NHS
Lewisham and Greenwich
NHS Trust

# Annual report
## 2020/21

High quality care for every patient
every day

# Our values

We take **responsibility** for our actions

We **work together** for patients and colleagues

We **learn, develop** and share **knowledge**

We treat everyone with **respect** and **compassion**

We work as a team to **improve quality**

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# Chair's foreword

## Welcome to the 2020/21 annual report.

**The last year has been the most challenging in the history of the NHS, and I couldn't be prouder of how our staff have responded. As Chair of the organisation, it has been a privilege to see first-hand how everyone at Lewisham and Greenwich NHS Trust has stepped up for local communities when they have needed it most.**

During the first two waves of the Covid-19 pandemic, the Trust rapidly expanded intensive care facilities and redesigned every clinical pathway to meet the demand for services. Everyone has played a role in our response to the pandemic, whether in a frontline role, taking part in our redeployment programme or working behind the scenes.

Of course, the Trust does not operate in isolation, and we have continued to work closely with partners across the Integrated Care System (ICS) in south east London. During the first two waves of the pandemic, our partners at King's College Hospital NHS Foundation Trust and Guy's and St Thomas' NHS Foundation Trust helped us to manage the demand for acute and intensive care facilities across the sector.

I would like to take this opportunity to thank our local communities for their ongoing support. Our staff have been deeply touched by the recognition and kindness shown by partner organisations, local businesses and individuals during challenging times.

Looking beyond Covid, the Trust has made significant improvements for patients and staff in recent years, and it was encouraging to note that progress was reflected in the most recent Care Quality Commission inspection (see page 30). In addition, we have succeeded in stabilising our workforce, reducing our vacancy rates from a high of 17.5% a few years ago to 8% at the time of writing,

We have laid the foundations to achieve more transformational change, and we are at the start of delivering our five-year strategy, "Caring for our local communities". This was agreed with staff and partners and provides clarity about our role in the health and care system. First and foremost, we will be a community-focused provider of consistently high-quality local and acute care. We will continue to work closely with our partners and are committed to playing a more active role in contributing to the vitality of local communities and in reducing health inequalities.

Val Davison, Chair
2021

# Introduction and background

# About us

Lewisham and Greenwich NHS Trust is responsible for:

- Queen Elizabeth Hospital in Woolwich
- University Hospital Lewisham
- A range of community health services in Lewisham
- Some services at Queen Mary's Hospital in Sidcup.

## Vision, values and priorities

Our vision sets out what we are all working towards and is a short and concise statement of our aspirations. Our values are at the heart of everything we do and set out how we should all behave towards colleagues, partner staff, patients and visitors to make the Trust a caring and great place to work.

### Our vision

To work together to provide high-quality care for every patient, every day.

### Our values

- We treat everyone with respect and compassion
- We work as a team to improve quality
- We take responsibility for our actions
- We work together for patients and colleagues
- We learn, develop and share knowledge

### Our priorities

These are closely linked to the vision and outline what we all need to focus on to ensure we provide high-quality care for every patient, every day.

**Quality** Continually improve safety and quality

**Patients** Put patients at the heart of everything we do

**People** Support and develop our workforce to live our values every day

**Partnership** Work effectively with partner organisations

**Money** Ensure we spend every penny wisely.

## What patients say about us

The NHS Friends and Family test shows that the vast majority of patients were satisfied with their experience at the Trust.

### Friends and family test 2020/21

| Patients | % satisfied |
|---|---|
| **Inpatients** | 95% |
| **Emergency Department patients** | 84% |
| **Community** | 96% |
| **Maternity** | 83% |
| **Outpatients** | 90% |

## The Trust in numbers*

- 7,040 members of staff
- 524,266 outpatient appointments
- 217,946 A&E attendances
- 7,417 births
- 7,474 patients treated in our theatres
- 1,109,571 community contacts with patients
- 20 operating theatres
- 12 community sites in Lewisham
- 900 hospital beds

