive director for education and culture in the London Borough of Lewisham, and assistant director of education in the London Borough of Merton. Althea was awarded a CBE for services to art and culture in the 2016 Queen's birthday honours.

Althea joined UCLH as non-executive director in May 2016 and was reappointed in May 2019. Althea was appointed as the senior independent director in November 2019.

### **Dr Clare Gerada**

Member of quality and safety, remuneration, and workforce committees

Dr Clare Gerada trained at UCLH. She is senior partner at the Hurley Group practice in Lambeth serving 100,000 patients. She has also trained in psychiatry and set up the NHS Practitioner Health Programme, an organisation which supports doctors with mental health issues. She has a national reputation and significant experience of integrated care. She is interested in how digital transformation can support clinicians. She was the chair of the Royal College of General Practitioners. She is co-chair of the NHS Assembly.

Clare joined UCLH as a non-executive director in September 2018.

#### **Martin Jacobs**

Member of audit, finance and investment, and remuneration committees

Martin Jacobs spent 20 years with PricewaterhouseCoopers (PwC) where he was a partner within the corporate finance division. He provided corporate finance advice to both public and private sector clients. In particular, he provided financial advice and brought commercial skills to a number of government departments including the Department of Health. He was leader of industry for central government. Prior to joining PwC, Martin worked in banking for Samuel Montagu Ltd and HSBC. He now runs a plural career as a non-executive director and trustee.

Martin joined UCLH as a non-executive director in January 2020.

### **Professor David Lomas**

Chair of quality and safety committee Member of remuneration, and research and innovation committees

Professor David Lomas is UCL vice-provost (health), head of the UCL School of Life and Medical Sciences, head of UCL Medical School, academic director of the UCLP Academic Health Science Centre and works as a respiratory physician at UCLH. He received his medical degree from the University of Nottingham and undertook his PhD at Trinity College, Cambridge.

He was a Medical Research Council (MRC) clinician scientist, university lecturer and professor of respiratory biology in Cambridge before moving to UCL in 2013 to be chair of medicine and dean of the faculty of medical sciences. He was deputy chief executive at the MRC and

previously chaired the respiratory therapy area unit board at GlaxoSmithKline. He is also a senior investigator for the National Institute for Health Research (NIHR).

David joined UCLH as non-executive director in September 2015 and was reappointed in September 2018.

# **Adam Sharples CB**

Chair of finance and investment committee Member of audit and remuneration committees

Adam Sharples was a civil servant for nearly 25 years, holding a range of posts in HM Treasury, including director for public spending. In the Department for Work and Pensions he was a director general, advising ministers on welfare reform, labour market policies and commissioning employment programmes. Prior to joining UCLH, Adam was a lay member of the governing body of Haringey Clinical Commissioning Group (CCG) for five years, and chaired the audit committee of the five North Central London CCGs. He is chair of the Money Advice Trust, a national debt advice charity. Adam has an MSc in Economics and lives in north London. He was made Companion of the Bath in 2007.

Adam joined UCLH as a non-executive director in September 2019.

### **Executive directors**

The remuneration committee of the board appoints executive directors on permanent contracts.

### **Professor Marcel Levi**

Chief executive

Professor Marcel Levi joined UCLH as chief executive in January 2017. Marcel has had a distinguished career as a clinician, academic, educator and clinical leader. Prior to joining UCLH he was chairman of the executive board of the Academic Medical Center at the University of Amsterdam for six years and before that, he was chairman of its department of medicine and division of medical specialisms for 10 years. Marcel is a practising consultant physician at UCLH, specialising in haemostasis, thrombosis and vascular medicine. He was named the best specialist in internal medicine in the Netherlands for three consecutive years. Marcel obtained his PhD in 1991 and was appointed a member by the Royal Netherlands Academy of Science.

# **Professor Geoff Bellingan**

Medical director, surgery and cancer board

Professor Geoff Bellingan was appointed as a medical director in September 2009. He previously held posts as clinical director and divisional clinical director between 2006 and 2009. He trained as a chest physician and then in intensive care in which he has been a consultant at UCLH since 1997. He was appointed as a professor in intensive care medicine at UCL in 2015.

As medical director for surgery and cancer, Geoff has a particular interest in cancer care across North and East London and West Essex. He was instrumental in the creation of the UCLH Cancer Collaborative, now known as the North Central London Cancer Alliance. Geoff is also the senior responsible officer for the development of our new clinical facility which will incorporate one of the UK's two NHS proton beam therapy units, and a short stay surgical centre.

### Dr Gill Gaskin

Medical director, digital healthcare

Gill Gaskin was appointed as medical director for digital healthcare in October 2019. This is a new position and highlights the strategic importance of digital healthcare at UCLH. Prior to this, Gill had been medical director of our specialist hospitals board since January 2010.

She graduated from the University of Cambridge and trained in renal and general medicine at Hammersmith Hospital and the Royal Postgraduate Medical School, completing a PhD on the biology of systemic vasculitis. Between 1995 and 2010 she held consultant-level posts at Hammersmith Hospitals and Imperial College Healthcare trusts. She had additional responsibilities as director of postgraduate medical education and professional development, clinical director and director of the medicine clinical programme group. Gill is a member of the Faculty of Medical Leadership and Management. She was the senior responsible officer (SRO) for the implementation of Epic, our electronic health record system.

# **Dr Tim Hodgson**

Medical director, specialist hospitals board

Dr Tim Hodgson was appointed medical director of the specialist hospitals board in November 2019 and joined the UCLH board as an executive director in January 2020. He was the divisional clinical director of the Eastman Dental Hospital (EDH) for six years before this. He successfully led the merger of the Royal National Ear Nose and Throat Hospital and the EDH and their move to a bespoke new building in October 2019.

He became a consultant in oral medicine in 2003 and is an honorary associate professor. Tim is dually qualified in medicine and dentistry. He has been a member of the Royal College of Physicians and a fellow in dental surgery of the Royal College of Surgeons since 1998. He has an active research profile with 90 citations in peer reviewed journals.

#### **Dr Charles House**

Medical director, medicine board

Charles House was appointed medical director of the medicine board in July 2017, having previously been interim medical director since March 2016. He studied medicine at St Mary's Hospital Medical School. He trained in radiology at UCLH, being appointed as a consultant radiologist in 2005, with subspecialist interests in bone and soft tissue sarcoma, myeloma and orthopaedic imaging. After spells as a college tutor for the UCLH radiology training scheme and clinical lead in radiology, Charles held posts as divisional clinical director of imaging and associate medical director. Charles has a keen interest in clinical leadership and evolving models of healthcare, with focus on collaboration between organisations and across sectors.

# **Tim Jaggard**

Chief financial officer

Tim Jaggard was appointed finance director in April 2016 having previously held the posts of interim finance director and deputy finance director at UCLH. In summer 2019 he became chief financial officer of UCLH. This reflects his broader focus on the North London Partners in Health and Care sustainability and transformation partnership (STP) where Tim is part of the leadership team, and also reflects changes to the senior finance team at UCLH. Tim joined UCLH from the Whittington Hospital in 2010 where he was deputy finance director for two years. Prior to this, Tim held senior finance positions in service line reporting, patient level costing, commissioning and financial management. He graduated from the NHS graduate training scheme in 2006. He has a degree in psychology from the University of Cambridge which was followed by further study at the Judge Business School.

### **Flo Panel-Coates**

Chief nurse

Flo Panel-Coates was appointed UCLH chief nurse in April 2015, coming to the organisation from Barking, Havering and Redbridge University NHS Trust where she was chief nurse for two and a half years. Prior to that, she was director of nursing and quality at Maidstone and Tunbridge Wells NHS Trust from August 2008 until September 2012. She also held positions of director of nursing and midwifery, and director of infection prevention and control at the North Middlesex University Hospital NHS Trust from September 2005 to August 2008. She has a keen interest in organisational culture and in creating different ways of working to release more time to care.

### Other directors who attend the board:

### **Ben Morrin**

Workforce director

Ben Morrin joined UCLH as the workforce director in September 2014. In the preceding decade he worked across the Department of Health and within the Prime Minister's Delivery Unit. Ben is a fellow of the Chartered Institute for Personnel and Development. He was seconded to NHS London on 26<sup>th</sup> March 2020 for a 6 month period.

# **Professor Bryan Williams**

Director of research

Professor Bryan Williams joined the UCLH board in December 2017. Bryan is chair of medicine at University College London (UCL) and director of the UCL and UCLH National Institute for Health Research (NIHR) Biomedical Research Centre (BRC). He is a consultant physician at UCLH and a NIHR senior investigator.

### Board members who stood down during the year:

# **Dr Harry Bush CB**

Dr Harry Bush was appointed as a non-executive director in February 2012 and became vice chair in March 2013. He served as the interim chair from 1 November 2018 until 24 February 2019. His term of office as a non-executive director ended on 31 August 2019.

# Dr Rima Makarem

Dr Rima Makarem was appointed as a non-executive director in July 2013. She became chair of the audit committee in 2015. Her term of office as a non-executive director ended on 31 December 2019.

# **Caspar Woolley**

Caspar Woolley was appointed as a non-executive director in January 2015. He was the chair of the finance and investment committee from January to October 2019. His resignation as NED took effect from 31 January 2020.

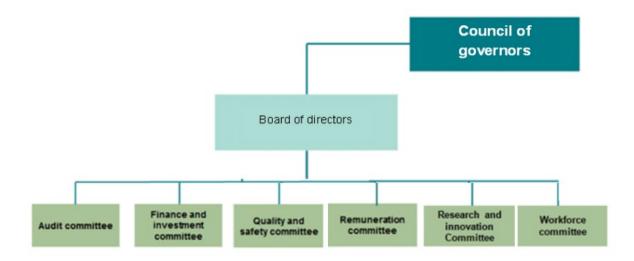
## **Professor Tony Mundy**

Professor Tony Mundy, was appointed as a medical director in 2001 and stepped down from the board on 31 December 2019.

# **Board committees**

In 2019/20, we reviewed the effectiveness of our committee structure in order to engage the board more fully in decision making and ensure it has oversight of all key areas. Performance is a key agenda item at all board meetings and seminars.

Our new committee structure is as follows:



Terms of reference set out the responsibilities of each committee. This structure monitors and provides assurance to the board on the delivery of our objectives and other key priorities.

Directors' attendance at the board 2019/20:

Non-executive director	Board attendance	Executive director	Board attendance
Junaid Bajwa	6/6	Geoff Bellingan	5/6
Harry Bush	2/2	Gill Gaskin	6/6
Jane Collins	5/6	Tim Hodgson	1/2
Althea Efunshile	4/6	Charles House	6/6
Clare Gerada	5/6	Tim Jaggard	6/6
Martin Jacobs	2/2	Marcel Levi	6/6
David Lomas	4/6	Ben Morrin*	/6
Rima Makarem	4/4	Tony Mundy	4/4
Julia Neuberger	6/6	Flo Panel-Coates	6/6
Adam Sharples	4/4	Bryan Williams*	/6
Caspar Woolley	5/5		

\* The workforce director and director of research attend board meetings in a non-voting capacity

### **Audit committee**

Membership comprises at least three non-executive directors (including the committee chair), selected for their skills and experience. Jane Collins became the audit committee's chair on 1 January 2020, succeeding Rima Makarem. Jane has significant audit committee experience and has been a member of the audit committee since January 2019.

Representatives from our external auditors Deloitte LLP, local counter-fraud specialists RSM Risk Assurance Services LLP, our internal auditors KPMG LLP, the chief financial officer and trust secretary also attend the committee. Other executive directors and senior managers are invited to attend when deemed appropriate by the chair. The chief executive attends annually when the committee reviews the financial statements.

The committee meets seven times a year to discharge its duties. Its primary role is to review the adequacy and effectiveness of the systems of integrated governance (corporate, clinical and financial). It also ensures internal control and risk management are in place to support the achievement of UCLH's objectives. Its responsibilities are set out in its terms of reference which can be found on our website. These are refreshed annually and last completed in March 2020.

Non-executive attendance at audit committee in 2019/20:

Member	2019/20 membership term dates	Attendance
Harry Bush	April 2019 to July 2019	1/3
Jane Collins	April 2019 to March 2020	6/7
Althea Efunshile	April 2019 to July 2019	3/3
Martin Jacobs	January 2020 to March 2020	2/2
Rima Makarem	April 2019 to November 2019	5/5
Adam Sharples	September 2019 to March 2020	4/4

The committee is well-placed to fulfil its assurance role. Its members attend other committees of the board giving them significant breadth and depth of knowledge of the organisation which strengthens the audit committee's effectiveness.

During the year the committee approved the internal audit plan for 2019/20 and received eleven assurance reports from KPMG. The reports included reviews of data quality, disciplinary processes, research governance and core financial controls. The committee reviewed the appropriateness and implementation of management's response to the findings, receiving further updates from responsible officers where required.

The committee monitored counter fraud arrangements through the review of quarterly progress reports, including fraud risk assessments. It also received regular updates from management on the financial metrics in place to meet the better payment practice standards.

The head of internal audit opinion is one of significant assurance with minor improvement opportunities.

The committee reviewed key areas of judgement in both financial and non-financial reports. This included the significant audit risks identified by the external auditors, including the local risks of valuation of land and buildings, and accounting for capital expenditure.

The committee received Deloitte's conclusions from its audit of the 2019/20 annual accounts and considered the annual report and annual governance statement before submission to the board for approval.

The committee monitored the performance and independence of the external auditors and the effectiveness of both internal audit and local counter fraud. It also reviewed its own effectiveness.

In 2019/20 the committee received regular updates of the key financial and non-financial risks facing the trust. Regular accounting updates have been provided reflecting both national and local ongoing financial accounting issues.

The external and internal audit partners and the local counter-fraud specialists have direct access to the committee. The committee members held private meetings without management present with both the external audit partner and the head of internal audit during the year.

The council of governors appointed Deloitte LLP as external auditors for three years commencing with the 2016/17 audit. Included within this appointment was the option to extend for a further two years. In 2019/20, governors agreed to the first of two possible one-year extensions. The auditors' opinion and report on the financial statements is included in the annual accounts.

Deloitte may also provide non-audit services with the agreement of the committee and the council of governors. No non-audit work was provided in 2019/20.

The total cost of the external audit of the annual report and accounts for 2019/20 was £115k (£138k in 2018/19). There was no requirement to audit the quality report in 2019/20.

# Finance and investment committee

The finance and investment committee provides oversight and scrutiny of all aspects of financial management and investment decisions. It provides assurance to the board on the management of financial risk. It examines financial performance and reviews costing and benchmarking work. It also oversees UCLH's approach to contracting and considers longer-term financial performance issues.

The committee also reviews the annual capital programme and reports to the board on major capital investment proposals. In conducting an independent review of investment proposals, it considers strategic fit and ensures business cases have been appropriately assessed with regards to risk. It also reviews medium-term investment strategy, including the financial and economic aspects of the estate strategy.

# **Quality and safety committee**

The quality and safety committee (QSC) provides the board with assurance on three key areas of quality: safety, effectiveness and patient experience. It is responsible for ensuring appropriate arrangements are in place for measuring and monitoring quality, challenging assurance and determining what needs to be drawn to the board's attention. The QSC identifies and escalates potential risks to the quality of services, shares learning from serious incidents and deaths, and ensures that agreed actions are implemented. It reviews compliance and receives assurance on

meeting regulatory standards set by the Care Quality Commission (CQC). For further information see section 3 Quality report.

### Research and innovation committee

We established a research and innovation committee (RIC) this year to provide oversight of all research matters at UCLH. The RIC is chaired by a non-executive director. Its membership includes the chief executive, the director of research, two medical directors and UCL's vice provost (health) who is also a non-executive director of UCLH. An initial focus of the RIC has been the trust's strategy for innovation and research relating to data.

### Workforce committee

We re-established the workforce committee this year to provide oversight and governance of our workforce framework. It is responsible for assuring appropriate arrangements are in place for achieving the trust's strategic and corporate objectives in relation to our workforce. The committee comprises executive and non-executive directors, a union representative, a staff network representative, a staff governor, a divisional clinical director and divisional manager.

### Remuneration committee

The remuneration committee sets pay and employment policy for very senior managers (VSMs). It also considers the performance of the executive directors. The committee sets remuneration using benchmarking information and survey data of other comparable senior posts within the NHS, taking into account national guidance. All UCLH's non-executive directors are members of this committee. It is chaired by the chair of the board.

The remuneration committee met on three occasions this year: 26 June 2019, 23 October 2019 and 27 November 2019. Non-executive director attendance was as follows:

Non-executive director	Remuneration committee attendance
Junaid Bajwa	2/3
Harry Bush	0/1
Jane Collins	1/3
Althea Efunshile	2/3
Clare Gerada	2/3
Martin Jacobs	0/0
David Lomas	3/3
Rima Makarem	2/3
Julia Neuberger	3/3
Adam Sharples	1/2
Caspar Woolley	2/3

Marcel Levi, the chief executive, attended parts of all three meetings in an advisory capacity. The workforce director Ben Morrin, or a senior workforce manager, attended parts of all the meetings.

Details of salary and pension entitlements for the directors of UCLH are set out in section 2.2 Remuneration report.

There is also a governors' nomination, appointments and remuneration committee (NARC) which deals with non-executive appointments – see section 2.1.2 Governors and members.

## Board, committee and directors' evaluation

The description of each director's experience demonstrates the balance and relevance of the skills and expertise of the board. To help the board assure itself in this regard, it undertakes a collective self-assessment of its performance and governance practices.

The council of governors sets objectives for the chair of the board. The chair of the council of governors' nomination, appointments and remuneration committee and the senior independent director of the board appraise the chair of the board.

The chair undertakes the performance review of the non-executive directors and the chief executive.

The chief executive reviews the performance of the executive directors during their annual appraisal.

# **Directors' expenses**

In 2019/20 two directors claimed out of pocket expenses totalling £1,123. In 2018/19, two directors claimed a total of £343).

### 2.1.2 Governors and members

Being a member of UCLH gives people interested in the trust the opportunity to find out more about the services we provide and help shape the future of the organisation.

We have three membership constituencies, as defined in the trust constitution:

- Public
- Patient
- Staff

Anyone aged 14 or over can become a patient or public member of UCLH.

**Public membership** includes individuals living in one of the 32 London boroughs or the City of London. In July 2019, the council of governors approved a revision to the trust's constitution, which extended the public constituency to include Berkshire, Buckinghamshire, Essex, Hertfordshire, Kent and Surrey.

# Patient membership is divided into three groups:

• Patients living in one of the 32 London boroughs or the City of London (London)

- Patients from elsewhere in England (out of London)
- Individuals who are unpaid carers of patients of UCLH

Anyone who joins as a patient or carer member must have attended a UCLH hospital within the last three years.

# Staff membership comprises:

- Individuals who have a permanent contract with UCLH
- Individuals who have a fixed term contract of at least 12 months with UCLH
- Individuals who have had an honorary contract of at least 12 months with UCLH
- Individuals who are not employed by UCLH but who have provided services to the trust continuously for at least 12 months

# There are four staff groups:

- Medical and dental practitioners
- Nurses and midwives
- · Other clinical staff
- Non-clinical staff

When staff join UCLH they become members automatically unless they opt out. This right is explained to staff. Staff cannot be public or patient members.

Our overall membership numbers are as follows:

Constituency	31 March 2020	31 March 2019
Staff	10,688	10,460
Public	2,650	2,654
Patient	7,849	8,089
Total	21,187	21,203

# Membership engagement and strategy

Our current membership strategy covers 2019 to 2022 and focuses on improving our engagement and communication with members.

We provide members with regular updates through the UCLH Magazine, by email and at events, such as the annual members' meeting, our yearly research open day and our Christmas event.

MembersMeet sessions are an opportunity for governors to engage with members about developments at UCLH, our strategy and objectives. Members can ask governors questions and talk about issues which matter to them. Governors follow up on members' concerns and communicate members' views to the board.

We invite members to join groups such as the patient experience and engagement committee and the allied health professional patient forum. We have also invited members to take part in projects covering the use of patient data in research and to review the options for providing orthopaedic care across North Central London. This year a record number of members applied to take part in the patient-led assessments of the care environment (PLACE) inspection.

A member has the option to vote for, or stand to become, a governor. There is an annual session for interested members to ask questions about the role.

We acknowledge that we need to do more to ensure our membership is truly representative of the communities we serve. Our biomedical research centre is organising a series of events for under-represented communities, focusing on health matters which are of particular interest to them.

# **Council of governors**

UCLH is accountable to the communities it serves through the council of governors which represents the views of patients, the public, stakeholders and staff.

The council works closely with UCLH to help shape and support its future strategy and ensure that we focus on issues that benefit patients and staff.

#### Who sits on the council?

The council has 33 governors of which 24 are elected governors and nine are appointed governors.

Of the 24 elected governors:

- 5 are public
- 12 are patients
- 1 is a carer of a patient
- 6 are staff

On 31 March 2020, 28 of the 33 governor seats were occupied.

Governors normally hold office for three years and are eligible for re-election or re-appointment at the end of their first term. Governors may not hold office for more than six consecutive years. They must then have a break of two years before being eligible for a further and final three-year term.

The council also elects one of its members to be the lead governor. Claire Williams has held the position since September 2017.

The council meets four times a year in public, although part of these meetings can be held in private to deal with confidential matters.

The following tables give details of the governors, their terms in office during 2019/20 and attendance at council meetings.

# **Elected governors**

Governor	Constituency	Current term	Current term start date	Current term end date	Council attendance
Alexander De Mont	Public	First	1 September 2019	31 August 2022	1/2
Amanda Gibbon	Public	Third	1 January 2019	31 December 2020	4/4
Isaac Kohn	Public	First	1 September 2017	31 August 2020	2/4
Frances Lefford	Public	Second	1 September 2018	31 August 2021	4/4
Brian Steve Potter	Public	First	1 September 2017	31 August 2020	4/4
Sally Bennett	Patient – London	First	1 September 2018	31 August 2021	4/4
Graham Cooper	Patient – London	First	1 September 2016	31 August 2019	3/4
Ann Fahey	Patient – London	First	1 September 2017	31 August 2019	4/4
Michael Goss	Patient – out of London	First	1 January 2019	31 August 2020	3/4
John Green	Patient – London	Third	1 September 2017	31 August 2020	4/4
Jonathan Harper	Patient – London	First	1 September 2018	31 August 2021	4/4
Annabel Kanabus	Patient – out of London	First	1 September 2019	31 August 2022	2/2
Christine Mackenzie	Patient – London	Third	1 September 2017	31 August 2020	3/4
Andrew Todd- Pokropek	Patient – London	Second	1 September 2018	31 August 2021	0/4*
Helen Wheatley	Patient – London	First	1 September 2019	31 August 2022	2/2
Martha Wiseman	Patient carer	First	1 September 2017	31 August 2020	4/4
Katie Wright	Patient – London	First	1 September 2019	31 August 2022	1/2

Vacant	Patient – out of London				
Allesa Baptiste	Staff	First	1 September 2018	31 August 2021	4/4
Richard Cohen	Staff	First	1 September 2018	31 August 2021	2/4
Caroline Dux	Staff	Second	1 September 2018	31 August 2021	3/4
Innica Halsey	Staff	First	1 September 2019	31 August 2022	2/2
Josie Turgill- Clarke	Staff	First	1 September 2019	31 August 2022	0/2
Vacant	Staff				

<sup>\*</sup> Non-attendance due to ill health

# **Appointed governors**

Governor	Constituency	Current term	Current term start date	Current term end date	Council attendance
Katie Coleman	GP Islington CCG	First	1 December 2017	30 November 2020	1/4
Rishi Madlani	Camden Council	First	23 October 2017	22 October 2020	2/4
Diarmid Ogilvy	National Brain Appeal UCLH Charities Committee	First	1 December 2017	30 November 2020	3/4
Irving Taylor	University College London	First	28 January 2020	27 January 2023	1/1
Warren Turner	London South Bank University	Second	17 October 2017	16 October 2020	2/4
Claire Williams	Friends of UCLH	Second	1 July 2018	30 June 2021	3/4
Vacant	Islington Council				
Vacant	UCLPartners				
Vacant	Camden/Islington CCGs				

### Governors whose term ended in 2019/20

Governor	Constituency	Term	Term end	Council attendance
Veronica Beechey	Patient	Third	31 August 2019	2/2
Maggie Gormley	Public	First	31 August 2019	2/2
Loraine Rogers	Patient – out of London	First	31 August 2019	0/2
Janet Clarke	Staff	Third	31 August 2019	2/2
Jessica Lipman	Staff	First	31 August 2019	1/2
Mike Hanna	University College London	Second	31 December 2019	1/3

#### Governors who stood down in 2019/20

Governor	Constituency	Term	Date stood down	Council attendance
Donna Beck	Staff	First	1 July 2019	0/0
Maggie Clinton	Patient – out of London	First	11 March 2020	0/3*
Kate Hall	UCLPartners	First	30 March 2020	1/4

# Role of the council

The council has a number of statutory responsibilities including:

- Holding the non-executive directors to account for the performance of the board
- Appointing or removing the chair and non-executive directors
- Deciding the remuneration of non-executive directors
- Appointing or removing UCLH's auditors

The council also has the final decision on significant transactions; receives the annual report, quality report, accounts and auditor's report; approves changes to the constitution and gives its views on the development of our forward plan.

# How the council works

The chair of the board is also chair of the council. This establishes an important link between the two bodies and helps governors to fulfil their statutory responsibilities. Other board members, both executive and non-executive, may also attend council meetings.

Directors' attendance at the council of governors 2019/20:

Non-executive director	Council attendance	Executive director	Council attendance
Junaid Bajwa	0/4	Geoff Bellingan	3/4
Harry Bush	2/2	Gill Gaskin	4/4
Jane Collins	3/4	Tim Hodgson	0/1
Althea Efunshile	2/4	Charles House	2/4
Clare Gerada	0/4	Tim Jaggard	3/4
Martin Jacobs	1/1	Marcel Levi	2/4
David Lomas	4/4	Ben Morrin	4/4
Rima Makarem	0/3	Tony Mundy	0/3
Julia Neuberger	1/2	Flo Panel-Coates	4/4
Adam Sharples	2/2	Bryan Williams	2/4
Caspar Woolley	2/3		

The council receives regular reports from the board on clinical and financial performance and is presented with a report from the chair of the audit committee annually. It also considers reports from the council's nomination and remuneration committee and a governors' group with a focus on high quality patient care.

The chair and the lead governor seek the views of governors when preparing the agendas for meetings. During the year, the council has presentations on specific topics. In 2019/20 this included presentations on maternity services, the 2018/19 financial results, our new clinical facilities and winter pressures.

The link between the board and the governors is further strengthened through a series of seminars to support governors in their role. In 2019/20 we held four seminars which included presentations on complaints and our patient advice and liaison service (PALS), patient flow, finance, serious incidents, quality assurance and risk.

The lead governor holds regular meetings with governors to keep in touch with opinion and further enhance communication between the council and board members. Governors also meet separately with the non-executives to hear first-hand how they have sought assurance from the executive on areas of performance. This is also an opportunity for the non-executives to hear the views of the governors.

In addition, governors meet with the director of quality and safety three times a year to talk about serious incidents, risks and the quality report.

Governors and board members also undertake walk-arounds to keep in touch with patients.

Papers for the council meetings are published on the UCLH website.

# **Training**

On joining UCLH, each governor attends an induction session and meets with the membership manager, trust secretary, chair and lead governor.

Externally facilitated training is also provided to help governors gain greater understanding of their role in specific areas. These sessions are run by NHS Providers and cover governor core skills, finance and accountability.

# Governors' expenses

Governors can claim reasonable expenses for carrying out their duties. In 2019/20 the total amount claimed by seven governors was £11,161.20.

# Register of interests

Governors sign a code of conduct and declare any interests that are relevant and material at the time of their appointment or once elected. The register of governors' interests is published annually and can be found on our website on the council of governors' page. It can also be obtained by emailing uclh.directors@nhs.net or calling 020 3447 9290.

### **UCLH** constitution

The council of governors agreed changes to the UCLH constitution on 15 July 2019, which the board of directors approved on 24 July 2019.

Key changes included:

- extending the public membership constituency to include Berkshire, Buckinghamshire, Essex, Hertfordshire, Kent and Surrey
- an acknowledgement that governors comply with the good practice charter for governors.

### Committees of the council

The council of governors is responsible for approving the reappointment or appointment of non-executive directors.

Non-executive directors are appointed by the council for an initial period of three years, which may be extended for a further three years. In exceptional circumstances a non-executive director can serve for one or more additional defined periods.

The council may also remove the chair or another non-executive director. This requires the approval of at least three-quarters of the members of the council.

# Nomination, appointments and remuneration committee (NARC)

In May 2019, the council of governors agreed to change the name of the nomination and remuneration committee to the nomination, appointments and remuneration committee (NARC). The council also agreed to increase the committee's membership to 11.

In October 2019, the council agreed that new members of the NARC would have to pass an application and interview process before being appointed.

Since November 2019, the committee has had 11 governor members (including the committee chair). There are six public/patient governors, two staff governors and three appointed governors.

The committee makes recommendations to the council of governors on the appointment, reappointment and remuneration of the UCLH chair and non-executive directors, and contributes to the appraisal of the UCLH chair.

The committee had triggered the appointment process for two new non-executive directors in January 2019. In May 2019, the panel recommended Adam Sharples and Martin Jacobs for appointment and the council of governors approved this recommendation in May 2019. Adam started as a non-executive director in September 2019. Martin started in January 2020.

The committee triggered the appointment process for a new non-executive director with a chartered accountancy qualification in November 2019 and selected an appointments panel of non-executive directors and governors and co-opted the Chief Financial Officer as a non – voting member. An advertisement for the post closed on 30 January 2020, long listing and shortlisting meetings were held in February 2020. Interviews were held on 9<sup>th</sup> March 2020. A suitable candidate was recommended to the Council of Governors by the Chair of the appointments panel; the Council of Governors approved the recommendation at an Emergency Part 2 (confidential) Council of Governors meeting held on 17<sup>th</sup> March 2020 with an appointment date of 1<sup>st</sup> April 2020.

In September 2019, the committee recommended the appointment of Jane Collins as UCLH vice chair and Althea Efunshile as senior independent director (SID). The council of governors approved these appointments in October 2019. The appointments took effect on 1 November 2019.

In November 2019, the committee recommended the appointment of Jane Collins as chair of the audit committee from 1 January 2020. The council of governors approved this recommendation on 27 January 2020.

In November 2019, the committee recommended that there should be no discretionary uplift to the remuneration of the chair and non-executive directors from 1 April 2020. This decision was in line with NHS England and NHS Improvement guidance. The council of governors approved this recommendation in January 2020.

Membership of the NARC is reviewed each year.

The committee met three times this year: 13 May 2019, 24 September 2019, 19 November 2019.

Members and attendance at the committee is as follows:

NARC member	NARC attendance
Allesa Baptiste	0/1
Sally Bennett	3/3
Graham Cooper	3/3
Amanda Gibbon	0/1
John Green	0/1
Kate Hall	3/3
Innica Halsey	1/1
Frances Lefford	3/3
Jessica Lipman	0/1
Christine Mackenzie	3/3
Diarmid Ogilvy	3/3
Helen Wheatley	1/1
Claire Williams	3/3

The UCLH chair attended the parts of all three meetings to which she was invited.

# **Contacting the governors**

The UCLH membership office is the point of contact for members, patients and the public who wish to contact governors.

Email: <u>uclh.governors@nhs.net</u>

Post:

Membership office University College London Hospitals NHS Foundation Trust 2nd Floor Central 250 Euston Road London NW1 2PG

Phone: 020 3447 9290

# 2.1.3 Cost allocation and charging guidance

UCLH has complied with all cost allocation and charging guidance issued by HM Treasury.

### 2.1.4 Political and charitable donations

UCLH has not made any political or charitable donations this year.

# 2.1.5 Better payment practice code

See section 1.2.1 Chief financial officer's report.

### 2.1.6 NHSI's well-led framework

Our senior directors team reviews itself against NHS Improvement's well-led framework and reports its findings to the board. The board reviews the key lines of enquiry of the framework. It is the board's view that there are robust arrangements in place to ensure that services are well-led.

Our internal auditors carried out the second part of their review of the governance of executive functions between January and March 2020. We are commissioning an external well-led review in 2020/21.

In 2019/20, we reviewed the effectiveness of the board committee structure. We have increased the number of board committees to improve governance and ensure the board has greater oversight of key areas, like workforce, and emerging areas, such as research and innovation.

There are now six board committees: audit; finance and investment; quality and safety; remuneration; research and innovation; and workforce. All board committees review their effectiveness each year and take actions to improve. Overall performance continues to be monitored closely at board meetings.

The following measures are in place to drive further improvements:

- The performance data pack which is presented to the board has been reviewed to ensure areas of key concern are clearly identified.
- The recruitment process for non-executive directors seeks to ensure that our board is diverse and representative of our local population and staff.
- The remuneration committee has agreed a succession plan for senior leaders. This is supported by a senior leader development programme and making coaching and mentoring available to all staff.
- We continue to review the ways we communicate with the public to see if this can be improved. We will increase opportunities for patient and public engagement in our activities and decision-making.
- The workforce committee is using the Workforce Race Equality Standard (WRES) and the Workforce Disability Equality Standard (WDES) to drive improvements in the experience of

staff. The staff networks play an important part in engaging with staff on the issues which matter to them. Many senior leaders are taking part in a new reverse mentoring scheme.

- Improving staff experience and reducing bullying and harassment are key priorities for the board and are discussed regularly.
  - The guardian service is a well-established route for staff to raise concerns.

# 2.1.7 Patient care activities

# **National Inpatient Survey 2019**

See section 1.2.3 Detailed review of our performance 2019/20.

# Patient experience groups

Patient experience and engagement is monitored at our monthly QSC meetings. A non-executive director chairs the QSC and a patient and public governor attend. There are many other local groups which monitor patient experience and are always looking for ways to improve and share best practice in this area.

#### **Patient information**

To support our patient information officer, a volunteer continues to manage leaflet racks across the trust. In the coming year, we will work with the volunteer to monitor the uptake of leaflets and establish popular titles.

Workshops on how to write good quality patient information are available to staff. A volunteer leads these workshops.

In response to patient feedback, we are developing more patient information online and considering how printed information needs to be adapted for print in black and white only wherever possible.

# Mobile charging stations

We have 15 mobile phone charging stations across our sites. The service allows patients to stay connected to their friends and family while waiting for treatment. In 2019/20 the units raised more than £1,269 for the volunteers' fund.

### **Complaints**

See section 3.2.2 Learning from complaints.

# **Further information**

For further information about how we are seeking to improve and monitor patient experience see section 3 Quality report.

### 2.1.8 Stakeholder relations

### North Central and East London Cancer Alliance

Cancer alliances provide local clinical and operational leadership by bringing together commissioners and providers to improve cancer services. UCLH hosts the North Central London Cancer Alliance. The cancer alliance hosted by UCLH was originally known as the UCLH Cancer Collaborative and subsequently the North Central and East London Cancer Alliance.

Our achievements this year include:

- **Supporting implementation of the SUMMIT study –** The UK's largest ever lung cancer screening study. See section 1.1.5 Research and development.
- Cancer awareness and screening Projects we have undertaken this year to improve early diagnosis of cancer include a cervical screening campaign targeting young women and hard to reach groups. We have also developed a cancer awareness survey and best practice guidelines for recognising the cancer-related health needs of people with learning disabilities.
- Early diagnosis centre Based at Mile End Hospital, this will be a centre of excellence
  when it opens in May 2020. Comprising two endoscopy suites and two ultrasound rooms, it
  will focus initially on delivering the best care for patients who are being monitored because
  they are at high risk of developing cancer. The centre will take referrals from across East
  London.
- **Pathway boards** The alliance supports expert groups of clinicians and patients which share learning and best practice. Work this year has included making improvements in decision-making processes for treating prostate cancer and local implementation of new national guidelines for the treatment of upper gastrointestinal cancers.
- North and East London radiotherapy network This was set up in April 2019 to
  modernise adult external beam radiotherapy services. The network links up local providers
  to ensure the same high-quality services are offered to all patients. All radiotherapy
  providers in North and East London are members. UCLH hosts the network.
- Cancer workforce strategy This new strategy seeks to address workforce shortages in
  cancer services by recommending innovative development opportunities for staff. For
  example, it recommends training radiographers to report on scans and providing more
  training courses for clinical endoscopists. The strategy also advocates supporting primary
  care clinicians to care for the increasing number of patients living with cancer. We have also
  introduced an employment licence, allowing cancer clinicians to work at other trusts more
  easily.

### Patient and public involvement (PPI) activities

We are committed to involving patients, their families and the local community in the decisions we make, and to delivering improvements that matter to them. Most of this engagement is undertaken by clinical services and teams at a local level. We also have a number of trust-wide projects.

The patient working group we created to support the development of Epic, our new electronic health record system, has continued to meet monthly. In August, we recruited five new patient members to ensure a diverse range of views is represented.

To prepare for the launch of Epic, the group helped produce a variety of patient information including tablemats for inpatients, pull-up banners, and content for the website and our electronic patient portal, My Care UCLH. The group continues to promote the benefits of Epic and My Care UCLH.

In July 2019, we held a listening event to gather feedback on My Care UCLH. Seventeen people attended and we received 19 emails of feedback, predominantly from women using our maternity service.

For information on how we engage with our members see section 2.1.2 Governors and members.

# 2.1.9 Equality reporting (patients)

Performance against our equality objectives is monitored by our diversity and equality group, with progress reported to the SDT.

Our main areas of focus this year built on 2018/19 priorities to:

# Improve the environment for patients, their families and carers

- Improve physical access to our services by building upon recommendations made by the charity AccessAble
- Review and continue to improve "way-finding" across our hospitals such as updating signage and physical access to our buildings
- Support outpatient services to provide a dementia-friendly environment

# Improve access to our services for patients with specific interpreting requirements

- Continue to ensure that data can be collected on all protected characteristics for patients and that multiple disabilities can be recorded on a patient's record
- Ensure Epic, our electronic health record system, meets Accessible Information Standards (AIS) requirements
- Install hearing loops across our admin and front-line services

# Specialist priorities

 To let patients know about the wide range of equality and diversity initiatives happening across UCLH

We have made good progress against these objectives. Developments this year included:

• We have displayed posters in outpatient areas explaining that patient information leaflets are available in up to 10 different languages.

- We have developed more electronic patient information leaflets for our website and Epic to make them more accessible to staff and patients.
- We involved patients, their families and carers, as well as the charity AccessAble, in the development of our new building, the Royal National ENT and Eastman Dental Hospitals. Similarly, we are engaging with patients and stakeholders in the development of our new cancer and surgery facility to ensure that the building is accessible.
- We appointed a perinatal midwife who supports women with mental health needs during pregnancy and after birth.
- We had our first electronic Patient-led Assessment of the Care Environment (PLACE) in November 2019 and this went smoothly. A key part of this was understanding how we can improve way-finding and signage.

We continue to meet the expectations of the Equality Act 2010 and the NHS Equality Delivery System 2. Further information about our work in this area is available in UCLH's annual equality and diversity report.

### 2.1.10 Income disclosures

In 2019/20, 7 per cent of our total operating income was derived from non-NHS income (eight per cent in 2018/19).

Surpluses from non-NHS income have been used to support the provision of NHS services.

# 2.2 Remuneration report

### 2.2.1 Annual statement on remuneration

All decisions regarding the pay of our very senior managers (VSMs) are made by the remuneration committee. VSM contracts cover the following staff:

- the chief executive
- executive directors, except those on the national consultant contract
- senior managers who report directly to the chief executive
- senior managers who fall outside of the agenda for change framework because of the size and complexity of the role and the knowledge, skills and experience needed.

All of UCLH's non-executive directors are members of this committee. It is chaired by the chair of the board.

The committee is responsible for determining and agreeing, on behalf of the board, the broad policy for the remuneration of our VSMs.

The committee is also responsible for considering the performance of the chief executive and executive directors.

In 2019/20, a flat rate consolidated increase of £2,000 was offered to VSMs whose terms and conditions were not covered by nationally-determined contracts.

The medical directors' basic salaries are defined through national agreements for medical and dental staff.

Three medical directors received the nationally-set uplift of 2.5 per cent to base salary in 2019/20, in line with the agreement for medical and dental consultant staff whose terms and conditions are covered by nationally-determined contracts. A fourth medical director is an employee of UCL (University College London).

Dr Gill Gaskin was appointed to the new role of medical director, digital healthcare, and remains an executive director (prior to 7 October 2019, Dr Gaskin had been medical director, specialist hospitals board). Professor Tony Mundy, corporate medical director, stepped down as an executive director on 1 January 2020. Dr Tim Hodgson was appointed as medical director, specialist hospitals board, on 25 November 2019 and joined the board as an executive director on 1 January 2020.

We strive to operate with openness and transparency when reviewing and setting the pay of VSMs.

Baroness Julia Neuberger DBE

Chair

22 June 2020

# 2.2.2 Senior managers' remuneration policy

The committee sets basic salary remuneration using benchmarking information from NHS Providers and the Shelford Group of NHS trusts. We also take into account NHS Improvement's guidance on pay for very senior managers (March 2018) and NHS Employer's very senior manager pay framework (updated in July 2013).

Decisions on any annual uplift to basic salary are informed by recommendations from the senior salaries review body (SSRB). This includes government recommendations on non-consolidated basic pay increases.

We use our leader model to review our leaders' abilities to deliver priorities in a manner which demonstrates our values and develops effective working relationships. This assessment continues to support the objectives of UCLH.

UCLH's policy on diversity, equality, inclusion and human rights applies to all staff and is used when setting the remuneration of very senior managers (VSMs). One of the trust's corporate objectives is to promote equality and inclusion and this is linked to our strategic objective to develop all of our diverse staff to deliver their potential. Information about the diversity of our VSMs is included in our annual equality report.

The remuneration committee discussed an equal pay analysis on 23 October 2019. The analysis showed that female VSMs at UCLH are paid at, or above, the median rate of comparable roles in other trusts of a similar size.

We are disappointed that BAME staff are under-represented at senior level. We are developing plans to increase the opportunities for BAME staff to progress their careers and move into leadership roles.

VSMs are employed on contracts with a standard six-month notice period, with the exception of the medical directors who are on a three-month notice period in line with the NHS consultant contract. VSMs are substantive employees of the trust, with the exception of those directors who are employees of UCL.

UCLH's disciplinary policies apply to VSMs, including the sanction of dismissal for gross misconduct.

UCLH's redundancy policy is consistent with NHS redundancy terms for all staff. No compensation for early termination was paid during this financial year. No early terminations are expected and no accounting provisions are therefore required. No awards have been made to any past VSMs.

The only non-cash element of VSMs' remuneration packages provided by the trust are pension-related benefits accrued under the NHS pension scheme. Contributions are made by the employer and employee in accordance with the rules of the national scheme.

The following table includes a description of each component of VSMs' remuneration:

Component	Application	Description
Basic salary inclusive of London weighting	All VSMs	Agreed at appointment by the remuneration committee.
Clinical excellence award (CEA)	Applicable to medical directors only	The is intended to recognise and reward those consultants who contribute most towards the delivery of safe and high quality care and to the continuous improvement of NHS services. It includes those who do so through their contribution to academic medicine.
Additional programme activity	Applicable to medical directors only	The remuneration for this is covered by schedules 13 and 14 of the Terms and Conditions – Consultants (England) 2003.
Medical director allowance	Applicable to medical directors only	Recognises the increased responsibilities associated with the role of medical director.
Medical on call	Applicable to medical directors only	The on-call availability supplement recognises the time spent being available while on call. It does not recognise the work actually done while on call.

In 2019/20, seven VSMs were paid in excess of the threshold of £150,000.

One of these seven retired on 30 November 2019, reducing the number paid in excess of the threshold to six.

UCLH has taken the following steps to satisfy itself that this remuneration is reasonable:

- The remuneration committee sets pay and employment policy for the executive directors and other senior staff designated by the board.
- The committee sets remuneration with due regard to national guidance and benchmarking information of other comparative senior NHS posts.
- All non-executive directors are members of the remuneration committee and provide objective scrutiny of any salaries set in excess of the threshold.
- A substantial part of the medical directors' remuneration is made up of an NHS consultant's basic salary determined in accordance with NHS national terms and conditions.

The remuneration and expenses for the UCLH chair and non-executive directors are determined by the council of governors, taking into account national guidance.

# 2.2.3 Annual report on remuneration

# **Senior Manager Remuneration**

Audited in terms of paragraph 2.21 of the NHS Foundation Trust Annual Reporting Manual

Note: all salary paid in the year is reflected in the first column. The table also shows the notional increase / (decrease) in pension-related benefits

(see note below). Therefore the final column should not be interpreted as the total salary paid in the year.

Name and Title	2019/20				2018/19			
	Total salary and fees (bands of £5,000)	Annual performance related bonus (bands of £5,000)	Pension related benefits (in bands of £2,500)	Total (bands of £5,000)	Total salary and fees (bands of £5,000)	Annual performance related bonus (bands of £5,000)	Pension related benefits (in bands of £2,500)	Total (bands of £5,000)
J Neuberger: Chairman	60-65	-	-	60-65	5-10	-	-	5-10
D Prior : Chairman From Jan 2018 to 31 October 2018	n/a	-	-	n/a	35-40	-	-	35-40
H Bush: Non Executive Director To 31 August 2019	5-10	-	-	5-10	30-35	-	-	30-35
R Makarem: Non Executive Director To 31 December 2019	15-20	-	-	15-20	15-20	-	-	15-20
K Murphy: Non Executive Director To 31 December 2018	n/a	-	-	n/a	5-10	-	-	5-10
C Woolley: Non Executive Director To 31 January 2020	10-15	-	-	10-15	10-15	-	-	10-15
J Collins: Non Executive Director	15-20	-	-	15-20	5-10	-	-	5-10
J Bajwa: Non Executive Director From Sept 2018	10-15	-	-	10-15	5-10	-	-	5-10
C Gerada: Non Executive Director From Sept 2018	10-15	-	-	10-15	5-10	-	-	5-10
D Lomas: Non Executive Director	10-15	-	-	10-15	10-15	-	-	10-15
A Efunshile: Non Executive Director	10-15	-	-	10-15	10-15	-	-	10-15
M Jacobs: Non Executive Director From 1 January 2020	0-5	-	-	0-5	n/a	-	-	n/a
A Sharples: Non Executive Director From 1 September 2019	5-10	-	-	5-10	n/a	-	-	n/a
M Levi: Chief Executive - Note a	270-275	10-15	-	285-290	270-275	10-15	-	280-285
T Jaggard: Chief Financial Officer	180-185	-	-	180-185	180-185	-	-	180-185
G Bellingan: Medical Director	205 - 210	-	2.5-5.0	210 - 215	215-220	-	37.5-40	255-260
C House: Medical Director	185-190	-	50.0 - 52.5	235 - 240	180-185	-	130-132.5	310-315

Name and Title	2019/20				2018/19			
	Total salary and fees (bands of £5,000)	Annual performance related bonus (bands of £5,000)	Pension related benefits (in bands of £2,500)	Total (bands of £5,000)	Total salary and fees (bands of £5,000)	Annual performance related bonus (bands of £5,000)	Pension related benefits (in bands of £2,500)	Total (bands of £5,000)
G Gaskin: Medical Director	210-215	-	25 - 27.5	235 - 240	205-210	-	12.5-15	220-225
A Mundy: Medical Director To 31 December 2019	160-165	-	-	160-165	155-160	-	-	155-160
B Williams: Director of Research	245 - 250	-		245 - 250	240 - 245	-		240 - 245
T Hodgson: Medical Director From Nov 2019	175-180	-	-	175-180	155-160	-	-	155-160
F Panel-Coates: Chief Nurse	165-170	-	-	165-170	160-165	-	7.5-10	165-170
B Morrin: Workforce Director	125-130	-	42.5 - 45.0	170 - 175	125-130	-	75-77.5	200-205

Note a: In June 2019, the remuneration committee agreed that Professor Marcel Levi should receive £15,000 in performance related pay as he had met his performance targets in 2018/19. Professor Levi received the £15,000 in 12 monthly instalments in 2019/20. Professor Levi is provided with accommodation by UCLH Charity. This is not included in the disclosures above.

# Senior manager pension entitlements

Audited in terms of paragraph 2.21 of the NHS Foundation Trust Annual Reporting Manual

Name and Title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2020	Lump sum at pension age related to accrued pension at 31 March 2020	Cash equivalent transfer value at 1 April 2019	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 March 2020
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)			
	£000	£000	£000	£000	£000	£000	£000
G Bellingan	0 - 2.5	2.5 - 5.0	65 - 70	200 - 205	1,730		1,898
Medical Director						168	
C House Medical Director	2.5 - 5.0	0 - 2.5	55 - 60	130 - 135	975	96	1,071
G Gaskin Medical Director	0 - 2.5	5.0-7.5	35-40	105 - 110	804	n/a	n/a
B Morrin Workforce Director	2.5 - 5.0	0 - 2.5	55 - 60	0 - 5	653	67	720

The information above is based on that provided by the NHS Pensions Agency.

The cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accumulated by a member of staff at a particular point in time. The benefits valued are the member's accumulated benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

CETVs are stated as actual values with the increase/(decrease) adjusted for inflation.

NHS Pensions are still assessing the impact of the McCloud judgement in relation to changes to benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement.

Following the government's announcement that all public sector pension schemes will be required to provide the same indexation on the Guaranteed Minimum Pension (GMP) as on the remainder of the pension, NHS Pensions has revised its method to calculate the CETV values. The real increase in CETV will therefore be impacted as it will include any increase in CETV due to the change in GMP methodology.

### **Fair Pay Multiple**

Audited in terms of paragraph 2.21 of the NHS Foundation Trust Annual Reporting Manual

Reporting bodies are required to disclose the relationship between the remuneration of its highest-paid director in their organisation and the median remuneration of the organisation's workforce.

	2019/20	2018/19
Band of the highest paid director's total remuneration:	£285k-£290k	£280k-£285k
Median pay remuneration	£41,395	£36,692
Fair pay multiple	6.9	7.8

The banded remuneration of the highest paid director in the Trust in the financial year 2019/20 was £285k-290k (2018/19 £280k-285k). This was 6.9 times (2018/19 7.8) the median remuneration of the workforce, which was £41,395 (2018/19 £36,692). The highest paid director salary has altered by £2k and neither it nor any other director's salary changes have had any material impact on the multiple. The fair pay multiple was primarily impacted by the median pay remuneration increase and is linked primarily to the second year of the national agenda for change (AfC) pay award. There have not been significant changes to either the number or composition of the general workforce.

In both 2019/20 and 2018/19, no employees received remuneration in excess of the highest paid director.

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

Professor Marcel Levi Chief executive

22 June 2020

# 2.3 Staff report

## 2.3.1 Staff costs

Audited in terms of paragraph 2.21 of the NHS Foundation Trust Annual Reporting Manual

	2019/20 Year ended 31 March		2018/19 Year ended 31 March	
	Total		Total	
	£000		£000	
	Permanent staff	Other staff	Permanent staff	Other staff
Salaries and wages Employers' national insurance	405,595	74,489	386,212	58,330
contributions	46,846	0	42,464	0
Apprenticeship levy Employer contributions to NHS	2,119	0	1,869	0
Pension Scheme	70,848	0	44,963	0
Pension cost - other	0	0	8	0
Total excluding agency staff	525,408	74,489	475,516	58,330
Salary cost recharges	(5,488)	0	(5,694)	0
Agency staff	0	8,453	0	10,158
Total employee costs	519,920	82,942	469,822	68,488
Less: employee costs charged to capital	8,162	0	11,959	0_
Total employee costs	511,758	82,942	457,863	68,488
(See notes 4 and 6 in the annual accounts)		,	, , , , ,	<del>,</del>

## 2.3.2 Staff numbers

(Audited in terms of paragraph 2.21 of the NHS Foundation Trust Annual Reporting Manual)

Average number of whole time equivalent (WTE) employees (including bank and agency staff):

	2019/20	2018/19
Medical and dental	1,555	1,476
Ambulance staff	1	5
Administration and estates	2,165	2,077
Healthcare assistants and other support staff	967	881
Nursing, midwifery and health visiting staff	3,490	3,346
Nursing, midwifery and health visiting learners	11	14
Scientific, therapeutic and technical staff	1,191	1,107
Healthcare science staff	419	394
Total average numbers	9,799	9,300
Of which:		
Number of employees (WTE) engaged on capital projects	139	203

### Table notes:

Table does not include employees who have honorary contracts with UCLH.

Bank and agency WTE numbers have been allocated to the relevant occupational categories. In 2019/20 the average number of bank and agency WTEs was 633. In 2018/19 the average number was 1,036.

# 2.3.3 Staff gender analysis

Headcounts as at 31 March 2020	Male	Female	Total
Directors	12	6	18
Other senior managers	30	33	63
Other staff	2,770	6,888	9,658

Headcounts as at 31 March 2019	Male	Female	Total
Directors	9	7	16
Other senior managers	29	37	66
Other staff	2,651	6,580	9,231

### Table notes:

- Tables include clinical staff with honorary contracts which have a cost implication for UCLH.
- Tables do not include bank and agency staff.

The director headcount figures for 31 March 2019 do not include the executive non-voting members of the board; the figures for 31 March 2020 do include them.

## 2.3.4 Sickness absence data

	Sickness absence rate % 2019/20	Sickness absence rate % 2018/19
Medical and dental	1.2	0.8
Administration and estates	4.3	3.9
Healthcare assistants and other support staff	6.9	6.3
Nursing, midwifery and health visiting staff/learners	4.3	3.7
Scientific, therapeutic and technical staff	2.9	3.3
Healthcare science staff	2.9	3.0
Total	3.8	3.4

#### 2.3.5 Recruitment and retention

#### Recruitment

We continue to deliver our evidence-based strategy to recruit and retain staff in an increasingly competitive UK and international labour market.

Our vacancy rates remain below the average for London and our workforce continues to grow. Our vacancy rate increased from seven per cent in March 2019 to 7.7% per cent on 31 March 2020 Recruiting the number of staff we need remains a challenge due to workforce shortages across the UK and abroad.

Across the country, specialisms such as emergency medicine, anaesthesia, theatres, critical care, neonatology and medical imaging continue to be hard to recruit to areas. In these specialisms, we rely on recruits from outside the UK to fill key vacant positions, as well as temporary staff to fill some, short notice, rota gaps.

We have started using virtual reality software during the recruitment process for nurses. This has reduced our reliance on clinical assessors and is a cutting-edge form of assessment in the NHS. It is being coupled with a nursing recruitment microsite and a one-stop shop approach to assessment and pre-employment checks to speed up the hiring process. We intend to roll this out to other posts across the trust.

We reviewed all of our recruitment processes this year and have implemented a number of changes including:

- conducting identity document checks on the day of interview so that candidates do not have to come back at a later date
- using DBS checks issued in the last three years by another NHS organisation, or supplier to the NHS, rather than applying for a new one.

These changes apply to all staff groups, except consultants.

As a result of the above, we have reduced our average time to hire from 9.7 weeks in March 2019 to 8.4 weeks in March 2020 (excluding notice period).

#### Retention

Our staff turnover rate has remained unchanged at 13.0 per cent in March 2020.

This year we launched four staff pledges which will help us to meet our strategic objective to develop our staff to deliver their potential. The pledges are also aligned to the interim NHS People Plan.

We continue to run career clinics to encourage existing staff to transfer to other posts within UCLH, rather than seeking promotion elsewhere. The schemes enable nurses to move within the organisation so that they can gain experience in a different specialty at their current band. The clinics have encouraged the transfer of more than 56 nurses to new roles within UCLH this year.

We also introduced a pilot exit survey in September 2019 to help us better understand why staff are leaving.

### 2.3.6 Staff policies and actions

## **Health and safety**

Our health and safety committee meets quarterly to review information on incidents and injuries and ensures learning is shared across the organisation. Incidents and injuries involving exposure to blood-borne viruses are reviewed by the infection control committee which meets quarterly.

We have a health and safety policy with a comprehensive handbook to support staff and managers.

We have undertaken our tenth annual risk assessment audit which included:

- staff, outpatient and visitor slips, trips and falls
- manual handling
- first aid
- · security including violence and aggression and lone working
- · control of substances hazardous to health
- stress

The audit checked whether risk assessments were up-to-date, had been risk rated and placed on the appropriate risk register. Detailed feedback was provided to each division.

The health and safety committee is focusing on the most significant risks to safe working as a central London trust. Reducing assaults and violence is a priority, supported by our in-house training programme.

## Raising concerns (whistleblowing)

We encourage staff to raise concerns with senior managers about patient safety, criminal offences, breaches of legal obligations, miscarriages of justice, damage to the environment or the deliberate concealment of information. Our raising concerns policy guides this process. We also provide an external guardian service which offers independent and confidential advice to support staff to raise issues with senior management.

## Counter fraud, anti-bribery and corruption

UCLH takes a zero-tolerance approach towards fraud and bribery and will prosecute in this area wherever possible.

Our counter fraud team works to investigate and prevent fraud and bribery, and ensures that adequate procedures are in place.

We have an anti-fraud and bribery policy and our counter fraud team gives advice to staff on how to be on the alert for, and report fraud, bribery and corruption as quickly as possible.

### **Equality and diversity**

See section 2.3.14 Equality reporting (staff).

### 2.3.7 Staff engagement

As well as keeping staff updated about news and developments, we seek to actively engage staff and ensure their views are listened to and acted upon. We engage staff in our values through our awards programme and support health and wellbeing through a number of initiatives. Our main staff engagement mechanisms are outlined below.

### Staff communication

UCL H-wide communications include:

- Team brief: the chief executive's monthly briefing delivered by managers to their teams
  members who are encouraged to discuss the content. It ensures that all staff get the same
  messages within the same time frame
- UCLH Magazine: our award-winning, quarterly magazine available for staff, patients and foundation trust members
- myUCLH: we launched our new intranet in July. The intranet is updated daily with articles
  about our staff and services. There is also a mechanism for staff to comment and engage in
  online conversation and write blogs. The new intranet can be accessed from mobile
  devices, meaning easier access for staff
- Daily email: sent to all staff every day and includes the latest trust news.
- Meet the CEO sessions: these are open to all staff and held on each hospital site. The chief executive delivers a presentation followed by a question and answer session
- Team meetings: where staff are kept informed and can discuss matters at a local level
- Staff experience roadshows: opportunities to engage with staff about a range of issues relevant to their experience and an effective way of raising awareness of initiatives
- Social media: Twitter, Facebook, Instagram, LinkedIn and YouTube
- Staff surveys
- Staff suggestion scheme

### Staff pledges

In July 2019, we launched four new commitments to improving staff experience at UCLH. We pledge to:

- 1. Care about our staff and their wellbeing
- 2. Listen to and support them
- 3. Recognise their contribution
- 4. Support their development

To begin delivering these pledges, we held roadshows to showcase what we can offer staff, including advice on applying for apprenticeship courses. We held health and wellbeing seminars and various listening and celebration events. We have more events planned for the coming year.

### Staff health and wellbeing

Our occupational health and staff psychological and welfare service teams deliver a number of programmes for staff aimed at promoting healthy lifestyles and good physical and mental health.

Occupational health provides a confidential, multidisciplinary service advising on the impact of health on work, and work on health. The team works closely with individuals, teams and managers to ensure our staff are supported. Occupational health has also been working with the newly-formed disability network to break down barriers in access to work and to promote inclusivity.

Our flu campaign this year resulted in 72 per cent of patient-facing staff getting vaccinated against the virus – the largest ever number at UCLH. We will continue to refine our campaign each year to increase vaccine uptake.

We run a number of initiatives to encourage staff to keep active, including the annual pedometer challenge and posters advocating the use of stairs rather than lifts. Our award-winning 4WeekForward health and fitness programme, which supports staff with musculoskeletal or mental health issues to get active, is still proving popular. We also run health-themed weeks to engage staff in choosing healthier lifestyles and self-care techniques.

Improving psychological wellbeing and removing the stigma surrounding mental health issues in the workplace remains a top priority for the staff psychological and welfare service team. It continues to provide bespoke workshops to equip managers with the skills to manage staff wellbeing, and it has launched a programme of wellbeing seminars and self-care days for all staff. The service has also launched an e-learning module for staff on suicide awareness.

A key priority for the team this year has been to support staff who have been the victims of violence or aggression at work. The team is also undertaking research into innovative ways to support staff who have suffered trauma.

The service works with all our staff networks and supports the delivery of the trust's mental health strategy.

### Staff friends and family test

In quarter two we emailed all staff to ask whether they would recommend UCLH to family and friends as a place to work and be treated. Due to technical issues, the friends and family test could not be run in quarter 4.

Eighty-six per cent of respondents said they would recommend UCLH as a place to be treated.

Sixty-eight per cent said they would recommend UCLH as a place to work.

In quarter three, the friends and family test questions are asked as part of the NHS staff survey.

### Staff partnership

Our partnerships with unions and representative bodies are important to us. Our joint partnership forum (JPF), comprising management and staff representatives, meets every two months to review policies and discuss staff experience.

### Staff recognition

Our annual celebrating excellence awards ceremony was held in July 2019, with 500 staff from across UCLH invited to attend the ceremony. Daminee Seetannah (front cover) received the excellence in education award to recognise her work in raising awareness of sepsis, improving care for deteriorating patients and educating staff.

We have also started to hold five new recognition events, as part of our pledge to better recognise the contribution of our staff.

We will also be creating more opportunities for our executive directors to meet staff and they will be visiting our sites throughout the year to hand out thank you boxes containing food and drink items.

The thank you boxes and additional celebration events have been funded by UCLH Charity.

## 2.3.8 Education and training

See section 1.1.4 Education and training.

### 2.3.9 NHS staff survey: results and actions

#### Results

The results of the 2019 NHS staff survey show that UCLH remains a place that the majority of staff would recommend as a place to work or be treated.

Overall UCLH remains above the national average for staff engagement, a measure closely linked to patient experience. In particular:

- 82 per cent of staff said they would be happy for a friend or relative to be treated here (82 per cent in 2018/19). The national average was 71 per cent.
- 72 per cent of staff would recommend UCLH as a place to work (69 per cent in 2018/19).
   The national average was 63 per cent.
- 84 per cent of staff agreed that the care of patients is UCLH's top priority (83 per cent in 2018/19). The national average was 77 per cent

The survey response rate was as follows:

	20	)19	20	)18	
	UCLH	National average	UCLH	National average	UCLH % change
Response rate	46 %	47 %	37%	44%	9%

A total of 4,162 staff (46 per cent) completed the 2019 survey, compared to 3,113 staff (37 per cent) in 2018.

The results from the questions were grouped into eleven themes. Each of the themes was scored out of ten. Our scores, and the average scores of all acute trusts, were as follows:

	20	2019 2018 201		2018		017
	UCLH	Acute trust average	UCLH	Acute trust average	UCLH	Acute trust average
Equality, diversity and inclusion	8.4	9.0	8.3	9.1	8.6	9.1
Health and wellbeing	5.7	5.9	5.6	5.9	6.0	6.0
Immediate managers	6.8	6.8	6.7	6.7	6.8	6.7
Morale	6.0	6.1	5.9	6.1	N/A	N/A
Quality of appraisals	6.3	5.6	5.9	5.4	6.2	5.3
Quality of care	7.6	7.5	7.5	7.4	7.6	7.5
Safe environment – bullying and harassment	7.5	7.9	7.3	7.9	7.5	8.0
Safe environment – violence	9.4	9.4	9.5	9.4	9.5	9.4
Safety culture	6.8	6.7	6.7	6.6	6.8	6.6
Staff engagement	7.2	7.0	7.2	7.0	7.2	7.0
Team working	6.6	6.6	n/a	n/a	n/a	n/a

Results in eight of the themes improved in 2019, compared to 2018.

When benchmarked against other acute trusts UCLH scored above the national average for: quality of care, safety culture, staff engagement and quality of appraisals.

The four areas where we performed below the national average were: equality, diversity and inclusion, health and wellbeing, morale, and bullying and harassment. It is important to note that although these areas require additional focus, each has shown a small improvement compared to 2018 because of ongoing work and the launch of the staff pledges. We acknowledge we need to do more in these four areas so we will:

• continue to build on our staff pledges programme so that it is firmly embedded across the organisation

- strengthen our leadership development programme to ensure senior leaders model our values of safety, kindness, teamwork and improving
- focus on delivering the priorities of our equality and diversity plan to improve the experience of staff with protected characteristics under the Equality Act 2010
- follow-up on the ideas generated at the staff experience summit held in February 2019 which was attended by senior leaders, organisational influencers and stakeholders.

We will monitor both awareness and impact of these actions throughout the year. This will be done through a variety of methods, including brief all staff surveys, focus groups and qualitative feedback.

### 2.3.10 Trade unions

The following four tables are published in accordance with The Trade Union (Facility Time Publication Requirements) Regulations 2017.

Table 1: Number of relevant trade union officials

	2019/20	2018/19
Total number of employees who were relevant trade union officials	35	35
Total WTE employees who were relevant trade union officials	34.0	34.69

Table 2: Percentage of time spent on facility time

Percentage of working hours spent on facility time	Number of employees 2019/20	Number of employees 2018/19
0%	0	0
1-50%	33	33
51%-99%	1	0
100%	1	2

Table 3: Percentage of total pay bill spent on facility time

	2019/20	2018/19
Total cost of facility time	£140,916	£129,768
Total pay bill*	£525,408,000	£475,508000
Percentage of total pay bill spent on facility time	0.03%	0.03%

<sup>\*</sup> Excluding bank and agency costs

Table 4: Percentage of time spent on trade union activities

	2019/20	2018/19
Total hours spent on paid trade union activities by relevant trade union officials	3,726	3,858
Total paid facility time hours	3,726	3,858
Percentage of total paid facility time spent on trade union activities	100%	100%

### 2.3.11 Expenditure on consultancy

In 2019/20 expenditure on consultancy was £3.1 m, compared to £4.3m in 2018/19.

## 2.3.12 Off-payroll engagements

UCLH has a policy for off-payroll engagement which reflects guidance from HM Revenue and Customs (HMRC) and is compliant with the latest guidance from the Tax Centre for Excellence.

UCLH's policy does not allow off-payroll arrangements with personal service companies (PSCs) or with our bank staff provider.

The policy requires managers to notify the workforce department when an off-payroll engagement is being considered so the team can do the required assessments for employment and IR35 status. When the assessment shows that the engagement would be within IR35, direct off-payroll engagement is rejected. Alternative methods of engagement are arranged, either through fixed-term employment contracts, or through our bank employment provider with associated full deduction of tax and national insurance (NI).

Further measures are taken within our procurement department where all direct engagement purchase orders are referred to the workforce team for assessment.

There were no off-payroll engagements as of 31 March 2020 for more than £245 per day that lasted longer than six months.

There were no off-payroll engagements for more than £245 per day which started in 2019/20 and lasted longer than six months.

There were no off-payroll engagements for more than £245 per day which started in 2018/19 and reached six months in duration in 2019/20.

The following table details off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2019 and 31 March 2020:

Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility during the financial year	0
Number of individuals that have been deemed board members and/or senior officials with significant financial responsibility during the financial year*	9

<sup>\*</sup> We have applied this definition to voting and non-voting executive directors of the board.

## 2.3.13 Exit packages

In 2019/20 UCLH agreed the following exit packages:

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	
<£10,000	0	10	10	
£10,000 – £25,000	0	2	2	
£25,001 – £50,000	£25,001 – £50,000 0		0	
£50,001 – £100,000	0	1	1	
Total by type	0	13	13	
Total resource cost	0	£134,000	£134,000	

In 2018/19 UCLH agreed the following exit packages:

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	
<£10,000	0	5	5	
£10,000 – £25,000	0	0	0	
£25,001 – £50,000	0	1	1	
£50,001 – £100,000	0	0	0	
Total by type	0	6	6	
Total resource cost	£0	£64,000	£64,000	

## Exit packages: Non-compulsory departure payments

This note discloses the number of non-compulsory departures which attracted an exit package in the year, and the values of the associated payment by individual type. The note is prepared on the same basis as the exit packages note, i.e. showing the exit packages agreed in the year, irrespective of the actual date of accrual or payment.

In 2019/20 UCLH agreed the following non-compulsory departure payments:

	Agreements	Total value of
	Numbers	agreements
Voluntary redundancies including early retirement	0	0
contractual costs		
Mutually agreed resignations (MARS) contractual costs	2	£65,000
Early retirements in the efficiency of the service	0	0
contractual costs		
Contractual payments in lieu of notice	11	£67,000
Exit payments following Employment Tribunal or court	1	£2,000
orders		
Non-contractual payments requiring HMT approval	0	0
Total*	14	£134,000

<sup>\*</sup>a single agreement can be made up of multiple components, each of which are counted separately in this note. The difference between the staff exit packages total and the departure payments total is due to one individual receiving two components (MARS and PILON) as part of their package.

In 2018/19 UCLH agreed the following non-compulsory departure payments:

	Agreements Numbers	Total value of agreements
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	1	£5,000
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	4	£51,000
Exit payments following Employment Tribunal or court orders	1	£8,000
Non-contractual payments requiring HMT approval	0	0
Total	6	£64,000

## 2.3.14 Equality reporting (staff)

## **Equality reporting (staff)**

We are committed to the principles of equality and fairness for our staff and have made some progress in the past year in promoting diversity, equality and inclusion. We have recruited a small team to support and promote the work of our five staff networks: BAME, disability, LGBT+, mental health, and women in leadership. The aim of these networks is to give staff who have traditionally been under-represented at senior levels a collective voice. These networks are part of our strategy to deliver our equalities objectives and reduce inequalities among staff.

The characteristics of our workforce are broadly consistent with our local communities in terms of religion and ethnicity. We have more female employees and staff with BAME backgrounds compared to the local population.

Information about the importance of equality, diversity and inclusion is included in staff induction and we regularly audit data on new starters.

The 'Starting at UCLH' policy sets out how we give full and fair consideration to job applications made by disabled people. UCLH is a disability confident employer and guarantees that disabled candidates who meet the minimum criteria for a position will be interviewed. We regularly analyse the data relating to applications, shortlisting and appointments as a way of monitoring whether our recruitment processes are fair and equitable.

We make reasonable adjustments to working arrangements for disabled staff and those who become disabled. We provide suitable opportunities for training, career development and promotion, in line with our training, development and study leave policy.

48 per cent of our staff are from a BAME background, yet this representation is not spread equally across all professions or grades. BAME staff make up 54% of clinical and non-clinical staff in AfC posts at band 7 and below. In contrast, only 23% staff in AfC posts at band 8a and above come from a BAME background. For medical and dental staff, 58 per cent of doctors-intraining have a BAME background, whereas 34 per cent of consultants have a BAME background.

We will continue to focus on improving BAME representation at all levels of the organisation. We will achieve this by continuing our mentorship programme for BAME staff, encouraging managers form a BAME background to train as chairs for Employee Relation panels, and

implementing an E-Learning package to tackle unconscious bias which will be compulsory for all recruiting managers.

UCLH published its second gender pay report in March 2019 for the financial year 2018/19. The publication of the third report for the financial year 2019/20 has been delayed as resources are diverted to support the COVID-19 response at the trust. Work to date on this report indicates that the proportion of female employees has risen very slightly in the last year with an improvement in representation in both the top and bottom quartile of the organisation. Overall there has been a slight improvement in the gender pay gap for AfC staff, but there is still a lot of work to do especially in the medical and dental workforce.

Over the last year, we have focussed on taking action to reduce the gender pay gap at UCLH by improving representation in under-represented groups in our local CEA awards, with specific initiatives addressing under representation in female, BAME and part-time staff, including:

- Judge applications from part-time consultants separately to full time consultants;
- Part time consultants will receive the full award rather than pro rata;
- Provide mentors from female and BAME consultants who have been successful to support potential applicants through the process; and
- Continue to offer additional training to applicants from under-represented staff groups on completing the form.

These initiatives increased the number of female staff and of part time staff who were successful in receiving an award.

In 2020/2021, we have committed resources to focus on the following workforce priorities:

- Launch of the E-learning "Making Fair and Effective Recruitment Decisions" (which includes unconscious bias training) for all recruiting managers;
- To continue to offer application support/training to the local community to apply for UCLH jobs;
- Work with Islington Council and part of the health and social care academy getting local residents into training and work.
- Launch of a manager development programme in the summer 2019 that will include upskilling individuals to have open and fair conversations with their staff on career development and training and focus on ensuring equal and transparent access to career development and training for all staff.
- Improve our reporting of the WDES by NHS England, which was launched in April 2019, and which we reported on in August 2019. With resourcing support from the charities, we have launched a Disabilities Network in the summer of 2019. The focus of this network has been on raising the profile of staff with disabilities and demonstrating how the trust has supported staff with disabilities to succeed in their career, including learning events and senior management champions. The network will continue to work with HR to ensure considerations for staff with disabilities are incorporated into our policies as we review them. We are currently working on a charity bid to develop a partnership with a learning disabilities charity to support people with learning difficulties/disability into work. We have identified a role to pilot this scheme.

The diversity and equality steering group meets every quarter to monitor the actions the trust is taking to improve equality and diversity. The senior director team and the board review monthly reports of key diversity and equality indicators in order to identify and address emerging trends. Key indicators which are reviewed include the ratio of white candidates being appointed to posts compared to BAME candidates, and the ratio of white candidates undergoing a disciplinary process compared to BAME staff. We publish the WRES annually, as required by NHS England, and this is included in our annual equality report.

We are committed to the principles of equality and fairness for our patients and work with different communities to deliver better patient care that is inclusive, accessible and fair. See section 2.1.9 Equality reporting (patients).

Because of the national emergency, UCLH was not required to publish a gender pay report in March 2020, but this will be published by the end of July 2020.

We are committed to the principles of equality and fairness for our patients and work with different communities to deliver better patient care that is inclusive, accessible and fair. See section 2.1.9 Equality reporting (patients).

## 2.4 Code of governance disclosures

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

Throughout our annual report we describe how we meet the code. A summary of where details can be found on the issues we are required to disclose is given in the following table.

Code reference	Section				
A.1.1.	2.1.1 UCLH board and committees 2.1.2 Governors and members				
A.1.2	2.1.1 UCLH board and committees 2.1.2 Governors and members				
A.5.3	2.1.2 Governors and members				
Additional requirement	2.1.2 Governors and members				
B.1.1	2.1.1 UCLH board and committees				
B.1.4	2.1.1 UCLH board and committees				
Additional requirement	2.1.1 UCLH board and committees 2.1.2 Governors and members				
B.2.10	2.1.2 Governors and members				
Additional requirement	2.1.2 Governors and members  We used an external search consultancy and open competition for the appointment of three non-executive directors.				
B.3.1	2.1.1 UCLH board and committees				
B.5.6	2.1.2 Governors and members				
Additional requirement	Not applicable				
B.6.1	2.1.1 UCLH board and committees 2.1.2 Governors and members				
B.6.2	Not applicable				
C.1.1	2.6 Statement of accounting officer's responsibilities     2.7 Annual governance statement				
C.2.1	2.7 Annual governance statement				
C.2.2	2.1.1 UCLH Board and committees				
C.3.5	Not applicable, the council of governors accepted audit committee's recommendation				

Code reference	Section
C.3.9	2.1.1 UCLH board and committees
D.1.3	Not applicable
E.1.4	2.1.1 UCLH board and committees 2.1.2 Governors and members
E.1.5	2.1.2 Governors and members
E.1.6	2.1.2 Governors and members
Additional requirement	2.1.2 Governors and members
Additional requirement	2.1.1 UCLH board and committees 2.1.2 Governors and members
B.1.2	The board considers all its non-executive directors to be independent in character and judgement. They are also all independent of management, with the exception of Professor David Lomas, vice provost of UCL (health), who holds an honorary contract with UCLH.
B.6.3	The chair's annual evaluation is undertaken jointly by a governor (chair of the nomination, appointments and remuneration committee) and the senior independent director (a non-executive director).
D.2.3	We are following NHS England and NHS Improvement guidance on the remuneration of chairs and non-executive directors, issued in September 2019

## 2.5 NHS oversight framework

NHS England and Improvement's oversight framework provides the framework for overseeing providers and identifying potential support needs.

The framework looks at five themes:

- quality of care
- finance and use of resources
- operational performance
- strategic change
- leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where 4 reflects providers receiving the most support, and 1 reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach, or suspected breach, of its licence. We are currently in segment 2.

#### Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from 1 to 4, where 1 reflects the strongest performance. These scores are then weighted to give an overall score for finance and use of resources. This is used by the regulator to determine the level of support the provider requires. Our overall score for 2019/20 is 3. The driver for the change in score from the 18/19 position was our performance with regards to 'distance from plan'. It should be noted that whilst performance on distance from plan margin was reduced, £2.0m of costs relating to COVID-19 were agreed as an overspend, rather than being funded through additional COVID-19 income streams at the year end.

Area	Metric	2019/20 scores			2018/19 scores				
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial sustainability	Capital service capacity	4	4	4	4	2	4	4	4
	Liquidity	1	1	1	1	1	1	1	1
Financial efficiency	Income and expenditure margin	4	4	4	4	1	4	4	4
Financial controls	Distance from financial plan	2	1	1	2	1	1	2	2
	Agency spend	1	1	2	2	2	2	2	2
Overall scoring		3	3	3	3	1	3	3	3

## 2.6 Statement of accounting officer's responsibilities

Statement of the chief executive's responsibilities as the accounting officer of University College London Hospitals NHS Foundation Trust.

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require University College London Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of University College London Hospitals NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

- observe the accounts direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the NHS Foundation Trust
  Annual Reporting Manual (and the Department of Health and Social Care Group Accounting
  Manual) have been followed, and disclose and explain any material departures in the
  financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and
  understandable and provides the information necessary for patients, regulators and
  stakeholders to assess the NHS foundation trust's performance, business model and
  strategy and
- prepare the financial statements on a going concern basis.

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

As far as I am aware, there is no relevant audit information of which the foundation 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 the NHS Foundation Trust Accounting Officer Memorandum.

Professor Marcel Levi Chief executive

22 June 2020

## 2.7 Annual governance statement

## Scope of responsibility

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

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of UCLH, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in UCLH for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

In addition to the internal governance and control framework, fulfilling the wider objectives of the Trust requires effective partnership working across the wider health community within North Central London's sustainability and transformation partnership. The North London Programme Delivery Board oversees delivery of the plan. This is an executive steering group made up of a cross section of representatives from across North London. This group is specifically responsible for providing accountability for the implementation of the work stream plans.

### Capacity to handle risk

The Trust is committed to a comprehensive, integrated trust wide approach to the management of risk. Support and leadership is provided by the Senior Directors Team (SDT), the Audit Committee (AC), the Quality and Safety Committee (QSC), the Risk Coordination Board (RCB), the Finance and Investment Committee (FIC), the Workforce Committee, the Research and Innovation Committee (RIC), clinical boards and the Trust Board. The Trust is committed to an open and transparent risk management culture, embedded in the approach the Trust takes to the reporting of incidents and risks.

Throughout 2019/20, the Trust Board has had regular oversight of the trust wide Board Assurance Framework (BAF), which identifies the strategic risks associated with the trust high level objectives. Each BAF risk has a single executive 'owner' to ensure accountability.

Board members receive annual training in risk management awareness. The risk manager also provides one-to-one and group training, as required. Guidance on risk management is available on the UCLH intranet. Good practice is shared through the RCB.

#### The risk and control framework

Fundamental to the success of the risk management process is the ability of all stakeholders to identify, evaluate and control risk. The risk management policy and procedure is available to all staff on the Trust intranet. Risk assessment is supported via the quantified assessment against

a consequence and likelihood matrix. This allows risk to be classified as low, moderate, amber, high amber and very high. Escalation thereafter will be determined by this assessment. The risk appetite is such that high amber and very high risks are monitored at clinical board level or by the Board. High risks are managed at divisional level.

UCLH uses risk management software as a repository for risks. This assists in the production of risk reports and helps staff manage risk registers locally. Risk reports, including the top risks, are reviewed monthly by the RCB and SDT with quarterly oversight from the audit committee.

The QSC is responsible for ensuring that effective arrangements are in place for the oversight and monitoring of all aspects of clinical quality and safety, including identifying potential risks to the quality of clinical care. The Board relies on the committee to provide advice on clinical quality, patient safety and clinical risk, and for assurance on areas of clinical governance and audit.

### **Quality governance**

The Trust's quality governance structure and arrangements enable the Trust to maintain and continually improve quality from 'ward to board'. There are clearly defined corporate and local indicators for data quality. This structure delivers the well-led CQC framework and provides clear assurance from wards upwards, and from the Board to the clinical areas.

Quality governance has a number of elements. These include the QSC which reports to the Board. The QSC is responsible for ensuring that effective arrangements are in place for the oversight and monitoring of all aspects of clinical quality and safety, including identifying potential risks to the quality of clinical care. The Board relies on the committee to provide advice on clinical quality, patient safety and risk, and for assurance on areas of clinical governance and audit. It focusses on promoting a culture of openness and organisational learning. On behalf of the Board, it reviews compliance and receives assurance in meeting regulatory standards set by the CQC. Performance is also monitored via the SDT and the Elective Access Board (EAB). In addition to being subject to internal audit, data quality is also subject to commissioner scrutiny.

A key component of quality governance is information governance. It covers information relating to patients and staff, as well as corporate information, and helps ensure the information is handled appropriately and securely. In 2019/20 UCLH's records and improvement governance group (RIGG), chaired by the Caldicott Guardian, reported to the Digital Services Delivery Board which, in turn, reported to the SDT through the director of digital services. From 2020/21 there will be an information governance report to the new Digital Healthcare Board (DHCB). The DHCB is chaired by the medical director for digital healthcare and reports to the Board of Directors.

One national measure of data quality is via the 'Information governance toolkit and data security and protection' (DSP) toolkit attainment levels. The DSP toolkit enables UCLH and their partnering bodies to measure how well they are complying with DHSC standards on the correct and secure handling of data, and how well they are protecting data from unauthorised access, loss, and damage.

The attainment level assessed within the DSP toolkit provides an overall measure of the quality of data systems, standards and processes. It aims to demonstrate how we are implementing the 10 data security standards recommended by Dame Fiona Caldicott, the national data guardian for health and care.

The DSP toolkit sets out specific criteria that enable performance to be assessed based on submitted evidence and assertions, resulting in three possible outcomes—standards met,

standards not fully met (plan agreed), and standards not met. For more information about the DSP toolkit please visit www.dsptoolkit.nhs.uk.

NHSX and NHS Digital have made the decision to extend the compliance deadline for the national data opt-out and the final date for submission of the Data Security and Protection Toolkit (DSPT) to 30 September 2020. The audit committee continues to monitor progress against the toolkit outcomes via regular reporting of progress.

### **Major risks**

As at March 2020, the principal risks affecting the attainment of the Trust's corporate objectives (including significant clinical risks, risks to foundation trust licence condition four, in-year and future risks, how the risk will be managed and mitigated, and how outcomes will be assessed) are as detailed below:

#### COVID-19:

As with all healthcare providers in the UK, the coronavirus pandemic has fundamentally altered the day-to-day operations of the Trust during the response period. We are prioritising emergency and urgent care on our main site, and we are working within nationally-approved clinical guidelines to ensure patients requiring priority cancer treatments or time-sensitive urgent treatments receive these through designated hubs created on sites that are not directly treating patients with COVID-19 or have defined separate pathways for this care. This limited scope of activity during the response period will severely prolong waiting times for patients already referred on routine pathways. Once the restrictions on routine services are eventually lifted, newly referred cases could also experience delays for treatments due to lack of sufficient capacity to treat this enhanced level of demand within usual timescales. There is also risk to clinical outcomes as we may not quickly identify routine cases which should be upgraded to urgent pathways, as well as to patients who defer their attendances and then have to be rebooked. This major disruption to service provision will have consequential financial impact as well through 2020/21. We are carrying out a strategic and operational review of the situation daily.

### Data Quality:

The implementation of the Electronic Health Record System (EHRS) has impacted upon patient administrative processes, and data quality. There are mitigating and control factors in place which are overseen by the EHRS programme board. Detailed plans are in place to support the post live development of the system. This includes a set of key performance indicators (KPIs) to track data quality and enable management action to address any emerging problems.

### Emergency department flow:

The Trust aims to provide emergency department care within the four hour target. The risk of insufficient bed capacity and operational resilience across the emergency pathway (at UCLH and the wider community) continued throughout most of the financial year, until emergency activity dropped significantly due to the COVID-19 outbreak. We have continued to invest in the improvement of service provision within UCLH and continue to work with partners across our healthcare sector to improve access for those most in need of emergency care.

#### Well-led domain:

In December 2018, the CQC published the results of its inspection of UCLH earlier in the year. The well-led domain received a "good" rating. UCLH was found to have an experienced leadership team with the skills, abilities and commitment to provide high-quality services. Leaders at every level were visible and approachable and demonstrated a clear understanding of the Trust's issues, challenges and priorities. The trust was found to be committed to improving services by learning from them when things go well and when they go wrong, promoting training, research and innovation. Research is used to improve care and treatment

for patients. The leadership team also had a clear vision and strategy and there were action plans in place to achieve this. Since the CQC inspection, UCLH has appointed a new Chair and there have been a number of new non-executive director appointments. All new appointees receive a tailored induction. The SDT and the Board regularly review the well-led action plan to ensure that identified actions are being implemented and evaluated. UCLH had arranged for a Board development away-day in May 2020 and for an external well-led review to be undertaken in the early part of 2020/21. These plans are on hold during the national emergency but will be reviewed as soon as they can.

## Foundation trust governance

The Board of Directors sets the vision, values and strategic direction of UCLH and is collectively responsible for the performance of the Trust. The Board agrees its strategy and objectives annually, as set out in section 1.1.6 of the annual report, although the finalisation of objectives has been delayed due to the national emergency. The Council of Governors receives regular updates on clinical and financial performance and reports relating to service delivery. Governors input into the annual forward plan and meet separately with the non-executive directors four times during the year. This enables the governors to discharge their duties.

The AC oversees and monitors governance including the effectiveness of the risk management system. Internal audit (KPMG) and external audit (Deloitte) work closely with this committee and undertake reviews and provide assurances on the systems of control operating within UCLH.

The FIC, QSC, RIC, workforce and remuneration committees, each chaired by a non-executive director, provide oversight of UCLH's performance in these areas. Reports providing the assurance are submitted to the Board.

The SDT meets regularly to review the performance of its clinical and corporate boards against financial, workforce and clinical indicators. This information forms part of a performance information pack which is reviewed by the Board monthly.

UCLH has a clinical leadership model delivered through medical directors and its chief nurse. Three of the medical directors manage the operational service through three clinical boards and 18 divisions supported by corporate functions, such as finance and workforce. One medical director is responsible for digital healthcare.

UCLH has a well-established performance management framework that ensures that key indicators across a range of the business are scrutinised on a monthly basis, with key exceptions analysed further at clinical team, clinical board and UCLH board level as appropriate.

The board receives the board performance pack at its meetings. The QSC also receives a monthly performance report focused on quality issues.

Performance metrics are reviewed on an annual basis to ensure that all national and local priority indicators are included.

The Board can self-certify the validity of its Corporate Governance Statement, as required under NHS foundation trust condition 4(8)(b).

The process for reviewing the effectiveness of the system of internal control has been reviewed by:

The Board, which has considered the risk report and the management of risks to the delivery
of the objectives set out in the BAF

- The AC, which has reviewed governance and risk management policies and monitored the implementation of these
- The QSC, which has reviewed compliance against the CQC standards, reviewed clinical audit and clinical governance arrangements
- A number of compliance self-assessments, including from the chief financial officer. This provides assurance on financial performance and the opinions and reports of both internal and external audit.

### Stakeholder involvement in risk management

UCLH actively works with key partner organisations across the local health economy. Wherever possible, and where appropriate, it works closely with the partner organisations to identify and mitigate risks that might impact upon them. These include, but are not limited to:

- UCL Partners
- The North Central London Cancer Alliance
- Our joint venture partners; and
- Our partners within NCL.

UCLH also has well established arrangements in place for engaging with a diverse public, patient and stakeholder community in a number of ways as follows:

- Council of Governors: governor representatives on the quality and safety committee
- Governors: participation in walk rounds and Patient-Led Assessment of the Care Environment (PLACE) inspections, clinical excellence award panels
- Public and patients: Annual Members' Meeting; Members' Meets; annual research open event; patient focus groups; residents meetings about our capital developments; patient surveys
- Members: participation in PLACE inspections and on the CQRG
- Overview and scrutiny committees
- Healthwatch
- National and local patient surveys; exhibitions and mail outs; Patient Advisory Liaison Service (PALS) and UCLH Magazine
- Staff: annual staff survey, Meet the CEO sessions, joint staff forum, executive and nonexecutive walk-arounds
- Health Partners: CQRG; integrated care board; GP practice relationship visits and GP newsletter; GP engagement events and seminars, joint strategic and service planning meetings

Risks identified through these channels are filtered into the overall trust risk management structure.

### Other control measures

An integrated workforce and financial planning process is led through our clinical boards, supported by their embedded workforce and finance leads. This process ensures that workforce plans are strategically aligned, affordable and in accordance with the plans of our partners in health and social care and HEE requirements, with whom we work in close partnership. In developing their plans, we ask divisions to consider clinical productivity (e.g. reviewing long term bank and agency usage, improved job planning, etc.); workforce redesign, workforce benefits realisation and operational delivery (including seasonal fluctuation and recruitment lead-in times).

Systematic reviews and checks have been built into the workforce planning process; these include Board-level workforce plans being reviewed by finance and workforce specialists and triangulated with activity plans; a central consistency review being held against the overall trust service strategy; review of the plan against previous year projection and plan is also undertaken; and board-specific local QIA processes to measure the patient care and service quality impact of any CIP with a workforce impact.

We have also conducted a gap analysis against the NHS Improvement workforce safeguards. We are fully compliant with this in nursing and midwifery. Delivery of our workforce plan, including performance against agency limits and review of projects that will enable us to more effectively deploy our workforce are regularly reviewed by the Senior Director Team. Workforce indicators are also reviewed as part of the Commissioning Quality Review Group meeting and as part of the monthly CEO performance pack provided to our Board (e.g. vacancy and turnover rates; temporary staffing utilisation; sickness; appraisal; mandated training and compliance).

We closely monitor trend in starters and leavers data to assess any emerging trends. We continue to monitor all risks relating to Brexit through our governance and risk frameworks, as well a working closely with NHSI/E and our suppliers. Our workforce framework details action to sustain recruitment and aid retention. A supporting retention and recruitment group overseas action.

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

The foundation trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) 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. Equality Impact Assessments are carried out for all new service developments and when reviewing policies.

The foundation trust has undertaken risk assessments and has a sustainable development management plan (the green 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.

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

The Board maintains review of the Trust's use of resources through the monthly finance and performance report. This allows triangulation of finance, performance and activity data. UCLH has reported a financial position aligned to plan in 2019/20.

During 2019/20 the Trust has continued to use various benchmarking sources to identify cost or productivity opportunities. Where the Trust Board identifies key risks and issues in relation to the Trust's use of resources, it will instruct the FIC to undertake 'deep dive' reviews of such concerns to ensure that a sufficient degree of assurance can be obtained.

The oversight roles of the Trust Board and the FIC are supplemented by the annual internal audit programme which includes a comprehensive review of the Trust's financial systems and controls.

The governance structure below the SDT provides opportunities through the clinical boards for divisional financial and operational performance to be scrutinised and monthly reviews with the chief financial officer and each clinical board medical director allow for a regular oversight of the performance across divisions.

### Information governance

Information governance policy and guidance is continually reviewed and training and awareness raising programmes target all staff. Information governance training includes an assessment of understanding of key aspects of policy and assessment scores indicate the success of awareness raising activities.