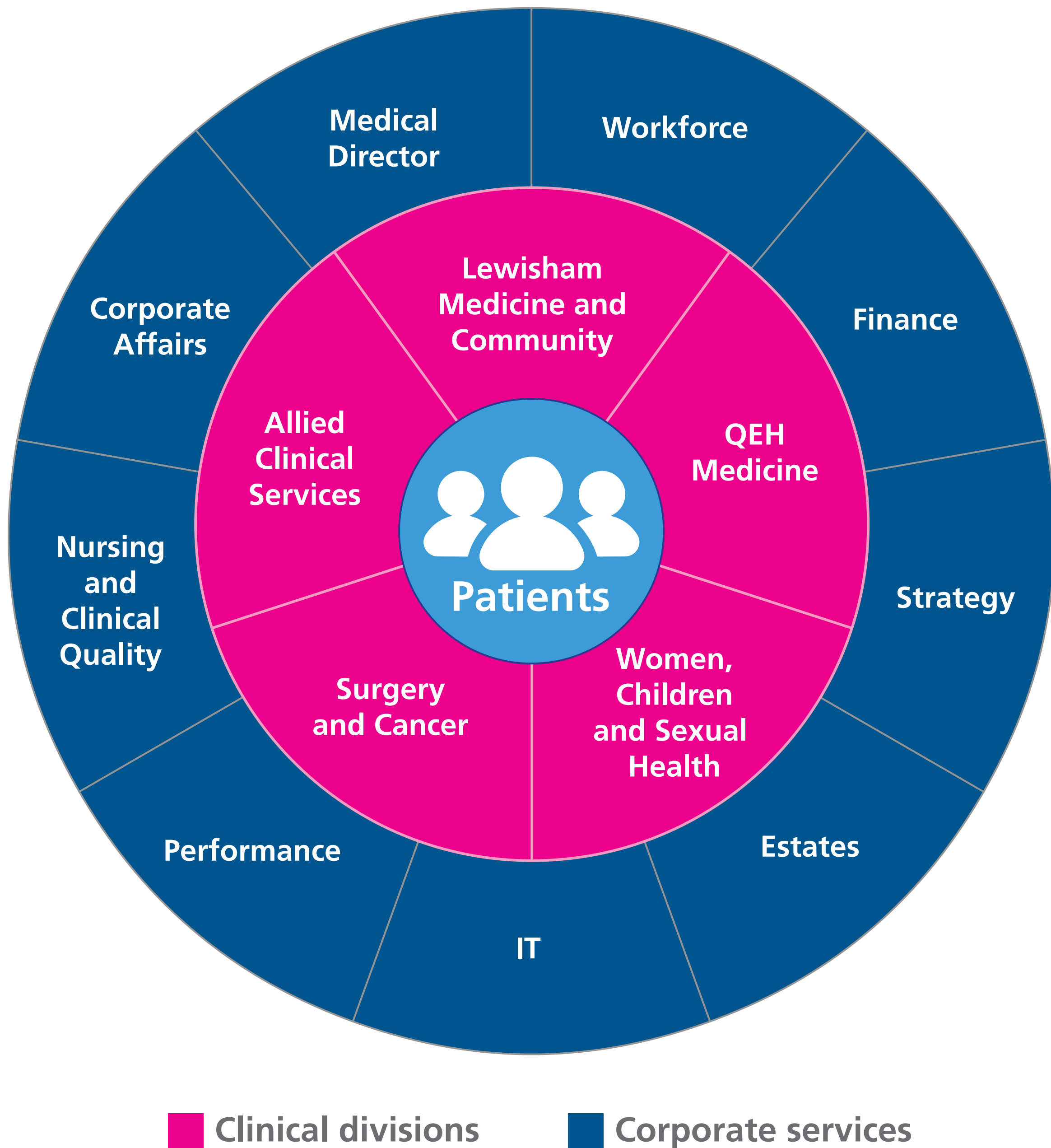
**2020/21*

## The populations we serve

We provide a comprehensive range of high quality hospital services to around one million people living across the London boroughs of Lewisham, Greenwich and Bexley. Our community services are used primarily, but not exclusively, by people living in Lewisham.