Strengthened technical controls will result in a reduction of risk of specific types of data loss. Any breach that is likely to result in a high risk to individuals' rights and freedoms should be reported via the DSP incident reporting tool. Similarly, under the Security of Network and Information Systems Regulations 2018 any network and information systems incident which has a 'significant impact' on the continuity of our essential service should be reported via the DSP incident reporting tool. For 2019/20 UCLH reported 6 incidents via the tool. Each of these incidents has been reported to the Information Commissioner's Office (ICO). In 5 cases feedback has been received and the ICO confirms that no further action will be taken. The remaining indecent was reported prior to year-end with feedback pending at the date of this statement

## Data quality and governance

There are a number of assurances and controls in place to assure the Board that appropriate controls are in place to ensure the accuracy of data. This includes, but is not limited to:

- Clearly defined corporate indicators for data quality;
- Data quality indicators and report monitored, validated and provided to clinical divisions;
- Guidance on data quality in the data capture policy and access policy:
- Monitoring of performance at SDT meetings, elective access board (EAB) and QSC
- Monitoring and management of performance within the clinical boards through clinical board meetings and divisional performance reviews
- Reporting to and scrutiny of clinical and quality data by the Board and its sub committees, including an annual review of controls and assurances for the Chief Executive performance report metrics;
- Scrutiny of data quality by commissioners; and
- External assurance statements on the quality report, provided by key stakeholders.

The Board has regularly reviewed the Trust's performance on referral to treatment (RTT), diagnostics, emergency department and cancer access standards. It has also discussed the findings of internal and external audit reports and the plans in response to them.

The AC reviews, on behalf of the Board, data quality issues to give the Board assurance that performance can be understood and managed. It also recognises the need for data and its sources to be constantly reviewed and the ongoing improvements that are needed, for example those set out above.

The Elective Access Board reports to the SDT on a monthly basis and oversees improvements to elective waiting time, data quality for RTT, diagnostics and cancer

Risks specifically related to EHRS data quality are managed through the Board Assurance Framework (BAF) and risk-management framework. In 2019/20 there was an EHRS programme board that meets in place of the SDT once a month and this, in turn, reports to the Board of Directors. Below the EHRS programme board are a number of sub-committees that identify and manage risks. These will be added and tracked through the risk register or escalated to EHRS programme board for further consideration and/or added to the BAF depending on the risk's individual rating. From 2020/21 there will be a new Digital Healthcare Board, chaired by the Medical Director for Digital Healthcare and reporting to the Board of Directors.

We continue to raise awareness about the need for accurate record keeping and validation.

### **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on 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 and Safety committee if appropriate, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The clinical audit programme also supports my review of the effectiveness of the system of internal control. A full internal review of each clinical audit is undertaken and actions taken to address any identified risks and improve the quality of healthcare that is provided.

The role of the Board, Audit Committee, Quality and Safety Committee, Finance and Investment Committee, Workforce Committee and Research and Innovation Committee in maintaining and reviewing the Trust's systems of internal control is described above. The internal audit programme provides a further mechanism for doing this. KPMG, the Trust's internal auditors, identify high, medium and low priority recommendations within their audit reports, which are monitored in an internal audit recommendations tracker, and which is reviewed at each Audit Committee.

Internal audit completed eleven reviews in 2019/20, the findings of which were reported to the Audit Committee. Five reviews received partial assurance. Five high priority recommendations were raised. Actions to address these have been agreed and implemented. The Head of Internal Audit opinion has given 'significant assurance with minor improvement opportunities' opinion on the overall adequacy and effectiveness of the framework of governance, risk management and control. This provides assurance that there is generally a sound system of internal control which is designed to meet the Trust's objectives and that controls in place are being consistently applied in all key areas reviewed.

### Significant control issues

There were three never events this year. Two related to wrong site surgery, and one was unintentional connection of a patient requiring oxygen to an air flowmeter.

All of the incidents are subject to detailed investigations and the actions and assurances monitored through the clinical boards, the QSC and reported to the commissioners who approve the action plans.

### Conclusion

Overall UCLH has a strong control environment, with minor improvement opportunities identified during the year as concluded in the head of internal audit opinion.

However, significant internal control issues were identified in the year relating to the never events outlined in the previous section and summarised below:

- Two related to wrong site surgery, and
- One was unintentional connection of a patient requiring oxygen to an air flowmeter

Section 3 Quality Report gives additional detail on these incidents and subsequent investigations. No other significant control issues were identified during the year.

Professor Marcel Levi Chief executive

22 June 2020

Signature to the accountability report:

Professor Marcel Levi Chief executive

22 June 2020

# 3. Quality Report

### Statement on quality from the chief executive

Our vision is to deliver top-quality patient care, excellent education and world-class research and this has continued to be our focus during 2019/20.

I am proud to present our quality account for 2019/20 which shows how we performed against our priorities during 2019/20 and sets out our priorities for the coming year 20/21. It also gives an overview of our key performance indicators and assurance statements.

This report covers the actions we have taken so far and our plans for 2020/21 to further improve quality in the areas we and our stakeholders have chosen as priorities.

Our new EHRS has enabled many improvements which would not have been possible or as easy with our old paper records system. One example is that following our analysis of surgical and procedure related never events last year we identified lack of surgical pause as a common feature. As a result all checklists on our EHRS were reviewed and 'surgical pause' was added to relevant checklists. This has helped with confirming the correct side and site prior to commencement of the procedure. We continue to focus on enhancing safety visits. These visits are a collaborative way of fostering a culture of safety in areas undertaking surgery and invasive procedures.

We continued to focus on the prediction, recognition and escalation of the deteriorating patient including introducing the revised early warning scoring system NEWS2 which was pioneered nationally by our director of research. Our EHRS is able to provide extensive and accurate data which was not possible with our old paper record system. As a result we needed to re-set our baselines. One of the challenges was to extract this baseline data. We have outlined in section 3.4.1.2, the introduction to the deterioration priority for next year why this is not straightforward. As a result we were not able to begin to establish baselines until later than we had planned for some of our priorities. However we were pleased to establish baseline data for our diabetes priorities.

One of the most exciting features of the EHRS is the patient portal MyCare UCLH. Through MyCare UCLH, patients are able to securely log in to the portal to view appointment times, 'after visit summaries', discharge letters, medications and a library of information that is useful for their care via a mobile device of their choice. In particular, these patients appreciated the speedy receipt of their discharge summary.

An important part of learning is understanding the impact human factors such as communication; teamwork and situational awareness (being aware of what is going on) can have on team performance. We have continued with our human factors work within surgery and the wider trust and our strong focus on learning.

The EHRS has enabled us to consider how we might ensure that we follow up on all imaging results in a robust way and work has progressed on this.

We have continued to learn from serious incidents and from deaths. Our systems for reviewing deaths are now well established and we have increased the numbers of deaths reviewed and will continue to build on the learning. We were on track to implement the new medical examiner service but this was paused due to the COVID-19 pandemic.

Whilst we try to ensure our patients have little cause to complain, we value those that do as these complaints create opportunities to learn and improve. One example is that during this year we have seen a rise in the number of complaints around administration and appointments and we have undertaken a review of our administrative services. We have already started to make some changes in how we contact patients with the introduction of virtual clinics and text message reminders about their appointments.

I am also proud to share the work our governors did in looking at the quality of end of life care given to patients at UCLH. They made a number of recommendations which we are taking forward through the end of life care steering group.

In 2019/20 our aims were to maintain our high overall experience ratings as measured by the Friends and Family Test (FFT) and to improve on specific areas in inpatient and outpatient care.

I am pleased to report that we have improved the experience of our patients in both inpatient and day case and in our emergency department. However it is disappointing to see our performance has declined in our outpatient departments and our patient transport service.

As well as the measures of overall experience, each year we target specific areas where patients have told us that their experience could be improved.

One of these areas is outpatient waiting time. With the introduction of our new EHRS and with the opening of the new Royal National Ear Nose and Throat and Eastman Dental Hospital site we expected there to be some disruption. We reduced the number of patients seen in clinics during implementation, giving clinical staff more time to adjust to new ways of working without delaying patient care. I am pleased that we maintained our FFT score which is a positive reflection of how we managed the change.

Regarding our inpatient priorities I was pleased to see that we exceeded our target for patients not waiting a long time to get a bed on the ward. We maintained our score for patients not having their admission date changed by the hospital. Please see the full report for how our EHRS helped us improve in this area.

We chose two priorities to improve our patients' experience of care while they are inpatients. One of these was help with meals and this year we agreed a nutrition and hydration strategy that will focus on four key areas; patient nutrition and hydration, staff and visitors' health and wellbeing, sustainability and research.

Our EHRS also helped us to exceed our target in patients knowing what would happen next after leaving hospital, by improving the quality and timeliness of information.

I hope you will agree that the quality report highlights some of the huge benefits to quality brought to us by our EHRS as well as some of the challenges. We are looking forward to further benefits for quality that our EHRS will bring.

Towards the end of 2019/20 UCLH, like every other NHS provider was faced with COVID-19 pandemic. I am incredibly proud of how the organisation responded and was able to deliver excellent patient care in such challenging circumstances. This did mean however that some work was paused as many of our staff were redeployed into different roles. We have identified priorities for 20/21 but as the future currently is so uncertain we may seek to review and reprioritise as the year unfolds.

The quality report has been prepared with our clinical teams and people who are closest to the service being reported upon. Reporting on quality and performance necessarily involves judgement and interpretation. But to ensure that the report paints a fair picture it has been scrutinised by all stakeholders and by the board including our non-executive directors and governors.

To the best of my knowledge, and taking into account the processes that I know to be in place for internal scrutiny, I believe that this report gives an accurate account of quality at UCLH.

I hope it will be read widely, by our staff, our patients and our partners.

Professor Marcel Levi Chief executive

22 June 2020

## 3.1 About this report

Every year all NHS hospitals in England must write a report for the public about the quality of their services. This is called the quality report. A quality report makes UCLH more accountable to you and drives improvement in the quality of our services.

Quality in healthcare is made up of three dimensions:

- Safety keeping patients safe from harm
- Effectiveness how successful is the care we provide
- Patient experience how patients experience the care they receive

This report tells you how well we did against the quality priorities and goals we set ourselves for 2019/20 (this year - April 2019 to March 2020). It sets out the priorities we have agreed for 2020/21 (next year - April 2020 to March 2021), and how we plan to achieve them.

It also contains an overview of our quality performance based on mandated indicators. Certain elements of the annual quality report are mandatory and these are included in section 3.6.

In looking back over the past year when preparing this report we have used this opportunity to identify and share learning from a number of sources. We are always keen to improve our patient care and experience and some of our learning is shared below.

## 3.2 Learning from feedback

## 3.2.1 Care Quality Commission (CQC) update

The trust as a whole remains rated as "good" overall (by the CQC in 2019/20) for the services it provides to patients.

## Actions following the 2018 core services inspection

Although there were many positives arising from the inspection in the summer of 2018 there were some areas where the CQC said we can do better and we have taken action as an organisation and with our partners to address inspectors' feedback. There were no enforcement actions arising from the inspection.

#### 'Should do' actions

We have acted on all of the CQC's 66 recommendations: The CQC and NHS Improvement have been provided with regular updates on the progress of the action plans.

#### 'Must do' actions

There were five issues that the CQC said the trust must address and we reported on progress last year. The actions have now been completed:

- The monitors in the endoscopy suite were decommissioned immediately.
- We increased the number of nursing staff who have level three safeguarding training at the Sir Williams Gowers Centre for the rare admission of 16 or 17 year old patients to ensure that we have sufficient staff appropriately trained
- The CQC required us to ensure that the rapid tranquilisation policy follows national guidance. We have adopted the approach by other trusts which is to refer to rapid tranquilisation in our restraint policy and developed guidance on rapid tranquilisation to supplement this.
- The intensive care unit at the National Hospital for Neurology and Neurosurgery is now compliant with the Guidelines for the Provision of Intensive Care services (GPICs) for our junior doctor workforce.
- We have reviewed and updated the restraint policy to ensure it follows best practice quidance.

## 3.2.2 Complaints

All complaints are seen as an important part of helping us to improve the quality of patient experience, safety and effectiveness whilst also providing evidence to our patients and the public of the action UCLH has taken to learn as a result the lessons learned (see learning from complaints section below).

Patients and carers can raise concerns in a number of ways. One way is via the patient advice and liaison service (PALS). They will try to resolve any issues as quickly as possible. If this is unsuccessful, or the concern is too complex, PALS will pass the concerns on to the

complaints department for management as a formal complaint. A formal complaint is one in which the complainant asks for a written response to the concerns they have raised.

The other way patients or their representatives can raise concerns is by contacting the complaints department directly. Once received and registered, the complaint is passed on to the relevant division to investigate and respond. They will work closely with the central complaints team to resolve those concerns which do not require a full formal investigation. We encourage and welcome complaints about the quality of care being provided to patients as it is a way of continually assessing and improving our services.

Formal complaints data are shared internally with subject matter expert leads and committees such as the patient experience and engagement committee (PEEC), medication safety committee, nutrition and hydration steering group, and the end of life care steering group amongst others. This is to ensure that trust wide monitoring of issues can take place and that appropriate improvement actions can be identified and monitored. Issues identified in complaints are also discussed at local departmental and divisional meetings and actions taken where appropriate to ensure learning and improvement takes place.

Weekly and monthly figures on formal complaints are shared and monitored across the trust via various performance reports. The patient experience quarterly report uses information from complaints, the patient advice and liaison service (PALS), patient feedback and surveys, and the friends and family Test (FFT) results in order to triangulate the data and highlight key themes and trends.

Quarterly divisional and board reports are produced for the patient experience and engagement committee (PEEC) and the quality and safety committee (QSC). Lessons learnt are shared through the quality and safety bulletin, divisional governance groups and site experience groups. Site experience groups are established in a number of locations, including Queen Square (NHNN and Royal London Hospital for Integrated Medicine (RLHIM) and the UCH Macmillan Cancer Centre. The purpose of these groups is to regularly conduct reviews of local feedback, as well as analyse PALS and complaints data, with a view to resolving issues. The work of these groups is shared with and monitored through the PEEC.

Formal complaints and their responses are personally reviewed and signed off by the chief executive (or his acting deputy) and are also seen by several members of the trust board, including the medical directors, and chief nurse.

### 3.2.2.1 Learning from Complaints

During 2019/2020 UCLH received 1095 formal complaints, a rise of approximately 23 per cent compared to the same period in 2018/2019 when 891 complaints were received. The main areas where we have seen an increase are in relation to communication concerns and also appointment cancellations particularly relating to outpatient services. Communication concerns rose from 17.6% in 2018/2019 to 19.2% in 2019/2020 and appointment cancellation concerns rose from 7.7% in 2018/2019 to 18% in 2019/2020. Our access patient administration programme undertook a number of changes which sought to address the complaints that had been raised- more detail can be found in the section below.

Some examples of how we have made changes as a result of learning from complaints are as follows:

### **Emergency Department**

A patient complained about the delay experienced in receiving an x-ray in the emergency department following a fall in which she received a nerve injury. As a result the emergency department has improved the training of nursing staff in the assessment of neuro-vascular function and recognition of neuro-vascular injury to ensure that patients are assigned a high triage category and are seen promptly by a clinician. The division has also introduced an education programme for nursing staff to request x-rays directly from triage for patients with upper or lower limb injury.

#### Infection Division

• The family of a deceased patient raised concerns about the care and treatment provided to her prior to her death in relation to in the inadequate supply an administering of pain relief. As a result all nursing staff on the ward received specific pain management training and the ward has also allocated a group of staff to focus on improving patient experience in relation to pain management. Part of this has included developing a staff and patient information board on pain management and engaging in discussions with patients about their experiences of pain and pain management.

### Transport service

In 2019/2020 complaints about transport were responsible for four per cent of our complaints overall.

 During 2019/2020 our Clinical Support Division, which is responsible for patient transport, introduced Cleric Online which is a feature whereby wards/staff can access the live Transport System by a view only mode. This facility helps staff to check whether a request has been made for transport and whether that transport has been booked.
 Wards/staff are now able to receive an estimated time of arrival and to check whether a journey has been allocated to a particular vehicle.

The proportion of complaints raised about non-emergency patient transport fell from seven per cent in 2018/2019 to four per cent in 2019/2020.

### **Queen Square division**

• A patient's daughter complained about the care provided to her late father in the Hyper Acute Stroke Unit (HASU) particularly in relation to inadequate communication and monitoring which the complainant felt had left her father to die alone and in pain. As part of the lessons learnt from the patient and complainant's experience, the HASU now ensures that psychological support and communication skills are incorporated into their training days. The importance of structured and effective communication between clinical team and families is incorporated into lunchtime safety huddles and clinical governance meetings.

### Women's Health division

 A patient raised concerns about complications she experienced following an iron infusion she received after giving birth which caused severe discolouration of her skin. As a result of this complaint, a revised patient information leaflet is being developed. The service has also reviewed their practice for giving the infusion and has enhanced the training to staff regarding potential side effects and the impact of extravasation.

### Administration and communication complaints

Communication issues remain a common theme in complaints and during 2018/2019 a
review of issues from complaints identified areas for improvement which have been
taken forward as part of the Access and Patient Administration programme (APA).
During 2019/20 the administrative transformation programme implemented 2-way SMS
appointment reminders for patients. This allows patients to text the trust if they cannot
make an appointment or would like to change it. This is now available for over 700 of our
outpatient clinics and our aim is to increase this further.

The programme also improved contact information on our appointment letters, ensuring that the correct number is included on letters, depending if the appointment needs to be discussed with one of our contact centres or directly with the specialty admin team.

In some specialties, appointment letters also include an email address which patients can use to contact the service, if that is preferable to using the telephone.

During 2020/21 further enhancements will include the ability to email appointment letters to patients which is faster, safer and better for the environment.

In terms of clinic letters, over 90 per cent of our letters are now created directly in our electronic health records system (EHRS) using digital dictation. This means the letter information is integrated into the patient record and clinicians are also able to get letters sent out to GPs, referrers and patients more quickly than previously.

We also rolled out our training and development framework for administrative staff. This shows them in one place the available training and development opportunities relevant to their role, including those related to patient communication. In 2020/21 we will be enhancing the framework with more advanced modules on communications and customer service.

For more information on our complaints data for 2019/2020 please see the annual complaints report available in September 2020 and published on our website at <a href="https://www.uclh.nhs.uk/complaints">https://www.uclh.nhs.uk/complaints</a>.

### 3.2.3 Governors report - End of life care

We were very pleased to receive at the trust board, our council of governors' report on a patient experience study they had undertaken on end of life care involving our patients, their families and carers. The objectives of the study were to examine the quality of end of life care given to patient at UCLH through interviews ranging from 30 mins to 2 hours with patients, bereaved families and carers, to identify moments of particular significance or vulnerability for these patients. The study also looked at whether patients receive the right help from the right people at the right time; and the level of support available to both patients their family and carers from all sources, both within and outside the trust, and to reach conclusions about its adequacy.

The governors worked closely with the palliative care team at UCLH to design the project and agreed to focus on end of life care provided in intensive care, elderly care, oncology and the acute medical unit as these are the areas where the highest number of deaths occur. They found many areas of good and excellent care but also made recommendations where care should be improved. These were considered by the trust board and the end of life care

board who have responded to each recommendation including actions to be implemented. Please see the governors' statement in annex 1 for more information.

### 3.3 Progress against 2019/20 priorities

This section of our quality report provides a look back over the 2019/20 quality priorities at UCLH. We put in place action plans and developed measures for each of the priorities and our performance has been monitored throughout the year by our clinical teams and hospital committees.

### 3.3.1 Priority 1: Patient Safety

# 3.3.1.1 Five steps to Safer Surgery (5SSS): reduce avoidable harm from surgery and invasive procedures

#### Introduction

The World Health Organisation (WHO) published the WHO surgical safety checklist in June 2008 in order to increase the safety of patients undergoing surgery

The Five Steps to Safer Surgery (5SSS) are a series of time critical safety checks which should be performed for every patient undergoing a surgical or invasive procedure. The WHO (World Health Organisation) surgical safety checklist consists of the sign in, time out, and sign out components of the 5SSS. The five checks are:

- Team brief the team members to identify themselves and their individual roles, discuss
  what procedures are planned, what is required and what problems may be anticipated to
  ensure that any issues may be dealt with early
- **Sign in** includes confirmation of correct patient identity and procedure prior to anaesthesia or sedation
- Time out the theatre team make final checks prior to the procedure commencing
- **Sign out** to check that all information has been recorded, equipment, swabs and specimens are accounted for and to ensure there is an ongoing plan for patient care
- Team debrief to discuss what went well, what needs attention and any learning

Our aims are to make areas carrying out invasive procedures safer through better use of the *Five Steps to Safer Surgery* (5SSS) and to build a safer culture by improving teamwork and communication. Every team member can then feel confident to speak up and raise concerns.

We perform enhancing safety visits (ESVs) as a collaborative way of fostering a culture of safety in our theatres and procedural areas, improving communication and teamwork around the 5SSS. During ESVs members of staff visit an area that undertakes surgery or interventional procedures and observe how the 5SSS are carried out. The ESVs tend to be unannounced in order to observe normal practice. We collect quality measures and feed back to the team what they are doing well and what could be improved. We utilise our findings and create action plans with the teams visited, which are reviewed on a quarterly basis.

What we said we would do	What we have done
Identify and evaluate the benefits and risks of EHRS in order to improve the approach to the Five Steps to Safer Surgery. These findings will form local quality improvement initiatives.	We learnt that data extraction from the EHRS relating to measures is complex and requires guidance from both the performance team and expert clinicians to ensure this is meaningful. We have been unable to obtain data to date but did note the benefits and risks of EHRS on a qualitative basis through the ESVs. These are described in the section 'what did we learn about the risks and benefits of the EHRS in relation to the 5SSS'.
Provide local teams with training on how to carry out ESVs in their local areas. This aims to increase the volume of visits in these areas and improve local ownership. Continue to undertake visits by the central team.	We have provided four local teams with training sessions on how to undertake an ESV, and these have commenced.  The central team has undertaken nine ESVs.  We have identified a process for receiving local teams' ESV reports which will be presented to the reducing surgical Harm steering group (RSHSG) for wider learning.
Continue to embed the process of carrying out the 5SSS across areas performing invasive procedures outside of a main theatre, e.g. brachytherapy.	We have reviewed 96 per cent of the areas carrying out invasive procedures across the trust. Of these areas, 86 per cent have a LocSSIP (Local Safety Standard for Invasive Procedures).  Over 20 areas have built the 5SSS WHO checklists into EHRS and have embedded it into work processes.
Develop systems to oversee learning and implementation from ESVs trust wide.	Reports from ESVs which include actions agreed by the local teams are now considered by the RSHSG and the care quality commission executive steering group (CQCESG). This enables oversight and the opportunity for trust wide learning.
Increase the percentage of staff completing the 5SSS elearning module.	The implementation of the 5SSS e learning module was delayed due to the focus on implementing the new EHRS this year.
Share learning from incidents relating to the 5SSS across the trust.	We continue to share learning from incidents at the RSHSG via a standing agenda item. This includes immediate learning from incidents and learning from completed serious incident reports.  One "At the Sharp End" bulletin was published in December 2019. One planned for March 2020 was not issued due to the COVID-19 pandemic

What we said we would do	What we have done	
Review investigations into the surgery-related never events for learning.	Two of the themes identified from the completed never even investigations include surgical pause and the use of a safe critical communication tool to escalate concerns.	
	We have begun to explore potential benefits of the surgeon being present at Sign In – we will look at the benefits of this in a number of pilot areas and agree roll out as appropriate in 2020/2021.	
	We have provided human factors training in theatres please see section 3.3.1.5 for more information	

### What did we learn about the benefits and risks of the EHRS in relation to the 5SSS?

We have embedded over 20 individualised checklists which have now been put onto the EHRS. We have been able to add a team brief and de-brief section so that the whole team can discuss the procedure list for that day and information specific to a patient is recorded in the patients' notes. This enhances communication within the team throughout the day and improves patient safety. We have observed the use of the 5SSS WHO checklists since the roll out of the EHRS and have used this information to detect safety issues and allow ongoing improvements to be made. The benefit of an electronic system is that improvements can be flexible and our ESV observations have identified that some areas use workarounds due to ergonomic or environmental issues such as a laminated checklist. A project is in place to explore if any alternative list can have a version control and date added to reduce any risk of using an incorrect or out of date list.

Following our analysis of never events last year we identified lack of 'surgical pause' as a common feature. As a result all checklists were reviewed and 'surgical pause' was added to relevant checklists. This helps with confirming the correct side and site prior to commencement of the procedure.

As part of our work on patient safety alerts assurance we identified there was no trigger to alert staff that a patient had a throat pack in so that they could remember to remove it. Anaesthetists were able to use throat pack insertion and throat pack removal prompts which requires real time acknowledgement which has mitigated the risk of a retained throat pack. In response to the patient safety alert on flushing which we also reviewed as part of our work on patient safety alerts assurance we created a mandated field on our EHRS system which is required to be completed by an anaesthetist to confirm the patient's cannula has been flushed. This must be confirmed prior to the anaesthetist sign off.

The EHRS provides a rich source of data and the ability to develop scorecards for matrons/risk managers. This will enable monitoring audit and quality assurance. However we are aware that data can sometimes be difficult to retrieve and we are working with our data and performance teams on how we can meaningfully collect safety and quality assurance data.

For more information on the work on patient safety alerts see section 3.3.1.5

## 3.3.1.2 Reduce harm from failure to recognise and respond appropriately to deterioration

Unrecognised deterioration is where a patient's health becomes worse and this is not picked up and acted on quickly. We identified the need to predict deterioration as well as focus on timely recognition, escalation and management of deterioration. Evidence shows that sepsis and acute kidney injury (AKI) are the leading causes for deterioration nationally; therefore, we continued to focus our improvement work on these areas.

Over the past year we have continued to focus on the following to reduce harm from unrecognised deterioration:

Prediction of deterioration\*
Recognition of deterioration
Escalation of a deteriorating patient
Management of a deteriorating patient

\*By prediction of deterioration we mean using clinical intuition to identify deterioration which may not be identified using tools such as the national early warning score (NEWS)

The revised early warning scoring system NEWS2 has been introduced nationally. There are two new indicators in NEWS2 – new confusion (meaning confusion that the patient has developed recently) and two different scales for SpO2 scale (peripheral capillary oxygen saturation, an estimate of the amount of oxygen in the blood) depending on the clinical needs of the patient. We felt this was an important area to focus on to support prediction, recognition and escalation of the deteriorating patient.

What we said we would do		What we have done
Dradiation of	Monitor and ensure completion of vital signs.	We were not able to obtain data until quarter three – this showed that 78.4 per cent of all sets of vital signs recorded include all the seven parameters required to calculate the NEWS2 score.
Prediction of deterioration	Measure compliance with NEWS2 indicators including the new indicators for new confusion and correct SpO2 scale.	There are numerous sources of quantitative and qualitative evidence which lead us to conclude that the new aspects of NEWS2 (New Confusion and Scale 2) have not been widely adopted by staff. We will continue to invest in education of staff

What we said we would do		What we have done
Recognition of deterioration	Ensure observations are monitored according to NEWS2 score as set out in the vital signs policy.	Ensuring observations are monitored according to NEWS2 score as set out in the vital signs policy means checking whether observations are carried out at a frequency which is consistent with the NEWS score. Please see table Q13 below for our findings. The deteriorating patient steering group (DPSG) discussed this at length and agreed that the significance of the data was not clear e.g. whether monitoring frequency less than the policy led to harm. Next year we will undertake further analysis to help us understand this better.
Measu fluid ba	Measure adherence to fluid balance monitoring.	A fluid balance policy was agreed prior to the introduction of the EHRS which included a fluid balance chart which became part of the patient record. The fluid balance chart can be completed manually but also some fluids automatically populate the chart e.g. intravenous fluids. However automatic population of the chart still requires further work which is ongoing. Data to monitor adherence to fluid balance monitoring has not yet been defined.
Escalation of deterioration	Ensure timely escalation of patients to a relevant clinician according to NEWS2 score, as set out in the vital signs policy.	We were not able to measure timely escalation this year
Management of deterioration	Ensure patients are responded to according to NEWS2 scores by a suitably trained professional as set out in the vital signs policy, focussing on patients with NEWS2 score >7.	Data has been made available and we will be able to report on this next year.

What we s	aid we would do	What we have done
	Promote timely antibiotic provision in patients with sepsis (aim to achieve 90 per cent compliance with antibiotics provision within 60 minutes of recognition of sepsis, where appropriate).	Our performance was 94 per cent of patients with sepsis received antibiotics within 60 minutes in Quarter two.  This data is obtained by record review and due to staff sickness we have not been able to obtain data for the remaining part of the year.  We will focus on alternative measures of sepsis management next year which we believe are of more value
	Improve the percentage of AKI patients receiving door to therapy treatment within six hours.	We achieved 79.5 per cent of patients receiving door to therapy treatment within six hours. We will use this as our baseline.

Table Q13 Frequency of monitoring according to NEWS score

NEWS score	Frequency of observations required by policy	Frequency of observations observed which were in line with the policy	Frequency of observations observed which were in line with the policy – allowing a margin of 15% delay (e.g. 60 mins + 15% = 70 mins	Comment
NEWS 0	12 hourly	98%	99%	
NEWS 1-4	Four hourly	60%	73%	There is a significant proportion of observations (13%) scoring NEWS 1-4 where there are minor delays in taking the next set of vital signs. This delay is of debatable clinical significance.
NEWS ≥5	Hourly	32%	38%	Compliance with the monitoring policy for NEWS ≥5 does not change much even allowing for a margin of 15%

### 3.3.1.3 Reduce the harm from failure to follow up on radiology results

It is important that there are systems in place for communicating and following up on radiology results and that associated 'safety net' procedures are in place and are robust.

What we said we would do	What we have done
We will have defined how results are followed up within imaging and within specialities and what safety nets are in place. Reports and/or dashboards will be available from our EHRS to enable monitoring of this.	The EHRS has a functionality which sends messages to the ordering and authorising clinician regarding results. We have been working on developing a report which will allow clinicians to check which of these results have not been read. However there have been challenges with the number of messages being sent and we have been working on the way results are routed (directed) so as to reduce the number of messages.  Outpatient result routing was due to be implemented in March/April 2020 but was paused due to the COVID-19 pandemic.

# 3.3.1.4 Reduce harm from failure to recognise and respond appropriately to both high and low glucose levels

Failure to act or recognise and respond to both high and low glucose levels can have serious implications for patients with diabetes and can result in patient harm. Our monitoring of patient safety incidents shows that the vast majority of incidents were related to poor blood glucose monitoring and medication errors, the latter largely due to insulin prescribing and administration errors. We expect this to be much improved with our EHRS as nurses and pharmacists would not have to read poorly written prescriptions. This year we have set up a diabetes safety steering group and have made progress on identification of which parameters can be used as a measurement of diabetes management on the wards, and training of our staff.

What we said we would do	What we have done	
Improve the management of low (hypoglycaemia) and high blood sugar (hyperglycaemia) blood sugar in diabetic patients.	We have set up a diabetes safety steering group. Members include nurses from acute medical unit, gastroenterology and neurology, pharmacy, the EHRS team and junior doctors from clinical pharmacology and gastroenterology (two teams which often look after a significant number of patients with diabetes on the wards). The steering group has reviewed all blood glucose levels for people with diabetes in hospital since April 2019.	
	We have determined which parameters can be used as a measurement of diabetes management on the wards. The parameters are: -time taken for hypoglycaemia (blood glucose<4mmols) to resolve per patient -time spent with significant hyperglycaemia (BG>18mmols) -frequency of mild hypoglycaemia (low blood glucose levels) -frequency of severe hypoglycaemia (glucose <2mmols	

What we said we would do	What we have done
	We have collected baseline data through our EHRS and through the linked Novameter (blood glucose meter).  We have tested the addition of a new measure related to the frequency of retesting for low blood glucose (<4mmol) which would give more of an indication about diabetes management behaviour.  We have begun to explore developing an alert and order set for management of glucose levels to guide best practice and timely treatment.
Improve diabetes education and share learning from incidents relating to low and high blood sugar across the trust.	We have incorporated an update to the new diabetes elearning module to take account of the EHRS which will be rolled out trust wide as a module which is essential to role.  We have identified three wards to target training based on the numbers of patients with diabetes that they see.  We have published at least two safety messages.  A new ten point training package was introduced in February 2020 to support the e-learning training.  Management of low and high blood glucose has been added to the matrons' quality rounds. However matrons' rounds were paused due to the COVID-19 pandemic
Improve timing of insulin administration by promoting self-administration.	We were unable to establish a baseline for timing of insulin self-administration due to the unexpected challenge of obtaining data from our EHRS.

### 3.3.1.5 Continue trust wide learning

We wanted to continue our focus on learning and in particular from serious incidents which include never events. We said we would do this by the following:

What we said we would do	What we have done
Monitor the implementation of the EHRS to identify patient safety risks and mitigation. We will do this by proactively looking for risks as well as monitoring incidents and patient safety dashboards	An EHRS risk register has been developed and is available to staff on the trust intranet – <b>my</b> uclh. This enables all staff to check what risks are being addressed and to highlight new risks. The EHRS teams regularly review these risks and take them into account when planning work. They are escalated in line with the trust policy.

What we said we would do	What we have done
Raise awareness of never events	Divisional teams have been asked to share a document at local divisional meetings which outlines which never events are relevant to their service and how to prevent them. They have been asked to provide assurance of discussion.  We have communicated on never events regularly throughout the year in the safety messages and the quality and safety bulletin.
Ensure learning from the 12 never events incidents that occurred in 2018/19 Ensure learning from the 12 never events incidents that occurred in 2018/19 (cont'd)	Updates on never event investigation action plans including assurances have been presented at the trust quality and safety committee (QSC) since October 2019. This includes an update on Never events relating to wrong site injection, oxygen / air flow cylinders, wrong site dental and max fax surgery.
	Presentations will continue through 2020/21 until the QSC is assured that all actions relating to never events investigations have been taken.
	In addition, all serious incident action plans, including those relating to never events are routinely followed up via the quality and safety team central monitoring system and reported to the patient safety committee.
	Thematic analysis on surgical never events has been completed and shared. Key themes were: lack of surgical pause, inadequate communication within the team and multitasking by surgical team members.
	An enhancing safety visit took place in interventional radiotherapy in November 2019 and it was observed that the changes to process had been made as a result of the learning identified.
	The trust Swab, Instruments and Sharps Count Policy has been updated and implemented to recommend the safety processes specific to the use of tampons (after a retained tampon never event).
	Thematic analysis has more recently been completed on the never events related to oxygen to air connection. Key themes shared in the quality and safety bulletin included that each of the never events occurred during a transfer from one area to another and airflow meters were still <i>in situ</i> after the previous patients use and had not been removed.

What we said we would do	What we have done
Continue to promote consideration of human factors when undertaking serious incident investigation	Training for 25 members of staff who undertake serious incident investigations was scheduled for the end of March 2020. This was cancelled due to the COVID-19 pandemic
	Human factors have continued to be a feature of serious incident investigation reports during 2019/20. More complex investigations which benefit from human factors analysis have been undertaken by a human factors specialist, external to the trust.
	Human factors based action plans have been identified and implemented in two serious Incident investigations, one relating to the retained instrument and the other to wrong site surgery
Continue our work on reviewing patient safety alerts (PSAs) and controls and assurances to prevent never events	All alerts relating to Never events and trust patient safety priorities have had the review process completed. Three of the patient safety alerts relating to never events are rated green* and four remain amber*. Work will be continued in 2020/21 to achieve green status on all alerts. There have been 12 improving care rounds (ICRs) which have incorporated review of three patient safety alerts relating to storage and handling of potassium chloride concentrate and other strong potassium solutions and reducing the risk of oxygen tubing being connected to air flowmeters.
	Work is underway to seek further assurance using ICRs by including site-specific observations relating to other never events such as checking whether medicines are being poured down the sink, safe storage of sharps and safe storage of food thickening agents by bed spaces as appropriate.

\*We started work this year looking at how we are assured that we have robust systems in place to implement patient safety alerts and to prevent never events. For those alerts that we reviewed we 'RAG' (Red Amber Green) rated them according to how assured we were — with green meaning we were assured we had robust measures in place to prevent harm, with amber and red meaning that we had gaps in the measures in place or had limited assurance. A red rating was given when the risk was deemed higher e.g. that assurance mechanisms had identified significant gaps or that incidents had occurred.

### 3.3.2 Priority 2: Clinical Effectiveness

### 3.3.2.1 Learning from deaths

During 2019/20 we continued to embed the structured judgement review (SJR) process and train more SJR reviewers. Progress was affected by the implementation of the new EHRS as staff were familiarising themselves with the new system.

We have been working on the implementation of the medical examiner role and have learnt from other trusts. We successfully appointed to our lead medical examiner role in quarter four of 2019/20 and we will continue to develop this service into the next year.

What we said we would do	What we have done
Continue to increase the number of trained SJR reviewers.	We have trained nine staff on how to complete SJRs during this year. This continues to be a challenge and we have sought support from the divisions which we will follow up on next year.
Standardise mortality and morbidity meetings reporting to the mortality surveillance group (MSG) where appropriate.	We initially thought that we would standardise the approach to mortality and morbidity meetings however, on reflection we think that this priority should be reframed. Our experience of mortality and morbidity meetings and feedback from other trusts suggests that presentations at the mortality surveillance group would be more beneficial. We have had presentations from two areas this year.  We will use these presentations to identify criteria for undertaking SJRs.  We plan to carry this priority over into next year with a rolling programme of presentations at the MSG to reflect learning.
Implement the new medical examiner role.	We have appointed the lead medical examiner who was due to start in April 2020 This was paused due to the COVID-19 pandemic
Continue to focus on learning and assessing the impact of actions taken as a result of reviews and investigations and report these in our quarterly reports.	We have continued to produce quarterly reports which demonstrate learning from the review of deaths including changes in practice.
Continue to review deaths relating to sepsis and AKI to identify and share further learning trust wide.	The provision of data on deaths was delayed as part of our EHRS implementation and this has impacted on the review of deaths. In 2019/20 we reviewed 64 deaths relating to sepsis and acute kidney injury (AKI). Going forward these will be reviewed by the deteriorating patient steering group (DPSG) and the AKI steering group respectively.

### 3.3.3 Priority 3: Patient experience

The patient experience and engagement committee (PEEC) has been in operation for the past two years and reports into the quality and safety committee (QSC). PEEC has representation from all clinical boards, corporate services such as PALS, complaints,

voluntary services and estates and facilities, as well as patient members. This inclusive governance structure has ensured that patient experience remains a priority in all areas of the trust.

The patient experience team supports this structure with detailed quarterly reports showing performance against priorities and highlights from patient feedback. This includes feedback gathered during our regular listening events and other patient involvement activities. These reports are used to help us set our priorities each year.

Patient experience encompasses patient engagement, involvement and feedback. We use a number of survey sources to measure patient experience. The Care Quality Commission (CQC) annual national inpatient survey shows how we compare to all other NHS trusts but is only available later in the year. The Picker Institute carries out the inpatient survey on behalf of the CQC for some trusts which allows us to compare ourselves with other trusts (74 trusts out of 150 surveyed in 2019). In addition, Quality Health runs the annual national cancer survey. This year our response rate for our inpatient survey was 40 per cent (nationally 44 per cent) and for our cancer survey was 53 per cent (nationally 64 per cent).

We also have an internal patient feedback system, which provides real time patient feedback which includes the FFT and a range of other questions which help us track our performance continuously through the year. Improvement against feedback is monitored at local level and used to monitor progress against our priorities as described below.

In 2019/20, our aims were to maintain our high overall experience ratings as measured by the FFT (table Q14) and to improve on specific areas detailed in tables Q15-Q19.

# 3.3.3.1 Improving overall patient experience as measured by the Friends and Family Test (FFT) question

The FFT gives an overall picture of patient experience, asking patients 'how likely are you to recommend UCLH to friends and family if they needed similar care or treatment?' The results are the percentage of patients who say 'extremely likely' or 'likely'. As required nationally, scores for inpatient and day case patients are combined.

Small year-to-year fluctuations are to be expected in FFT scores, reflecting not just changes in patient responses but also the number of responses and the method of collection. We have continued to monitor the responses we receive via the automated methods of collecting data, through text and voice calls sent to the majority of our patients shortly after leaving hospital.

We know that good patient experience has a positive effect on recovery and clinical outcomes. To continue to improve that experience we focus on what patients tell us. We said we would continue to focus on the same four FFT areas: inpatients/day case, outpatients, transport and emergency department (ED).

It was particularly important for us to continue to monitor our patients' experience of the transport service as this remained an area of concern for us and a key performance indicator for our transport provider. We wanted to maintain the target for 2019/20 as the score for the previous year had varied throughout the year.

**Table Q14** 2019/20 Progress against FFT Priorities

Friends and Family Test area	Patients recommending UCLH 2018/19	Target for 2019/20	Patients recommending UCLH 2019/20	Performance compared with previous year
Inpatients and day case	94%	95%	95%	Better
Outpatients	92%	94%	90%	Worse
Emergency department	85%	87%	87%	Better
Transport	88%*	85%	85%	Worse

<sup>\*</sup>Transport data not collected between May and October 2018

We are pleased to see that we have improved the experience of our patients in both inpatient and day case and in our emergency department. However it is disappointing to see our performance has declined in our outpatient departments and our patient transport service.

We saw a decline in our recommendation score for outpatients at the beginning of the year during the implementation phase of our new EHRS. Comments from patients during that time were about increased waiting time and staff attitude. However we have continued to see a lower than expected performance and we have continued to remain below target throughout the year. This may be linked to the lower numbers of responses, which have been low across the year compared with last year.

There has been a decline in patients recommending our patient transport service from 88% to 85% although we have still met our target. We collect feedback through a third party whose agents call patients to capture their experience.

This year we have done some work to understand this score. At the start of the year feedback from patients was more positive but we realised they were responding to care received by the hospital rather than the transport service. We therefore asked the agents to make it clear that we were asking about their experience of our transport service. This reduced the score. Although there has been a decline in score this appears to be a truer reflection of patients' experience of our transport service. Feedback has suggested that patients have concerns about waiting times and the attitude of the drivers, this has been escalated through the transport quality improvement group and discussions have been had with our current transport provider on how this might be improved.

## Improving patient experience in priority areas as measured by local and national surveys

As well as the measures of overall experience, each year we target specific areas where patients have told us that experience could be improved. These are chosen based on performance in the national inpatient survey or as measured in real-time feedback from our patients.

Our aim is to improve the experience in areas where patients continue to experience poorer standards than we would like, or where a particular decline in experience is noted. We

continued our priorities from the previous year so we could ensure that the improvements we have seen are embedded.

### 3.3.3.2 Improving our patients' experience of waiting

### a) Outpatient waiting priority

We have over one million outpatient attendances each year and we know that waiting times continue to be one of the biggest issues affecting patient experience.

With the introduction of our new EHRS and with the opening of the new Royal National Ear Nose and Throat and Eastman Dental Hospital we expected there to be some disruption. We reduced the number of patients seen in clinics during implementation, giving clinical staff more time to adjust to new ways of working without delaying patient care. We set a five per cent improvement target. While we did not meet this target we saw a slight decline in quarter one but have maintained our score for the remainder of the year. We were pleased with this and feel it is a positive reflection of how we managed the change.

With no national survey for this area, local real-time feedback surveys are used to measure our performance.

**Table Q15** 2019/20 progress against specific outpatient waiting priority – real-time survey results

Question – higher scores are better	2018/19 score	2019/20 target	2019/20 score	Performance compared with previous year
How long after the stated appointment time did the appointment start? (percentage of patients who waited 30 minutes or less for appointment to start)	70%	75%	70%	The same

We have now developed draft waiting experience standards, setting out how patients will be communicated with and what the environment will be like in our outpatient areas.

In the main outpatient area of UCH work has been going on to improve patients' experience of waiting. A selection of crosswords and puzzles along with adult colouring activities have been made available whilst patients are waiting. The feedback from patients about this has so far been positive.

At UCH at Westmoreland Street an increase in the use of volunteers has helped to ensure that patients are kept informed about waiting times and a volunteer magician has been recruited to work in the outpatient department to entertain patients during the busiest periods.

As we have not seen the improvement we would have liked this year we will be continuing to monitor waiting times as part of our priorities for 2020/21.

### b) Specific inpatient waiting priorities

We used our performance from the Picker inpatient survey to choose our specific inpatient waiting priorities. There were two questions where we had not seen the improvement that we would have hoped.

**Table Q16** Progress against specific inpatient waiting priorities for 2019

National inpatient survey question – higher scores are better	2018 result	2019 result	Performance compared with previous year
a) Admission date not changed by hospital (percentage of patients who did not have their admission date changed)	78%	78%	The same
b) Did not have to wait a long time to get to bed on ward (percentage of patients who did not have to wait for a bed on a ward)	68%	73%	Better

It is good to see that we have exceeded our target for patients not waiting a long time to get a bed on the ward. We maintained our score for patients not having their admission date changed by the hospital.

This year the team responsible for the flow of inpatients and day case patients embedded new ways of working with digital technology. This technology which links into the EHRS enables them to see an accurate bed state, leading to better coordination particularly for those patients waiting in the emergency department. Daily clinical patient reviews of which patients need a bed have enabled better planning and decision making. Alongside this, patient stories have been used as a powerful tool to deliver ward based training on patient flow.

As we have maintained or improved our scores on these specific inpatient waiting priorities, we will not be continuing to monitor these as part of our priorities for 2020/21.

### 3.3.3.3 Improving our patients' experience of care

We chose two priorities to improve our patients' experience of care.

For our inpatients we continued to monitor our patients' experience of getting help with meals. While we saw a small improvement in the score the action plan developed was still being implemented in March 2020.

**Table Q17** Progress against specific inpatient care priorities for 2019

National inpatient survey question – higher scores are better	2018 result	2019 result	Performance compared with previous year
Got enough help from staff to eat meals (percentage of patients who got enough help to eat meals)		82%	Worse

We have seen a decline in patients getting enough help with meals this year. This is disappointing given the work that has been going on across the trust. We continue to monitor this question through our real-time data as we recognise that this tells us a better and more immediate picture of patient's experience of meal times than the national inpatient survey.

The nutrition and hydration steering group (NHSG) catering sub group has been meeting monthly and has been looking at the out of hours provision available for patients and also the use of volunteers at mealtimes in partnership with nurse leadership.

The UCLH food and drink strategy, co-created with patients, staff and stakeholders to set out our vision and work plan for the coming years continues to be developed. In March 2020 patients and staff were invited to an event to give feedback on the issues around nutrition and hydration as well as ideas for improvement in the future. Staff and patients shared ideas around access to kitchens, better stocked beverage bays and availability of adaptive equipment to help patients to eat and drink. This feedback will form part of the food and drink strategy.

Within the surgery and cancer board, work has been going on to look at the issues around mealtimes on the ward with the focus on understanding how the hostesses work and their processes for checking patient meal requests. Observations on a ward have led to changes around the checking of meals and the use of volunteers to support. Within Medicine Board, the intensive treatment Unit (ITU) now offer ice lollies to patients daily at 3pm, to help alleviate mouth dryness or thirst.

As we have not made the progress we would have liked with help with meals we will be continuing to focus on this priority in 2020/21.

### 3.3.3.4 Improving our patients' experience of discharge

**Table Q18** Progress against specific discharge priorities

National inpatient survey question –	2018	2019	2019	Performance compared with previous year
higher scores are better	result	target	result	
Knew what would happen next with care after leaving hospital (percentage of patients who knew what was happening with care after leaving hospital)	84%	85%	89%	Better

Understanding what was happening after leaving continued to be a concern, so in 2019/20 we wanted to work with patients and staff to understand how we can help them to feel as informed as possible about what will happen once they have left hospital. This work would include:

- Ensuring every patient has an expected date of discharge and that they are involved in decisions about their discharge including understanding any worries and fears they may have about going home.
- Preparing patients, families and carers for discharge with the right information, both written and verbal. This will include the right contacts for follow up appointments and who to contact or where to go if they have a problem once at home.

With the introduction of the EHRS the quality of discharge information would improve as it will be automatically generated from the patient record.

It is positive to see that we have exceeded our target in patients knowing what would happen next after leaving hospital.

Work is ongoing to improve patients' experience of discharge. The process has been changed so that patients are now sent a letter providing them with information about their stay so that patients are more prepared on admission. Alongside this Long Length of Stay (LLOS) reviews and daily huddles are ongoing to ensure that discharge is a top priority.

We also continue to get positive feedback from those patients using the patient portal MyCare UCLH. Through MyCare UCLH, patients are able to securely log in to the portal to view appointment times, 'after visit summaries', discharge letters, medications and a library of information that is useful for their care via a mobile device of their choice. In particular, these patients appreciated the speedy receipt of their discharge summary.

As we improved in this area we will not be continuing to monitor discharge as part of our priorities in 2020/21.

### 3.3.3.5 Improving our cancer patients' experience of care

**Table Q19** Specific cancer patient care priority

National cancer patient survey question – higher scores are better	2017 result	2018 target	2018 result*	Performance compared with previous year
Patient given easy to understand written information about their cancer type (percentage of patients who received easy to understand information)	70%	73%	69%	Worse

<sup>\*</sup> The results for the 2018 cancer patient survey were published in September 2019.

The results from the national cancer patient experience survey 2018 were received in September 2019 and suggest that patients given easy to understand written information about their cancer type is an area where the trust needs to have a continued focus for improvement.

In addition to the information hubs at NHNN and UCH, we have now introduced an information hub at UCH at Westmoreland Street. An audit of the most commonly taken cancer information booklets from the information points in UCLH was conducted. The findings from the audit were used, alongside data from Macmillan Cancer Support, to ensure that the most relevant booklets are displayed in the info points. The three top booklets are: 'Healthy eating', 'Coping with fatigue' and 'Eating problems and cancer'.

We have also recently undertaken work to assess the information needs of patients attending the new Royal Ear, Nose, Throat and Eastman Dental Hospital.

The cancer patient information team has been working with the myeloma team to improve information packs given to patients at diagnosis. Initially, feedback was collected to understand patient satisfaction with the information packs. The feedback highlighted areas where the clinical teams could make improvements when delivering information to patients. This work will be rolled out to other clinical teams during 2020.

### 3.4 Priorities for improvement 2020/21

### How we consulted on our priorities for 2020/21

In choosing our quality priorities for the coming year, we consulted widely – with our staff, with representatives of local GPs, our commissioners and with UCLH governors on behalf of our patients and the public. We sought input from our staff through the clinical boards, the patient safety committee (PSC), the quality and safety committee (QSC) and the patient experience and engagement committee (PEEC). We discussed the priorities and indicators with our governors through a session dedicated to the quality report and to issues of safety and effectiveness. The priorities take account of progress against those for 2019/20, described in section 3.3.3, with most of last year's priorities identified as needing ongoing focus in 2020/21. We have identified priorities for 20/21 but as the future currently is so uncertain we may seek to review and reprioritise as the year unfolds.

The priorities agreed are summarised here:

Table Q20 2019/20 UCLH quality priorities summary

Domains	Priorities
Patient safety	Five steps to safer surgery (5SSS): reduce avoidable harm
	from surgery and invasive procedures
	Reduce harm from failure to recognise and respond
	appropriately to deterioration
	Reduce harm from failure to follow up on radiology results
	Reduce harm from failure to recognise and respond
	appropriately to both high and low glucose levels
	Continue trust wide learning
Clinical effectiveness	Learning from deaths
Patient experience	<ul> <li>Friends and family test targets – inpatients, emergency</li> </ul>
	department , transport and outpatients
	Outpatient priorities – waiting
	<ul> <li>Inpatient priorities – food and hydration</li> </ul>
	<ul> <li>Cancer priorities – provision of easy to understand written information</li> </ul>

### 3.4.1 Priority 1: Patient safety

# 3.4.1.1 Five steps to safer surgery: reduce avoidable harm from surgery and invasive procedures

### Why we have chosen this priority

Safety surrounding surgical and other invasive procedures is increasingly complex. The environment in which we work is continuously changing and so, it remains important to focus on communication and teamwork particularly surrounding time critical safety checks. As the EHRS has changed the way we work, the 5SSS remain of paramount importance and this continues to be a safety priority for UCLH.

We also wish to build on our experience of enhancing safety visits (ESVs) and learn from the arrangements for ICRs. We intend to increase the number of ESVs and will aim to train more people to do this. We will develop a policy for ESVs as a priority which will define duties, responsibilities and training requirements, the role of the core team, how action plans should be written and monitored and the programme of ESVs. Local safety leads have been agreed for each area and this role needs to be supported and developed.

This year we will	What success will look like?
We will continue to support teams to implement improvements in relation to the 5SSS, as set out in action plans from investigations where surgical or invasive procedure serious incidents have occurred.	Action plans will be completed and improvements shared across the trust through At The Sharp End Bulletin, Quality and Safety Bulletin and the reducing surgical harm steering group.
Develop an ESV policy (which will also include interventional procedures) to include duties and responsibilities when undertaking an ESV, training requirements, the role of the core team, how reports and action plans should be written and monitored, the identification of themes and the programme of ESVs. This will include the learning from the approach taken with ICRs.	Policy completed and implemented including how we will monitor the success of the policy.
Support the engagement of surgeons being present at Sign In, starting with pilot areas. Sign in is normally undertaken by anaesthetists and surgeons lead the next stage – Time Out	We will establish a baseline of numbers of surgeons who are recorded as taking part in Sign In on EHRS in the pilot areas
Measure the completion of the surgeon field at Sign In via the EHRS	We will use this to identify improvement targets within each of the pilot areas.
	We will reflect on the learning from the pilot areas and agree a roll out plan where appropriate.
Use local and trust wide enhancing safety visits (ESVs) to observe surgical engagement with Sign In.	We will include our findings in the ESV reports
Continue to provide teams with training on how to carry out ESVs in their local areas. This aims to increase the volume of visits in these areas and improve local ownership.	At least a further four teams will be trained to carry out ESVs in their areas and will conduct local visits. Each local team will carry out two ESVs per year in their own area. We will prioritise training where a Never Event or serious incident has occurred.
Continue to observe, record and promote the use of the surgical pause	Observations of surgical pause will be recorded as part of our ESV reports. We will continue to promote the surgical pause through safety bulletins and our other communications.

This year we will	What success will look like?
We will set an expectation supported by the medical directors that safety leads will attend the RSHSG	Attendance of at least two thirds of the meetings by all safety leads
Increase the percentage of staff completing the 5SSS e-learning module for staff working in theatres and anaesthetics and invasive procedural areas.	We will agree a target for the percentage of staff to complete the 5SSS e-learning module (once we have the baseline)

### How we will monitor progress

Progress will be monitored through the reducing surgical harm steering group

## 3.4.1.2 Reduce harm from failure to recognise and respond appropriately to deterioration

### Why we have chosen this priority

This year we introduced our new EHRS (31st March 2019). This meant that there was a period of learning about the new system and how it will help us to respond to, and manage, deteriorating patients.

Our focus this year has been largely on obtaining data which we can use to assess how well we are identifying and managing the deteriorating patient. This proved more complex that we anticipated for a number of reasons. There are four challenges:

- 1. **Conceptual**. The deteriorating patient pathway is not linear it is very complex and we need to be sure we are measuring what is actually done instead of what we think is done.
- 2. **Technical** This is determining the right data to tell us what we need to know and requires clinical knowledge and knowledge of how the EHRS is used day to day. Even once we have identified the data it needs to be combined, cleaned and arranged in a format suitable for analysis. That requires technical skill and an understanding of how the EHRS handles data.
- 3. **Analytical** We need clinical staff to engage with the analytics teams to increase capacity and capability to interpret and use the data for safety/improvement
- 4. Managerial we need to have metrics that matter rather than those we can count. Even if the metric is good you have to ask what the point is. For example a metric of percentage of NEWS scores calculated correctly will always be 100%. This is an example of a vanity metric i.e.— it makes us feel good when we look at it and looks great on a report but brings us no closer to understanding how safe the hospital is. Equally bad are the metrics that we cannot affect. For a metric to earn its place on the dashboard it should trigger action when it goes red.

We have taken all of these challenges into account in developing our indicators

A multi-disciplinary team reviewed our achievements to date and considered what we needed to do to improve further. As we did not have as much data as we had hoped we agreed to continue with the same objectives with some amendments. We will also participate in the national CQUIN for NEWS2 .This is the recording of NEWS2 score, escalation time and response time for unplanned critical care admissions

### Priorities for 2020/21

Priorities for 202	This year we will	What success will look like?
Prediction of deterioration	Continue to measure whether all the seven parameters have been recorded in order to generate the NEWS2 score	Last year 78.4% of all sets of vital signs recorded included all the parameters required to calculate the NEWS2 score. We will aim for 85% which recognises that not all patients need all the parameters measured every time.  However for patients on 4 hourly observations all seven parameters should be recorded and so this year we will look at this particular group and establish a baseline. The seven parameters are respiratory rate, SpO2, oxygen/air, BP, pulse, consciousness level and temperature.
Recognition of deterioration	Review a selection of patients with a NEWS2 ≥7 (our patients at highest risk) including monitoring frequency, escalation and outcome.  We will do this by reviewing the frequency of monitoring using reports from the EHRS and comparing with the policy requirements; as well as reviewing the escalation, response and outcomes (e.g. high NEWS score to critical care door) using a case note review of 100 cases per quarter which will also fulfil the requirements of the NEWS2 CQUIN	We will use the review of these patients to understand the completeness and frequency of monitoring of high risk patients in relation to the trust vital signs policy in conjunction with data regarding escalation and response to (management of) deterioration. We will use this information to improve the vital signs policy and monitoring practices as required
Measure adherence to the fluid balance monitoring	Review the policy in light of the implementation of EHRS. Define what are the most useful measures and identify patients for which these measures may be of the most value	Fluid balance policy reviewed and monitoring agreed

	This year we will	What success will look like?
Escalation of deterioration	Ensure timely escalation of patients to a relevant clinician according to NEWS2 score of ≥7. We will focus on those patients who are subsequently admitted to critical care	We will measure escalation time for unplanned critical care admissions as part of the NEWS2 CQUIN.
	Ensure patients are responded to according to NEWS2 scores by a suitably trained professional, focussing on patients with NEWS2 score ≥7. We will focus on those patients who are subsequently admitted to critical care	We will measure response time for unplanned critical care admissions as part of the NEWS2 CQUIN.
	Improve the percentage of patients with AKI receiving door to therapy treatment within six hours.	We will achieve 85% of patients with AKI receiving door to therapy treatment within six hours from baseline in the designated high risk wards.
Management of deterioration	We established that our baseline was 79.5% patients with AKI receiving door to therapy treatment within six hours. This was based on an audit of 74 patients in designated high risk wards.	
	In the same audit we also established a baseline of 70.9% for documentation of diagnosis of AKI by a medical professional based on biochemical testing which means in those cases the reason for the diagnosis was noted	We will achieve 80% of documentation of diagnosis of AKI by a medical professional based on biochemical testing
	We will identify a sample of patients with sepsis based on positive cultures and a qSOFA >= 2 and review the cases to assess quality of care.	We will have reviewed a sample of patients with positive cultures and a qSOFA score* >= 2 and reported on the quality of their care.
National CQUIN	Record NEWS2 score, escalation time and response time for unplanned critical care admissions	Achievement of the CQUIN

<sup>\*</sup>The qSOFA score is used to identify patients with suspected infection who are at greater risk for a poor outcome outside the intensive care unit (ICU). It uses three criteria, assigning one point for low blood pressure (SBP≤100 mmHg), high respiratory rate (≥22 breaths per min), or altered mentation (Glasgow coma scale<15).

The above data refers to adults. This year we will develop measures to monitor appropriate responses to deterioration in paediatrics (the paediatric early warning score (PEWS) and in maternity (the maternal early obstetric warning score (MEOWS).

The national patient strategy has highlighted the importance of patient involvement in safety. We will use patient focus groups to understand what patient and/or carer involvement with deteriorating patients might mean.

### How we will monitor progress

Progress will be monitored through the deteriorating patient steering group.

### 3.4.1.3 Reduce the harm from failure to follow up on radiology results

### Why we have chosen this priority

It is important that there are systems in place for communicating and acting on up on radiology results and that associated 'safety net' procedures are in place and are robust.

One 'safety net' is the EHRS messaging system for unread results. Last year we considered the large number of messages for all results and how we might reduce them so that reviewing the unread messages is manageable and effective. We agreed a results routing process/algorithm for outpatients which we will implement this year and work on a similar routing for inpatients. We will also review how results are followed up within imaging and within specialities.

This year we will	What success will look like?
Complete a review of the follow up of imaging results within imaging and within specialities.	We will have defined how results are followed up within imaging and within specialities and what safety nets are in place.
Implement the results routing algorithm for inpatients and outpatients.	Divisions will be able to use the reports on unread messages in a practical way as part of the fail safe monitoring.
Revise our policy to reflect the changes for communicating and following up on radiology results including a description of how each speciality addresses this.	

### How we will monitor progress

Progress will be monitored through the quality and safety committee.

# 3.4.1.4 Reduce harm from failure to recognise and respond appropriately to both high and low glucose levels

### Why we have chosen this priority

We will continue our work on diabetes inpatient safety as our focus in 2019/20 was to establish the diabetes steering group and define reporting metrics within EHRS. We will continue with the development of our training programme and the monitoring of patient safety incidents including medication errors. In particular, the timing of insulin administration is often poor contributing to low and high glucose levels.

This year we will	What does success look like?
Improve the management of low	Baseline data has been established.
(hypoglycaemia) and high (hyperglycaemia) blood glucose levels in diabetic patients.	A dashboard will be developed so that we can easily identify the changes over time. The dashboard will also help us to identify the wards with poor diabetes management where we can target the new education programme
Improve diabetes education and continue to promote learning	Having identified three key wards that see the most patients we will aim to train 50 per cent of staff on our new 10 point training package through face to face training delivered by our clinical practice facilitators. We will also aim for 50 per cent of staff to undertake e-learning on these wards. We will work towards 90 per cent compliance for both types of training. We will then roll out across the trust
We will also expand on the training needs analysis completed by nurses. The next step is focus groups to better understand diabetes management difficulties. A training needs analysis will be completed for junior doctors as well and this will help to inform education sessions for them.	We will assess the success of our training by monitoring indicators on the dashboard.
We will continue to share diabetes safety messages through message of the week and medication and quality and safety bulletins.	At least two diabetes safety messages shared
Improve timing of insulin administration by promoting self-administration.  In order to do this we have to ensure that we can support patients having their medication in a bedside locker (a 'patients own drugs' (POD) locker).	We will have established a baseline for timing of insulin self-administration and set an improvement target. We will have adequate storage facilities for patients own medicines (POD lockers) across the trust.  We will have revised the self-administration
We will also revise the self-administration policy to take into account the changes that will arise through the EHRS.	policy to take into account the changes that will arise through the EHRS.

## How we will monitor progress

Progress will be monitored through the diabetes steering group

### 3.4.1.5 Continue trust wide learning

### Why we have chosen this priority

Last year we focused on learning from Never events and aimed to have none in 2019/20. Unfortunately there have been a further three Never events this year so we will continue with our focus on learning and strengthening systems for prevention.

### What we are trying to improve

We will continue to aim to have no Never events in 2020/21. We will continue to review the controls and assurances around the patient safety alerts relating to Never events seeking to establish green status. We will strengthen the monitoring on the front line.

We were successful in improving awareness of human factors across UCLH. This year we will continue to provide human factors awareness training and extend awareness of human factors and its link to patient safety in other ways e.g. via the leadership forum and more training and engagement of senior managers across the trust.

Following the introduction of the EHRS we said we would manage safety issues during and following implementation. During 2020/21 we will continue this work and fully establish mechanisms across the trust for ensuring risks associated with the EHRS are identified and managed.

Through the year we considered a 'just culture' and set up a group to look at how we support staff following an incident. We also considered how we might support patients and relatives further by the provision of information about serious incidents and we plan to complete this work in 2020/21.

This year we will	What success will look like?
Fully establish trust mechanisms for managing risk associated with EHRS in order to ensure any risks to patient safety are prioritised and managed	Systems for the review and management of risks associated with the EHRS will be fully established.
Continue to raise awareness of Never events	Publication of two quality and safety bulletins and three patient safety messages which highlight and remind staff about learning from actions relating to never events.
Develop and implement information for patients, relatives and staff who may be involved in serious incidents.	We will have developed information leaflets or other forms of information which we will issue to support staff, relatives and staff who may be involved in serious incidents

This year we will	What success will look like?
We will continue to review the controls and assurances around the patient safety alerts relating to Never events seeking to establish green status.	We will have achieved green status on the patient safety alerts relating to Never events or identify actions required to meet green status  We will continue to check implementation of patient safety alerts in practice through our programme of matron quality rounds, ICRs and environmental monitoring observations.
Continue to promote consideration of human factors when undertaking serious incident investigation	At least two human factors based serious incident investigations and action plans will have been identified and implemented. Bespoke human factors work will have been undertaken in a further three specialities as a result of Never events.
Continue to provide human factors awareness training and further extend awareness of human factors across the trust - in particular to senior managers and medical staff.	A further 250 members of staff, including 30 senior managers and 15 members of medical staff will have attended training on human factors awareness in healthcare.  Seek feedback on changes and improvements made by staff as a result of attending the human factors awareness raising course.  Hold a trust leadership forum in order to further educate and raise awareness.

## How we will monitor progress

Progress will be monitored through the patient safety committee

### 3.4.2 Priority 2: Clinical Effectiveness

### 3.4.2.1 Learning from deaths

During 2020/21 we will fully implement the medical examiner service. The lead medical examiner (and medical examiners) will verify clinical information on medical certificates of cause of death (MCCDs) and ensure that the right referrals are made to the HM Coroner for further investigation. Medical Examiners (MEs) will also contact the next of kin regarding deaths.

We will continue to embed the structured judgement review (SJR) process and will continue to identify and share themes for learning and best practice.

In 2019/20 we identified that we would implement a standardised process from mortality and morbidity meetings. However, we were not able to achieve this last year and on reflection and following feedback from other trusts we agreed that we would develop a different approach. We plan to develop a programme of presentations from mortality and morbidity meetings across the trust to the mortality surveillance group (MSG) where we can share learning and identify good practice.

This year we will	What success will look like?
Implement the new medical examiner role.	The medical examiner will review all deaths
examiner fole.	We will have recruited a team of medical examiners and a medical examiner officer(s).
	We will have set up a database to capture deaths reviewed. We will have agreed performance indicators
Continue to receive presentations at MSG from the local mortality and morbidity meetings.	MSG will have received at least eight presentations from local mortality and morbidity meetings.
Continue to review deaths relating to sepsis and AKI to identify and share further learning trust wide.	We will have reported quarterly on the learning from deaths related to sepsis and AKI to the DPSG, AKI steering group and the MSG. We will review at least 75% deaths related to sepsis/AKI
Continue to focus on learning and assessing the impact of actions taken as a result of reviews and investigations and report these in our quarterly board reports.	Our quarterly reports will continue to demonstrate learning from our review of deaths including changes in practice
Continue to increase the number of trained SJR reviewers and increase the number of SJRs completed by 50%	We will have trained an additional 20 staff which will be representative across all of the divisions.  We will have increased the number of SJRs completed by 50% (by 60) and ensure that all deaths relating to sepsis or AKI are reviewed within three months

### How we will monitor progress

Progress will be monitored through the mortality steering group.

### 3.4.3 Priority 3: Patient experience

Our patient experience priorities for 2020/21 have been shared and agreed by the patient experience committee, the three clinical boards and our governors.

**Table Q21** 2020/21 Patient experience priorities summary

Domains	Priorities
Patient experience	<ul> <li>Friends and family test targets – inpatients, emergency department, transport and outpatients</li> <li>Outpatient priorities – waiting</li> <li>Inpatient priorities – food and hydration</li> <li>Cancer priorities – provision of easy to understand written information</li> </ul>

# 3.4.3.1 Improving overall patient experience as measured by the Friends and Family Test (FFT) question

We know that good patient experience has a positive effect on recovery and clinical outcomes. To continue to improve that experience we focus on what patients tell us. The FFT asks patients whether they would recommend our services to friends and family should they need similar care or treatment. The FFT is described in section 3.3.3.1.

We will continue to focus on the same four FFT areas as last year: inpatients/day case, outpatients, transport and emergency department because we made less progress in some areas than we had hoped for in 2019/20. As in previous years, we have chosen the four areas giving us the widest reported experiences across our hospitals. These are the best measures of how we are doing and how we compare with others.

We met our target in both inpatients/day case and emergency departments and so have set further improvement targets. This is a one percent improvement target for inpatients and a two percent improvement target for the emergency department. As the FFT score for our outpatient areas did not meet our target, we will maintain this for next year, which means a four percent improvement target.

It is particularly important for us to continue to monitor our patients' experience of the transport service as this remains an area of concern for us and a key performance indicator for our transport provider. As we did not meet our target for transport we will maintain this for next year.

New national FFT guidance was published in 2019, setting out changes to the wording of the question and the response options for patients. These changes will be implemented from April 2020. The change is as follows

Currently we ask patients 'how likely are you to recommend this service to your friends and family should they need similar treatment?'

The new question will ask 'Thinking about your recent experience of our service at UCLH. Overall, how was your experience of our service?'

Although the wording is changing the FFT will remain and we will continue to measure in all areas and seek an improvement.

#### What success will look like?

Table Q22 2020/21 FFT Priorities

Friends and Family Test			Target for 2020/21	
area				
Inpatients and day-case	94%	95%	96%	
Outpatients	92%	90%	94%	
Emergency department	85%	87%	89%	
Transport	88%**	81%	85%	

<sup>\*</sup> This question will change in April 2020

# Improving patient experience in priority areas as measured by local and national surveys

As well as the measures of overall experience, each year we target specific areas where patients have told us that experience could be improved. These are chosen based on performance in the national inpatient survey or as measured in real-time feedback from our patients.

Our aim is to improve the experience in areas where patients continue to experience poorer standards than we would like, or where a particular decline in experience is noted. In 2020/21 we are continuing with our priorities around waiting and care as well as our specific cancer priority.

### 3.4.3.2 Improving our patients' experience of waiting

We have over one million outpatient attendances each year and we know that waiting times continue to be one of the biggest issues affecting patient experience.

We did not meet our target for outpatient waiting times last year. The target set last year was an improvement target and so we will keep this for 2020/21. As there is no national outpatient survey, local real-time feedback surveys will be used to measure our performance.

**Table Q23** 2019/20 Specific outpatient waiting priority

Local real-time time survey question – higher scores are better	Real-time survey result 2018/19 2019/20		2020/21 Real-time survey target	
How long after the stated appointment time did the appointment start? (percentage of patients who waited 30 minutes or less for appointment to start)	70%	70%	75%	

<sup>\*\*</sup> Transport data not collected between May and October 2018

### This year we will:

- Continue to develop our approaches to booking and managing appointments and, exploring functionality available in the EHRS. We aim to ensure the right number of patients come to each outpatient clinic, so that they run on time and minimise the risk of longer waiting times. This functionality includes improved SMS reminders to patients to reduce the number of appointments not attended, managing our short term capacity better, improved reporting on vacant appointment slots and relying on less clinic overbooking.
- Develop plans to provide more outpatient appointments over the telephone or via video conference. This can bring a range of patient benefits, and could also contribute to a better waiting experience for those who are attending in person, with less crowded waiting areas for example.
- Continue to deliver training and development for all staff in our EHRS. This is promoting
  more widespread use of advanced functionality in the EHRS, which helps clinicians
  manage their patient encounters effectively and more quickly. This can contribute to
  clinics running to time and avoid clinics over-running.

### 3.4.3.3 Improving our patients' experience of care

We have seen a decline this year in patients feeling they had enough help to eat meals. We have therefore decided to make nutrition and hydration a focus for our priorities in 2020/21.

We have chosen to focus our inpatient care improvements on the four questions asked in the national survey. As we did not meet the target we set last year for patients getting help with meals, we have kept it the same. For the other three questions we have set targets based on our previous best performance or by comparing ourselves to a national average. This is a four percent improvement in how patients rate the food provided and two percent for choice of food and getting enough to drink.

**Table Q2** 2019/20 Specific inpatient care priorities

National Inpatient survey questions- higher scores are better	2018 result	2019 result	2020 target
Food was very good or good	56%	52%	56%
Offered a choice of food	92%	94%	96%
Got enough to drink	89%	90%	92%
Got enough help from staff to eat meals (percentage of patients who got enough help to eat meals)	84%	82%	86%

It is recognised that in order to improve patients' experience of food and drink, we need to work together with patients, staff and the facilities providers to understand the issues.

This year we will continue to work on the development of our food and drink strategy using feedback collected from both staff and patients. The strategy will set our vision for the next five years and will focus on four key areas; patient nutrition and hydration, staff and visitors' health and wellbeing, sustainability and research. Progress with the strategy will be monitored through the nutrition and hydration steering group (NHSG).

### 3.4.3.4 Improving our cancer patients' experience of care

**Table Q25** 2019/20 Specific cancer patient care priority

National cancer patient survey question – higher scores are better	2017 result	2018 result	2020 target
Patient given easy to understand written information about their cancer type (percentage of patients who received easy to understand information)	70%	69%*	71%

<sup>\*</sup> The results for the 2019 cancer patient survey will be published in September 2020.

As we did not meet our target last year, we have benchmarked our performance against peers in London and have set a two percent improvement target to align to the higher performing trusts.

This year we will continue to audit the take up of leaflets in our new information hubs.

Following on from the work done with the myeloma team to improve patient information packs this will be rolled out to other clinical teams in 2020.

Work will continue to look at how MyCare the patient portal can be used to ensure patients have access to the right information for their tumour type.

### How we will monitor progress

Progress will be monitored through the patient experience and engagement committee.

### 3.5 Overview of Quality Performance

With the agreement of our governors and other stakeholders we have removed the section on progress against locally chosen indicators which was in last year's report. This was because it was agreed that the indicators were or could be included in other reports received throughout the year.

### 3.5.1 Progress against the indicators in the single oversight framework

The Single Oversight Framework is the joint NHS England and NHS Improvement framework for assessing trusts' performance against key statutory performance indicators.

Table Q26 Progress against the indicators in the Single Oversight Framework

Indicator	Threshold 2019/20	2019/20
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway	92%	73.0% <sup>1</sup>
A&E (emergency department): maximum waiting time of four hours from arrival to admission/transfer/discharge	95%	82.1%²
Cancer 62 day waits for first treatment (from urgent GP referral)	85%	79.5%³
Cancer 62 day waits for first treatment (from NHS cancer screening service referral)	90%	63.9%³
C.difficile due to lapses in care		04
Total <i>C.difficile</i> (including: cases deemed not to be due to lapse in care and cases under review)		70 <sup>4</sup>
C.difficile cases under review		43 <sup>4</sup>
Summary Hospital-level Mortality Indicator	See section 3.5.2.1	
Maximum 6-week wait for diagnostic procedures	99%	78.0% <sup>5</sup>
Venous thromboembolism (VTE) risk assessment	See section 3.5.2.6	

<sup>&</sup>lt;sup>1</sup> RTT indicators are based on data from March 2020

<sup>&</sup>lt;sup>2</sup> A&E indicators are based on data from April 2019 to March 2020

<sup>&</sup>lt;sup>3</sup> Cancer waiting times indicators are based on data from April 2019 and March 2020 (data for October 2019 to March 2020 is provisional)

<sup>&</sup>lt;sup>4</sup> *C.difficile* indicators are based on data from April 2019 to March 2020

<sup>&</sup>lt;sup>5</sup> Diagnostic waits indicators are based on data from March 2020

Like other major cancer centres, historically we have struggled to meet the target that 85 per cent of patients with cancer should begin their first treatment within 62 days of an urgent GP referral. In September, we achieved this standard for the first time in six years, with 87 per cent of patients beginning their treatment within this timeframe. We maintained this performance for three months. We continue to work closely with referring hospital trusts to speed up patients' movement through the healthcare system.

Our failure to achieve both the 18-week referral to treatment and six-week wait diagnostic standards was mainly due to issues associated with the implementation of our new EHRS. For these measures, performance had been gradually improving towards the end of the year. However, the onset of the COVID-19 pandemic significantly constrained our ability to provide services for patients on routine pathways

We did not achieve the standard that 95 per cent of patients should spend less than four hours in our emergency department in 2019/20. However, our average waiting times for patients who were critically ill or injured remained mostly better than the national and London average.

For further information please see section '1.1.4 Detailed review of our performance 2019/20'.

We undertake extensive validation work on the data underpinning our performance reporting for RTT, six week diagnostics and A&E (emergency department) access standards. Along with the rest of the NHS, we need to carry out this validation to ensure that data collected by a wide range of clinical and non-clinical staff is put on to our systems accurately, and then processed in line with rules that are sometimes complex to follow. Our new EHRS gives us much more control and assurance over the accuracy of the waiting times data captured in our emergency department, all information is captured as part of the clinical care being provided to our patients with an audit trail attached to everything that clinical and administrative staff add to a patient's record. In addition we now have one source of the truth for waiting times information, addressing the concern about inconsistencies in records from previous years.

For 2019/20 the *Clostridium difficile* infection reporting algorithm changed including how and when a case is recorded. This amendment impacted acute trusts in two key ways:

- 1) Reducing the number of days to apportion hospital-onset healthcare associated cases from three or more (previously day four onwards) to two or more (now day three onwards) days following admission.
- 2) We are now counting community onset healthcare associated cases: cases that occur in the community (or within two days of admission) or when the patient has been an inpatient in the trust, reporting cases from the previous four weeks.

### 3.5.2 Core indicators for 2019/20

NHS foundation trusts are required to report performance against a core set of indicators using data made available to the trust by NHS Digital.

## 3.5.2.1 Summary hospital level mortality indicator (SHMI) and patient deaths with palliative care

University College London Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: the trust has a robust process for clinical coding and review of mortality data so is confident that the data is accurate.

**Table Q27** SHMI indicator\* and patient deaths coded for palliative care

	UCLH Performance October 2016 – September 2017	UCLH Performance October 2017- September 2018	UCLH Performance October 2018 - September 2019	National average October 2018 - September 2019	Highest Performing Trust October 2018 - September 2019	Lowest Performing Trust October 2018 - September 2019
a) The value and banding of the summary hospital – level mortality indicator ('SHMI') for the trust for the reporting period	0.7673 (Band 3)	0.7361 (Band 3)	0.7244 (Band 3)	1.0	0.6979	1.1877
b) The % patient deaths with palliative care coded at either diagnostic or speciality level for the trust for the reporting period.	39.1	37.2	36.3	36.2	58.7	12.0

\*The summary hospital level mortality (SHMI) indicator is composed of 140 different diagnosis groups and these are aggregated to calculate the overall SHMI value for each trust. This is the ratio between the actual number of patients who die following hospitalisation at the trust and the number that would be expected to die on the basis of average England figures, taking into account the characteristics of the patients treated there. It includes deaths which occurred in hospital and deaths which occurred outside of hospital within 30 days (inclusive) of discharge.

The SHMI gives an indication for each non-specialist acute NHS trust in England whether the observed number of deaths within 30 days of discharge from hospital was 'higher than expected' (SHMI banding=1), 'as expected' (SHMI banding=2) or 'lower than expected' (SHMI banding=3) when compared to the national baseline.

University College London Hospitals NHS Foundation Trust has taken the following action to improve these indicators and so the quality of its services by:

- Monthly review of specialty level mortality at local and trust level
- Patient level clinical and coding review of any specialty or conditions, which show as mortality outliers when compared with national data.

### 3.5.2.2 Patient Reported Outcome Measures (PROMs)

PROMS is a programme of evaluation of surgical outcomes based in questionnaires completed by patients before and after selected surgery.

University College London Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: the trust has processes in place to ensure that relevant patients are given questionnaires to complete. However, it has no control over their completion and return.

**Table Q28 Patient Reported Outcome Measures** 

Adjusted Average Health Gain (EQ-5D)	UCLH Performance 2017/18	UCLH Performance 2018/19	National Average 2018/19	Lowest Performing Trust 2018/19	Highest Performing Trust 2018/19
Hip – primary	0.48	0.47	0.47	0.35	0.56
Hip – revision	**	**	0.29	0.21	0.40
Knee – primary	0.37	0.32	0.34	0.27	0.41
Knee – revision	**	**	0.29	0.20	0.30

Groin and varicose veins ceased to be collected 1st October 2017

For 'Hip-primary' UCLH performance is in line with national average at 0.47 and for 'knee-primary 'UCLH is slightly below average at 0.32.' For Hip and knee revision the data were on less than five patients and so cannot be included.

University College London Hospitals NHS Foundation Trust has taken the following actions to improve these scores and so the quality of its services by:

Monitoring performance and agreeing actions with appropriate orthopaedic teams through the PROMs steering group, chaired by a consultant lead.

The UCLH EQ-5D adjusted average health gain for hip arthroplasty surgery is in line with the national average. For knee arthroplasty surgery the trust's performance has dropped just below the national average.

The orthopaedic team will continue to review post-operative radiographs in fortnightly speciality meetings; there will be consultant agreement to the listing of any patient for total knee replacement; discussion of complex cases in multidisciplinary team meetings (MDT), continuous monitoring of outcome scores through PROMs capture and National Joint Registry data review.

#### 3.5.2.3 28-day readmission rate

There has been no new data available from NHS Digital since 2011/12. We have therefore provided our performance data from our benchmarking partner, Dr Foster. University College London Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: UCLH has a robust process for clinical coding so is

confident that the data is accurate.

<sup>\*\*</sup>denotes less than 5 patients so data not available

Table Q29 28 day readmission rate

The percentage of patients aged:	UCLH Performance 2017/18	UCLH Performance 2018/19	National Average 2018/19	Lowest Performing Trust 2018/19	Highest Performing Trust 2018/19
(i) 0 to 15	5.37	5.40	7.20	19.50	1.10
(ii) 16 or over	6.01	6.00	8.20	11.10	2.70

University College London Hospitals NHS Foundation Trust has taken the following actions to improve this percentage and so the quality of its services by:

- collaborative working with primary care and other secondary care providers across patient pathways.
- continuing to focus on ensuring safe and timely discharge for patients across the trust to reduce the risk of re-admissions. This includes provision of training to clinical teams on safe discharge processes and daily support to clinical teams from the integrated discharge service in addressing complex discharge issues through collaborative working with external partners and agencies.

## 3.5.2.4 Responsiveness to personal needs of patients

University College London Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: undertaken independently as part of the annual national inpatient survey.

**Table Q30** Responsiveness to Personal Needs of Patients\*

	UCLH Performance 2017/18	UCLH Performance 2018/19	National Average 2018/19	Lowest Performing Trust 2018/19	Highest Performing Trust 2018/19
The trust's responsiveness to the personal needs of its patients during the					
reporting period	69.9	70.8	67.2	58.9	85.0

<sup>\*</sup>Responsiveness to personal needs of patients is a composite score from five CQC National Inpatient Survey questions.

### The five questions are:

- Were you as involved as you wanted to be in decisions about your care and treatment?
- Did you find someone on the hospital staff to talk to about worries and fears?
- Were you given enough privacy when discussing your condition or treatment?
- Did a member of staff tell you about medication side effects to watch for when you went home?
- Did hospital staff tell you who to contact if you were worried about your condition or treatment after you left hospital?

University College London Hospitals NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services by:

Monitoring performance using our real-time survey tool, through regular discussions at quality huddles and agreeing local action plans.

## 3.5.2.5 Staff recommendation of UCLH as a provider of care

University College London Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: survey undertaken independently as part of the annual national staff survey.

Table Q31 Staff recommendation of UCLH as a provider of care

	UCLH performance 2017	UCLH Performance 2018	National Average of Acute Trusts 2018	Lowest performing Acute Trust 2018	Highest performing Acute Trust 2018
The percentage of staff employed by, or under contract to the Trust during the reporting period who would recommend the Trust as a provider of care to their family or friends.	83.2	82.1	71.2	39.7	87.3

University College London Hospitals NHS Foundation Trust has taken the following actions to improve this percentage and so the quality of its services: please refer to section 3.4.3 on how we are working to improve patient care.

## 3.5.2.6 Venous Thromboembolism (VTE): Risk assessment of adult patients admitted to hospital

University College London Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: The VTE risk assessment data is collected automatically through our EHRS.

Table Q32 Percentage of adult patients VTE risk-assessed on admission to UCLH

	UCLH Performance Oct 2018 to Dec 2018	UCLH Performance Oct 2019 to Dec 2019	National Average Oct 2019 to Dec 2019	Lowest Performing Trust Oct 2019 to Dec 2019	Highest Performing Trust Oct 2019 to Dec 2019
Percentage of admitted patients who were admitted to hospital and who were risk assess for venous thromboembolism (VTE)	96.6	77.2	95.3	71.6	100.0

The percentage of adult patients VTE risk-assessed on admission to UCLH has dropped considerably this year due to some issues with the completion of the risk assessment form in our new EHRS that we are resolving

University College London Hospitals NHS Foundation Trust has taken the following actions to improve this percentage and maintain the quality of its services by:

• Implementing a number of EHRS changes which have been built with input from specialists and end users in March 2020.

- Implementing improvement work that has highlighted areas that can be addressed to help with clinicians workflow (some of which are linked to the first point and others that involve refreshers/ reminders).
- Assessing thromboprophylaxis prescribing in those who do not have a documented risk
  assessment at patient level. This is being done on a sample basis as part of the
  improvement project in one area to confirm/assess feedback from users. It would not be
  sustainable or practical to do this as a matter of routine.

#### 3.5.2.7 Clostridium difficile rate

University College London Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: the data has been sourced from the Health and Social Care Information Centre and compared to internal trust data and data hosted by Public Health England

Table Q33 Clostridium difficile Rate

	UCLH Performance 2017/18	UCLH Performance 2018/19	National Average 2018/19	Lowest performing Trust 2018/19	Highest performing Trust 2018/19
The rate per 100,000 bed days of cases of C. difficile infection reported within the trust among patients aged 2 or over.	27.4	22.1	12.2	79.7	0

This refers to all trust attributable *C.difficile* infections, including those subsequently appealed and under review.

University College London Hospitals NHS Foundation Trust has taken the following actions to improve this rate and the quality of its services by:

- Continuing the close working relationship between microbiology and infection prevention and control (IPC) teams through the *C. difficile* virtual and clinical ward rounds. We have combined the tool used to record patient reviews by the clinical microbiology/ID teams and IPC team to ensure more effective communication between the teams.
- Continuing to undertake a multidisciplinary root cause analysis (RCA) review of all cases
  of toxin positive *C difficile*. The RCA is then reviewed with the commissioners and any
  lapses in care identified. Lapses include delays in isolation, sampling and treatment.
  Learning from lapses is included in action plans for improvement.
- Monthly monitoring of a central action plan in addition to local plans.
- Monitoring improvements and identifying barriers to basic compliance in our quality improvement monitoring tool.
- Continuing focus on antibiotic stewardship to optimise practice and patient outcome which is also monitored and reported.

## 3.5.2.8 Incident reporting

University College London Hospitals Foundation Trust considers that this data is as described for the following reasons: data has been submitted to the National Reporting and Learning Systems (NRLS) in accordance with national reporting requirement

Table Q34 Incident Reporting

	UCLH Performance October 2017 – March 2018	UCLH Performance October 2018 – March 2019	National Average October 2018 – March 2019	Lowest Performing Trust October 2018 – March 2019	Highest Performing Trust October 2018 – March 2019
Number of patient safety incidents reported within the Trust during the reporting period	5315	4289	5841	311	22048
The rate of patient safety incidents reported within the Trust during the reporting period – Per 1000 bed days	41.7	33.7	28.1	16.9	140.62
The number of such patient safety incidents that resulted in severe harm or death	4	9	19	72	0
The percentage of such patient safety incidents that resulted in severe harm or death	0.1	0.2	0.3	0.3	0

University College London Hospitals NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services by:

- Continuing to encourage incident reporting through the monthly quality and safety bulletin, this helps us to share learning on reporting from incidents and near misses.
- Continuing to share learning through the patient safety committee monthly meeting and report.

## 3.5.3 Learning from deaths 2019/20

During 2019/20 1034 of University College London Hospitals NHS Foundation Trust patients died (of which 38 were neonatal, stillbirths, paediatric or maternal deaths; eight were patients with learning disabilities or with a severe mental illness). This comprised the following number of deaths which occurred in each quarter of that reporting period:

**Table Q35** Numbers of deaths by quarter of 2019/20

Quarter	Deaths
Q1	249
Q2	227
Q3	247
Q4	311
Total	1034

<sup>&</sup>lt;sup>1</sup> UCLH NHS Foundation Trust implemented an electronic health records system in April 2019. The correction of data quality issues relating to the recorded timing of deaths on Epic may account for minor variations from any data previously published

Cases are selected for review according to the trust learning from deaths policy which is based on national guidance.

By March 2020 162 case record reviews and three investigations have been carried out in relation to 1034 of the deaths included above. In one case a death was subjected to both a case record review and an investigation.

The number of deaths in each quarter for which a case record review or an investigation was carried out is shown in Table Q36.

**Table Q36** Number of deaths in each quarter for which a case record review or an a investigation was carried out

Quarter	Total number of deaths in each quarter for which a case record review or an investigation was carried out
Q1	27
Q2	39*
Q3	52
Q4	46
Total	164

<sup>\*</sup> One case was both a review and an investigation

One death representing 0.96 per cent of the patient deaths during the reporting period are judged more likely than not to have been due to problems in care. In relation to each quarter this is as follows:

**Table Q37** 2019/20 Deaths judged more likely than not to have been due to problems in the care provided to the patient

Quarter	Number and percentage of patient deaths quarter that are judged to be more likely than not to have been due to problems in the care provided to the patient.				
Q1	1	0.4%			
Q2	0	0%			
Q3	0	0%			
Q4	0	0%			

These numbers have been estimated using the Royal College of Physicians (RCP) structured judgement review (SJR) method, serious incident investigation process, the perinatal mortality review tool (PMRT), child death overview process (CDOP) or the LeDeR (Learning Disabilities Mortality Review) programme.

Learning from deaths judged more likely than not to be due to problems in the care provided to the patient:

#### Deterioration whilst under a research trial

A 60 year old patient was taking part in a randomised study as part of a cancer research trial. She experienced a sudden and significant drop in her neutrophil levels related to her drug therapy which was not identified in a timely way.

#### **Action taken**

- Customised trial pro-formas have been introduced for use during clinic visits and
  additional pro-formas created for visits in which only blood tests take place. Individual
  blood results are reviewed for clinical significance by trial Investigators with an
  accompanying annotation for each abnormal result. This practice is to be extended into
  routine practice for other trials where regular blood test reviews are part of the trial
  protocol.
- Appropriate clinical lead and EHRS team to review the challenges highlighted by investigation reports in relation to how to identify critical alerts (rather than only out of normal range).

#### Reviews of deaths are undertaken as follows

#### Stillbirth review

The women's health safety team review all stillbirths (babies born with no signs of life after 24/40 weeks' gestation). Each death is reviewed via the clinical incident review group (CIRG)), an MDT review meeting with the aim of reviewing care provision and identifying any care or service delivery issues, avoidable contributory factors and ensuring onward external reporting. The reviews are conducted in line with MBRRACE-UK (perinatal mortality programme) and include completion of the PMRT (perinatal mortality review tool). Where a term stillbirth follows diagnosis of an intrapartum fetal death, the case is eligible for formal review by the Healthcare Safety Investigation Branch (HSIB), or by UCLH if the HSIB referral is declined. Terminations of pregnancy are not formally investigated but are logged on the MBRRACE-UK portal.

#### **Neonatal Deaths**

All neonatal deaths (irrespective of the gestation at birth) are reviewed by the women's health safety team. Each death is reviewed via CIRG and the quarterly local CDOP (Child Death Overview Panel) meeting, is reported to the area CDOP and is also reported to MBRRACE-UK. If the death is of a term baby within one week of birth, the case is eligible for formal review and investigation by HSIB (or by UCLH if the HSIB referral is declined) and notification and review by the Each Baby Counts Programme.

The UCLH neonatal unit is part of the North East and North Central Operational Delivery Network. As part of this organisation there are yearly mortality meetings, where all deaths are discussed at network level with representatives from all neonatal units. Learning is shared and where infants have been transferred between units information is fed back.

#### Paediatric deaths

All deaths relating to children under the age of 18 years are subject to a review by the CDOP and are reported externally.