## How we are set up

We have around 7,000 staff, and our services are set up to ensure that patients are at the heart of what we do. Our clinical divisions are led by healthcare professionals, and supported by corporate divisions. All this work is then overseen by the Trust Board (see page 55).



## Our services

Our hospitals provide a wide range of inpatient and outpatient services, as well as emergency and planned care.

The Trust is a centre for the education and training of medical students enrolled with King's College London's GKT School of Medical Education. We are a training centre for nurses, midwives and allied health professionals. We are pioneering new roles that will support the changing needs of our patients and are one of the largest employers of physician associates in the country.

In Lewisham, our health professionals also provide care to adults and children in a range of health centres, community clinics, and in patients' own homes. Our services for adults include community matrons and midwives, district nurses, the diabetes team, the home enteral nutrition team, the community head and neck team, podiatry and our sexual and reproductive health team. Services for children and young people include health visiting, occupational therapy, physiotherapy and speech and language services.

In Greenwich, community services are provided by Oxleas NHS Foundation Trust (www.oxleas.nhs.uk).

Queen Elizabeth Hospital regularly achieves the fastest ambulance turnaround times in London. The critical care unit at the hospital is one of the few in the country to meet the gold standard for consultant and junior doctor staffing.

University Hospital Lewisham has the largest stroke rehabilitation centre in the country, and is the third largest specialist centre in the UK for treating blood conditions such as sickle cell. The hospital is one of the few in the country to offer opt-out HIV testing in the emergency department, ensuring that each patient who has a blood test is routinely screened for HIV.

We are committed to working with our partners to deliver the best outcomes for our local communities. This means playing an active role in the South East London Integrated Care System (ICS), and in formal partnerships including the South East London Acute Provider Collaborative, provider partnerships with our local mental health trusts and borough-based boards of the ICS in Bexley, Greenwich and Lewisham.

## Equality and human rights

The Trust is committed to promoting equality, valuing diversity and protecting human rights. We do not tolerate any form of discrimination against employees, patients, service users or carers.

We recognise that everyone has different needs and that some people can experience unfair and unequal outcomes. We are committed to creating and sustaining fully inclusive and accessible services to better meet the needs of patients and staff.

## Academic activities and research

Lewisham and Greenwich NHS Trust has an established partnership with King's Health Partners (KHP), the Academic Health Science Centre for south east London. We work closely with KHP to deliver local clinical services, research, education and training activities.

Lewisham and Greenwich NHS Trust is part of the South London Clinical Research Network and the South London Academic Health Science Network. The Trust plays a part in many clinical networks across south east London, predominantly for specialist services including cancer, cardiac, stroke, maternity and neonatal services. Our participation in these networks gives local people access to specialist and local care.

## Our structure

We have five patient facing divisions:

- Lewisham Medicine and Community
- QEH Medicine
- Women, Children and Sexual Health
- Surgery and Cancer
- Allied Clinical Services

Each division is led by:

- A Divisional Director of Operations
- A Divisional Medical Director
- A Divisional Director of Nursing/Midwifery/Professions.

# The Trust in the news

**The Trust was featured widely in broadcast and print media over the year. Here are some highlights.**

## Metro writer hails QEH Covid-19 care

Deputy Features Editor Amanda Cable from the Metro newspaper wrote about her experience of being treated for Covid-19 at Queen Elizabeth Hospital.

Following the onset of mild Covid-19 symptoms, Amanda's health "took a sudden turn for the worse" and she attended the QEH emergency department following a chat with her GP.

*"Inside, the normally packed A&E had just ten patients, all with masks on," said Amanda. "I wore one too — and from behind it, saw extraordinary acts of kindness..."*

## ICU sister treated by her colleagues

In May 2020, the story of ICU sister Lisa Cox and her amazing recovery from Covid-19 was featured widely in print and broadcast media. Lisa spent five days as a patient in the ICU where she works at University Hospital Lewisham. She was put on a CPAP machine to help her breathe. She said:

*"The care I received from everyone at the Trust was simply amazing. I couldn't find fault with a second of it."*

Lisa's story was featured in the News Shopper and South London Press, and she was interviewed on Radio 5 Live, BBC London News, the BBC One Show and ITV News.