#### Maternal deaths

A maternal death is defined (WHO 2010) as the death of a woman while pregnant or within 42 days of the end of the pregnancy from any cause related to or aggravated by the pregnancy or its management and not from accidental causes. All maternal deaths are reviewed by CIRG and are formally investigated with reports being shared with NHS England and MBRRACE-UK (Mothers and Babies: Reducing Risk through Audits and Confidential Enquires)HSIB are tasked to investigate deaths which occur within 42 days of the end of pregnancy from non-mental health related causes). Where consent is not given for referral to HSIB, UCLH undertake the investigations. They are also monitored through the sub group of the clinical quality review group (CQRG)

## Deaths relating to people with learning disabilities

All deaths relating to patients with learning disabilities are reported to the LeDeR (Learning Disabilities Mortality Review) programme. The LeDeR programme is a review process for the deaths of people with learning disabilities and provides support to local areas to take forward the lessons learned in the reviews in order to make improvements to service provision. The LeDeR programme also collates and shares the anonymised information about the deaths of people with learning disabilities so that common themes, learning points and recommendations can be identified and taken forward into policy and practice improvements.

## Deaths of patients with severe mental illness

All deaths relating to patients with severe mental illness are subject to an SJR review and/or serious incident investigation where appropriate.

## Learning from deaths 2018/19

Six case record reviews and five investigations completed after 2018/19 which related to deaths which took place before the start of the reporting period.

One death representing 0.1% of patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using the RCP SJR method, serious incident investigation process, PMRT, CDOP or the LeDeR programme.

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## Learning from deaths judged more likely than not to be due to problems in the care provided to the patient:

#### Fall with harm

An 80 year old gentleman was admitted to hospital with diarrhoea, dehydration and pain. He was mobile on the ward with a walking stick and had previously had no history of falls. He fell on the ward sustaining a hip fracture. He reported to the staff that he fell after moving an observation machine which was blocking the bathroom door. He went to theatre for a repair of his hip fracture and unfortunately his condition deteriorated and he died several days after his operation. It was noted that the patient was transferred between wards late at night.

#### Action taken

Peer review walk rounds specifically for observing and reviewing environmental hazards, such as clutter and positioning of equipment have been embedded into the matrons rounds. A new patient flow policy and 'ward rhythm of the day' have been implemented both of which support the improvement work to reduce movements of patients late at night particularly frail older patients.

Next year we will undertake a more detailed review of themes and trends as we will have complete data for the current reporting period.

## **Examples of learning from SJRs and investigations**

## Orthopaedics learning on end of life care

The patient was under the orthopaedic team and had input from the care of the elderly and intensive care teams who were both in agreement that patient's prognosis was poor and the treatment explanation plan needed to be discussed with the family and to include palliative team for symptom control. There was delay by the orthopaedics team in making this decision and active treatment continued with no appropriate plan in place.

#### Actions taken

The end of life care team has delivered a training session for orthopaedics.

### Missed small bowel obstruction resulting in aspiration and cardiac arrest

There was a missed diagnosis of small bowel obstruction in a patient resulting in aspiration and cardiac arrest, with unsuccessful resuscitation. The missed diagnosis was due to lack of recognition of the significance of symptoms of pain and persistent vomiting in the context of reassuring National Early Warning System (NEWS) scores and apparent initial response to treatment.

## Action taken

As a result of this incident new guidelines for the management of small bowel obstruction have been completed. Processes for recognition and treatment will be embedded into local assessments and practice. Training in the diagnosis and initial treatment of acute surgical conditions and the new guidelines on the management of small bowel obstruction will be included in the rolling educational programmes of the multidisciplinary team on the acute medical unit.

## 3.6 Statements of assurance from the Board

## 3.6.1 Introduction

All providers of NHS services are required to produce an annual quality report and certain elements within it are mandatory. This section contains the mandatory information along with an explanation of our quality governance arrangements.

The quality governance arrangements within UCLH ensure that key quality indicators and reports are regularly reviewed by clinical teams and by committees up to and including the Board.

There are a number of committees and executive groups with specific responsibilities for aspects of the quality agenda which report to the quality and safety committee (QSC). The QSC is a sub-committee of the Board of Directors which provides the Board of Directors with assurance over the three key areas of quality; safety, effectiveness and patient experience. It is responsible to the board for ensuring that appropriate arrangements are in place for measuring and monitoring quality, challenging assurance and determining what needs to be drawn to the Board's attention, identifying and escalating potential risks to quality of services, sharing learning from serious incidents and deaths and ensuring that agreed actions are implemented as appropriate. On behalf of the Board, it reviews compliance and receives assurance in meeting regulatory standards set by the Care Quality Commission (CQC).

The committee is led by a non-executive director and consists of three additional non–executive directors, the chief executive, the four medical directors, the chief nurse, the director for quality and safety, the director of planning and performance, the director for quality and safety for the research support centre and two council of governors representatives.

Some examples of how the QSC undertakes this role are as follows:

The QSC raised a concern about the apparently poor post-operative PROMs for knee replacement surgery at UCLH. The clinical team provided alternative outcome data that demonstrated that UCLH was well above the national average for procedures recorded at the hospital in the three year profile 2015 –2018.

QSC was concerned about the lack of access to appropriate vascular intervention, (which is hosted by another trust), highlighted by a serious incident where there was a delay in accessing vascular surgery. This led to improvements in the communication around the pathway. A review was conducted which indicated that there had been improvement in the response times. The QSC continues to keep this under review.

QSC followed up on a concern raised by the director for quality and safety about potential 'lost to follow up' of patients with breast cancer. A task and finish group was set up to analyse all of the high risk patients and a significant number of lower risk patients referred before April 2019. The analysis identified a small percentage of patients who were 'lost to follow up' and only one case of harm. QSC was assured that mitigations were in place for all the causes of the 'lost to follow-up' cases found in this cohort of patients.

The QSC has also followed up on actions plans for Never events to seek assurance that these actions have been implemented by asking the relevant divisional leads are asked to attend the committee to provide an update.

In January 2020 QSC undertook its biannual self-assessment of its effectiveness with 23 people who regularly attend the committee. The response rate was 52.2 per cent. All responders agreed or strongly agreed that the QSC 'promotes a culture that encourages vigorous challenge'.

The audit committee is responsible on behalf of the Board for independently reviewing the systems of governance, control, risk management and assurance. Improve It regularly assures itself as to the effectiveness of risk management and internal control of other Board committees including the work of the QSC.

The Board receives a regular corporate performance report (available on the UCLH website as part of the published Board papers) that includes a range of quality indicators across the three domains of quality - patient safety, experience and clinical effectiveness. In addition, the Board receives a number of reports relating to quality including a report from the QSC and quarterly and annual reports on adult and child safeguarding and complaints. The Board has a safety presentation at the beginning of each meeting which has included our programme of improving care round (ICR) visits, enhancing safety visits (ESVs) and the work of 'Be the Change' programme. This is described in more detail in section 3.6.3. The Board is further assured by reviews undertaken by internal audit which this year has included serious incidents, risk management and learning from deaths.

We have a well-established programme of visits focusing on the CQC domains of safe, effective, caring, responsive and well-led. These include ICRs, matron quality rounds and the governors' visits to clinical areas. Board members including the chair and chief executive, medical directors, and the chief nurse also undertake walkabouts around UCLH talking to staff and patients

## 3.6.2 A review of our services

During 2019/20 University College London Hospitals NHS Foundation Trust provided and/or subcontracted 77 relevant health services. University College London Hospitals NHS Foundation Trust has reviewed all the data available to us on the quality of care in all of these relevant health services. The income generated by the relevant health services reviewed in 2019/20 represents 100 per cent of the total income generated from the provision of relevant health services by University College London Hospitals NHS Foundation Trust for 2019/20.

### 3.6.3 Participation in national and local audits (and quality improvement)

Clinical audit evaluates care against agreed standards, providing assurance and identifying improvement opportunities. University College London Hospitals NHS Foundation Trust carries out an annual programme of clinical audits in three categories – national, corporate and local. For national audits, we aim to participate in all that are applicable to us. During 2019/20, 52 national clinical audits and seven national confidential enquiries covered relevant health services that University College London Hospitals NHS Foundation Trust provides. During 2019/20, University College London Hospitals NHS Foundation Trust participated in 88 per cent of national clinical audits and 100 per cent of the national confidential enquiries, which it was eligible to participate in.

Due to the introduction of our new EHRS, six national clinical audits were not completed due to incompatibilities between our EHRS and the separate national audit systems or issues with data extraction. This will be resolved this year with the aim that all national clinical audits will be completed in 2020/21.

The national clinical audits and national confidential enquiries that University College London Hospitals NHS Foundation Trust participated in and for which data collection was completed during 2019/20 are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry. For some audits the figure is not confirmed until later in the year, or the study is still in progress.

Table Q38 National clinical audits

	Audit	UCLH eligible	UCLH participation	Percentage of cases submitted
1	Assessing Cognitive Impairment in Older People: Care in emergency departments	Yes	Yes	Study in progress
2	British Association of Urological Surgeons (BAUS) Urology Audit: Cystectomy	Yes	Yes	Study in progress - figures not confirmed until autumn/ audit report
3	BAUS Urology Audit: Female stress urinary incontinence	Yes	Yes	Study in progress - figures not confirmed until autumn/ audit report
4	BAUS Urology Audit - Nephrectomy	No	Not applicable (N/A)	Not applicable (N/A)
5	BAUS Urology Audit - Percutaneous Nephrolithotomy	No	N/A	N/A
6	BAUS Urology Audit: Radical prostatectomy	Yes	Yes	Study in progress - figures not confirmed until autumn/ audit report
7	Care of Children in emergency departments	Yes	Yes	Study in progress
8	Case Mix Programme (CMP)	Yes	No	Not available EHRS system not compatible with national audit system, in-house system being built
9	Elective Surgery (National PROMs Programme)	Yes	Yes	Knees – 97% Hips – 90%
10	Endocrine and Thyroid National Audit	Yes	Yes	100%

	Audit	UCLH eligible	UCLH participation	Percentage of cases submitted
11	Falls and Fragility Fractures Audit programme (FFFAP): Fracture Liaison Service Database	No	N/A	N/A
12	Falls and Fragility Fractures Audit programme (FFFAP): Inpatient Falls	Yes	Yes	100%
13	Falls and Fragility Fractures Audit programme (FFFAP): National Hip Fracture Database	Yes	Yes	100%
14	Inflammatory Bowel Disease (IBD) Registry Biological Therapies Audit	Yes	Yes	100%* figures not confirmed until autumn/ report
15	Major Trauma Audit (TARN)	Yes	Yes	Study in progress- figures not confirmed until autumn/ audit report
16	Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	Yes	Yes	100%
17	Mental Health - Care in Emergency Departments	in Emergency Yes Yes Study in prog		Study in progress
18	Mental Health Care Pathway – Children and Young People Urgent and Emergency Mental Health Care and Intensive Community Support (the project was closed before we could establish if it would be relevant)	N/A	N/A	N/A
19	National Asthma and Chronic Obstructive Pulmonary Disease Audit Programme (NACAP): Paediatric Asthma Secondary Care	Yes	Yes	Study in progress  – figures not confirmed until autumn/ audit report
20	NACAP: Adult Asthma Secondary Care	Yes	No	Not available EHRS extraction issues, focussing on COPD 1 <sup>st</sup> then pick up asthma
21	NACAP: Chronic Obstructive Pulmonary Disease (COPD) Secondary Care	Yes	Yes	Study in progress - figures not confirmed until autumn/ audit report
22	National Audit of Breast Cancer in Older Patients (NABCOP)	Yes	Yes	100%* figures not confirmed until autumn/ audit report

	Audit	UCLH eligible	UCLH participation	Percentage of cases submitted
23	National Audit of Cardiac Rehabilitation		Yes	100%
24	National Audit Care at the End of Life (NACEL): patient audit	Yes	No	Not available Changed from biennial to annual this year. Data collection coincided with the EHRS go-live (June 2019 to Oct 2019). Audited in 2018, will do audit in 2020
25	National Audit Care at the End of Life (NACEL): organisational audit	Yes	Yes	100%
26	National Audit of Dementia - Care in General Hospitals	Yes	Yes	100%
27	27 National Audit of Pulmonary Hypertension		N/A	N/A
28	National Audit of Seizure Management in Hospitals (NASH3) in ED	Yes	No	Not available Audit data collection period was during pre and post the EHRS go live period (Nov 2018 to June 2019)
29	National Audit of Seizures and Epilepsies in Children and Young People - Epilepsy 12 Yes Yes		100%	
30	30 National Bariatric Surgery Registry (NBSR)		Yes	100%* figures not confirmed until autumn/ audit report
31	National Cardiac Arrest Audit (NCAA)	Yes	Yes	100%
32	National Cardiac Audit Programme: Coronary Angioplasty (Percutaneous Coronary Interventions)		N/A	N/A
33	National Cardiac Audit Programme: Myocardial Ischaemia National Audit Project (MINAP)	Yes	Yes	100%
National Cardiac Audit Programme: National No NA		N/A	N/A	

	Audit	UCLH eligible	UCLH participation	Percentage of cases submitted
35	National Cardiac Audit Programme: National Congenital Heart Disease Audit	No	N/A	N/A
36	National Cardiac Audit Programme: National Heart Failure Audit	Yes	Yes	100%
37	National Cardiac Audit Programme: National Heart Rhythm Management Audit	No	N/A	N/A
38	National Clinical Audit of Anxiety and Depression	No	N/A	N/A
39	National Clinical Audit of Psychosis	No	N/A	N/A
40	National Diabetes Audit - Adults - National Inpatient Audit	Yes	Yes	100%
41	National Diabetes Audit – Pregnancy	Yes	Yes	100%
42	National Diabetes Audit - Adults - National Foot Care Audit	Yes	Yes	100%
43	National early inflammatory arthritis audit (NEIAA)	Yes	Yes	Study in progress - figures not confirmed until autumn/ audit report
44	National Emergency Laparotomy Audit (NELA)**	Yes	Yes	Q1:69% Q2:98% Q3: 100 % Q4:95% (estimated not expected until June 2020) Combined total Q1-4: 89%
45	National Gastro-Intestinal Cancer Programme – Bowel	Yes	Yes	100%* figures not confirmed until autumn/ audit report
46	National Gastro-Intestinal Cancer Programme  – Gastric	Yes	Yes	100%* figures not confirmed until autumn/ audit report
47	National Joint Registry (NJR) - Hip Replacement	Yes	Yes	99%
48	National Joint Registry (NJR) - Knee Replacement	Yes	Yes	100%

	Audit	UCLH eligible	UCLH participation	Percentage of cases submitted
49	National Lung Cancer Audit (NLCA)	Yes	Yes	100%* figures not confirmed until autumn/ audit report
50	National Maternity and Perinatal Audit	Yes	Yes	100%* figures not confirmed until autumn/ audit report
51	National Neonatal Audit Programme - Neonatal Intensive and Special Care (NNAP)	Yes	Yes	100%
52	National Ophthalmology Audit - Adult Cataract surgery	No	N/A	N/A
53	Diabetes (Paediatric) (NPDA)	Yes	Yes	100%
54	National Prostate Cancer Audit	Yes	Yes	100%* figures not confirmed until autumn/ audit report
55	National Smoking Cessation Audit	Yes	No	Not available Data collection coincided with the EHRS go-live (July 2019 to Oct 2019)
56	National Vascular Registry	Yes	Yes	100%* figures not confirmed until autumn/ audit report
57	Neurosurgical National Audit Programme	Yes	Yes	100%* figures not confirmed until autumn/ audit report
58	Paediatric Intensive Care (PICANet)	No	N/A	N/A
59	Perioperative Quality Improvement Programme (PQIP)	Yes	Yes	Study in progress - figures not confirmed until autumn/ project report
60	Prescribing Observatory for Mental Health (POMH-UK)*	No	N/A	N/A

	Audit	UCLH eligible	UCLH participation	Percentage of cases submitted
61	Reducing the Impact of Serious Infection	Yes	Yes	Project closed (did not take place)
62	Sentinel Stroke National Audit programme (SSNAP)	Yes	Yes	100%
63	Serious Hazards of Transfusion (SHOT): UK National Haemovigilance Scheme	Yes	Yes	100%
64	Society for Acute Medicine's Benchmarking Audit (SAMBA)	Yes	Yes	100%
65	Surgical Site Infection Surveillance Service	Yes	Yes	100%
66	06 UK Cystic Fibrosis Registry		N/A	N/A
67	UK Parkinson's Audit	Yes	No	Not available Data collection coincided with the EHRS go-live (May 2019 to Sept 2019)

<sup>\*</sup>These audits are all based on automated data extraction sent by UCLH performance team to the audit host aiming for 100% percentage of cases submitted. However, this cannot be confirmed until the host reports are published in up to two years' time

**Table Q39** National Confidential Enquiries

	National Confidential Enquiry	UCLH eligible	UCLH participation	Percentage of cases submitted
1	NCEPOD Long Term Ventilation	Yes	Yes	100%
2	NCEPOD Acute Bowel Obstruction	Yes	Yes	100%
3	NCEPOD In Hospital Management of Out of Hospital Cardiac Arrests	Yes	Yes	100%
4	NCEPOD Dysphagia in Parkinson's Disease	Yes	Yes	Study in progress
5	Physical Health in Mental Health Hospitals	To be confirmed by NCEPOD	To be confirmed by NCEPOD	N/A
6	LeDeR Programme	Yes	Yes	Ongoing reporting and completion of audit process as required
7	Maternal, Newborn and Infant Clinical Outcome Review Programme ( MNI- CORP part of MBRRACE)	Yes	Yes	Ongoing reporting and completion of audit process as required

<sup>\*\*</sup> Based on quarters one – three. Full year data not available until June 2019

Corporate audits are driven by UCLH priorities and all divisions are expected to undertake them. Local audits are set up by clinical teams and specialties to reflect their local priorities. Audit findings are reviewed by clinical teams in quality and safety (governance) meetings, as a basis for peer review and for targeting or tracking improvements. The clinical audit quality and improvement committee (CAQIC) oversees the corporate clinical audit programme and reports to the Board via the QSC.

The reports of ten national clinical audits and five local clinical audits were reviewed by the University College London Hospitals NHS Foundation Trust in 2019/20 and University College London Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

Example of actions from a national clinical audit presented to the CAQIC

#### National Audit of care at the end of life

What was looked at?	This audit monitors compliance against the priorities for care of the dying person, set out in the 'One Chance to get it Right' report, such as: recognising the possibility of imminent death, communication with families and an individual plan of care.
What did we find?	The national figure for recognising the possibility of imminent death was 74 hours; the score was almost 82 hours at UCLH, providing vital time for arrangements to be put in place if patients do not wish to pass away in the hospital setting.  Communication with families was recorded as good or excellent while the patient was still receiving care. Bereaved families reported only sometimes getting enough emotional support.  Individual plan of care scored higher than the national average to manage symptoms of agitation or delirium, noisy breathing and hygiene requirements; spiritual or religious needs, psychological needs and cultural needs scored under the national average.
What are we doing to improve?	To improve communication with families guidelines are being developed to support and guide staff in providing meaningful and compassionate engagement with bereaved friends and family. After death record documentation also requires improvement and will be included in these guidelines.  SWAN (Signs, Words, Actions, Needs) comfort care packs have been implemented at UCLH. The SWAN Model of Care will be rolled out trust wide and will prompt consideration of the needs of the patients as well as their close ones.  Signs - A sign highlighting that a patient is entering the dying phase and has been started on an individualised plan of care  Words - Sensitive communication with the patient and their family  Actions - Stepping outside the box to facilitate what is important to the patient and their close ones  Needs - Regularly reviewing the needs of the patient and those important to them

### **National audits**

Other national clinical audits such as the National Hip Fracture Database were reviewed by the QSC in 2019/20

## **National Hip Fracture Database**

What was looked at?	The national hip fracture database records progress against key standards set out in the optimal care pathway annually. These include: time to surgery, type of procedure, for example total hip replacement, and discharge back to the patient's home.
What did we find?	The 2018 data showed a 22.5 per cent increase in the number of patients with a fractured hip attending UCLH from 2017 data. UCLH is in the top 25 per cent nationally for a number of areas such as surgery on the day of, or on the day after admission. In addition we are also in the top quartile for eligible patients to be treated with a total hip replacement or sub-trochanteric fractures (a hip fracture that occurs near the hip but in the upper part of the thigh bone) being treated with an intramedullary nail (pinning the broken bones back together rather than replacing the hip joint). Improvements have been made to discharge to original residence within 120 days from 57.3 per cent in 2017 to 70.3 per cent in 2018. Furthermore, hip fractures which were sustained as an inpatient reduced from six incidents to three. Surgery was supervised by a consultant surgeon and anaesthetist in 79 per cent of operations compared to 34 per cent the previous year. This was a documentation issue which has now been resolved and we aim to capture 100 per cent this year. UCLH has also improved significantly in physiotherapy assessment by the day after surgery (96.3 per cent of patients), and acute length of stay has decreased from 22 days to 16 days.
What are we doing to improve?	Ortho-geriatrician availability was approved for an increase in budget from April 2019. It is anticipated that this will improve length of stay in hospital for this cohort of patients. Seven day working has improved and ward teams are working hard on rehabilitating these patients, reducing their length of stay and getting them 'home for lunch'.

## **Examples of actions from local clinical audits**

Three reports of local clinical audits reviewed by University College London Hospitals NHS Foundation Trust in 2019/20 are presented here and University College London Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

## **Breaking down Smoking Cessation Barriers in the Acute Medical Unit (AMU)**

What was looked at?	Smoking is the nation's number one killer, yet advice from health professionals to give up smoking is the second most common reason for stopping smoking. Inpatient smoking cessation interventions are very effective with reduction in wound infections, improved wound and bone healing, longer term reduced risk of heart disease, stroke, cancer and premature death. One in four patients admitted are smokers, yet more than 75 per cent of patients are not asked if they would like support to give up.
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What did we find?	Hospital interventions to stop smoking are proven to work with an increased likelihood of patients giving up smoking within six months. Reported barriers to smoking cessation in AMU include: no health promotion materials, no smoking cessation champions, a lack of training and staff with low confidence prescribing nicotine replace therapy (NRT). Interventions put in place to reduce these barriers included staff training, creating a smoking cessation board in the department, having four types of NRT available, producing a prescribing guide and identifying smoking cessation champions – such as including the housekeeper on AMU. These actions increased the number of smoking cessation referrals by 225 per cent.
What are we doing to improve?	Future steps include continuing training (specific to nurses, doctors, pharmacy, heath care assistants and housekeepers) and identifying smoking cessation champions, expanding the programme to other departments such as the emergency assessment unit, developing techniques that work to share with other areas.

## Re-audit of the Elective Caesarean Section List 2019

What was looked at?	This audit was a repeat exercise of a review originally undertaken in 2016 to establish how efficient the patient journey was when having a baby via caesarean section in theatre.
What did we find?	In 2016 maternity theatres scheduled caesarean sections for two all-day and three half day sessions per week. Each case took approximately 87 minutes, with six booked in on an all-day list, adding up to 522 minutes. However an all-day list only has space for 480 minutes. This discrepancy meant that only 20 per cent of all-day lists finished on time leading to patients being cancelled and decreased staff morale. Changes made as a result of this audit included: reduction from six caesarean section cases to five booked in on an all-day theatre session; increasing from two all-day sessions to four all-day sessions plus one half day.  The 2019 audit data was collected using a wall chart for all staff to complete, recording the number of cases and start and finish times in theatre. A similar number of cases was audited in 2019 (79) compared to 2016 (81). Theatre sessions finishing on time increased by 36 per cent meaning theatre staff completed their shift on time, increasing staff morale.  Fewer delays in theatres were reported in 2019, with majority of these being due to unpredictable labour ward emergencies. The second highest issue in 2019 was lack of recovery beds (33 per cent) reported as 27 per cent in 2016.
What are we doing to improve?	Strategies are being put in place to enhance patient flow through theatre, such as reviewing discharge pathways as well as considering having a specific consent form for caesarean sections, to reduce delays. Discharge pathways are under review to include multiple health professionals working together to allow women to mobilise earlier but safely e.g. by having leads and catheters removed sooner, review by anaesthetists promptly after their procedure, and to have discharge summaries written without delay.

## **Lower Gastro-Intestinal Perforations**

What was looked at?	This local audit reviewed patient records as well as mortality and morbidity meeting notes, retrospectively, to identify how many patients had a colonic perforation following a gastro-intestinal (GI) procedure at UCLH in 2018 and 2019 and how the perforation was treated.
What did we find?	There were 7665 lower GI procedures carried out for the whole of 2018 and four perforations. The four cases were reviewed:  The first patient had a diagnostic colonoscopy (camera to look inside the colon) which reported an impassable section where the perforation occurred. A scan confirmed the perforation; the patient was treated with antibiotics to reduce the risk of infection while the perforation healed. The second patient underwent a routine colonoscopy to check for disease progression with tissue sample taken. This is thought to be when the perforation occurred, this is extremely rare. The patient had part of their large bowel removed; this was due to the delay in the patient returning to hospital after initially reporting discomfort following their colonoscopy and self-discharging.  The third patient was perforated in their colon during a colonoscopy to review symptoms for colitis (inflammation of the colon), The patient did not initially have any symptoms and went to their local hospital with abdominal pain where they were admitted for observation and no treatment required.  The final patient had a diagnostic flexible sigmoidoscopy (a camera to examine the lining of the lower colon, close to the rectum and anus) to remove a lesion when a perforation occurred. The patient was admitted to their local hospital for observation.
What are we doing to improve?	In the final case, when a patient has a diagnostic flexible sigmoidoscopy, it can be expected that one patient in 5000, is at risk of perforation. To ascertain the perforation rate at UCLH the audit team reviewed every patient going back to 2016 (5043 patients) confirming just one patient had a perforation. In 2019 there were 15538 lower GI procedures and there were no perforations identified. This audit will continue in 2020 to continue to monitor for perforations. Training in advanced techniques was hosted at UCLH to educate internal and external staff both in best practice and expert knowledge.

## 3.6.3.1 Quality Improvement

Clinical audit is complemented with quality improvement (QI) projects. Over the last year, ten clinical audit presentations have been replaced with QI presentations and education sessions on improvement work to apply locally and share with colleagues. Some examples include: 'always events and patient participation', 'why QI? drivers and evidence', 'Epic and QI workshop', 'joy in work, QI and staff experience', 'human factors, behaviour change, and behavioural insights', 'improvement data' and 'the UCLH QI model'.

An example of a QI project is outlined below:

## Nephrostomies, a pain in the back

What was looked at?	A nephrostomy is an artificial opening created between the kidney and the skin which allows for the urinary diversion from the upper part of the urinary system (renal pelvis) into a collecting bag. The aim of treatment is to re-establish kidney function and to reduce pressure within the kidney; safeguarding the kidney while medical treatment is given to ease obstruction such as acute renal failure, loin pain, uro-sepsis. Common issues were frequently observed regarding infection, tube falling out and supplies. A QI project was set up identifying issues to resolve. A large group of stakeholders at set up helped to focus the project. The patient pathway was mapped (this was pre-the new EHRS in addition to direct patient and staff feedback (including primary and secondary care).
What did we find?	Staff and patient feedback found both parties felt unsupported in managing a nephrostomy. Staff reported they did not have the correct equipment and were not trained. Patients could not identify advice or support.
What are we doing to improve?	A driver diagram was developed to identify change ideas to trial; with support from the UCLH Improvement Team. Several PDSA (plan, do, study, act) cycles were carried out implementing changes such as holding drop in clinics and offering staff training for primary and secondary care staff with an information video.  A Nephrostomy Passport (for the patient to keep) was developed to inform both the patient and clinicians they may come in contact with, with space to document any issues or changes. This project started small but has made a huge impact linking community care with secondary care and ensuring the same equipment and supplies are available across both to support these patients.

## 3.6.3.2 Be The Change

The 'Be The Change' programme encourages medical students at UCL to look for areas where a simple solution could make a difference to everyone at UCLH. 109 students have joined the programme and launched 10 projects. 'Be The Change' is part of a quality improvement (QI) programme, which sees front-line staff use systematic methods and strategies to make innovative changes and improve care.

Projects include a checklist for first-time parents to take home with their baby, improving patient flow through the hospital and using artificial intelligence to advance care.

## 3.6.4 Seven Day Care Services

University College London Hospitals NHS Foundation Trust continues to participate in the seven day service Regional Network for North Central London. The national process was amended in 2018/19, from the previous case-note audit self-assessment tool to a standard template Board Assurance Framework, whereby provider trust boards may gain assurance that the four priority standards are being met.

The four priority standards remain the same as in previous years:

- Standard two All emergency admissions must be seen and have a thorough clinical assessment by a suitable consultant as soon as possible but at the latest within 14 hours from the time of admission to hospital.
- Standard five Hospital inpatients must have scheduled access to diagnostic services.
   Consultant-directed diagnostic tests and completed reporting will be available seven days a week: within one hour if critical, within 12 hours if urgent and within 24 hours for non-urgent patients
- Standard six Hospital inpatients must have timely 24 hour access, seven days a week, to key consultant-directed interventions that meet the relevant specialty guidelines, either on-site or through formally agreed networked arrangements with clear written protocols.
- Standard eight All patients with high dependency needs should be seen and reviewed by a consultant twice daily (including all acutely ill patients directly transferred and others who deteriorate). Once a clear pathway of care has been established, patients should be reviewed by a consultant at least once every 24 hours, seven days a week unless it has been determined that this would not affect the patient's care pathway.

UCLH is compliant with the four priority standards, as reported to the Board in November 2019. Implementation in 2018 of the daily Clinical Utilisation Review practice on wards has assisted in evidencing standards two and eight, as has augmentation of the consultant team in the Acute Medical Unit.

## 3.6.4.1 Raising Concerns

#### Who concerns should be raised with

In many circumstances the easiest way to get a concern resolved is for staff to raise the matter either formally or informally with their line manager. Safety concerns can now also be raised by accessing the 'report a patient safety concern' form via the homepage on **my**uclh. Where a member of staff feels this approach is not appropriate they can use any of the options set out below in the first instance.

If a member of staff feels that raising a concern with their line manager does not resolve the matter or if they feel unable to raise it with them, they can contact one of the following people

- The next level of management above the member of staff's line manager
- The Freedom to Speak Up Guardian who is available 24 hours a day this is an independent and impartial service
- Trade union representative or professional body
- The executive director with responsibility for raising concern is the director of workforce
- Whistleblowing helpline

In addition for those staff who feel that they are bullied and harassed the trust continues to use the support available through the conflict resolution pathway which provides advice and support from those listed above as well as support from the human resources business partners, occupational health, staff psychological and wellbeing and the employee relations service.

#### How concerns should be raised – the procedure to be followed

Concerns can be raised with any of the people listed above in person, by phone or in writing (including email). The trust will deal with concerns quickly and as near to the source of concern as possible. Staff are advised to discuss concerns with their line manager as soon

as possible, who will aim to respond within five working days, and although the trust recognises that employees should raise concerns with the person they feel most comfortable.

## Formal investigation for raising concerns

The director of workforce is the designated senior manager to whom all concerns should be raised which have not been reported to immediate line managers, or which have been reported but remain unresolved. The director of workforce will ensure concerns are appropriately investigated by a responsible and suitably independent manager with support from the workforce directorate.

## Feedback to those that raise a concern

The trust will, wherever possible, share with the member of staff raising the concern the full investigation report whilst also ensuring confidentiality of others is respected. In addition, where the trust identifies improvements can be made, it will track them to ensure necessary changes are made, and are working effectively. Lessons are shared with teams across the organisation, or more widely, as appropriate.

### How the trust ensures those raising concerns do not suffer a detriment

Staff should feel safe to raise a concern and will not be at risk of losing their job or suffering any form of reprisal. The trust does not tolerate the bullying and harassment or victimisation of anyone raising a concern. Any such behaviour is a breach of the trust values as an organisation and, if upheld following investigation, could result in disciplinary action. This is clearly set out within the trusts raising concerns policy.

If a member of staff has acted honestly, it does not matter if there is a genuine mistake or if there is an innocent explanation for the concerns raised. It is unlawful for UCLH to subject a worker to detriment on the ground that they have made a protected disclosure.

### 3.6.4.2 Rota gaps

The deadline for this data was extended until 30th June 2020 due to the COVID-19 pandemic and is not available.

## 3.6.5 Participation in clinical research

The number of patients receiving relevant health services provided or subcontracted by University College Hospitals NHS Foundation Trust in 2019/20 that were recruited during that period to participate in research approved by a research ethics committee was 16,243.

A key focus for the National Institute for Health Research is the development and delivery of high quality, relevant, and patient focused research within the NHS. University College Hospitals NHS Foundation Trust continues to embrace this aim, remaining at the forefront of research activity, creating and supporting research infrastructures, providing expert and prompt support in research and regulatory approvals, and promoting key academic and commercial collaborations. UCLH continues to develop the active involvement of patients and the public in research design and process through training, bursaries and other resources, ensuring studies which take place at the trust are relevant to, and inclusive of patients. UCLH actively promotes research through patient engagement events such as the large-scale annual research open day.

During 2019/20 a total of 194 new research studies were approved to begin recruitment at University College Hospitals NHS Foundation Trust. These range from clinical trials of

medicinal products and devices, through to service and patient satisfaction studies. There are currently 1,581 studies involving UCLH patients running at UCLH. Of these, approximately 70 per cent of studies are adopted onto the National Institute of Health Research Clinical Research Network (NIHR CRN) portfolio of research. Currently, 17,359 patients are actively participating in a research study at UCLH.

In 2019/20, the number of participants recruited to research studies at UCLH was 16,243.

UCLH is recognised as one of the leading centres for experimental medicine in England. In partnership with UCL, the trust has National Institute of Health Research Biomedical Research Centre (BRC) status. UCLH BRC supports UCLH and UCL's world class strengths for innovative early phase research in cancer, neuroscience, cardiovascular disease and inflammation, immunity and immunotherapies. From 2016, their support expanded to focus on other areas of strengths, including hearing and deafness, oral health, mental health, obesity, dementia, healthcare engineering and imaging and healthcare informatics. The trust's commitment to research is further evidenced by the fact it is part of UCL Partners (UCLP), one of five academic health science partnerships. UCLP itself has a director of quality committed to sharing best practice across the partnership.

## 3.6.6 CQUIN Update

Commissioning for Quality and Innovation (CQUIN) is a payment framework that allows Commissioners to agree payments to hospitals based on agreed quality improvement and innovation work.

A proportion of University College London Hospitals NHS Foundation Trust income in 2019/20 was conditional on achieving quality improvement and innovation goals between University College London Hospitals NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework.

Through discussions with our commissioners, we agreed a number of improvement goals for 2019/20 that reflect areas of improvement nationally, within London and locally. In recognition of the difficulties that the new EHRS presents the trust have a block contract meaning that all CQUIN payments are made in full. For 2019/20 payment is £8.3m. We have however planned to deliver a certain level of performance against the CQUINs and aim to deliver the maximum possible for each indicator.

The total CQUIN achieved in 2018/19 was £14,704,339 which is 93.4 per cent of the total available.

A high level summary of the CQUIN measures for 2019/20 is shown in the following table together with the forecast income against each CQUIN target.

Further details of the agreed goals for 2019/20 and for the following 12-month period are available electronically at: <a href="https://www.england.nhs.uk/wp-content/uploads/2019/03/CQUIN-Guidance-1920-080319.pdf">https://www.england.nhs.uk/wp-content/uploads/2019/03/CQUIN-Guidance-1920-080319.pdf</a>

Table Q40 CCG CQUIN measures 2019/20

CCG CQUINs	Full year value (£)
CCG1: Antimicrobial Resistance	960,000
CCG2: Achieving an 80% uptake of flu vaccinations	960,000
CCG3a: Alcohol and Tobacco	960,000
CCG7: Achieving falls prevention	960,000
CCG11: SDEC (Same Day emergency Care)	960,000

**Table Q41** NHSE CQUIN measures 2019/20

NHSE CQUINs	Full year value (£)
Meds Optimisation	713,708
Clinical Utilisation Review	937,823
Enabling Thrombectomy, Interventional Neuroradiology Training	335,897
Spinal Surgery	490,678
AKI CQUIN	311,947
Neurosurgery	311,947
Dental CQUIN	362,773

## 3.6.7 Care Quality Commission (CQC) registration and compliance

University College London Hospitals NHS Foundation Trust is required to register with Care Quality Commission (CQC) and its current registration status is that all University College Hospital NHS foundation Trust locations are fully registered with the CQC, without conditions.

The CQC has not taken enforcement action against University College Hospitals NHS Foundation Trust during 2019/20.

University College London Hospitals NHS Foundation Trust has fully participated in an investigation by the CQC into water safety at the Eastman Dental Hospital (EDH), in January 2019. University College Hospitals NHS Foundation Trust took the following action to address the conclusions or requirements reported by the CQC: A multi-disciplinary site water safety group was established with membership from clinical teams, microbiology, infection control, the facilities management provider, estates and other members co-opted, as required. An action plan was instigated and completed. The Eastman Dental Hospital has since relocated to a new state of the art purpose built hospital – the Royal National ENT and Eastman Dental Hospitals, as previously planned.

## Care Quality Commission (CQC) update

Our services were last inspected by the Care Quality Commission (CQC) in July 2018. The CQC assessed the safety of our care, how effective our care is, how caring, responsive and well led we are. There are four categories (outstanding, good, requires improvement and inadequate). We were rated as 'good' overall, and the trust rating remains unchanged in 2019/20.

We continue to monitor our performance internally against the highest standards of care. We continue to engage with the CQC through a range of activities including quarterly CQC engagement meetings.

## Registration update

The Lighthouse in Camden which provides a coordinated approach to supporting children and young people who have experienced sexual abuse and was first registered in October 2018. The UCLH facility is the first of its kind in the UK was awarded Guardian Public Service award in November 2019. All medical, advocacy, social care, police, and therapeutic support are delivered from one place. The UCLH team, including a consultant community paediatrician, are working alongside colleagues from The Tavistock and Portman NHS Foundation Trust, NSPCC, Solace, the Metropolitan Police, and Camden Social Services.

The aim is that children, young people and their families receive justice, support and therapy in a timely manner meaning that they can move forward towards recovering from the abuse. This multi-agency service is the first of its kind in the UK and follows a model known as Child House ('Barnahus') that started in Iceland. This model has been proven to reduce children's trauma, gather better evidence from interviews and increase prosecutions for child sexual abuse.

The new Royal National Throat Nose and Ear Hospital and the Eastman Dental Hospital was registered in October 2019, bringing together in a new state-of-the-art building one of the largest specialist centres for the treatment of conditions relating to the head and neck, including dental, ear, nose and throat (ENT), and hearing speech and balance.

## 3.6.8 Data Quality

## 3.6.8.1 NHS number and General Medical Practice Code Validity

University College Hospitals NHS Foundation Trust submitted records during 2019/20 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data: which included the patient's valid NHS number was:

- 98.48 per cent for admitted patient care
- 97.89 per cent for outpatient care and
- 89.14 per cent for accident and emergency care

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

- 94.00 per cent for admitted patient care
- 96.03 per cent for outpatient care and
- 84.91 per cent for accident and emergency care

### 3.6.8.2 Data Security and Protection Toolkit

The deadline for the security and protection assessment was extended until 30<sup>th</sup> September 2020 due to the COVID-19 pandemic and therefore is not available.

### 3.6.8.3 Clinical coding error rate

University College London Hospitals NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2019/20

Clinical coding is the process by which patient diagnosis and treatment is translated into standard, recognised codes that reflect the activity that happens to patients. The accuracy of this coding is a fundamental indicator of the accuracy of patient records.

University College London Hospitals NHS Foundation Trust will be taking the following actions to improve data quality:

- The continuation of a systematic training and development programme that ensures clinical coders possess the tools, knowledge base and skill set to deliver high quality coding both now and prospectively.
- The continuation of a systematic audit framework comprising of daily work checks and bi-monthly audits to provide ongoing assurance of coding accuracy standards that fall in line with the 'Standards Exceeded' rating outlined within the Data Security & Protection Toolkit (DSPT).
- Building on clinician and coder engagement and activity validation through one to one
  meetings and an automated data quality flagging mechanism, in turn supporting greater
  consistency between clinician and coder and best practice activity recording by
  clinicians.

# Annex 1: Statements from NHS Camden Clinical Commissioning Group, Camden Health and Adult Social Care Scrutiny Committee, UCLH Council of Governors and Healthwatch Camden

## Statement from NHS Camden Clinical Commissioning Group

Until 31 March 2020 Camden Clinical Commissioning Group (CCG) was the lead commissioner responsible for the commissioning of health services from University College London Hospitals (UCLH) NHS Foundation Trust, for Camden's population and surrounding boroughs. On 1 April 2020, the five CCGs across North Central London (including Camden CCG) merged and NCL CCG was established. This quality assurance statement is written by NCL CCG and continues to reflect the views of its predecessor organisation.

We have worked closely with UCLH to ensure we have the right level of assurance regarding commissioned services, obtained mainly via regular Clinical Quality Review Group (CQRG) meetings. The CCG welcomes the opportunity to provide this statement on UCLH Trust's Quality Account. We have taken particular account of the identified priorities for improvement within UCLH, and how this work will enable real focus on improving the quality and safety of health services for the population they serve.

We confirm that we have reviewed the information contained within the draft Quality Account (provided to the CCG in May 2020). The document received complies with the required content, as set out by the Department of Health. Where the information is not yet available a place holder has been inserted.

Following their inspection in 2018 the Care Quality Commission rated UCLH as 'Good' for being effective, caring, responsive and well-led and rated them as 'Requires Improvement' for being safe. The Trust has completed actions to address the five must do areas noted within the inspection.

The Trust has completed considerable work in implementing their new electronic records system, Epic, as part of the Access and Patient Administration Programme. It is assuring to see a number of early positive impacts following the implementation of the new system e.g. 2-way SMS appointment reminders for patients, enhanced contact information included within patient letters, 90% of letters directly created in Epic and integrated into the patient record and sent to GPs, referrers and patients more quickly than previously. As expected with the implementation of any new organisational wide IT infrastructure, UCLH encountered some problems with interoperability with Epic and the national audit data system. It is anticipated UCLH will resolve these incompatibilities to ensure all applicable national audits are being completed and submitted by the Trust.

During 2020/21, commissioners would like to see the Trust utilise data, recorded within Epic, to drive forward quality improvement and transformational changes to services, with a particular focus on patient safety and quality.

Commissioners are disappointed to see the percentage of adult patients who have had a VTE risk assessment completed on admission to UCLH has declined considerably throughout the year, due to issues with the completion of the risk assessment form within Epic. We understand the Trust is resolving these issues and has set up a working group to implement and monitor improvements in this area. Commissioners would like to see completion of VTE risk assessments as an improvement priority for the Trust in 2020/21.

As part of reducing harm from failure to recognise and respond appropriately to deterioration, commissioners expect UCLH to continue to invest in the education of staff and optimisation of Epic, to progress with NEWS2, particularly relating to the new indicators for new episodes of confusion and delirium and correct SpO2 scale.

We acknowledge and recognise the work accomplished by the Trust to reduce harm from failure to recognise and respond appropriately to patients identified with both high and low glucose levels. Monitoring and review of patient safety incidents, regarding the monitoring of blood glucose levels, has resulted in identifying areas for improvement in the management of diabetes within clinical areas, including training for staff.

As part of the Trust's quality improvement work a number of priorities have been identified for 2020/21. It is reassuring to see the Trust's continued focus on priorities to reduce harm, recognising the deteriorating patient, follow up of diagnostic results and learning from deaths. Commissioners are supportive of the Trust's patient experience priorities, particularly relating to the area of waiting times, the quality of food provided and hydration.

Unfortunately, the Trust has reported three never event incidents during 2019/20. Commissioners continue to monitor and receive assurances on actions taken for improvement in these areas with a focus on learning and strengthening systems for prevention. We recognise the work conducted by the Trust during 2019/20 in supporting staff undertaking incident investigations, ensuring they have the time and appropriate experience and skills and competence to undertake investigations.

The CCG is pleased to note the Trust's continued focus on reducing avoidable harm in surgery and invasive procedures as a safety priority for 2020/21 and incorporating the learning to date from investigations into these never events.

Whilst it is reassuring to see the Trust continues to proactively encourage patients and their families to raise complaints and concerns about the quality of care provided, it is still disappointing not to have seen the expected improvements for investigating complaints within a reasonable timeframe. Commissioners will continue to monitor the Trust's progress against complaints management in the coming year. It is encouraging to note some of the changes made by the Trust as a result of investigating complaints e.g. improved staff training in the assessment of neuro-vascular function and injury to ensure patients are seen promptly, development of staff and patient information on pain management and engaging patients about their experiences and education and training on skin management and tissue breakdown.

We acknowledge UCLH has continued to implement improvements regarding the experience of patients using their services around the provision of information on what to expect while in hospital and on discharge home. Commissioners would like to see further improvements in patient experience of outpatient care, waiting times and the patient transport service during 2020/21.

It is disappointing that help with meal times has not improved to the expected levels, despite the continued focus within this area. Improving patient experience during mealtimes has been a key priority for the Trust. UCLH plan to use real-time patient feedback to gain an immediate understanding of the issues, which may be affecting patient's experience of meal times, to make improvements in this area.

NCL CCG will continue to work with the Trust to improve cancer waiting times through the NCL Cancer Alliance. Historically, the Trust has experienced challenges to meet the national target whereby 85 per cent of patients with cancer commenced their first treatment within 62 days of an urgent GP referral. In September 2019, UCLH met this standard with 87 per cent

of patients beginning their treatment within this timeframe. This improvement has not been sustained and the Trust must continue to focus on improvements to ensure cancer waiting times are met.

Commissioners are able to confirm that UCLH achieved 100% of the 2019/20 NHS National CQUIN Schemes.

Overall, this is a positive Quality Account and we welcome the vision described and agree on the priority areas.

Yours sincerely,

Frances O'Callaghan

Dr

Josephine Sauvage Accountable Officer, NCL CCG

Romas

Clinical Chair, NCL CCG

## Statement from Camden Health and Adult Social Care Scrutiny Committee

The Health and Adult Social Care (HASC) Scrutiny Committee did not sit between the receipt of the draft quality report and the due date for comments. They could not therefore provide comments on the named quality report. The following statement was provided solely by the Chair of the HASC Scrutiny Committee, Cllr Alison Kelly, and they should not be understood as a response on behalf of the Committee.

"Thank you for sending me your draft 2019/20 quality report for comment. Can I start by putting on record our huge gratitude for the way UCLH continues to deliver incredibly impressive services with compassion and total commitment during the COVID-19 crisis?

In the context of the crisis, I would like to congratulate UCLH for completing the draft report while still battling the epidemic. My understanding of current government guidance – 1 May 2020 – is that there is now no fixed deadline by which providers must publish their 2019/20 quality account and trusts are no longer required to include a quality report in their annual report for 2019/20.

The report overall is clear and well written. However, the draft does not include a contents page. When / if you do publish the 2019/20 quality report it will be easier to navigate the report once it is included. The statement from you, as the Chief Executive, is also not included. This is understandable in the current crisis. However, this section is exceedingly important as it sets the tone for the whole report. Your 2018/19 report provided an extremely helpful introduction and explanation of the issues UCLH faced in 2018/19 and continued to face in 2019/20.

Can I suggest that, after your introduction, you include a section celebrating UCLH's key achievements and exciting developments during the year – particularly from the perspective of patients and residents? So much has been accomplished to improve outcomes for patients and patient experience during this time. The Trust has also made huge strides improving clinical services alongside developing colleague knowledge, skills, and experience. The way UCLH values and nurtures its colleagues should be acknowledged early in the report, together with your work considering human factors, including when undertaking serious incident investigations. They all have a direct impact on patients, their loved ones and on residents.

You may want the report to make reference to the massive impact on UCLH and its response to COVID-19. It has required an enormous shift in the way the Trust operated from January / February 2020.

The following observations were made in accordance with a set of core governance principles which guide the scrutiny of health and social care in Camden.

## 1) Putting patients at the centre of all you do.

The report makes clear that patient safety, clinical effectiveness and patient experience were the top three priorities for the Trust in 2019/20. And rightly, will continue to be going forward. Your explanation of actions taken are detailed. Unfortunately, we continue to receive complaints about patient transport and UCLH patient ratings reduced in 2019/20 (Table Q22). We know improvement has been a priority for you. It is positive to note, however, that formal complaints about non-emergency transport have reduced significantly in the year. It is disappointing that this remains an overall issue. Pressure must also be put on the government to widen patient transport eligibility to ensure all patients can easily access your services.

## 2) Focussing on a common purpose, setting objectives, planning.

The report contains three clear, patient focused priorities and plans which were taken forward during 2019/20. The report lucidly explains what the Trust has done or will be doing to further improve performance, where performance has subsequently improved and where there is still more to do. It is specific about actions taken and to be taken. The huge amount of complex work described to improve clinical effectiveness is truly impressive. It is positive to note that responders to a self-assessment all agreed that the Trust's Quality and Safety Committee of the Trust promotes a culture that encourages vigorous challenge.

## 3) Working collaboratively.

Listening to and learning from patients, their loved ones and from residents remain top of your agenda. I am therefore disappointed that patients consider that their experience of outpatients is moving in the wrong direction. However, I note this may be a result of disruption linked to the implementation of your new electronic health record system, and appreciate that you have recognised this and have taken steps to improve the outpatient waiting experience.

The report demonstrates how seriously UCLH takes working with others to achieve the very best for patients. The Trust continues to show leadership in North Central London Partnerships at all levels. For example, the Trust's seven-day care service benefits all patients in the area. Your work with National Institute for Health Research and UCL encourages UCLH to continue to listen, to reflect, to learn, to innovate and to spread good practice. All very commendable.

I know that the Trust also takes exceedingly seriously its work with local, regional, national and international partners to achieve the best possible outcomes and experience for residents. I also know that the Trust sees itself, and is seen by others, as a key anchor institution in Camden. I may be mistaken, but I cannot see much reference to this in the report and would therefore recommend reference to this is included.

## 4) Acting in an open, transparent and accountable way - using inclusive language, understandable to all - in everything it does.

The 'Learning from feedback' section at the very beginning of the report makes it clear and transparent about what the Trust does well and where action has been required. Although UCLH was rated 'good' overall for the services it provides to patients by the Care Quality Commission for 2019/20, the report is clear about areas for improvement and 'must do' actions. The comprehensive actions taken to address these hugely important issues and the subsequent learning are fully explained.

Data is clearly linked to the issues being covered throughout the report, including the results of the Family and Friends Test. The data (Q31) on staff recommendation of UCLH is disappointing as it slightly declined between 2017 and 2018. It would be helpful to include figures from 2019 if available. They are available but this section is mandated and the data has to be from NHS Digital and that is the latest they have. For your information the figure is the same for 2019 as for 2018.

I would like to finish by thanking you and the Trust for your huge commitment to high clinical standards and the best possible patient experience throughout the Trust. The report is a good read! Many congratulations to you all."

Cllr Alison Kelly Chair of Health and Adult Social Care (HASC) Scrutiny Committee

## Statement from UCLH Council of Governors on UCLH 2019/20 Quality Report

#### 1. Introduction

"The Council of Governors represents the collective interests of the members of UCLH foundation trust (including patients, carers, staff and London residents) and of the public. We appreciate this opportunity to present some additional perspectives on behalf of the Council on the UCLH 2019/20 Quality Report (although these do not constitute a comprehensive commentary on all the detailed information contained in it). Please see Annex 4 to the quality report for a glossary of terms and conditions.

## 2. 2019/20 response to the pandemic

Normally, we would confine our statement to the period ended 31 March 2020. However, the influx of patients affected by the COVID-19 pandemic numbers during March had a significant and immediate impact on the overall organisation of delivery of care at UCLH. It is important to note that we have not so far had the opportunity to discuss the trust's response to the pandemic in detail with the non-executive directors (governors must look to them for assurance on performance) so we can only offer our preliminary observations here. However, we are also mindful that since the pandemic began UCLH members and the public, whom we represent, have not had the opportunity to attend Board of Directors and Council of Governors meetings as normal and so we wished to take the opportunity presented by this statement to summarise our informal impressions to date of UCLH's response to the pandemic.

Governors are deeply saddened by the loss of those connected with UCLH, including patients and people working at the trust, who have died from COVID-19 during the pandemic. We recognize the devastating impact these losses will have on families and friends. We are grateful for the enormous importance placed by Professor Marcel Levi, UCLH Chief Executive, on the safety of people working at the trust, ensuring that staff had access to personal protective equipment and supporting remote working wherever possible.

Our assessment, based on the information presented at the virtual Board of Directors meeting on 20 May 2020, in other briefings since early March 2020 and from statistical data in the public domain, is that UCLH has mounted an exceptionally impressive response to the pandemic. We share the view of Professor Levi that UCLH has benefitted enormously from its established links with UCL, the retention of UCH at Westmoreland Street, its new Epic EHRS (electronic health records system) and, above all, the superb dedication of its staff. It is notable that staff have been able to access testing for the virus through the UCLH-run drive-through testing centre on the British Library campus. We have been informed by the Board that, thanks to its careful management, the Trust has not seen the severe shortages of PPE (personal protective equipment) reported elsewhere although we are conscious that complexities arose from revisions in national guidance on PPE. We heard from executive directors how they worked to clarify the practical application of the guidance for staff. We would like to record the Council's gratitude, on behalf of the people we represent, for the phenomenal leadership of the Chief Executive, Chief Nurse and the many other staff working with them who have ensured that UCLH COVID-19 patients receive the best available care.

As the COVID-19 pandemic began in London, the UCLH Research Directorate moved rapidly to establish a COVID-19 Response Group to enable fast track approval and funding of COVID-19 research. UCLH COVID-19 research has included trials of therapeutics and medical devices, data initiatives, and surveys on the impact of the pandemic on people's wellbeing. At the time of writing we are aware of over 40 important studies of COVID-19

being conducted at UCLH. An early collaboration between UCLH/UCL and Mercedes-AMG High Performance Powertrains led to the development and trialing of a new breathing aid for COVID-19 patients. We understand that the initial view is that this has been a game-changer for some patients. The breathing aid is now being used in other UK centres. The license, design and manufacturing instructions have been made freely available to other governments, academics and manufacturers. Despite the challenging environment UCLH/UCL implemented a patient and public involvement, engagement and communications programme dedicated to input around COVID-19 research.

UCLH also moved quickly to ensure that non-COVID-19 patients requiring urgent cancer care continued to be cared for. Three cancer hubs were set up in London. The cancer hub for north-central and north-east London was based at UCLH and used the UCH Macmillan Cancer Centre, UCH at Westmoreland Street and the private hospitals, the Princess Grace and the Wellington. The National Hospital for Neurology and Neurosurgery provided additional capacity for patients requiring immediate brain tumour surgery. Collaboration and coordination of all participating hospitals ensured the delivery of a high standard of cancer surgery and treatment in a safe environment.

The COVID-19 pandemic has introduced a number of changes including many outpatient appointments now being conducted virtually either by telephone or video call. This innovation has saved many patients a long journey to the hospital. The trust is currently assessing the viability of continuing virtual appointments longer term while ensuring that communication with older patients unfamiliar with or without access to IT is taken into account.

#### 3. 2019/20: achievements, innovation and good practice

In autumn 2019, UCLH at last achieved the national 62-day cancer target (85 per cent of patients to receive first treatment within 62 days of urgent GP referral). This was a major milestone though the trust has not been able to maintain this level of performance since then owing partly to the pandemic.

The new Royal National ENT and Eastman Dental Hospitals in Huntley Street was opened by the Queen on 19 February 2020. The building provides a greatly enhanced, modern environment for patients and staff for its specialist dental, ear, nose, throat, hearing and balance services.

Notable innovations over 2019/20 at UCLH include the development of an app for detecting jaundice in newborn babies which could prevent deaths and the use of 3D anatomical models that will enable complicated surgery, such as jaw reconstruction, to be undertaken more quickly and efficiently.

Collaborative and partnership working were an excellent feature of some innovations. UCLH leads the Lighthouse, a centre with a multi-agency approach to supporting children and young people recovering from sexual abuse and child exploitation. The charity, Redthread, extended its innovative and effective youth violence intervention programme to UCH's A&E department to provide young people aged 11 – 24 with tailored support to divert them from youth violence and exploitation.

In terms of good practice, we are pleased that the National Hip Fracture Database, reviewed by the trust's Quality & Safety Committee in 2019/20, placed UCLH in the top 25 per cent of trusts nationally for patients having surgery to repair their fracture on the day of, or on the day after, admission and that surgery was supervised by a consultant surgeon and anaesthetist in 79 per cent of operations.

It is also encouraging to read about the detailed work during 2019/20 to improve the trust's monitoring of high and low glucose levels in patients with diabetes. Reviewing all blood glucose levels for people with diabetes in hospital since April 2019 will help establish parameters for diabetes management on the wards in future.

The 2019/20 Quality Report also confirms that the five 'must do' requirements of the 2018 Care Quality Commission inspection have been completed and that the additional 66 'should do' recommendations have been acted upon by the trust.

#### 4. End of Life Care

The governors, supported by the Board of Directors and the End of Life Care Team, undertook a project on end of life care in the trust which reported during 2019/20. Patients, families and carers were interviewed for up to two hours about their or their loved ones' care. The report detailed many excellent stories of care but the governors also made recommendations to improve the end of life experience for both patients and their families. The recommendations covered a number of areas including that conversations about end of life between staff and patients/families should happen in an appropriate place at an early time and messages should be repeated and reinforced so that everyone has time to digest information and ask questions to ensure that patients' wishes about their end of life care are understood and acted on. Earlier referral to palliative care services was recommended to ensure that symptoms are well controlled.

The report found that carers often feel unsupported and require more communication and support: the excellent UCLH leaflet, 'Care in the last days of life', should be given to the families of all patients who are dying at the trust. The governors also suggested that patients who are in the last days of life should be moved to individual rooms wherever possible to prevent their dying on busy wards.

The Board has given the report serious consideration and the governors involved in the project were invited to present their findings, together with feedback from the End of Life Care Team, at a Board seminar. An Action Plan has been drawn up and includes some innovative proposals for new ways of working; this is being monitored by the trust's End of Life Care Board. Progress in implementing the detailed actions has been halted as a result of the pandemic but the learning from the project has been widely disseminated and the governors involved have presented to virtually all the clinical governance groups in the areas covered by the project. It was particularly pleasing to hear of an immediate change in nursing practice on one ward, following a governor presentation, when the sister made arrangements to enable the family of a dying patient to remain overnight in circumstances where previously the family would have been asked to return home.

#### 5. EHRS implementation and administration

The trust successfully implemented its new EHRS during 2019/20. This was a very substantial, trust-wide transformation project that has the support of governors as it should deliver many long-term benefits. Briefings received by governors suggest that, overall, implementation has gone well. We note that significant work has been required to Willow, the pharmacy inventory module, to make it suitable for NHS use. The limitations of that module appear to have initially resulted in some long waits experienced by patients when collecting their prescriptions at the UCH pharmacy although the trust found ways to reduce these.

Governors were warned that the early days of EHRS would probably be a 'bumpy' ride and, indeed, some patients encountered waits when arriving to book in at outpatient clinics, still received incorrect letters about appointments from the trust and were not notified of cancelled or forthcoming appointments though it is hard for us to know exactly how many

patients encountered these problems. Some administrative staff faced the unenviable task of trying to learn to operate new systems while at the same time doing their best to reassure patients and defuse tension.

Understandably, the trust reduced the number of outpatient appointments in the initial phase of implementation. For some patients, though, this has meant long waits for substantive non-urgent treatment to begin. Unfortunately, waits for some of these patients will have been extended further as their treatment has been paused owing to COVID-19. We hope that, once the trust restarts elective work, the triage system employed to prioritise patients takes due account of any patients affected by these cumulative long waits for non-urgent care. We welcome the priority the trust is now giving to improving administration and look forward to seeing sustained improvements. We also hope that over the course of 2020/21 the trust will ensure that all required data is accurately and comprehensively recorded on EHRS and that involvement in those national audits and enquiries which were paused during EHRS implementation will be restarted.

#### 6. Never events and learning from incidents

The trust has a robust system of investigating incidents and ensuring that the learning from them is properly disseminated. In particular, we have been impressed by the quality of the serious incident reports that are brought to the Quality and Safety Committee of the Board of Directors. These detailed accounts are important in clarifying underlying issues arising in practice and show the commitment to safe and high-quality patient care of the staff members who spend time and energy preparing them. These valuable reports are, however, time-consuming to prepare and require significant expertise on the part of the report writer. We are concerned that the burden of preparing them falls on a relatively small number of staff and hope that in the coming year the trust is successful in broadening the pool of available reviewers.

A similar approach to learning from clinical practice is taken with regard to hospital deaths, when a structured judgement review of the circumstances associated with a patient's death is prepared and discussed by a consultant with the relevant staff group. In the final quarter of 2019-20 the trust appointed a consultant to the new post of Medical Examiner. This important new position will ensure in future that all deaths at UCLH which are not referred to HM Coroner are subject to an increased level of scrutiny and review. This system will provide a valuable source of assurance and explanation to bereaved families. Implementation of the Medical Examiner role has been paused as a result of the pandemic. We hope that it can be resumed as soon as possible and that the trust will move swiftly to recruit a full complement of staff to support the Medical Examiner in order to ensure that bereaved families benefit from this service and that learning from deaths at UCLH is properly shared.

#### 7. Governor walk rounds

Governor walk rounds were temporarily halted in October 2019, owing to a staff move, and unfortunately COVID-19 has further delayed their reintroduction. They are invaluable as an opportunity for governors to learn about the trust's services and to receive first-hand feedback from patients, families and staff, all of which helps to inform the work that governors do. We hope that these visits will be restarted as soon as possible in the current year.

#### 8. Non-emergency patient transport

Governors have been concerned about the quality of non-emergency patient transport (PTS) provided by UCLH through its contractor G4S for over three years (see our statement to the 2018/19 UCLH Quality Report for more details). It is a matter of regret that we still have considerable concerns.

As the 2019/20 Quality Report says, there has been a decline in patients recommending the PTS under the Friends and Family Test (from 88 per cent in 2018/19 to 85 per cent in 2019/20). Unfortunately, it was found that many patients had misinterpreted the survey question (2018/2019), believing they were being asked about their experience of the trust rather than of transport, and as a result the percentage recommending PTS was overstated. A new format has now been designed with clearer questions and the percentage of patients recommending the PTS has fallen.

As a result of COVID-19, governors have not seen more detailed PTS data for the last four months of the year (see Patient Transport Update in Chief Executive's Report, Council of Governors 27 January 2020 for the latest data available to us). But October and November 2019 both saw over 40 missed packages of care and failed discharges or transfers as a result of PTS failures. In September 2019, 418 journeys were classified as 'very late' or 'DNA' (i.e. meaning at least a two-hour wait after the scheduled collection time or PTS failing to turn up at all). This rose to 486 journeys in November 2019 (6.85 per cent of journeys). We can see that some journey times might have been affected by road works for the West End Project around UCH although we understood that G4S should have been able to take advantage of new real-time information about disruption on the roads. Overall, we consider the trend in the performance of the PTS under G4S towards the end of 2019 to be very disappointing. In addition, it is concerning that driver attitude was being mentioned as a concern by some patients when this had only been infrequently reported before then. In the Patient Transport Update provided to the Council in January 2020, it was anticipated the PTS would return to its contracted targets in early 2020. We would like to see evidence of promised and sustained improvements in the service.

#### 9. Care of patients living with mental health issues

Throughout 2019/20, the Council of Governors remained concerned about the pathways of care for patients living with mental health issues who presented at A&E at UCH. We understand that there were occasions in 2019/20 when there was not a single place available in the country to which a patient in mental health crisis at A&E could be transferred. There were sixteen 12-hour trolley breaches in November 2019, most of which are likely to have been patients living with mental health issues. 12-hour trolley breaches halved to eight in February 2020 and we understand that a new crisis centre in Highgate has helped.

#### 10. PALS

We have asked the trust to consider extending the opening hours of PALS (Patient Advice and Liaison Service) at UCH and the National Hospital for Neurology and Neurosurgery. Although we understand an increasing number of patients and relatives are happy to contact the service digitally, there is no substitute for friendly, on the spot and face to face contact in some cases

#### 11. Integrated Care

Board members gave a presentation to governors on the contribution of UCLH to the North Central London Partnership in the integration of patient care within the evolving framework of an Integrated Care System, which includes Camden and its four north London neighboring boroughs. We are impressed by the way in which hospital-based managerial and clinical staff have been encouraged to work collaboratively across the region with others in acute settings and also in the community, to achieve a coordinated discharge process for patients from hospital to home, with appropriately supportive community care."

Claire Williams, Lead Governor Amanda Gibbon, Frances Lefford, Public Governors Christine Mackenzie, Sally Bennett, Patient Governors

6<sup>th</sup> June 2020

## **Healthwatch Camden**

Healthwatch Camden did not provide a statement for the quality report. ,

#### Annex 2: Statement of directors' responsibilities

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality accounts (which incorporate the above legal requirements) and on the arrangements that NHS Foundation trust boards should put in place to support the data quality for the preparation of the quality account.

In preparing the quality report, directors are required to take steps to satisfy themselves that:

- the content of the quality report meets the requirements set out in the NHS foundation trust annual reporting manual 2019/20 and supporting guidance Detailed requirements for quality reports 2019/20
- the content of the quality account is not inconsistent with internal and external sources of information including:
- ullet
- board minutes and papers for the period 1<sup>st</sup> April 2019 to 20<sup>th</sup> May 2020
- papers relating to quality reported to the board over the period 1<sup>st</sup> April 2019 to 20<sup>th</sup> May 2020
- feedback from commissioners 16<sup>th</sup> June 2020
- feedback from governors dated 6<sup>th</sup> June 2020
- feedback from Camden Health and Adult Social Care Scrutiny Committee dated 26<sup>th</sup> May 2020.
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 27 September 2019.
- the latest national patient survey June 2019
- the latest national staff survey February 2020.
- the Head of Internal Audit's annual opinion of the trust's control environment dated 21<sup>st</sup> April 2020

# Annex 3: Independent auditor's report to the council of governors of University College London Hospital NHS Foundation Trust on the quality report

Due to the COVID-19 pandemic NHSEI advised on 23<sup>rd</sup> March 2020 via a letter 'Updates to the NHS accounts timetable and year end arrangements' that auditor assurance work on quality accounts and quality reports should cease for 2019/20. There is therefore no report available.

#### **Annex 4: Glossary of terms and abbreviations**

**Acute kidney injury (AKI):** A sudden episode of kidney failure or kidney damage that happens within a few hours or a few days.

At the Sharp End surgical safety bulletin: A bulletin that is published three times a year with the aim of sharing lessons learnt from, good practice and near misses with teams, ultimately reducing surgical harm and creating safer teamwork cultures throughout the trust.

**Best practice advisories (BPAs):** Digital display in EHRS of clinical advice provided when action is required in response to abnormal patient findings.

**Care Quality Commission (CQC):** The independent regulator of all health and social care services in England.

Cardiac Arrest: A collapse when the heart stops beating.

**CCG:** Clinical commissioning groups are NHS organisations set up by the Health and Social Care Act 2012 to organise the delivery of NHS services in England.

**CDOP** - The Child Death Overview Panel (CDOP) is responsible to the Safeguarding Children Board for reviewing information on all child deaths, looking for possible patterns and potential improvements in services, with the aim of preventing future deaths

**CNS:** Clinical nurse specialist.

**Commissioners:** The local and national bodies contracting to buy care for UCLH patients.

**Complaints:** A complaint is upheld (fully agreed) by UCLH when it is agreed that action(s) need to be taken to prevent the subject of the complaint occurring again. It is partially upheld (partly agreed when some aspects of the complaint require action and not upheld (not agreed) when no action is required. Patients are always offered an apology.

**Commissioning for Quality and Innovation (CQUIN):** A framework that allows commissioners to make payments to hospitals for agreed improvement work.

**Data Security & Protection Toolkit (DSPT).** The Data Security and Protection Toolkit is an online self-assessment tool that all organisations must use if they have access to NHS patient data and systems.

**Deterioration:** An evolving, predictable and symptomatic process of worsening physiology towards critical illness (worsening of the patients' condition).

**DPSG:** Deteriorating patients steering group.

**Dr Foster:** A provider of healthcare data on a number of measures of healthcare quality indicators which are considered a good pointer of overall performance. These include whether the number of deaths in hospital are higher or lower than expected (mortality rates).

**Electronic Health Records System (EHRS):** EHRS is a single, integrated, and comprehensive electronic record. Our electronic health record system, enabled by Epic, will replace paper notes and most of our clinical systems.

**Enhancing safety visits (ESVs):** The enhancing safety visits are a collaborative way of observing, improving and measuring practice. All staff are encouraged to participate in a visit. They provide opportunities to talk to teams about safety, flagging issues and barriers as needed, as well as sharing learning across different sites, areas and specialties.

**Environmental monitoring observations:** These are undertaken by an environmental monitoring officer who is a member of the estate and facilities team. They join other staff in the improving care rounds (ICRs) and look out for environmental issues such as cleanliness and equipment concerns. These concerns are then reported back to the service in line with improving care rounds (ICRs).

**EQ-5D:** A standardised measure of health status to provide a simple, generic measure of health for clinical and economic appraisal. It provides a simple descriptive profile and a single index value for health status that can be used in the clinical and economic evaluation of health care and in population health surveys. EQ-5D is designed for self-completion and is ideally suited for use in postal surveys, clinics, and face-to-face interviews.

**Each Baby Counts**: Each Baby Counts is the Royal College of Obstetricians & Gynaecologists (RCOG)'s national quality improvement programme to reduce the number of babies who die or are left severely disabled as a result of incidents occurring during term labour.

**Freedom to speak up guardian**: All trusts have been required to appoint **Freedom to Speak Up** Guardians. they provide an alternative route to normal channels that people will use for speaking up.

**Friends and Family Test (FFT)**: An important feedback tool that supports the fundamental principle that people who use NHS services should have the opportunity to provide feedback on their experience.

It asks people if they would recommend the services they have used and offers a range of responses. When combined with supplementary follow-up questions, the FFT provides a mechanism to highlight both good and poor patient experience. Feedback provides valuable information for the service to celebrate positive feedback and identify opportunities to make improvements.

#### Harm definitions (NHSI):

- **Moderate harm:** Person affected required a moderate increase in treatment; the incident caused significant but not permanent harm to the person. Moderate increase in treatment includes an unplanned return to surgery, an unplanned re-admission, a prolonged episode of care, extra time in hospital or as an outpatient, cancelling of treatment, or transfer to another treatment area (such as intensive care).
- **Severe harm:** Incident that appears to have resulted in permanent harm to the person affected. This means a permanent lessening of bodily, sensory, motor, physiologic or intellectual functions, including removal of the wrong limb or organ or brain damage that is related directly to the incident and not related to the natural course of the person's illness or underlying condition.
- **Death:** Incident that directly resulted in the death of the person affected rather than as a result of their underlying medical condition.

**Human factors:** Human factors encompass all those factors that can influence people and their behaviour. In a work situation, human factors are the environmental, organisational and

job factors and individual characteristics which influence behaviour at work and so impact on patient safety.

**HSIB:** Healthcare Safety Investigation Branch. The Healthcare Safety Investigation Branch (HSIB) began operating on 1 April 2017. They offer an independent service for England, guiding and supporting NHS organisations on investigations, and also conducting safety investigations.

**Improving Care Rounds (ICRs):** At UCLH, multidisciplinary and multi-level teams visit a clinic, ward, or facility to observe with 'fresh eyes' and give feedback, using the same questions as the Care Quality Commission (Is care safe, effective, caring, responsive and well led?).

**LeDeR** The Learning Disabilities Mortality Review (LeDeR) programme contributes to improvements in the quality of health and social care for people with learning disabilities in England by supporting local areas to carry out reviews of deaths of people with learning disabilities (aged 4 years and over) using a standardised review process. This enables them to identify good practice and what has worked well, as well as where improvements to the provision of care could be made. Recurrent themes and significant issues are identified and addressed at local, regional and national level.

**Lost to follow up:** refers to patients who are actively on a treatment pathway but have become lost (by error in EHRS or by being unreachable) at the point of follow up.

**Matron quality rounds:** Quality, environmental and patient/staff experience reviews by groups of UCLH matrons, outside of their own clinical areas, with instant feedback via a 'huddle'.

**MyCare UCLH:** As part of EHRS, we offer patients an online patient portal called MyCare UCLH which is accessible on a computer, smartphone or tablet. Patients are able to access their own data safely and securely to help manage and improve their conditions and communicate with their care team.

**MSG:** Mortality surveillance group.

**Mortality and morbidity meetings**: a key activity for reviewing the performance of the multidisciplinary team and ensuring quality. M&M meetings have a central function in supporting services to achieve and maintain high standards of care.

**National Joint Registry (NJR):** The National Joint Registry (NJR) was set up by the Department of Health and Welsh Government in 2002 to collect information on all hip, knee, ankle, elbow and shoulder replacement operations, to monitor the performance of joint replacement implants and the effectiveness of different types of surgery, improving clinical standards and benefiting patients, clinicians and the orthopaedic sector as a whole.

#### **Near miss incidents - An incident that was prevented from occurring:**

Reporting a 'near miss' event is as important as reporting incidents that actually occurred and caused harm. Although a 'near miss' did not cause harm the potential for recurrence probably still exists and this needs to be managed effectively.

**NEWS2:** The National Early Warning Score (NEWS) is based on a simple aggregate scoring system in which a score is allocated to physiological measurements, already recorded in routine practice, when patients present to, or are being monitored in hospital. Seven vital signs are measured – see vital signs

NEWS2 is the latest version of the National Early Warning Score (NEWS), first produced in 2012 and updated in December 2017

**Never Event:** Never events are defined as serious incidents that are wholly preventable because guidance or safety recommendations that provide strong systemic protective barriers are available.

**NHSE/NHSI**: NHS England is an executive non-departmental public body of the Department of Health and Social Care. NHS England oversees the budget, planning, delivery and day-to-day operation of the commissioning side of the NHS in England as set out in the Health and Social Care Act 2012. **NHSI**: NHS Improvement is responsible for overseeing foundation trusts and NHS trusts, as well as independent providers that provide NHS-funded care. On 1st April 2019 NHSE and NHSI merged into one organisation.

**NICE:** National Institute for Health and Care Excellence (NICE) provides national guidance and advice to improve health and social care.

Novameter Blood glucose meter to monitor blood sugar

**Order set:** An order set is a group of related orders which a clinician can place easily via the EHRS. An order set allows users to select pre-packaged groups of orders such as lab tests, x-rays, and medications that apply to a specified diagnosis effective clinical care

**Patient pathway:** The route that a patient will take from first contact with the NHS, through referral, to the completion of treatment.

**Patient Safety Alerts:** Patient safety alerts are issued via the NHSI Central Alerting System (CAS) which issues alerts, important public health messages and other safety critical information and guidance to the NHS.

**PSC:** Patient safety committee.

**PEEC:** Patient experience and engagement committee.

**PERRT:** Patient emergency response and resuscitation team.

**Perinatal Mortality Review Tool (PMRT):** A national standardised tool to look at care leading up to and surrounding each stillbirth and neonatal death, and the deaths of babies who die in the post-neonatal period having received neonatal care.

**QSC:** Quality and safety committee.

**RSHSG:** Reducing surgical harm steering group.

**Root Cause Analysis (RCA):** A framework for an investigation into why specific patient safety incidents happen and identify areas for change to make care safer.

**Safety huddles:** Daily meetings on the ward to highlight safety and quality issues and promote discussion among team members.

**Serious incident (SI):** serious incidents are events in health care where the potential for learning is so great, or the consequences to patients, families and carers, staff or organisations are so significant, that they warrant using additional resources to mount a comprehensive response.

**Single Oversight Framework:** is the joint NHS England and NHS Improvement framework for assessing trusts' performance against key statutory performance indicators.

**Summary hospital level mortality indicator (SHMI):** The ratio between the actual number of patients who die following hospitalisation at the trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated here. It includes deaths, which occur in hospital, and deaths, which occur outside of hospital within 30 days (inclusive) of discharge. NHS Digital release the external SHMI every quarter but there is a six-month time lag.

**SSI:** Surgical site infections.

**Thrombectomy**: The interventional procedure of removing a blood clot (thrombus) from a blood vessel.

**UCL**: University College London

**UCLH**: University College London Hospitals NHS Foundation Trust

**UCLP:** University College London (UCL) Partners is an academic health science partnership organisation

**UCLP deterioration network:** A group of NHS trusts within UCLP catchment sharing learning and updates on the approach to deteriorating patients.

**Vital Signs:** describes six physiological parameters: (measurements)

- 1. Respiratory rate
- 2. Oxygen saturation
- 3. Pulse rate,
- 4. Blood pressure
- 5. Level of consciousness
- 6. Core body temperature
- 7. The requirement for supplemental oxygen (by mask or nasal cannulae)

**VTE:** Venous thromboembolism (blood clot).

**World Health Organisation (WHO) Surgical Safety Checklist:** A core set of safety checks, identified for improving performance at safety critical time points within the patient's intraoperative care pathway. Safety checks before anaesthesia ("Sign in"), before the incision of the skin ("Time Out") and before the patient leaves the operating room ("Sign out").

## 4. Annual accounts

#### Foreword to the accounts

These accounts, for the 12 months ended 31 March 2020, have been prepared by University College London Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

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

Marcel Levi Chief executive

22 June 2020

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF UNIVERSITY COLLEGE LONDON HOSPITALS NHS FOUNDATION TRUST

## Report on the audit of the financial statements

## 1. Opinion

In our opinion the financial statements of University College London Hospitals NHS Foundation Trust (the 'foundation trust'):

- give a true and fair view of the state of the foundation trust's affairs as at 31 March 2020 and of the foundation trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by NHS
   Improvement Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- · the Statement of Financial Position;
- the Statement of Changes in Taxpayers' equity;
- · the Statement of Cash Flow; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

## 2. 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 foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

### 3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were:				
	<ul> <li>NHS Revenue Recognition</li> <li>Property valuations</li> <li>Accounting for capital expenditure</li> <li>Management override of controls</li> <li>Within this report, key audit matters are identified as follows:</li> </ul>				
	Newly identified				
	Increased level of risk				
	Similar level of risk				
	Decreased level of risk				
Materiality	The materiality that we used for the financial statements was £11.9m which was determined on the basis of $1\%$ of the Foundation Trust's total revenue recognised in the 2019/20 financial year.				
Scoping	Audit work was performed remotely by the audit engagement team, led by the senior statutory auditor.				
Significant changes in our approach	Our approach is largely consistent with previous years, however, additional procedures have been considered where COVID-19 has impacted the balances				

## 4. Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

• the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or

within the financial statements.

 the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the foundation trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue. We have nothing to report in respect of these matters.

## 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## 5.1. Recognition of NHS Revenue



#### Key audit matter description

As described in note 1.4, Accounting Policies and note 1.26, Critical Accounting Judgements and Key Sources of Estimation Uncertainty, there are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners.

Details of the Foundation Trust's income, including £947.2m (2019: £852.0m) of Commissioner Requested Services and £26.1m (2019: £57.1m) of Provider Sustainability Funding (PSF) and Financial Recovery Fund (FRF), are shown in note 3.1 to the financial statements. NHS Receivables of £83.1m (2019: £115.2m) are shown in note 16.1 to the financial statements.

The Foundation Trust earns revenue from a wide range of commissioners, increasing the complexity of agreeing a final year-end position.

We presumed a fraud risk to exist in revenue recognition in accordance with International Standards on Auditing.

#### How the scope of our audit responded to the key audit matter

We obtained an understanding of and assessed the relevant controls relating to the recording and reporting of revenue, specifically those controls around the agreement of disputes and challenges and the agreement of contracts.

We held discussions with the finance team and contracts team and we challenged key judgements around specific areas of dispute and actual or potential challenge from commissioners and the rationale for accounting treatment adopted. In doing so, we considered the historical accuracy of provisions for disputes and reviewed correspondence with commissioners.

We selected a sample of unsettled NHS revenue at year-end and sought evidence that cash has been received post year-end, where cash has not been received post year-end we have sought further evidence to support the validity and accuracy of the unsettled amounts.

We selected a sample of differences between the amounts that the Foundation Trust reports as receivable from commissioners, and the amounts that commissioners report that they owe the Foundation Trust, in the agreement of balances ("mismatch") report. For this sample, we sought explanations from management for the variances together with documentary evidence to corroborate those explanations.

#### **Key observations**

We concluded that the recognition of NHS revenue is appropriate and we considered the estimates made by the Foundation Trust in respect to their recognition of NHS revenue to be within an acceptable range although we consider that the Foundation Trust continues to be at the prudent end of that range with the level of debt it provides for.

## 5.2. Property valuation



#### Key audit matter description

The Foundation Trust holds property assets within Property, Plant and Equipment at a modern equivalent use valuation of £590.6m (2019: £501.4m). The valuations are by nature significant estimates which are based on specialist and management assumptions (including the floor areas for a Modern Equivalent Asset, the basis for calculating build costs, the level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value and which have been described in notes 1.8, 1.26 and 10.

As detailed in note 1.26, 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, given the unknown future impact that COVID-19 might have on the real estate market.

The net valuation movement on the Foundation Trust's estate shown in note 13 is a net impairment of £25.6m (2019: £10.8m).

#### How the scope of our audit responded to the key audit matter

We obtained an understanding of and assessed the relevant controls relating to property valuations, and tested the accuracy and completeness of data provided by the Foundation Trust to the valuer.

We used Deloitte internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the Foundation Trust's properties, including through benchmarking against revaluations performed by other Trusts at 31 March 2020.

We reviewed the disclosures in notes 1.8, 1.26 and 10 and evaluated whether these provide sufficient explanation of the basis of the valuation and the judgements made in preparing the valuation.

We considered the impact of uncertainties relating to the UK's exit from the EU and the COVID-19 pandemic upon property valuations in evaluating the property valuations and related disclosures including the adequacy of the disclosure of the material valuation uncertainty.

We assessed whether the valuation and the accounting treatment of the impairment were compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement or in Other Comprehensive Income.

#### **Key observations**

Whilst we note the increased estimation uncertainty in relation to the property valuation as a result of COVID-19, and as disclosed in note 1.26, we consider the valuation of the property assets held by the Trust to be reasonable and the assumptions used in its calculation to be appropriate.

## 5.3. Management override of controls



#### Key audit matter description

We consider that in the current year there continues to be a heightened risk across the NHS that management may override controls to manipulate fraudulently the financial statements or accounting judgements or estimates. This is due to the increasingly tight financial circumstances of the NHS and close scrutiny of the reported financial performance of individual organisations.

The Foundation Trust has been allocated £26.1m (2019: £57.1m) of the Provider Sustainability Fund (PSF) and Financial Recovery Fund (FRF), contingent on achieving financial and operational targets each year, equivalent to a "control total" for the year. This creates an incentive for reporting financial results that exceed the control total of (£14.2m) including PSF and FRF. The Foundation Trust's reported results show a deficit of £48.4m (2019: 70.2 surplus), equivalent to £0.3m above the control total.

Details of critical accounting judgements and key sources of estimation

uncertainty are included in note 1.26.

#### How the scope of our audit responded to the key audit matter

#### Manipulation of accounting estimates

Our work on accounting estimates included considering areas of judgement, including those identified by NHS Improvement. In testing each of the relevant accounting estimates, we considered their findings in the context of the identified fraud risk. Where relevant, the recognition and valuation criteria used were compared to the specific requirements of IFRS.

We tested accounting estimates (including in respect of NHS revenue recognition and property valuations discussed above), focusing on the areas of greatest judgement and value. Our procedures included comparing amounts recorded or inputs to estimates to relevant supporting information from third party sources.

We evaluated the rationale for recognising or not recognising balances in the financial statements and the estimation techniques used in calculations, and considered whether these were in accordance with accounting requirements and were appropriate in the circumstances of the Foundation Trust.

#### Manipulation of journal entries

We used data analytic techniques to select journals for testing with characteristics indicative of potential manipulation of reporting focusing in particular upon manual journals.

We traced the journals to supporting documentation, considered whether they had been appropriately approved, and evaluated the accounting rationale for the posting. We evaluated individually and in aggregate whether the journals tested were indicative of fraud or bias.

We tested the year-end adjustments made outside of the accounting system between the general ledger and the financial.

#### Accounting for significant or unusual transactions

We considered whether any transactions identified in the year required specific consideration and did not identify any requiring additional procedures to address this key audit matter.

#### **Key observations**

We did not identify concerns involving management override of control nor have we have found evidence of management bias in the estimates adopted by management. We considered the accounting estimates made to be reasonable.

## 5.4. Accounting for capital expenditure



#### Key audit matter description

The Foundation Trust has £113.8m (2019: £162.8m) of additions to tangible and intangible assets under construction as per note 10 and 11 of the financial statements. Where the Foundation Trust develops properties as part of its capital programme, determining whether or not expenditure should be capitalised under International Financial Reporting Standards and when depreciation commenced, involves judgement over whether the expenditure meets the conditions for capitalisation.

The Foundation Trust has an extensive capital programme which requires large amounts of capital spend. As there is judgement over whether items included in capital spend meet the conditions for capitalisation under IFRS it is a key audit

	matter regarding whether costs have been inappropriately capitalised.
How the scope of our audit responded to the key audit matter	We obtained an understanding of and assessed the relevant controls relating to the capitalisation of costs.
	We tested spending on a sample basis to assess whether it complies with the relevant accounting requirements, and whether the depreciation rates adopted are appropriate.
	We reviewed the status of individual projects to evaluate whether they have been depreciated from the appropriate point.
Key observations	We consider that capital expenditure incurred has been recognised appropriately.

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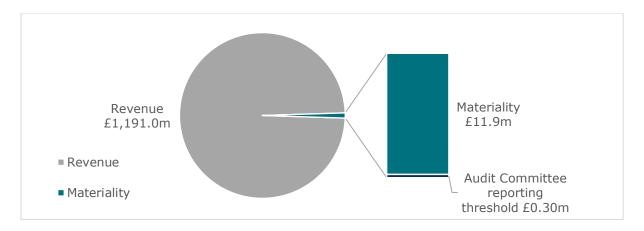
## 6. Our application of materiality

#### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Foundation Trust financial statements
Materiality	£11.9m (2019: £11.0m)
Basis for determining materiality	1% of revenue (2019: 1% of revenue)
Rationale for the benchmark applied	Revenue was chosen as the benchmark as the Foundation Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.



#### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2020 audit (2019: 70%). In determining performance materiality, we considered the following factors:

- a. The Foundation Trust's strong control environment;
- b. low level of corrected and uncorrected misstatements identified in the previous audits;
- c. low turnover of management or key accounting personnel.

#### 6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.3m (2019: £0.3m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## 7. An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity, its environment and service organisations, including internal control, and assessing the risks of material misstatement.

The audit team included integrated Deloitte specialists bringing specific skills and experience in property valuations and information technology systems.

Data analytic techniques were used as part of audit testing, to support identification of items of audit interest and in particular journal testing.

## 8. Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

## 9. Responsibilities of accounting officer

As explained more fully in the accounting officer's responsibilities statement, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the foundation 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 the accounting officer either intends to liquidate the foundation trust or to cease operations, or has no realistic alternative but to do so.

## 10. 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 FRC's website at: <a href="https://www.frc.org.uk/auditorsresponsibilities">www.frc.org.uk/auditorsresponsibilities</a>. This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

## 11. Opinion on other matters prescribed by the National Health Service Act 2006

#### In our opinion:

• the parts of the Directors' Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and

• the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## 12. Matters on which we are required to report by exception

## 12.1. Annual Governance Statement, use of resources, and compilation of financial statements

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

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements. We are not required to consider, nor have we considered, 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 respect of these matters.

#### 12.2. Reports in the public interest or to the regulator

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

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

## 13. Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

## 14. Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of University College London Hospitals NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 foundation trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

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Craig Wisdom, ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

St Albans, United Kingdom

23 June 2020

#### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

		31 March 2020	31 March 2019
	Note	£000	£000
Operating income from patient care activities	3	982,699	890,351
Other operating income	3.1	234,601	267,401
Operating expenses	4	(1,215,907)	(1,087,313)
Operating surplus from continuing operations	<u> </u>	1,393	70,439
Finance income	8	1,648	1,142
Finance expense	9	(38,081)	(35,908)
PDC dividend charge		(10,511)	(10,480)
Net finance costs	_	(46,944)	(45,246)
(Losses) / gains on disposal of assets		(4,659)	45,113
Share of profit / (losses) of joint ventures	12	1,802	(77)
(Deficit) / Surplus for the year		(48,408)	70,229
Other comprehensive income	_		
Will not be reclassified to income and expenditure			
Impairments	13	2,380	(3,701)
Revaluations	13	9,600	1,502
Total Other Comprehensive Income / (expense)	_	11,980	(2,199)
Total comprehensive (expense) / income for the period		(36,428)	68,030

#### Note to Statement of Comprehensive Income

This note describes the primary view used by the Board of Directors to monitor UCLH's financial performance, which excludes the impact of estate revaluation and other exceptional items that are reported within the comprehensive income figure above but are non-operational in nature.

(DEFICIT) / SURPLUS FOR THE YEAR		(48,408)		70,229
Items excluded from performance against regulatory control total:				
Less capital donations / donated asset depreciation	а	(3,993)		1,196
Add back net impairment costs from asset revaluation	b	37,602		8,617
Less prior year sustainability funding received in 2019/20		(917)		-
Add back exceptional net loss on disposal of assets	С	4,659		(45,113)
Other exceptional items	d	(8,500)		(47,650)
Underlying deficit before exceptional items		(19,557)	•	(12,721)

a: This is the reversal of the impact on the surplus or deficit for the financial year, as a result of change in accounting policy for donated assets as adopted in 2011/12.

b: This is the total of impairments and impairment reversals charged to expenditure as in Note 13.

c: This is the reversal of the total impact of gains on the disposal of fixed assets. In 2018/19 this related to the sale of Eastman Dental Hospital (EDH) tranches 2 and 3 (2019/20: £nil). The 2019/20 values relate to the disposal of legacy IT systems.

d: In 2018/19 this represents PSF incentive income of £30.5m, generally distributed PSF of £9.1m, bonus PSF of £3.0m and donations of £5m from Royal Free Charity related to vacation of the RNTNE Hospital. In 2019/20 an £8.5m payment contingent upon vacating EDH was received.

#### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

		31 March 2020	31 March 2019
	Note	£000	£000
Non-current assets			
Property, plant and equipment	10	1,002,891	901,480
Intangible assets	11	30,395	32,145
Investments in associates/joint ventures	12	20,220	15,418
Trade and other receivables	16	15,199	12,313
Total non-current assets		1,068,705	961,356
Current assets	<u></u>		
Inventories	15	16,326	15,075
Trade and other receivables	16	159,969	178,971
Cash and cash equivalents	17	219,312	257,342
Total current assets		395,607	451,388
Total assets		1,464,312	1,412,744
Current liabilities			
Trade and other payables	18	(224,684)	(202,964)
Borrowings	19	(14,193)	(8,417)
Provisions	23	(5,027)	(6,060)
Other liabilities	20	(26,426)	(26,081)
Total current liabilties		(270,330)	(243,522)
Total assets less current liabilities		1,193,982	1,169,222
Total according carroin machining		.,.00,002	1,100,222
Non-current liabilities			
Borrowings	19	(541,994)	(521,264)
Provisions	23	(7,491)	(1,873)
Other liabilities	20	(3,726)	(4,130)
Total non-current liabilities		(553,211)	(527,267)
Total assets employed		640,771	641,955
Financed by:			
Public dividend capital	SOCITE	337,100	301,857
Retained earnings	SOCITE	219,110	267,518
Revaluation reserve	SOCITE	84,561	72,580
Total Taxpayers' Equity		640,771	641,955
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The financial statements were approved by the Board on 22 June 2020 and signed on its behalf by:

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Signed:	 ۲	magaro	Ĺ
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Tim Jaggard Chief Financial Officer

Signed: .....

Marcel Levi Chief Executive Date: 22 June 2020

Date: 22 June 2020

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

For the year ended 31 March 2020	Note	Public R dividend capital (PDC)	evaluation reserve	Retained earnings	Total
		`£000	£000	£000	£000
Taxpayers' Equity as at 1 April 2019 - brought forward		301,856	72,580	267,518	641,954
Deficit for the year	SOCI	-	_	(48,408)	(48,408)
Impairments	13	_	2,381	_	2,381
Revaluations	13	_	9,600	_	9,600
Public Dividend Capital received		35,244	-	_	35,244
Taxpayers' Equity at 31 March 2020	_	337,100	84,561	219,110	640,771

	Note	Public Revaluation dividend reserve capital		Retained earnings	Total	
		(PDC)				
		£000	£000	£000	£000	
Taxpayers' Equity as at 1 April 2018 - brought forward		261,424	78,008	194,138	533,570	
Impact of implementing IFRS 9 on 1st April 2018		_	_	(78)	(78)	
Surplus for the year	SOCI	-	-	70,229	70,229	
Impairments	13	-	(3,701)	-	(3,701)	
Revaluations	13	-	1,502	-	1,502	
Public Dividend Capital received		40,432	_	-	40,432	
Other reserve movements		_	(3,229)	3,229	_	
Taxpayers' Equity at 31 March 2019	_	301,856	72,580	267,518	641,954	

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

<b>31 March 2020</b> 31	March 2019
000£	£000
Cash flows from operating activities Note	
Operating surplus from continuing operations	70,439
Operating surplus 1,393	70,439
Non-cash income and expenses:	
Depreciation and amortisation 30,098	29,028
Net Impairments 13 <b>37,602</b>	8,617
Non-cash donations credited to income (6,481)	(1,420)
Decrease / (increase) in trade and other receivables 16 <b>15,786</b>	(32,857)
(Increase) / decrease in inventories 15 (1,251)	2,162
Increase in trade and other payables 18 22,036	26,206
(Decrease) / increase in other liabilities 20 (59)	4,558
Increase in provisions 23 4,562	922
Other movements in operating cash flows	(1,073)
NET CASH GENERATED FROM OPERATIONS 104,029	106,582
Cash flows used in investing activities	
Interest received 1,648	1,142
Purchase of intangible assets (14,088)	(22,063)
Purchase of financial assets / investments (3,000)	-
Purchase of property, plant and equipment (146,322)	(149,947)
Proceeds from sales of property, plant and equipment 55	52,626
Receipt of cash donations to purchase capital assets 6,481	422
Net cash (used in) investing activities (155,226)	(117,820)
Cash flows from financing activities	10 100
Public dividend capital received 35,244	40,432
Movement on loans from Department of Health and Social Care 32,194	133,149 *
Movement in other loans (100)	(233)
Capital element of Private Finance Initiative obligations (5,495)	(5, 154)
Interest on loans (4,678)	(2,541)
Interest element of finance lease (24)	(30)
Capital element of finance lease rentals (177)	(176)
Interest element of Private Finance Initiative obligations (33,273)	(33,029)
PDC dividend paid (10,525)	(10,929)
Net cash generated from financing activities 13,166	121,489
(Decrease) / increase in cash and cash equivalents (38,031)	110,251
Cash and cash equivalents at 1 April - brought forward	147,091
Cash and cash equivalents at 31 March	257,342

#### **Notes to the Accounts**

#### Note 1 Accounting policies and other information

#### Note 1.1 Basis of preparation

NHS England and NHS Improvement, in exercising their statutory functions, have 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. With the unprecedented measures in place due to COVID-19, funding arrangements for 2020/21 are continually changing, with the Trust closely monitoring all interim funding arrangements.

The directors have considered the application of the going concern concept to UCLH based upon the continuation of services provided by UCLH. The financial reporting manual (FReM) emphasises 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. This is based on the assumption that upon any dissolution of a foundation trust, the services will continue to be provided. The directors consider that there will be no material closure of NHS services currently run by UCLH in the next business period (considered to be 12 months) following publication of this report and accounts.

Given the deteriorating financial context, both within the wider NHS as well as specific to the trust, the directors have also given serious consideration to the financial sustainability of UCLH as an entity, and in relation to UCLH's available resources.

- In relation to UCLH as an entity, the directors have a reasonable expectation that UCLH
  has adequate resources to continue to service its debts and run operational activities for
  at least the next business period following publication of this report. UCLH has sufficient
  cash to ensure its obligations are met over this time period given the potential mitigations
  identified for a downside scenario.
- Beyond the 12 month period, financial sustainability will be dependent on how a number of factors develop, not least the funding regime, including the availability of financial recovery funding (FRF).

After making enquiries, the directors have a reasonable expectation that UCLH has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the accounts. With the unprecedented measures in place due to COVID-19, funding arrangements for 2020/21 are continually changing with the Trust closely monitoring all interim funding arrangements.

#### Note 1.3 Consolidation

#### Joint ventures

Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. The meaning of control is the same as that for subsidiaries. Joint ventures are accounted for using the equity method.

#### Note 1.4 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.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Trust does not receive income where a patient is readmitted within 30 days of discharge from a previous planned stay. This is considered an additional performance obligation to be satisfied under the original transaction price. An estimate of readmissions is made at the year end this portion of revenue is deferred as a contract liability.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

#### Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

#### 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.

#### Other income

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

#### Note 1.5 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 grant 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 1.6 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**

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 1 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 judgement 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 1.7 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 1.8 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 a 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, e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives. Assets classified as in use are depreciated from the beginning of the next quarter.

#### 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.

All land and buildings are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. 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 location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. 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 have been reclassified as 'held for sale' cease to be

depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust.

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 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 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.

#### Lifecycle Replacement

An amount is set aside from the unitary payment each year into a Lifecycle Replacement Prepayment to reflect the fact that the Trust is effectively pre-funding some elements of future lifecycle replacement by the operator. Where the operator replaces a capital asset, the fair value of this replacement item is recognised as property, plant and equipment.

Where the item was planned for replacement and therefore is its value is being funded through the unitary payment, the lifecycle prepayment is reduced by the amount of the fair value. The prepayment is reviewed periodically to ensure that its carrying amount will be realised through future lifecycle components to be provided by the operator. Any unrecoverable balance is written out of the prepayment and charged to operating expenses.

Where the lifecycle item was not planned for replacement during the contract it is effectively being provided free of charge to the Trust. A deferred income balance is therefore recognised instead and this is released to operating income over the remaining life of the contract.

Assets contributed by the Trust to the operator for use in the scheme

Assets contributed to use in the scheme continue to be recognised as items of property, plant and equipment in the Trusts Statement of Financial Position.

Other assets contributed by the Trust to the Operator

Assets contributed (e.g. cash payments, surplus property) by the Trust to the operator before the asset is brought into use, which are intended to defray the operations capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

#### 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 is shown in the table below:

	Min life	Max life
	Years	Years
Buildings, excluding dwellings	21	47
Plant & machinery	5	10
Information technology	5	12
Furniture & fittings	5	7

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 1.9 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 when it meets the requirements set out in IAS 38.

#### Software

Software which is integral to the operation of hardware, for example, 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, for example, application software, is capitalised as an intangible asset.

#### Note 1.10 Intangible assets: 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, as detailed in the categories above, in a manner consistent with the consumption of economic or service delivery benefits.

#### Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method, recalculated at the point of receipt, based on contract cost. Differences between contract cost and actual cost are processed as price variances at the time of invoice.

#### Note 1.12 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 an 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 1.13 Carbon Reduction Commitment scheme (CRC)**

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

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

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

The final compliance year for CRC was 2018/19, with the final surrender deadline being 31 October 2019. We continue to adhere to monitoring requirements.

#### Note 1.14 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 ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, i.e, 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 or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income.

Financial liabilities classified as subsequently measured at amortised cost or fair value through income and expenditure.

The classification depends on the nature and purpose of the financial instrument and is determined at the time of initial recognition.

# Financial assets and financial liabilities at amortised cost

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

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

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

#### Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or

losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

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

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

#### Impairment of financial assets

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

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

Contract and other receivables with other NHS organisations are not impaired. The Trust calculates a lifetime expected loss rate for difference categories of receivable organisation at the point of recognition of the asset. The expected loss rate is reviewed on an annual basis.

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 1.15 Leases

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

#### The Trust as lessee

#### 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.

#### The Trust as lessor

#### Finance leases

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

#### Operating leases

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

#### **Note 1.16 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:

		Nominal rate
Short-term	Up to 5 years	0.51%
Medium-term	After 5 years up to 10 years	0.55%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2020:

	Inflation rate
Year 1	1.90%
Year 2	2.00%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% in real terms.

## 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 23 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 1.17 Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets. The Trust does not carry any contingent assets as at 31 March 2020.

Contingent liabilities are not recognised, but are disclosed in note 24, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events 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 1.18 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 1.19 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 1.20 Corporation tax**

NHS Foundation Trusts can be subject to corporation tax in respect of certain commercial non-core health care activities they undertake in relation to the Income Tax Act 2007 and the Corporation Tax Act 2010. The Trust does not undertake any non-core health activities which are subject to corporation tax, therefore does not have a corporation tax liability.

#### Note 1.21 Foreign exchange

The functional and presentational currency of the Trust is sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

#### Note 1.22 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 to the accounts in accordance with the requirements of HM Treasury's *FReM*.

### Note 1.23 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 1.24 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 1.25 Early adoption of standards, amendments and interpretations

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

#### Note 1.26 Critical judgements in applying accounting policies

In the application of the Trusts accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### Valuation of Land and Buildings

The Trusts land and building assets are valued on the basis explained here with and in Note 10 to the accounts. In line with this policy specialised assets are valued on a Modern Equivalent Asset (MEA) basis. Both physical and functional obsolescence is applied to buildings, to reflect their actual characteristics and value. As part of this process management consider whether an alternative rebuild location could be appropriate. The District Valuer (DV) provided the Trust with a valuation and buildings. The valuation was completed in accordance with HM Treasury Guidance and leads to valuation adjustments as described in Note 10. Future valuations may result in further changes to the carrying values of non-current assets.

The valuation exercise was carried out in November 2019 with a valuation date of 31 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 exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

#### Valuation of Electronic Health Records System (EHRS)

The NHS Foundation Trust Annual Report Manual (ARM), the Government Financial Reporting Manual (FReM) and the Department of Health Group Accounting Manual (GAM) set out the accounting rules which state intangible assets are initially recognised in the balance sheet at cost. Following the initial recognition of an intangible asset at cost, accounting rules require the Trust to assess a subsequent measurement; whether there is any indication that an asset may be impaired.

The replacement cost has been used as the basis of the EHRS valuation. Replacement cost is the price that the Trust would pay to replace the IT Strategic Infrastructure at current market prices with a similar asset. The replacement cost may vary from the original cost incurred, since the replacement asset only has to perform the same functions as the original asset and is not a like-for-like replacement. In 2019/20 the Trust commissioned PwC to provide a valuation of the EHRS asset on this basis. This was completed as at 30 September 2019. The Trust then used the PwC methodology to calculate any residual impact on costs incurred from 1 October – 31 March 2020.

#### Impairment of Receivables

The Trust calculates a lifetime expected loss rate for each category of customer traded with, based on analysis of historical collection rates for debts in that category. The Trust reviews collection rates annually.

#### Inventory

In March 2020, the Trust was not able to perform all year end inventory counts as planned due to the restrictions arising from COVID-19. For those areas where an inventory count was not possible, the Trust has used the average of the last three years historical balances. The largest single area of inventory holding relates to pharmacy stock. Data for this area was extracted directly from the inventory stock system and subject to audit procedures.

## Note 1.27 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:

#### **Provisions**

Provisions note 23 has been made for legal and constructive obligations or uncertain timing or amount as at the reporting date. These are based on estimates using relevant and reliable information as is available at the time the financial statements are prepared. These provisions are estimates of future cash flows and are dependent on future events. Any difference between expectations and actual future liability will be accounted for in the period when such determination is made.

# Note 1.28 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. 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. Historic leases are exempt through the application of practical expedients, for example, where we have previously reviewed contracts for embedded leases and identified that these fall out with the sphere of IFRIC 4, these do not need to be reassessed against IFRS 16.

For those leases recognised in the statement of financial position the standard 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.

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 a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and 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.

We are fully prepared for the implementation of IFRS 16.

The trust has estimated 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 as follows:

Estimated impact on 1 April 2021 statement of financial position	£000
Additional right of use assets recognised for existing operating leases	124,647
Additional lease obligations recognised for existing operating leases	0
Changes to other statement of financial position line items	0
Net impact on net assets on 1 April 2021	124,647
Estimated in-year impact in 2021/22	£000
Additional depreciation on right of use assets	(9,925)
Additional finance costs on lease liabilities	(1,495)
Lease rentals no longer charged to operating expenditure	9,539
Other impact on income / expenditure	0
Estimated impact on surplus / deficit in 2021/22	(1,881)
Estimated increase in capital additions for new leases commencing in 2021/22	0

The following table presents a list of recently issues IFRS standards and amendments that have not yet been adopted within the FReM and are therefore not applicable to the DHSC group accounts for 2019/20.

9	
IFRS 14 Regulatory	Not EU-endorsed.*
Deferral Accounts	Applies to first time adopters of IFRS after 1 January 2016.
	Therefore not applicable to DHSC group bodies.
IFRS 16 Leases	Standard is effective from 1 April 2021 per the FReM.
IFRS 17 Insurance	Application required for accounting periods beginning on or
Contracts	after 1 January 2023, but not yet adopted by the FReM:
	early adoption is not therefore permitted.

<sup>\*</sup> The European Financial Reporting Advisory Group recommended in October 2015 that the standard should not be endorsed as it is unlikely to be adopted by many EU countries.

#### **Note 2. Operating Segments**

University College London Hospitals NHS Foundation Trust operates solely in the UK. Patients who do not live in the UK are treated via reciprocal arrangements or are required to pay for their own treatment. £2.4m (2018/19 £2.4m) came from overseas patients without reciprocal arrangements.

UCLH's activity is organised into three clinical boards, which provide healthcare services, R&D and Education segments and one corporate segment.

The Board of Directors receive financial reports that analyse the financial performance of UCLH in several ways. However, income and expenditure is reported against budget for each of three Clinical Boards, Research and Development, Education and Corporate segments.

These segments are run on a day to day basis by a separate clinical or executive board. The clinical segments are Medicine, Surgery & Cancer and Specialist Hospitals. The latter encompasses the Eastman Dental Hospital, Paediatrics and Adolescents, Women's Health, The National Hospital for Neurology and Neurosurgery, the Royal Hospital for Integrated Medicine and the Royal National Throat, Nose and Ear Hospital.

The Chief Operating Decision Maker (CODM) of this Trust is the UCLH Board. It has been determined that this is the CODM as under our scheme of delegation the Board is required to approve the budget and all major operational decisions.

The monthly performance report to the CODM reports financial summary information in the format of the table below.

This financial information is the information reported to the June 2020 Board meeting for the year ended 31 March 2020.

Note 2: Operating segments

		icine		cialist pitals	Surgery	& Cancer	Resea Develo	arch & pment	Educ	ation	Corp	Corporate TC		TAL
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Direct Income	219.6	214.0	456.3	431.8	385.5	347.9	41.6	43.2	34.1	34.9	51.3	36.9	1,188.3	1,108.7
Direct Costs	(230.4)	(223.7)	(340.6)	(320.6)	(330.9)	(298.4)	(36.1)	(36.2)	(37.1)	(38.1)	(151.5)	(132.7)	(1,126.6)	(1,049.7)
Internal Trading & Indirect Costs	16.6	16.1	(64.0)	(57.7)	(30.7)	(29.8)	(5.8)	(7.0)	-	-	84.0	78.4	-	-
CONTRIBUTION /EBITDA (at Trust level) [note 2]	5.7	6.4	51.8	53.4	23.8	19.7	(0.4)	(0.0)	(3.0)	(3.2)	(16.3)	(17.4)	61.7	59.0
ITDA (before donation adjustments & exceptional items) [note 2]	_	-	-	_	-	-	-	-	-	_	(72.8)	(71.7)	(72.8)	(71.7)
I&E (before donation adjustments & exceptional items)	5.7	6.4	51.8	53.4	23.8	19.7	(0.4)	(0.0)	(3.0)	(3.2)	(89.0)	(89.1)	(11.1)	(12.7)
Donation adjustments	-	-	-	-	-	-	-	-	-	-	4.0	(1.2)	4.0	(1.2)
Exceptional Items	-	-	-	-	-	-	-	-	-	-	(41.3)	84.1	(41.3)	84.1
Net Surplus/(Deficit)	5.7	6.4	51.8	53.4	23.8	19.7	(0.4)	(0.0)	(3.0)	(3.2)	(126.4)	(6.2)	(48.4)	70.2

#### **Notes**

- 1) At segmental level, positions are reported at the level of "Contribution". At Trust level this equates to "EBITDA".
- 2) ITDA is the total of interest, taxation, depreciation and amortisation. EBITDA is earnings before interest, taxation, depreciation and amortisation.
- 3) The Trust reports "I&E position before donation adjustments and exceptional items" as the best measure of underlying financial performance as it is unaffected by the timing of charitable donations and exceptional, one-off items.
- 4) Donation adjustments represent the accounting for donations in the year of receipt rather than matching with depreciation over the life of the donated asset.
- 5) Total assets and liabilities are not reported to the CODM by reportable segment.
- 6) PFI costs including interest are allocated to and reported within the relevant segments, predominantly Medicine and Surgery & Cancer who occupy the majority of the PFI buildings.

# Note 3. Operating Income by Nature

	31 March 2020 £000	31 March 2019 £000
Income from Patient Care Activities by Nature		
Acute Trusts		
Elective income	220,306	213,269
Non elective income	135,529	129,115
First outpatient income	58,522	51,085
Follow up outpatient income	106,765	100,955
A & E income	27,546	22,979
High cost drugs income from commissioners (excluding pass-through costs)	129,402	99,629
Other NHS clinical income	258,045	244,511
Agenda for Change (AfC) pay award central funding	-	6,058
Additional pension contribution central funding*	21,578	-
Paying patient income (private and overseas chargeable to patient)	25,005	22,750
Total income from activities	982,699	890,351
Total other operating income (see note 3.1)	234,601	267,401
Total Operating Income	1,217,300	1,157,752
Income from services designated as commissioner requested services	947,231	851,969
Income from services not designated as commissioner requested services	270,069	305,783
Total Income	1,217,300	1,157,752

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table above.

<sup>\*</sup>The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2019/20, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

# Note 3.1. Operating Income by Type

	31 March 2020	31 March 2019 £000
Income From Batiant Care Activities by Source*	£000	£000
Income From Patient Care Activities by Source*  NHS England	507,754	436,937
•	•	,
Clinical Commissioning Groups NHS Foundation Trusts	439,476	415,032
	2,415	1,276
NHS Trusts	438	670
Department of Health and Social Care	-	6,058
NHS Other	1,465	3,535
Non-NHS: Private Patients	21,773	20,376
Non-NHS: Overseas patients (chargeable to patient)	2,386	2,374
Non-NHS: Other	6,258	3,005
Injury cost recovery scheme**	734	1,085
Total Income From Activities	982,699	890,348
Other Operating Income Recognised in Accordance with IFRS 15		
Research and development	20,243	15,343
Education and training	35,578	38,805
Non-patient care services to other bodies	20,478	29,500
Staff costs recharged to other organisations	6,566	4.384
Pharmacy sales	41,280	44,967
Clinical Excellence Awards	6,360	6,359
Provider sustainability, financial recovery, and marginal rate emergency tariff funding***	26,104	57,111
Other income (recognised in accordance with IFRS 15)	26,219	22,776
Total Other Operating Income (IFRS 15)	182,828	219,245
Other Operating Income Recognised in Accordance with Other Standards		
Research and development (non-IFRS 15 e.g. IAS 20)	29,244	34,236
Cash donations for the purchase of capital assets	6,481	-
Charitable and other contributions to expenditure****	11,270	9,442
Rental revenue from operating leases	4,778	4,478
Total Other Operating Income (non IFRS 15)	51,773	48,156
Total Outer Operating Income (IIOII II NO 13)	31,773	40,130
Total Operating Income	1,217,300	1,157,749
	-,,	.,,

<sup>\*</sup> Income from Patient Care Activities is recognised in accordance with IFRS 15

<sup>\*\*</sup> Each year, the Compensation Recovery Unit (CRU) advises a percentage probability of not receiving the income. For 2019/20 this figure is 21.79% (2018/19 21.89%)

<sup>\*\*\* 2019/20</sup> PSF is comprised of £10.38m PSF, £14.8m FRF and £0.9m 2-18/19 amounts paid for in 2019/20. The 2018/19 amounts were: PSF/STF income is comprised of core allocation £14.5m, incentive funding £30.5m, bonus funding £3.0m and £9.1m PSF/STF general distribution. The income figures for 2019/20 contains Covid-19 revenue funding of £7.8m. £0.8m of the NHSE Covid-19 funding has been deferred for stock items.

 $<sup>^{\</sup>star\star\star\star}$  Included the second tranche of £8.5m in relation to EDH contingent receipts.

Note 3.2. Overseas Visitors (relating to patients charged directly by the Trust)

	31 March 2020 £000	31 March 2019 £000
Income recognised this year	2,386	2,374
Cash payments received in-year (relating to invoices raised in current and previous years)	1,519	1,664
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	521	954
Amounts written off in-year (relating to invoices raised in current and previous years) *	140	318

<sup>\*</sup> Amounts written off includes items from previous financial years. Bad debt provision was held for all amounts written off.

### Note 3.3. Fees and charges

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	31 March 2020	31 March 2019
	£000	£000
Income	-	-
Full cost	-	-
Surplus	<u> </u>	-

UCLH has significant pharmacy trading and undertakes a number of tests for other NHS organisations, which are billed at full cost.

### Note 3.4. Additional information contract revenue (IFRS 15) recognised in the period

	31 March 2020 £000	31 March 2019 £000
Revenue recognised in the reporting period that was included within contract liabilities balance (i.e. release of deferred IFRS 15 income)	25,585	14,092
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

# Note 3.5. Transaction price allocated to remaining performance obligations

	31 March 2020	31 March 2019
	£000	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:		
within one year	26,026	25,585
after one year, not later than five years	-	-
after five years	-	-
Total revenue allocated to remaining performance obligations	26,026	25,585

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

# Note 4. Operating Expenses

	31 March 2020	31 March 2019
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	20,817	13,580
Purchase of healthcare from non NHS and non-DHSC bodies	11,738	11,836
Staff costs - Non-executive directors	202	179
Staff costs - Staff	594,700	526,351
Drug costs	203,814	186,371
Inventories written down	-	174
Supplies and services - clinical (excluding drug costs)	87,500	93,156
Supplies and services - general	11,597	11,652
Establishment	8,575	6,296
Research and development	18,179	22,575
Transport (including patient travel)	10,070	8,214
Premises	98,012	84,438
Total increase in provision for impairment of receivables	1,073	2,706
Rentals under operating leases - minimum lease payments	15,531	16,563
Depreciation on property, plant and equipment	29,366	28,814
Amortisation on intangible assets	732	214
Impairments net of reversals	37,602	8,617
Audit fees- statutory audit *	115	118
Other auditor remuneration (external auditor only)	-	20
Clinical negligence	19,164	19,155
Insurance	-	341
Legal fees	478	144
Consultancy costs	3,952	4,324
Internal audit costs	238	243
Training, courses and conferences	3,145	3,812
Other services, e.g. external payroll	335	397
Losses, ex gratia & special payments	10	14
Charges to operating expenditure for on-SoFP FRIC 12 schemes (e.g. PFI / LIFT)	23,778	23,177
Other	15,185	13,832
Total operating expenses	1,215,908	1,087,313

<sup>\*</sup> The audit fee for the 2019/20 statutory audit was £115k (2018/19 £138k). £96K statutory audit fee and irrecoverable VAT of £19k (2018/19 £23k). There is no audit fee in 2019/20 for data quality report audit. This reflects updated guidance from NHSI/E. There is no limitation on auditor's liability for external audit work carried out for the financial years 2019/20 or 2018/19.

### Note 5. Operating leases

#### Note 5.1 As lessee

UCLH has a number of property leases for both clinical and administrative buildings. These leases are of varying length of term between 1 and 77 years, with the average being 10 years. In addition, UCLH has a portfolio of equipment leases, typically with lease terms of between 5 to 7 years.

UCLH's operating lease contracts do not allow for the renewal of leases for a secondary period at substantially lower than market rates nor do they allow for UCLH to exercise beneficial purchase clauses allowing UCLH to acquire assets at other than market value.

#### Contingent rentals

The majority of UCLH rentals are fixed for any particular accounting period. Some of these leases include clauses that allow for an uplift of future rentals, typically on a five year basis, to prevailing market rates. Given the uncertainty of future rent reviews UCLH does not estimate such future uplifts. Accordingly lease payments under operating leases exclude contingent rental amounts. Equipment leases are fixed for the period of the concession and accordingly contain no contingent rents.

All of the above leases have been assessed in accordance with IAS 17 and deemed to be classified as operating leases.

31 March 2020	31 March 2019
£000	£000
15,531	16,563
15,531	16,563
	15,531

The aggregate future minimum lease payments under non-cancellable operating leases are as follows:

31 March 2020	31 March 2020	31 March 2019	31 March 2019	31 March 2019
£000	£000	£000	£000	£000
other Other	Total	Buildings	Other	Total
191	12,660	12,711	200	12,911
3 131	24,657	37,881	317	38,198
-	10,904	63,473	-	63,473
322	48,221	114,065	517	114,582
	£000 £000 S Other 191 S 131 4 -	£000 £000 6 Other Total 9 191 12,660 6 131 24,657 4 - 10,904	£000         £000         £000           £000         £000         £000           £0         191         12,660         12,711           £0         131         24,657         37,881           4         -         10,904         63,473	S         Other         Total         Buildings         Other           9         191         12,660         12,711         200           6         131         24,657         37,881         317           4         -         10,904         63,473         -

The operating lease expenditure shown is included under the headings of Transport, Premises and also Supplies and services - clinical within Note 4 Operating Expenses. The largest reduction in operating leases represents the exit from the RNTNE, aligned to the Trusts estate strategy.

#### Note 5.2 As lessor

UCLH is the lessor in a number of arrangements with other entities. The income by entity is listed below. UCLH includes this income within income derived from rental revenue from operating leases - minimum lease receipts (as reported in Note 3).

	31 March 2020 £000	31 March 2019 £000
Great Ormond Street Hospital for Children NHS Foundation Trust	1,834	529
Hays Specialist Recruitment Limited	170	755
University College London	834	1,382
UCLH Charity	112	124
HCA	607	1,201
Other	1,221	487
Total	4,778	4,478

The aggregate future minimum lease receipts are as follows:

	31 March 2020 £000	31 March 2019 £000
Not later than 1 year	578	2,354
Later than 1 year and no later than 5 years	2,310	6,729
Later than 5 years	3,900	5,230
Total	6,788	14,313

# Note 6. Employee Benefits

	31 March 2020	31 March 2019
	£000£	£000
Salaries and wages	405,595	386,212
Social security costs	46,846	42,464
Apprenticeship levy	2,119	1,869
Employer's contributions to NHS pensions*	70,848	44,963
Pension cost - other	-	8
Other post employment benefits	-	-
Temporary staff (including agency)	82,942	68,488
Total gross staff costs	608,350	544,004
Recoveries in respect of seconded staff	(5,488)	(5,694)
Total staff costs	602,862	538,310
Of which		
Costs capitalised as part of assets	(8,162)	(11,959)
Total staff costs excluding capitalised costs	594,700	526,351

<sup>\*</sup> Pension costs included £21,578k in relation to increased employers pension contributions funded centrally. The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2019/20, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

### Note 7. Retirements due to ill-health

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the During 2019/20 there were 2 retirements (2018/19: 2), at an additional cost of £175,468 (2018/19: £284,901). This information has been supplied by NHS Pensions. This cost is not reported within the Trust's accounts, but is met by the NHS Pension Scheme. See also accounting policy note 1.6.

#### Note 8. Investment revenue

	31 March 2020 £000	31 March 2019 £000
Interest revenue: bank accounts Total	1,648 1,648	1,142 1,142
Note 9. Finance Costs		
Interest on loans from Independent Trust Financing Facility	4,761	2,803
Interest on obligations under PFI contracts (main finance cost)	33,273	33,029
Interest on finance leases	24	27
Unwinding of discount	23	49
Total	38,081	35,907

Note 10. Property, plant and equipment

	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	89,875	412,818	328,171	116,666	272	40,292	30,002	1,018,096
Additions	-	10,422	113,770	19,410	-	1,382	1,025	146,009
Impairments	-	(278)	-	-	-	-	-	(278)
Reversals of impairments	-	2,659	-	-	-	-	-	2,659
Revaluations	(4,867)	(19,854)	(138)		-	(1,696)	-	(26,555)
Reclassifications	-	102,520	(113,654)	1,673	-	9,309	151	<del>.</del>
Disposals / derecognition		-	-	(646)	-	(4,333)	-	(4,979)
Valuation/gross cost at 31 March 2020	85,008	508,287	328,149	137,103	272	44,954	31,178	1,134,952
Accumulated depreciation at 1 April 2019*	-	1,318	-	69,295	156	22,534	23,314	116,617
Provided during the year	-	12,083	-	9,828	39	5,727	1,689	29,367
Impairments	5,139	34,432	138			1,696		41,405
Reversals of impairments	(0)	(15,934)	-	-	-	-	-	(15,934)
Revaluations	(5,139)	(29,180)	(138)	-	-	(1,696)	-	(36,153)
Disposals / derecognition	<del>-</del>		-	(358)		(2,881)	<u> </u>	(3,239)
Accumulated depreciation at 31 March 2020	-	2,719	-	78,765	195	25,380	25,003	132,063
31 March 2020	85,008	505,568	328,149	58,338	77	19,574	6,175	1,002,889
31 March 2019	89,875	411,501	328,172	47,372	116	17,757	6,688	901,482
Property, plant and equipment - 2018/19	Land	Buildings excluding	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	dwellings £000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018		£000	£000 196,748	£000 111,224		£000 34,314	£000 29,559	£000 891,616
Additions	£000 92,676	£000 426,823 6,799	<b>£000 196,748</b> 141,569	£000	£000	£000	£000	<b>£000 891,616</b> 159,756
Additions Impairments	£000	£000	£000 196,748	<b>£000 111,224</b> 6,905	£000	<b>£000 34,314</b> 4,136	£000 29,559	£000 891,616
Additions	<b>£000 92,676</b> - (783)	<b>£000 426,823</b> 6,799 (2,918)	£000 196,748 141,569 (450)	£000 111,224 6,905	£000	£000 34,314 4,136	£000 29,559 347	<b>£000 891,616</b> 159,756 (4,151)
Additions Impairments Reversals of impairments	£000 92,676	£000 426,823 6,799	£000 196,748 141,569 (450)	£000 111,224 6,905	£000	£000 34,314 4,136	£000 29,559 347	<b>£000 891,616</b> 159,756
Additions Impairments Reversals of impairments Revaluations	<b>£000 92,676</b> - (783)	<b>426,823</b> 6,799 (2,918) - (16,674)	£000 196,748 141,569 (450) -	£000 111,224 6,905 - -	£000	<b>34,314</b> 4,136	£000 29,559 347 - -	<b>891,616</b> 159,756 (4,151) - (16,954)
Additions Impairments Reversals of impairments Revaluations Reclassifications	£000 92,676 - (783) - (280)	£000 426,823 6,799 (2,918) - (16,674) 4,840	£000 196,748 141,569 (450) -	£000 111,224 6,905 - - - 102	£000	<b>34,314</b> 4,136	£000 29,559 347 - - - 114	£000 891,616 159,756 (4,151) - (16,954) (2,797)
Additions Impairments Reversals of impairments Revaluations Reclassifications Disposals / derecognition Valuation/gross cost at 31 March 2019	£000 92,676 - (783) - (280) - (1,738)	£000 426,823 6,799 (2,918) - (16,674) 4,840 (6,052)	<b>£000 196,748</b> 141,569 (450) - (9,696)	£000  111,224 6,905 102 (1,565) 116,666	272 	£000  34,314  4,136  1,843  40,292	£000  29,559 347 114 (18) 30,002	£000 891,616 159,756 (4,151) - (16,954) (2,797) (9,373) 1,018,096
Additions Impairments Reversals of impairments Revaluations Reclassifications Disposals / derecognition Valuation/gross cost at 31 March 2019 Accumulated depreciation at 1 April 2018*	£000 92,676 - (783) - (280) - (1,738)	£000 426,823 6,799 (2,918) 	<b>£000 196,748</b> 141,569 (450) - (9,696)	£000  111,224 6,905 102 (1,565) 116,666	£000 272 - - - - - - 272	\$000 34,314 4,136 - 1,843 - 40,292 17,361	£000  29,559 347 114 (18) 30,002	\$91,616 159,756 (4,151) - (16,954) (2,797) (9,373) 1,018,096
Additions Impairments Reversals of impairments Revaluations Reclassifications Disposals / derecognition Valuation/gross cost at 31 March 2019	£000 92,676 - (783) - (280) - (1,738)	£000 426,823 6,799 (2,918) - (16,674) 4,840 (6,052) 412,818	<b>£000 196,748</b> 141,569 (450) - (9,696)	£000  111,224 6,905 102 (1,565) 116,666	272 	£000  34,314  4,136  1,843  40,292	£000  29,559 347 114 (18) 30,002	£000 891,616 159,756 (4,151) - (16,954) (2,797) (9,373) 1,018,096
Additions Impairments Reversals of impairments Revaluations Reclassifications Disposals / derecognition Valuation/gross cost at 31 March 2019  Accumulated depreciation at 1 April 2018* Provided during the year	£000 92,676 - (783) - (280) - (1,738)	426,823 6,799 (2,918) (16,674) 4,840 (6,052) 412,818	<b>£000 196,748</b> 141,569 (450) - (9,696)	£000  111,224 6,905 102 (1,565) 116,666	£000 272 - - - - - - 272	\$000 34,314 4,136 - 1,843 - 40,292 17,361	£000  29,559 347 114 (18) 30,002	\$91,616 159,756 (4,151) - (16,954) (2,797) (9,373) 1,018,096
Additions Impairments Reversals of impairments Revaluations Reclassifications Disposals / derecognition Valuation/gross cost at 31 March 2019  Accumulated depreciation at 1 April 2018* Provided during the year Impairments	£000 92,676 - (783) - (280) - (1,738)	426,823 6,799 (2,918) - (16,674) 4,840 (6,052) 412,818	<b>£000 196,748</b> 141,569 (450) - (9,696)	£000  111,224 6,905 102 (1,565) 116,666	£000 272 - - - - - - 272	\$000 34,314 4,136 - 1,843 - 40,292 17,361	£000  29,559 347 114 (18) 30,002	\$91,616 159,756 (4,151) - (16,954) (2,797) (9,373) 1,018,096
Additions Impairments Reversals of impairments Revaluations Reclassifications Disposals / derecognition Valuation/gross cost at 31 March 2019  Accumulated depreciation at 1 April 2018* Provided during the year Impairments Reversals of impairments	£000 92,676 - (783) - (280) - (1,738)	426,823 6,799 (2,918) - (16,674) 4,840 (6,052) 412,818	<b>£000 196,748</b> 141,569 (450) - (9,696)	£000  111,224 6,905 102 (1,565) 116,666  61,045 9,791	£000 272 - - - - - - 272	\$000 34,314 4,136 - 1,843 - 40,292 17,361 5,174	£000  29,559 347 114 (18) 30,002	\$91,616 159,756 (4,151) - (16,954) (2,797) (9,373) 1,018,096
Additions Impairments Reversals of impairments Revaluations Reclassifications Disposals / derecognition Valuation/gross cost at 31 March 2019  Accumulated depreciation at 1 April 2018* Provided during the year Impairments Reversals of impairments Revaluations	£000 92,676 - (783) - (280) - (1,738)	426,823 6,799 (2,918) (16,674) 4,840 (6,052) 412,818 11,908 8,529 (843) (17,974)	<b>£000 196,748</b> 141,569 (450) - (9,696)	111,224 6,905 102 (1,565) 116,666 61,045 9,791	£000 272 - - - - - - 272	\$000 34,314 4,136 - 1,843 - 40,292 17,361 5,174	29,559 347 114 (18) 30,002 21,430 1,902	\$91,616 159,756 (4,151) - (16,954) (2,797) (9,373) 1,018,096 99,953 28,814 - -
Additions Impairments Reversals of impairments Revaluations Reclassifications Disposals / derecognition Valuation/gross cost at 31 March 2019  Accumulated depreciation at 1 April 2018* Provided during the year Impairments Reversals of impairments Revaluations Disposals / derecognition	£000  92,676 - (783) - (280) - (1,738)  89,875	426,823 6,799 (2,918) (16,674) 4,840 (6,052) 412,818 11,908 8,529 (843) (17,974) (303)	£000  196,748  141,569 (450)	£000  111,224 6,905 102 (1,565) 116,666  61,045 9,791 (1,542)	272	\$000 34,314 4,136 - 1,843 - 40,292 17,361 5,174	29,559 347 114 (18) 30,002  21,430 1,902 (18)	\$91,616 159,756 (4,151) - (16,954) (2,797) (9,373) 1,018,096 99,953 28,814 - - (1,863)
Additions Impairments Reversals of impairments Revaluations Reclassifications Disposals / derecognition Valuation/gross cost at 31 March 2019  Accumulated depreciation at 1 April 2018* Provided during the year Impairments Reversals of impairments Revaluations Disposals / derecognition Accumulated depreciation at 31 March 2019	£000  92,676 - (783) - (280) - (1,738) 89,875	426,823 6,799 (2,918) - (16,674) 4,840 (6,052) 412,818 11,908 8,529 (843) (17,974) (303) 1,317	£000  196,748  141,569 (450) - (9,696) - 328,171	£000  111,224 6,905 102 (1,565) 116,666  61,045 9,791 (1,542) 69,294	272 	\$000 34,314 4,136 - - 1,843 - 40,292 17,361 5,174 - - - - - - - - - - - - -	29,559 347 114 (18) 30,002  21,430 1,902 (18) 23,314	\$91,616 159,756 (4,151) - (16,954) (2,797) (9,373) 1,018,096 99,953 28,814 - - (1,863) 116,616

<sup>\*</sup> Buildings accumulated depreciation is eliminated annually on revaluation at 31 March through the entries in "Impairments charged to revaluation reserve", "Impairments recognised in operating expenses" and "Revaluation surpluses". The 1 April Buildings opening value is as per the net book value as advised by the District Valuer.

#### Note 10. Property, plant and equipment (continued)

#### **End of Year Valuation**

In the year ending 31st March 2020 a desktop valuation exercise was carried out on UCLH's properties by the District Valuer (DV) together with an onsite valuation of the new Royal National ENT and Eastman Dental Hospitals (Phase 5). The last full site valuation was in 2018.

The on-site visit to Phase 5 was carried out in November 2019, with the desktop valuation finalised on 24th March 2020. This resulted in a number of revaluation adjustments, both upwards and downwards, some of which related to assets with existing revaluation reserve balances and some of which related to assets with no revaluation reserve balance. See note 13 for further details.

The valuations were undertaken having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation Standards 6th Edition.

As in previous years, management have elected to use an alternative site basis for the valuation of specialised assets and have valued the PFI assets net of VAT.

#### **Basis of Valuation**

**Non-operational assets**, including surplus land, are valued on the basis of Market Value, on the assumption that the property is no longer required for existing operations, which have ceased.

There is an assumption that properties valued will continue to be in the occupation of the NHS for the foreseeable future having regard to the prospect and viability of the continuance of that occupation.

#### a) Depreciated Replacement Cost

The basis used for the valuation of specialised operational property for financial accounting purposes is Depreciated Replacement Cost (DRC). The RICS Standards at Appendix 4.1, restating International Valuation Application 1 (IVA 1) provides the following definition:

"The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation."

Those buildings which qualify as specialised operational assets, and therefore fall to be assessed using the Depreciated Replacement Cost approach, have been valued on a modern equivalent asset basis. This method of valuation allows an alternative location for replacement to be used if this can be demonstrated to meet the requirements of the service. In 2017/18 management have determined that the needs of the service could be met from locations away from the current sites and the valuation has been completed on this basis. This principle was revisited for the Phase 5 and a consistent methodology as per 2017/18 was validated and applied.

### b) Existing Use Value (EUV)

The basis used for the valuation of non-specialised operational owner-occupied property for financial accounting purposes under IAS 16 is fair value, which is the market value subject to the assumption that the property is sold as part of the continuing enterprise in occupation. This can be equated with EUV, which is defined in the RICS Standards at UK PS1.3 as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost."

#### c) Market Value

Market Value is the basis of valuation adopted for the reporting of non-operational properties, including surplus land, for financial accounting purposes. The RICS Standards at PS3.2 define MV as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

#### Variations to RICS Valuation Standards

In order to meet the underlying objectives established by HM Treasury and the Department of Health for capital accounting and the capital charges system, the following variations from the RICS Valuation Standards were required and agreed between UCLH and the DV. For assets valued using depreciated replacement cost, the replacement cost figures include VAT and professional fees but exclude finance charges, with an "instant building" being assumed.

The valuation figures reflect physical obsolescence and have been reduced to reflect functional obsolescence.

Assets in the course of construction at the valuation date are included at the cost incurred to the valuation date in accordance with current capital charging arrangements. When stating the certified cost of work carried out (as at the valuation date), no deduction has been made for the risk of failure to complete the project.

As regards alternative use values, it is confirmed that unless otherwise indicated operational assets have been valued to Fair Value on the assumption that their market value reflects the property being sold as part of the continuing enterprise in occupation. The value ascribed to the operational assets does not reflect any potential alternative use value, which could be higher or lower than the stated Fair Value.

#### Assumptions arising from use of a Prospective Valuation Date

The following assumptions were made in respect of giving a prospective valuation as at 31st March 2020, on valuations carried out in November 2019 and January 2020:

The age and remaining lives of buildings and their elements have been assessed as at the valuation date. The assumption is that building elements will continue to be maintained normally over the period from the date of inspection to the valuation date and that there will be no untoward changes.

With respect to non-specialised operational property valued to fair value assuming the continuance of occupation for the existing use, non-operational properties valued to Market Value and the land element of DRC properties, their valuations have been prepared having

regard both to the market evidence available at the date of the report and to likely and foreseeable local and national market trends between the date of carrying out the valuation and the valuation date.

## Market Uncertainty as at 31 March 2020

Per the final District Valuer report dated 24th March 2020, the outbreak of COVID-19, as declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, was highlighted as creating material valuation uncertainty, per VPS 3 and VPGA 10 of the RICS Red Book. This impacts on market activity across many sectors and is not specific to UCLH. As at the valuation date, the District Valuer considered they could 'attach less weight to previous market evidence for comparison purposes, to inform opinions of value'. Due to the unprecedented set of circumstances on which this judgement is based, the impact could not be quantified.

In line with the recommendation of our valuers, management will keep the valuation of assets impacted under frequent review. A full valuation will be completed in 2020/21 in line with our accounting policy.

## Interaction with Private Finance Initiative (PFI) Contracts

UCLH's PFI asset (the UCH and EGA hospital facilities) has been valued to fair value on the market value, subject to the assumption of continuance of the existing use, with the DRC approach being adopted because the asset is specialised. As in previous years, the value of the asset is shown net of VAT after detailed consideration of the obligations of the PFI company within the contract.

Note 11. Intangible assets

	Computer software - purchased	Intangible Assets Under Construction	Total
2019/20:			
Valuation/ gross cost or valuation at 1 April 2019 - brought forward	5,051	28,182	33,233
Additions	14,088	-	14,088
Reclassifications	28,182	(28, 182)	-
Disposals	(3,429)	-	(3,429)
Revaluations	(12,131)	<u> </u>	(12,131)
Gross cost at 31 March 2020	31,761		31,761
Amortisation at 1 April 2019- brought forward	1,088	-	1,088
Provided during the year	732	-	732
Disposals	(456)		(456)
Amortisation at 31 March 2020	1,364		1,364
31 March 2020	30,396	-	30,396
31 March 2019	3,963	28,182	32,145
Prior year			
	Computer	Intangible Assets	Total
004040	software -	Under	
2018/19:	purchased	Construction	
	£000	£000	£000
Gross cost or valuation at 1 April 2018	1,448	6,923	8,371
Additions purchased	805	21,259	22,064
Reclassifications	2,798		2,798
Gross cost at 31 March 2019	5,051	28,182	33,233
Amortisation at 1 April 2018	874	-	874
Provided during the year	214		214
Amortisation at 31 March 2019	1,088		1,088
31 March 2019	3,963	28,182	32,145
31 March 2018	574	6,923	7,497

Intangible fixed assets represents application software identified in IT projects.

For all categories of intangible assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be a realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

#### Note 12. Investment in Joint Ventures

UCLH holds an investment in the joint venture, Health Services Laboratories LLP (HSL LLP) with partners The Doctors Laboratory (TDL) and the Royal Free London NHS Foundation Trust (RFL) which performs pathology testing. UCLH has a 24.5% stake in this operation (TDL 51%, RFL 24.5%) with joint venture status agreed as a result of a series of significant decisions requiring unanimous agreement. This joint venture went live in April 2015 and is accounted as an investment using the equity method.

UCLH made an additional capital contribution of £3m in 2019/20. The UCLH projected trading projected trading profit/(loss) is £1.8m during 2019/20 (2018/19, (£77k)).

#### Note 12.1 Investment in Joint Ventures

	31 March 2020	31 March 2019
	£000	£000
Opening investment in joint venture	15,418	15,495
Share of profit / (Loss)	1,802	(77)
Additions	3,000	
Carrying value at 31st March	20,220	15,418

#### Note 12.2 Subsidiaries

UCLH has a wholly owned subsidiary company, MyUCLH Ltd, limited by guarantee, which was incorporated in England and Wales in April 2015 and commenced trading in 2016/17.

UCLH has not presented group and trust accounts due to immateriality. Balances in respect of MyUCLH are included within reported UCLH figures.

#### Note 13. Impairments and Revaluations

Land and buildings were valued independently by the District Valuer as at 31 March 2020 in line with accounting policies. Intangible additions were also subject to an independent valuation. The valuation included positive and negative valuation movements. Revaluation gains were taken to the revaluation reserve, unless they related to a property which has previously been impaired through operating expenses, in which case the revaluation gain was taken to operating income. Revaluation losses were taken to the revaluation reserve to the extent that there was a revaluation surplus for that property. Any losses over and above the revaluation surplus were charged to operating expenses. The movement arising from the professional valuation can be summarised as follows:

Summary of impairments and revaluations:		2019/20			2018/19	
a) Impairments and reversals	Income and expenditure	Reserves	Total	Income and expenditure	Reserves	Total
	£000	£000	£000	£000	£000	£000
Impairment reversals credited to I&E - valuation*	15,934	-	15,934	857	-	857
Impairments charged to operating expenses - valuation*	(53,398)	-	(53,398)	(9,024)	-	(9,024)
Impairments charged to operating expenses - abandonment *	(138)	-	(138)	(450)	-	(450)
Impairments charged to revaluation reserve - valuation	-	2,381	2,381		(3,701)	(3,701)
Total impairment (charge)/reversal	(37,602)	2,381	(35,221)	(8,617)	(3,701)	(12,318)
b) Revaluations						
Credited to revaluation reserve as above - valuation	-	9,600	9,600	-	1,502	1,502
Total revaluations	-	9,600	9,600	-	1,502	1,502

#### Notes

There was a net increase in the carrying value of UCLH's property as a result of the valuation exercise described in Note 10.

Within note 13(a) above:	£000	£000
Total Impairments impacting on the I&E per 13(a)	-	(37,602)
PPE valuation impairment* PPE valuation reversals	(41,405) 15,934	
Intangible impairments**		(25,471) (12,131)
Total impairments impacting on the I&E		(37,602)

<sup>\*</sup>Of the net £41.4m impairment above, £34.7m relates to the Phase 5 valuation (buildings), and £5.1m to the phase 5 (land) valuation. £1.7m relates to the tangible element of the EHRS valuation.

<sup>\*\*</sup>Of the £12.1m above, all relates to the EHRS valuation. The total EHRS impairment (tangible and intangible) was £13.8m.

# Note 14. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment*	62,297	81,200
Total	62,297	81,200

<sup>\*</sup>Capital commitments at 31st March 2020 include £23.7m on Phase 4/PBT construction. (2018/19 £50.4m on Phase 4/PBT and £7.6m on Phase 5).

### Note 15. Inventories

# **Note 15.1 Inventories**

	31 March 2020 £000	31 March 2019 £000
Drugs	8,828	7,038
Consumables	7,409	7,862
Energy	89	175
Total	16,326	15,075
Note 15.2 Inventories recognised in expenses	31 March 2020 £000	31 March 2019 £000
Inventories recognised as an expense in the period <b>Total</b>	(183,621) (183,621)	(255,293) (255,293)

Note 16.1 Trade and other receivables

	Curre	nt	Non Curi	ent
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Contract receivables (IFRS 15)	90,527	68,381	-	-
Contract receivables (Non IFRS 15)	41,689	85,223		
Capital receivables	2,044	2,385	-	-
Allowance for impaired contract receivables / assets	(10,571)	(10,282)	-	-
Prepayments (non-PFI)	34,138	26,094	-	-
PFI lifecycle prepayments	-	-	15,199	12,313
PDC dividend receivable	513	500	-	-
VAT receivable	1,367	6,652	-	-
Other receivable	263	17		
Total current receivables	159,970	178,969	15,199	12,313
Of which receivable from NHS and DHSC group bodies:	83,131	115,208		
Loss recognised in expenditure	1,073	2,706		

Note 16.2 Trade and other receivables (continued)

	2019/20		2018/19	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April - brought forward	10,282	-	-	27,044
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	-	-	8,072	(27,044)
New allowances arising	1,439	-	2,706	- -
Changes in existing allowances	-	-	-	-
Reversals of allowances	(366)	-	-	_
Utilisation of allowances (write offs)	(783)	-	(496)	-
Allowances as at 31 Mar 2020	10,572	-	10,282	-
Loss recognised in expenditure	1,073		2,706	

# Note 17. Cash and cash equivalents

	31 March 2020 £000	31 March 2019 £000
Balance at 1 April	257,342	147,091
Net change in year	(38,030)	110,251
Balance at 31 March	219,312	257,342
Made up of		
Cash with the Government Banking Service	219,078	257,147
Commercial banks and cash in hand	234	195
Cash and cash equivalents as in statement of financial position	219,312	257,342
Cash and cash equivalents as in statement of cash flows	219,312	257,342

# Note 18. Trade and other payables

	Current		Non Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Trade payables	31,128	31,160	-	-
Trade payables - capital*	22,501	22,817	-	-
Taxes payable	20,573	18,617	-	-
Other payables	31,745	28,434	-	-
Accruals	118,738	101,936	-	-
Total	224,684	202,964		
Of which payables from NHS and DHSC group bodies	26,080	29,279	-	-

<sup>\*</sup> these items are considered non-operational and are excluded from the movement in payables shown in the cash flow statement

# Note 19. Borrowings

	Current		Non-current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Loans from Independent Trust Financing Facility	8,143	2,637	316,328	289,556
Other Loans	8	109	-	-
Obligations under finance leases	183	173	971	1,159
Obligations under Private Finance Initiative contracts	5,859	5,499	224,694	230,549
Total	14,193	8,418	541,993	521,264

# Note 20. Other liabilities

	Current		Non-current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Deferred income: contract liability (IFRS 15)	26,026	25,585	-	-
Deferred income: other (non-IFRS 15)	400	496	3,726	4,130
Total	26,426	26,081	3,726	4,130

# Note 20.1 Reconciliation of movements in contract liabilities recognised under IFRS 15

	31 March 2020	31 March 2019
	£000	£000
Opening Deferred Income	25,585	21,128
Released (performance conditions met)	(17,241)	(14,092)
Arising (performance conditions not met)	17,682	18,549
Closing Deferred Income	26,026	25,585

#### Note 21. Finance lease commitments

Other than those included as Private Finance Initiative contracts, UCLH has the following finance lease commitments:

2019-20	Due < 1 Year	Due >1 Year and < 5 Years	Due > 5 Years	Interest Rate
LINAC Machine	£203k	£813k	£186k	1.92%

2018-19	Due < 1 Year	Due >1 Year and < 5 Years	Due > 5 Years	Interest Rate
LINAC Machine	£173k	£753k	£406k	1.92%

#### Note 22. Private Finance Initiative contracts

#### Note 22.1 PFI schemes OFF-STATEMENT OF FINANCIAL POSITION

UCLH has no current off-statement of financial position PFI contracts. (31 March 2019: nil)

#### Note 22.2 PFI schemes ON-STATEMENT OF FINANCIAL POSITION

University College Hospital - Private Finance Initiative

A contract for the development of the hospital was signed on 12th July 2000, to build and run the hospital. The scheme is in conjunction with Health Management (UCLH) Plc (HMU), a consortium entity. The HMU consortium now consists of Semperian (part of Trillium group), Credit Suisse, Interserve PFI Holdings Ltd and Dalmore Capital.

The scheme is contracted to end on 1 June 2040, at which time the building will revert to the ownership of UCLH NHS FT.

The St Martin site, upon which the hospital has been constructed, was purchased in 2000/01 to provide the site for the hospital. A 40 year lease has been granted to the PFI partners, who contracted to build the hospital.

The new building was handed over in two phases, phase 1 on 19th April 2005 and phase 2 on 5th August 2008. Over the period, we, and our partners HMU Plc, invested £422m in building and equipping the new hospital. A number of existing UCLH NHS FT properties were sold and most of the income invested in the scheme.

UCLH NHS FT is committed to pay quarterly PFI unitary charge payments in advance which commenced with the opening of phase 1 of the development in 2005. This was initially at a reduced rate until phase 2 opened in 2008. After phase 2 was handed over to UCLH, UCLH NHS FT is committed to annual unitary charge building availability payments to the end of the contract in 2040, with the original per annum figure of £27.9m uplifted by the Retail Price Index each year since the opening of the PFI. The total availability fee payable in 2019/20 was £41.7m (2018/19 £42.6m), of which £33.0m (2018/19 £33.0m) was charged as interest (including contingent rent of £14.8m (2018/19 £15.1m)), £5.5m (2018/19 £5.2m) allocated to repayment of capital, and £4.6m (2018/19 £2.5m) payment into the lifecycle replacement fund, which at 31 March 2020 totals £15.2m (2018/19 £12.3m) and which is included in non-

current trade and other receivables. These costs are transferred to Property, Plant and Equipment as and when the operator undertakes lifecycle modifications to the asset. This pre-payment was re-estimated in 2015/16 based on a new assessment of the required level of pre-payments required to cover future lifecycle expenditure under the contract.

The PFI agreement has been assessed under IFRIC 12 and the asset is deemed to be on Statement of Financial Position. The substance of the contract is that UCLH has a finance lease and payments comprise three elements – imputed finance lease charges, lifecycle fund and service charge.

# Note 22.2 (continued)

Total finance lease obligations for on-statement of financial position PFI contracts due:

	31 March 2020 £000	31 March 2019 £000
Not later than one year	20,296	20,296
Later than one year, not later than five years	81,186	81,186
Later than five years	304,447	324,743
Gross PFI liabilities	405,930	426,225
Less: interest element Net PFI obligation	(175,376) 230,554	(190,177) 236,048
- not later than one year - later than one year and not later than five	5,859 27,582	5,499 25,869
- later than five years	197,113	204,680
_	230,554	236,048

# Note 22.3 Charges to expenditure

# **Annual Unitary Payment**

	31 March 2020	31 March 2019
	£000	£000
- Interest charge (including contingent rent)*	33,273	33,029
- Repayment of finance lease liability	5,495	5,154
- Service element**	23,778	23,177
- Capital lifecycle maintenance	4,581	4,404
Total	67,126	65,764

<sup>\*</sup> Interest charge includes contingent rent of £14.8m in 2019/20 (£15.1m in 2018/19)

# **Total Future PFI Commitments**

UCLH is committed to the following future payments in respect of the on-SoFP and off-SoFP PFI contracts:

	31 March 2020	31 March 2019
	£000	£000
PFI scheme expiry date:		
Not later than one year	70,814	68,885
Later than one year, not later than five years	303,645	295,375
Later than five years	1,613,110	1,692,195
Total	1,987,569	2,056,455

<sup>\*\*</sup>Excludes utility payments

Note 23. Provisions

	Cur	rent	Non-	current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	
	£000	£000	£000	£000	
Pensions relating to other staff *	351	298	910	983	
Legal claims **	296	250	-	-	
Restructurings	-	680	-	-	
Other ***	4,380	4,832	6,581	890	
Total	5,027	6,060	7,491	1,873	
	Pensions relating to	Legal claims	Restructurings	Other	Total
	other staff £000	£000	£000	£000	£000
	2.000	2000	2000	2000	2000
At 1 April 2019	1,320	210	680	5,722	7,932
Arising during the year	259	248	-	7,808	8,316
Utilised during the year	(342)	(145)	(48)	(957)	(1,492)
Reversed unused	-	(17)	(632)	(1,612)	(2,261)
Unwinding of discount	23	1			24
At 31 March 2020	1,261	297		10,961	12,519
Expected timing of cash flows:					
- not later than one year;	351	297	-	4,380	5,028
- later than one year and not later than five years;	603	-	-	6,581	7,184
- later than five years.	307				307
	1,261	297		10,961	12,519

<sup>\*</sup> Staff pensions are calculated using a formula supplied by the NHS Pensions Agency. These pensions are the costs of early retirement of staff resulting from reorganisation.

\*\* Legal claims are estimates from UCLH legal advisors on employer and public liability claims. The risks are limited to the excess of the policy excesses

with the NHS Litigation Authority.

\*\*\* Other includes contractual disputes and dilapidations.

£210.6m is included in the provisions of NHS Resolution at 31 Mar 2020 in respect of clinical negligence liabilities of UCLH (31 March 2019: £155.5m).

# Note 24. Contingencies

UCLH has no contingent liabilities as at 31 March 2020. (31 March 2019: nil.)

# Note 25. Financial Instruments

# **Note 25.1 Carrying Values of Financial Assets**

	Financial assets at amortised cost	Financial Assets at Fair Value through I&E	Total book value
	£000	£000	£000
Carrying values of financial assets as at 31 March 2020			
<del>-</del>			
Trade and other receivables excluding non-financial assets	123,934		123,934
Other investments / financial assets	20,220	-	20,220
Cash and cash equivalents at bank and in hand	219,312	-	219,312
Total at 31 March 2020	363,466	<u>-</u>	363,466
Total at 01 march 2020	000,400		500,400
	Loans and	Assets at fair value	
	receivables	through the I&E	Total book value
Carrying values of financial assets as at 31 March 2019	£000	£000	£000
Trade and other receivables excluding non-financial			
assets			
Other investments / financial assets	145,707	-	145,707
Cash and cash equivalents at bank and in hand	15,418	-	15,418
Total at 31 March 2019	257,342		257,342
	418,467		418,467
Note 25.2 Carrying Values of Financial Liabilities  Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost £000	Held at fair value through the I&E £000	Total book value £000
Loans from the Department of Health and Social Care	324,471	-	324,471
Obligations under finance leases	1,154	-	1,154
Obligations under PFI, LIFT and other service concession contracts	230,554	-	230,554
Other borrowings	8	-	8
Trade and other payables excluding non-financial liabilities	204,112	-	204,112
Provisions under contract	12,518		12,518
Total at 31 March 2020	772,817		772,817
Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost £000	Held at fair value through the I&E £000	Total book value £000
Loans from the Department of Health and Social Care	292,193	_	
Obligations under finance leases			292,193
Obligations under PFI, LIFT and other service concession contracts	1,332	-	292,193 1,332
Other borrowings	1,332 236,048	-	
-		- - -	1,332
Trade and other payables excluding non-financial liabilities	236,048	- - -	1,332 236,048
Trade and other payables excluding non-financial liabilities Provisions under contract	236,048 109	- - - -	1,332 236,048 109

The fair value of financial assets and liabilities does not differ from the carrying amount.

# Note 25.3 Maturity of Financial Liabilities

	31 March 2020	31 March 2019
	£000	£000
In one year or less	223,351	198,818
In more than one year but not more than two years	41,730	19,624
In more than two years but not more than five years	35,010	22,256
In more than five years	472,726	481,262
Total	772,817	721,960

Gross PFI liabilities are disclosed in note 22.2.

# Note 25.4 Reconciliation of Liabilities arising from financing activities

	31st March 2019	Cash Flows	Non-Cash Movements	31st March 2020
	£000	£000	£000	£000
Long Term Borrowings	292,301	32,194	(16)	324,479
Lease Liabilities	1,335	(181)	-	1,154
PFI Liabilities	236,047	(5,493)	-	230,554
Total Liabilities from Financing Activities	529,683	26,520	(16)	556,187

#### Note 25.5 Financial Risk Management

UCLH's financial risk management operations are carried out by the Trust's treasury function, within parameters defined formally within the policies and procedures manual agreed by the Board of Directors. This activity is routinely reported and is subject to review by internal and external auditors.

UCLH's financial instruments comprise cash and liquid resources, borrowings and various items such as trade debtors and creditors that arise directly from its operations. UCLH does not undertake speculative treasury transactions.

#### **Currency Risk and Interest Rate Risk**

UCLH is principally a domestic organisation with the majority of transactions, assets and liabilities being in the UK and sterling based. As such, UCLH undertakes very few transactions in currencies other than sterling and is therefore not exposed to movements in exchange rates over time.

UCLH has no significant overseas operations.

UCLH has loans from the Independent Trust Financing Facility (previously known as the Foundation Trust Financing Facility) with fixed repayments and fixed interest rate. Therefore UCLH's exposure to interest rate fluctuations is minimal.

#### **Market Price Risk of Financial Assets**

UCLH has no investments in overseas banks. Surplus cash is invested in the Office of the Government Banking Service.

#### **Credit Risk**

Due to the fact that the majority of UCLH's income comes from legally binding contracts with other government departments and other NHS Bodies UCLH is not exposed to major concentrations of credit risk. UCLH's investments in money market funds and money market deposits does expose UCLH to credit risk. This is managed by Treasury Policies limiting the investments to highly rated institutions and spreading the investments to restrict exposure. In 2019/20 no significant deposits were placed outside of the Trust's Government Banking Service account.

UCLH uses a simplified lifetime expected loss model to assess credit losses against defined customer groups. UCLH has a robust credit management policy and manages debt and debt impairment within this policy.

#### **Liquidity Risk**

UCLH has only utilised external borrowings in year associated with its PFI investment and Independent Trust Financing Facility Loan.

UCLH currently has substantial cash balances and is not currently exposed to any liquidity risk associated with inability to pay creditors.

## Note 26. Related party transactions

University College London Hospitals NHS Foundation Trust is a body corporate established by the Secretary of State. The Independent Regulator of NHS Foundation Trusts ("NHSI") and other Foundation Trusts are considered related parties.

The Department of Health and Social Care is regarded as a related party as it exerts influence over the number of transaction and operating policies of UCLH. During the year ended 31 March 2020 UCLH had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department of those entities.

During the year none of the Department of Health and Social Care Ministers, trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with UCLH, where material is defined to be transactions above £2m.

Organisation         Income E000         Expenditure E000         Receivables £000         20 albabe £000           NHS England         \$31,000         0         40,000         1,000           NHS Camden CCG         \$95,000         2,000         6,000           NHS Islingfor CCG         76,000         0         0         0           NHS Barnet CCG         35,000         0         1,000         1,000           NHS Barnet CCG         25,000         0         1,000         2,000           NHS Haringey CCG         25,000         0         1,000         3,000           NHS Enfled CCG         17,000         0         0         0         0           NHS Enfled CCG         17,000         0		2019/20				
NHS Camden CCG	Organisation		Expenditure	Receivables		
NHS Isington CCG	NHS England	531,000	0	40,000	1,000	
NHS Isington CCG	NHS Camden CCG	95.000	2.000	6.000	6.000	
Health Education England   37,000	NHS Islington CCG		0			
NHS Barnet CCG  Department of Health and Social Care  NHS Haringey CCG  Central and North West London NHS Foundation Trust  29,000  NHS Central London (Westbrinister) CCG  21,000  NHS City and Hackney CCG  16,000  NHS City and Hackney CCG  16,000  NHS Brent CCG  19,000  0  0  NHS Brent CCG  9,000  0  0  NHS Brent CCG  9,000  0  0  NHS East Berkshire CCG  9,000  0  0  NHS West London (K&C & QPP) CCG  10,000  NHS West London (K&C & QPP) CCG  10,000  NHS Redingde CCG  10,000  NHS Redingde CCG  10,000  NHS Redingde CCG  10,000  10,000  10,000  NHS Redingde CCG  10,000			0			
Department of Health and Social Care         29,000         0         2,000           NHS Haringey CCG         25,000         0         1,000         0           Central and North West London NHS Foundation Trust         24,000         4,000         11,000         3,000           NHS Central London (Westminster) CCG         21,000         0         0         0         0           NHS Enfeld CCG         11,000         0         0         0         0         0           NHS City and Hackney CCG         16,000         0         0         0         0         0         0           NHS Hart Svalleys CCG         12,000         0			-	-	1.000	
NHS Haringey CCG Central and North West London NHS Foundation Trust 24,000 4,000 11,000 3,000 NHS Central London (Westminster) CCG 21,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			0			
Central and North West London NHS Foundation Trust         24,000         4,000         11,000         3,000           NHS Central London (Westminster) CCG         21,000         0         0         0         0           NHS Enfield CCG         17,000         0         0         0         0         0           NHS City and Hackney CCG         16,000         0	·		0	-		
NHS Central London (Westminster) CCG	6 7		-		-	
NHS Enfield CGG  NHS City and Hackney CCG  NHS City and Hackney CCG  12,000  0  0  0  0  NHS Herts Valleys CCG  12,000  0  0  0  0  NHS Brent CCG  9,000  0  0  0  0  NHS East and North Hertfordshire CCG  9,000  0  0  NHS East Berkshire CCG  9,000  0  0  0  NHS Waltham Forest CCG  9,000  0  0  0  0  NHS Waltham Forest CCG  9,000  0  0  0  0  0  NHS Waltham Forest CCG  9,000  0  0  0  0  0  0  NHS Harrow CCG  9,000  0  0  0  0  0  0  0  NHS Harrow CCG  9,000  0  0  0  0  0  0  0  0  NHS Harrow CCG  9,000  0  0  0  0  0  0  0  0  0  0  0  0						
NHS City and Hackney CCG	·		-	-		
NHS Herts Valleys CCG NHS Brent CCG NHS Brent CCG NHS East Morth Hertfordshire CCG 9,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			-	-		
NHS Brent CCG NHS East and North Hertfordshire CCG NHS East Berkshire CCG 9,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0				-	-	
NHS East and North Hertfordshire CCG NHS East Berkshire CCG 9,000 0 1,000 0 0 NHS Watham Forest CCG 7,000 0 0 0 0 0 0 NHS West London (K&C & QPP) CCG 6,000 0 0 0 0 0 0 NHS Harrow CCG 5,000 0 0 0 0 0 0 0 NHS Redoridge CCG 5,000 0 0 0 0 0 0 0 0 0 0 NHS Tower Hamlets CCG 5,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			-	-	-	
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NHS Waltham Forest CCG			-	-	-	
NHS West London (K&C & QPP) CCG			-		-	
NHS Harrow CCG         5,000         0         0         0           NHS Redbridge CCG         5,000         0         0         0           NHS Tower Hamlets CCG         5,000         1,000         0         0           NHS Taling CCG         4,000         0         0         0           NHS Newham CCG         4,000         0         0         0           NHS West Essex CCG         4,000         0         0         0           NHS Bedfordshire CCG         3,000         0         0         0           NHS Bedfordshire CCG         3,000         0         0         0           NHS Hammersmith and Fulham CCG         3,000         0         0         0           NHS Hammersmith and Fulham CCG         3,000         0         0         0           NHS Hammersmith and Fulham CCG         3,000         0         0         0           NHS Hammersmith and Fulham CCG         3,000         0         0         0           NHS Hammersmith and Fulham CCG         3,000         0         0         0         0           NHS Hammersmith and Fulham CCG         3,000         0         0         0         0           NHS Law Lond CCG			-	-	-	
NHS Redbridge CCG         5,000         0         0           NHS Tower Hamlets CCG         5,000         1,000         0         1,000           NHS Ealing CCG         4,000         0         0         0           NHS West Essex CCG         4,000         0         0         0           NHS West Essex CCG         4,000         0         0         0           NHS Bedfordshire CCG         3,000         0         0         0           NHS Hammersmith and Fulham CCG         3,000         0         0         0           NHS Havering CCG         3,000         0         0         0           NHS Havering CCG         3,000         0         0         0           NHS Havering CCG         3,000         0         0         0           NHS Lambeth CCG         3,000         0         0         0           NHS Lambeth CCG         3,000         0         0         0           NHS Wandsworth CCG         3,000         0         0         0           NHS Wandsworth CCG         3,000         0         0         0           NHS Wandsworth CCG         3,000         0         0         0           Royal Fre	,					
NHS Tower Hamlets CCG NHS West Essex CCG NHS Bedfordshire CCG NHS Bedfordshire CCG NHS Hammersmith and Fulham CCG NHS West Essex CCG NHS West Kent CCG NHS West Health NHS Trust						
NHS Ealing CCG         4,000         0         0         0           NHS Newham CCG         4,000         0         0         0           NHS West Essex CCG         4,000         0         0         0           NHS Bedfordshire CCG         3,000         0         0         0           NHS Hammersmith and Fulham CCG         3,000         0         0         0           NHS Havering CCG         3,000         0         0         0           NHS Hallingdon CCG         3,000         0         0         0           NHS Lambeth CCG         3,000         0         0         0           NHS Wandsworth CCG         3,000         0         0         0           NHS Basilson and Street Hospital for Children NHS Foundation Trust         2,000         0         0	Ŭ		-	-	-	
NHS Newham CCG         4,000         0         0         0           NHS West Essex CCG         4,000         0         0         0           NHS Bedfordshire CCG         3,000         0         0         0           NHS Hammersmith and Fulham CCG         3,000         0         0         0           NHS Havering CCG         3,000         0         0         0           NHS Hillingdon CCG         3,000         0         0         0           NHS Wandsworth CCG         3,000         0         0         0           NHS Wandsworth CCG         3,000         0         0         0           Public Health England         0         0         0         0         0           Royal Free London NHS Foundation Trust         3,000         9,000         3,000         8,000           Great Ormond Street Hospital for Children NHS Foundation Trust         2,000         1,000         2,000         6,000           NHS Barking and Dagenham CCG         2,000         0         0         0         0           NHS Bromley CCG         2,000         0         0         0         0           NHS Bromley CCG         2,000         0         0         0				-		
NHS West Essex CCG         4,000         0         0           NHS Bedfordshire CCG         3,000         0         0           NHS Hammersmith and Fulham CCG         3,000         0         0           NHS Havering CCG         3,000         0         0         0           NHS Hillingdon CCG         3,000         0         0         0           NHS Lambeth CCG         3,000         0         0         0           NHS Wandsworth CCG         3,000         0         0         0           NHS Wandsworth CCG         3,000         0         0         0           Public Health England         0         0         0         0           Royal Free London NHS Foundation Trust         3,000         9,000         3,000         8,000           Great Ormond Street Hospital for Children NHS Foundation Trust         3,000         9,000         3,000         8,000           Great Great Hospital for Children NHS Foundation Trust         2,000         0         0         0           MHS Barking and Dagenham CCG         2,000         0         0         0         0           NHS Barking and Peterborough CCG         2,000         0         0         0         0	Ü		-			
NHS Bedfordshire CCG         3,000         0         0         0           NHS Hammersmith and Fulham CCG         3,000         0         0         0           NHS Havering CCG         3,000         0         0         0           NHS Hillingdon CCG         3,000         0         0         0           NHS Lambeth CCG         3,000         0         0         0           NHS Wandsworth CCG         3,000         0         0         0           Public Health England         0         0         0         0         0           Royal Free London NHS Foundation Trust         3,000         9,000         3,000         8,000           Great Ormond Street Hospital for Children NHS Foundation Trust         2,000         1,000         2,000         6,000           NHS Basildon and Brentwood CCG         2,000         0         0         0         0           NHS Bromley CCG         2,000         0         0         0         0           NHS Cambridgeshire and Peterborough CCG         2,000         0         0         0           NHS Croydon CCG         2,000         0         0         0           NHS Greenwich CCG         2,000         0         0						
NHS Hammersmith and Fulham CCG         3,000         0         0         0           NHS Havering CCG         3,000         0         0         0           NHS Hillingdon CCG         3,000         0         0         0           NHS Lambeth CCG         3,000         0         0         0           NHS Wandsworth CCG         3,000         0         0         0           Public Health England         0         0         0         0         1,000           Royal Free London NHS Foundation Trust         3,000         9,000         3,000         8,000           Great Ormond Street Hospital for Children NHS Foundation Trust         2,000         1,000         2,000         6,000           NHS Barking and Dagenham CCG         2,000         0         0         0         0           NHS Basildon and Brentwood CCG         2,000         0         0         0         0           NHS Bromley CCG         2,000         0         0         0         0         0           NHS Cambridgeshire and Peterborough CCG         2,000         0         0         0         0         0           NHS Greenwich CCG         2,000         0         0         0         0 <t< td=""><td></td><td></td><td>-</td><td>-</td><td></td></t<>			-	-		
NHS Havering CCG         3,000         0         0         0           NHS Hillingdon CCG         3,000         0         0         0           NHS Lambeth CCG         3,000         0         0         0           NHS Wandsworth CCG         3,000         0         0         0           Public Health England         0         0         0         1,000           Royal Free London NHS Foundation Trust         3,000         9,000         3,000         8,000           Great Ormond Street Hospital for Children NHS Foundation Trust         2,000         1,000         2,000         6,000           NHS Barking and Dagenham CCG         2,000         1,000         2,000         0         0         0           NHS Basildon and Brentwood CCG         2,000         0			-	-	-	
NHS Hillingdon CCG         3,000         0         0           NHS Lambeth CCG         3,000         0         0           NHS Wandsworth CCG         3,000         0         0           Public Health England         0         0         0           Royal Free London NHS Foundation Trust         3,000         9,000         3,000           Royal Free London NHS Foundation Trust         2,000         1,000         2,000           Great Ormond Street Hospital for Children NHS Foundation Trust         2,000         1,000         2,000           NHS Barking and Dagenham CCG         2,000         0         0         0           NHS Basildon and Brentwood CCG         2,000         0         0         0           NHS Bromley CCG         2,000         0         0         0           NHS Bromley CCG         2,000         0         0         0           NHS Croydon CCG         2,000         0         0         0           NHS Greenwich CCG         2,000         0         0         0           NHS Hounslow CCG         2,000         0         0         0           NHS Lewisham CCG         2,000         0         0         0           NHS Mid Essex CCG </td <td></td> <td></td> <td></td> <td>-</td> <td></td>				-		
NHS Lambeth CCG       3,000       0       0       0         NHS Wandsworth CCG       3,000       0       0       0         Public Health England       0       0       0       0       1,000         Royal Free London NHS Foundation Trust       3,000       9,000       3,000       8,000         Great Ormond Street Hospital for Children NHS Foundation Trust       2,000       1,000       2,000       6,000         NHS Barking and Dagenham CCG       2,000       0       0       0       0         NHS Basildon and Brentwood CCG       2,000       0       0       0       0         NHS Bromley CCG       2,000       0       0       0       0         NHS Cambridgeshire and Peterborough CCG       2,000       0       0       0         NHS Croydon CCG       2,000       0       0       0       0         NHS Greenwich CCG       2,000       0       0       0       0         NHS Hounslow CCG       2,000       0       0       0       0         NHS Lewisham CCG       2,000       0       0       0       0         NHS Mid Essex CCG       2,000       0       0       0         NHS Richmo	· ·		-		-	
NHS Wandsworth CCG       3,000       0       0       0         Public Health England       0       0       0       1,000         Royal Free London NHS Foundation Trust       3,000       9,000       3,000       8,000         Great Ormond Street Hospital for Children NHS Foundation Trust       2,000       1,000       2,000       6,000         NHS Barking and Dagenham CCG       2,000       0       0       0       0         NHS Basildon and Brentwood CCG       2,000       0       0       0       0         NHS Bromley CCG       2,000       0       0       0       0       0       0       0         NHS Bromley CCG       2,000       0				-		
Public Health England         0         0         0         1,000           Royal Free London NHS Foundation Trust         3,000         9,000         3,000         8,000           Great Ormond Street Hospital for Children NHS Foundation Trust         2,000         1,000         2,000         6,000           NHS Barking and Dagenham CCG         2,000         0         0         0         0           NHS Basildon and Brentwood CCG         2,000         0         0         0         0           NHS Bromley CCG         2,000         0         0         0         0         0           NHS Cambridgeshire and Peterborough CCG         2,000         <	NHS Lambeth CCG	3,000		-		
Royal Free London NHS Foundation Trust         3,000         9,000         3,000         8,000           Great Ormond Street Hospital for Children NHS Foundation Trust         2,000         1,000         2,000         6,000           NHS Barking and Dagenham CCG         2,000         0         0         0         0           NHS Basildon and Brentwood CCG         2,000         0         0         0         0           NHS Bromley CCG         2,000         0         0         0         0         0           NHS Cambridgeshire and Peterborough CCG         2,000         0<	NHS Wandsworth CCG	3,000	0	0	0	
Great Ormond Street Hospital for Children NHS Foundation Trust         2,000         1,000         2,000         6,000           NHS Barking and Dagenham CCG         2,000         0         0         0           NHS Basildon and Brentwood CCG         2,000         0         0         0           NHS Bromley CCG         2,000         0         0         0           NHS Cambridgeshire and Peterborough CCG         2,000         0         0         0           NHS Croydon CCG         2,000         0         0         0         0           NHS Greenwich CCG         2,000         0         0         0         0         0           NHS Hounslow CCG         2,000         0 <t< td=""><td>Public Health England</td><td>0</td><td>0</td><td>0</td><td>1,000</td></t<>	Public Health England	0	0	0	1,000	
NHS Barking and Dagenham CCG       2,000       0       0         NHS Basildon and Brentwood CCG       2,000       0       0         NHS Bromley CCG       2,000       0       0       0         NHS Cambridgeshire and Peterborough CCG       2,000       0       0       0         NHS Croydon CCG       2,000       0       0       0         NHS Greenwich CCG       2,000       0       0       0         NHS Hounslow CCG       2,000       0       0       0         NHS Lewisham CCG       2,000       0       0       0         NHS Luton CCG       2,000       0       0       0         NHS Mid Essex CCG       2,000       0       0       0         NHS Richmond CCG       2,000       0       0       0         NHS Southwark CCG       2,000       0       0       0         NHS West Kent CCG       2,000       0       0       0         NHS Resolution       0       19,000       0       0         Barts Health NHS Trust       0       6,000       3,000       3,000	Royal Free London NHS Foundation Trust	3,000	9,000	3,000	8,000	
NHS Basildon and Brentwood CCG       2,000       0       0       0         NHS Bromley CCG       2,000       0       0       0         NHS Cambridgeshire and Peterborough CCG       2,000       0       0       0         NHS Croydon CCG       2,000       0       0       0         NHS Greenwich CCG       2,000       0       0       0         NHS Hounslow CCG       2,000       0       0       0         NHS Lewisham CCG       2,000       0       0       0         NHS Luton CCG       2,000       0       0       0         NHS Mid Essex CCG       2,000       0       0       0         NHS Richmond CCG       2,000       0       0       0         NHS Southwark CCG       2,000       0       0       0         NHS West Kent CCG       2,000       0       0       0         NHS Resolution       0       19,000       0       0         Barts Health NHS Trust       0       6,000       3,000       3,000	Great Ormond Street Hospital for Children NHS Foundation Trust	2,000	1,000	2,000	6,000	
NHS Bromley CCG       2,000       0       0       0         NHS Cambridgeshire and Peterborough CCG       2,000       0       0       0         NHS Croydon CCG       2,000       0       0       0         NHS Greenwich CCG       2,000       0       0       0         NHS Hounslow CCG       2,000       0       0       0         NHS Lewisham CCG       2,000       0       0       0         NHS Luton CCG       2,000       0       0       0         NHS Mid Essex CCG       2,000       0       0       0         NHS Richmond CCG       2,000       0       0       0         NHS Southwark CCG       2,000       0       0       0         NHS West Kent CCG       2,000       0       0       0         NHS Resolution       0       19,000       0       0         Barts Health NHS Trust       0       6,000       3,000       3,000	NHS Barking and Dagenham CCG	2,000	0	0	0	
NHS Cambridgeshire and Peterborough CCG       2,000       0       0       0         NHS Croydon CCG       2,000       0       0       0         NHS Greenwich CCG       2,000       0       0       0         NHS Hounslow CCG       2,000       0       0       0         NHS Lewisham CCG       2,000       0       0       0         NHS Luton CCG       2,000       0       0       0         NHS Mid Essex CCG       2,000       0       0       0         NHS Richmond CCG       2,000       0       0       0         NHS Southwark CCG       2,000       0       0       0         NHS West Kent CCG       2,000       0       0       0         NHS Resolution       0       19,000       0       0         Barts Health NHS Trust       0       6,000       3,000       3,000	NHS Basildon and Brentwood CCG	2,000	0	0	0	
NHS Croydon CCG       2,000       0       0       0         NHS Greenwich CCG       2,000       0       0       0         NHS Hounslow CCG       2,000       0       0       0         NHS Lewisham CCG       2,000       0       0       0         NHS Luton CCG       2,000       0       0       0         NHS Mid Essex CCG       2,000       0       0       0         NHS Richmond CCG       2,000       0       0       0         NHS Southwark CCG       2,000       0       0       0         NHS West Kent CCG       2,000       0       0       0         NHS Resolution       0       19,000       0       0         Barts Health NHS Trust       0       6,000       3,000       3,000	NHS Bromley CCG	2,000	0	0	0	
NHS Greenwich CCG       2,000       0       0       0         NHS Hounslow CCG       2,000       0       0       0         NHS Lewisham CCG       2,000       0       0       0         NHS Luton CCG       2,000       0       0       0         NHS Mid Essex CCG       2,000       0       0       0         NHS Richmond CCG       2,000       0       0       0         NHS Southwark CCG       2,000       0       0       0         NHS West Kent CCG       2,000       0       0       0         NHS Resolution       0       19,000       0       0         Barts Health NHS Trust       0       6,000       3,000       3,000	NHS Cambridgeshire and Peterborough CCG	2,000	0	0	0	
NHS Hounslow CCG       2,000       0       0       0         NHS Lewisham CCG       2,000       0       0       0         NHS Luton CCG       2,000       0       0       0         NHS Mid Essex CCG       2,000       0       0       0         NHS Richmond CCG       2,000       0       0       0         NHS Southwark CCG       2,000       0       0       0         NHS West Kent CCG       2,000       0       0       0         NHS Resolution       0       19,000       0       0         Barts Health NHS Trust       0       6,000       3,000       3,000	NHS Croydon CCG	2,000	0	0	0	
NHS Lewisham CCG       2,000       0       0       0         NHS Luton CCG       2,000       0       0       0         NHS Mid Essex CCG       2,000       0       0       0         NHS Richmond CCG       2,000       0       0       0         NHS Southwark CCG       2,000       0       0       0         NHS West Kent CCG       2,000       0       0       0         NHS Resolution       0       19,000       0       0         Barts Health NHS Trust       0       6,000       3,000       3,000	NHS Greenwich CCG	2,000	0	0	0	
NHS Lewisham CCG       2,000       0       0       0         NHS Luton CCG       2,000       0       0       0         NHS Mid Essex CCG       2,000       0       0       0         NHS Richmond CCG       2,000       0       0       0         NHS Southwark CCG       2,000       0       0       0         NHS West Kent CCG       2,000       0       0       0         NHS Resolution       0       19,000       0       0         Barts Health NHS Trust       0       6,000       3,000       3,000	NHS Hounslow CCG	2,000	0	0	0	
NHS Luton CCG       2,000       0       0       0         NHS Mid Essex CCG       2,000       0       0       0         NHS Richmond CCG       2,000       0       0       0         NHS Southwark CCG       2,000       0       0       0         NHS West Kent CCG       2,000       0       0       0         NHS Resolution       0       19,000       0       0         Barts Health NHS Trust       0       6,000       3,000       3,000	NHS Lewisham CCG		0	0	0	
NHS Mid Essex CCG       2,000       0       0       0         NHS Richmond CCG       2,000       0       0       0         NHS Southwark CCG       2,000       0       0       0         NHS West Kent CCG       2,000       0       0       0         NHS Resolution       0       19,000       0       0         Barts Health NHS Trust       0       6,000       3,000       3,000	NHS Luton CCG		0	0		
NHS Richmond CCG       2,000       0       0       0         NHS Southwark CCG       2,000       0       0       0         NHS West Kent CCG       2,000       0       0       0         NHS Resolution       0       19,000       0       0         Barts Health NHS Trust       0       6,000       3,000       3,000				-		
NHS Southwark CCG         2,000         0         0         0           NHS West Kent CCG         2,000         0         0         0           NHS Resolution         0         19,000         0         0           Barts Health NHS Trust         0         6,000         3,000         3,000			-			
NHS West Kent CCG         2,000         0         0         0           NHS Resolution         0         19,000         0         0           Barts Health NHS Trust         0         6,000         3,000         3,000						
NHS Resolution         0         19,000         0         0           Barts Health NHS Trust         0         6,000         3,000			-	-		
Barts Health NHS Trust 0 6,000 3,000 3,000				-	-	
				-		
		-				

UCLH had material transactions with the following entities:

Note 26.1. Related party transactions

	2018/19			
Organisation	Income £000	Expenditure £000	Receivables £000	Payables £000
NHS England	511,000	_	63,000	2,000
NHS Camden CCG	87,000	1,000	9,000	4,000
NHS Islington CCG	74,000	-,,,,,	3,000	1,000
Health Education England	38,000	_	-	1,000
Department of Health and Social Care	42,000	_	1,000	3,000
Central and North West London NHS Foundation Trust	32,000	2,000	3,000	4,000
NHS Barnet CCG	34,000	_,	4,000	1,000
NHS Haringey CCG	24,000	_	2,000	-
NHS Central London (Westminster) CCG	19,000	_	_,,	_
NHS City and Hackney CCG	16,000	_	_	_
NHS Enfield CCG	16,000	_	1,000	_
NHS Herts Valleys CCG	11,000	_	1,000	_
NHS Brent CCG	9,000	_	- 1,000	_
NHS East Berkshire CCG	2,000	_	_	_
NHS East and North Hertfordshire CCG	8,000	_	_	_
NHS Waltham Forest CCG	7,000	_	_	_
NHS Harrow CCG	5,000	_	_	_
NHS Redbridge CCG	5,000	_	_	_
NHS West London (K&C & Qpp) CCG	5,000	_	_	_
NHS Ealing CCG	4,000	_	_	_
NHS Newham CCG	4,000	_	_	_
NHS Tower Hamlets CCG	4,000	1,000	_	_
NHS West Essex CCG	4,000	- 1,000	_	_
Great Ormond Street Hospital for Children NHS Foundation Trust	3,000	1,000	2,000	6,000
Royal Free London NHS Foundation Trust	3,000	5,000	4,000	5,000
NHS Bedfordshire CCG	3,000	-	- 1,000	-
NHS Hammersmith and Fulham CCG	3,000	_	1,000	_
NHS Havering CCG	3,000	_	- 1,000	_
NHS Hillingdon CCG	3,000	_	_	_
NHS Lambeth CCG	3,000	_	_	_
NHS Wandsworth CCG	3,000	_	1,000	_
Barts Health NHS Trust	2,000	3,000	4,000	4,000
The Whittington Health NHS Trust	2,000	1,000	2,000	2,000
Camden and Islington NHS Foundation Trust	2,000	1,000	_,000	2,000
NHS Basildon and Brentwood CCG	2,000	- 1,000	_	_,000
NHS Bromley CCG	2,000	_	_	_
NHS Greenwich CCG	2,000	_	_	_
NHS Lewisham CCG	2,000	_	_	_
NHS Mid Essex CCG	2,000	_	_	_
NHS Southwark CCG	2,000	_	_	_
NHS West Kent CCG	2,000	_	_	-
NHS Resolution (formerly NHS Litigation Authority)	2,000	19,000	_	_
1410 1650 auton pormony 1410 Engation Authority)	-	19,000	-	-

### Note 26.1. Related Party Transactions – Continued

UCLH is a member of UCL Partners Limited (a company limited by guarantee) acquired by a guarantee of £1. The company's costs are funded by its partners who contribute to its running costs on an annual basis. During the year UCLH made payment to UCLP of £0.3m (2018/19: £0.2m) which was expensed to operating expenses.

As noted in Note 12, UCLH has a 24.5% share in HSL LLP, a pathology joint venture with The Doctors Laboratory (TDL) and Royal Free London NHS Foundation Trust.

During the year UCLH received services from HSL of £49.1m (2018/19 £43.0m), which are recorded in operating expenses. Additionally, UCLH provided services to HSL of £1.6m (2018/19, £0.9m).

Included within other creditors is the sum of £6.5m (2018/19: £8.0m) representing sums due to HSL There were no sums due from HSL at 31 March 2020 within debtors (2018/19, £3.3m).

UCL is classed as a related party, with one Executive Board Member directly employed by UCL. During the year UCLH received services from UCL of £44.0m (2018/19, £ 36.2m), which are recorded in operating expenses. Additionally, UCLH provided services to UCL of £10.5m (2018/19, £10.8m) which are recorded in other income.

Included within other creditors is the sum of £33.2m (2018/19. £18.1m) representing sums due to UCL. Included within other debtors is the sum of £12.7m (2018/19, £8.5m) representing sums due from UCL.

During the year UCLH made payments to HMRC in relation to the Income Tax deducted at source and Social Security costs as per Note 6, and relating to Value Added Tax payments / refunds.

Included within Trade and Other Debtors is a VAT debtor of £1.4m (2018/19, £6.7m).

Included within tax payable in Trade and Other Creditors is £13.2m (2018/19. £11.7m) owed to HMRC.

During the year UCLH made payments to the NHS Pension Agency as per Note 6.

Included within tax payable in Trade and Other Creditors is £7.4m (2018/19, £6.8m) owed to NHS Pension Agency.

UCLH has a wholly owned subsidiary, MyUCLH that was formed in 15/16. There are no material transactions during this year with MyUCLH. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

#### **Note 27. Third Party Assets**

UCLH held £13k (2018/19, £13k) cash and cash equivalents at 31 March 2020 in relation to monies held on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

#### Note 28. Losses and Special Payments

NHS Foundation Trusts are required to report to the Department of Health and Social Care any losses or special payments, as the Department still retains responsibility for reporting on these to Parliament. By their very nature such payments ideally should not arise, and they are therefore subject to special control procedures compared to payments made in the normal course of business.

In the twelve months to 31 March 2020 the value of losses and special payments was £0.8m (2018/2019 £0.5m) relating to 837 cases (2018/19, 289 cases). This includes write-offs of Private and Overseas Patient debt, charged to the provision for impairment of receivables.

Losses and special payments are reported on an accruals basis, and exclude provisions for future losses.

**Note 28.1: Losses and Special Payments** 

Details are shown in the table

below	31 March 2020	31 March 2020	31 March 2019	31 March 2019
	Total no of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Fruitless payments	0	0	28	3
Bad debts and claims abandoned	821	726	248	495
Total Losses	821	726	276	498
Special payments - extra statutory	4	44	1	10
Special payments - ex gratia	12	8	12	11
Total Special Payments	16	52	13	21
Total	837	778	289	519

No individual special payments were made over £300k (2018/19: nil)

### Note 29. Events after the reporting date

## **Events after the reporting period (DHSC loans)**

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.

There were no outstanding interim loans as at 31 March 2020.