## Giving birth during Coronavirus

Katherine Cole was featured in the local media singing the praises of our maternity teams, who were there for her when she gave birth to her son Max at Queen Elizabeth Hospital in April 2020. Katherine had to have a caesarean section but her husband wasn't able to be with her due to Covid-19 infection prevention rules.

*"I felt nervous about going into hospital on my own but the staff were so kind," says Katherine. "From the moment I arrived the staff made me feel welcome and supported. The current situation is not ideal for pregnant women and women giving birth, but the support that I received from all members of staff was fantastic. Thank you!"*

## Roller skating back to health

In May 2020, Clayton Jean-Charles was featured in the Evening Standard thanking our staff for saving his life when he had Covid-19 – and helping him get back to his hobby of roller skating in Greenwich Park. Clayton said:

*"It was a life-changing experience to witness the grace, kindness and understanding of all the doctors, nurses, physios and other healthcare staff."*

## "I am so grateful"

In May 2020, staff nurse Zainab Deen, who works at University Hospital Lewisham (UHL), spoke to the News Shopper about her experience as a patient at UHL after being diagnosed with Covid-19.

*"I was so scared, but the nurse who assessed me in the emergency department was lovely," said Zainab. "She could see I was nervous so she reached over, took my hands and said, "You will be OK". I am so grateful to that nurse for her reassuring words – they made all the difference."*

After a month in hospital, Zainab was well enough to go home. She was discharged on International Nurse's Day and given a guard of honour, with staff lining the walls and clapping.

## "The care was incredible"

Peter Goss, 68, from Welling, was an inpatient at University Hospital Lewisham for two months while being treated for Covid-19. He was discharged in May 2020 and given a guard of honour by staff who'd cared for him during his stay. His story was featured in the South London Press in June 2020.

*"The care was incredible," he said. "The nurses, doctors, physios, therapists were all brilliant. I feel so lucky to be alive."*

## "Don't delay getting the treatment you need"

The Trust began to resume normal services over the summer of 2020. In November, patient Peter Lawes recorded a film about his experience of surgery at the Trust to reassure patients that coming into hospital was completely safe. Peter had a hip replacement at University Hospital Lewisham and spoke about how the Trust's safety measures made him feel completely safe. He urged others not to delay getting the treatment they need. The story and video were covered by the South London Press.

## Mental health first aiders

Dr Alex George (Emergency Department doctor at University Hospital Lewisham and former Love Island contestant) appeared on Lorraine Kelly's ITV show to talk about the importance of mental health staff support in the NHS, and to discuss how we've recently trained 30 colleagues as mental health first aiders.

*Alex said: "NHS staff have been through a lot this year with everyone pulling together to provide great care and keep patients safe. This isn't just about doctors and nurses; we need to recognise the great work of pharmacists, support workers, allied health professionals and also everyone working behind the scenes."*

## Staff star in BBC London's marathon coverage

Colleagues from our running club starred in the virtual London marathon on Sunday 4 October, with the BBC covering their fundraising effort live. The team set off to applause from an audience made up of colleagues at the Trust, partner organisations and members of the public. The team ran and walked the 26.2 miles in small groups of under six people, raising more than £7,500 for our Trust Charity.

## Trust dietitian appears on BBC1

One of our fantastic dietitians made a guest appearance on BBC1's new post-breakfast show Morning Live in November to discuss portion sizes and their effect on overall health.

Katie Sanders, Specialist Nutrition Support Dietitian, spoke about the confusing and sometimes misleading nature of food packaging, and gave some brilliant advice in her chat with presenter Sabrina Grant.

## HIV testing on Channel 4 News

On 1 December 2020, World AIDS Day, Channel 4 News reported on the Trust's hugely successful HIV testing programme.

Since 2018, the Emergency Department (ED) at University Hospital Lewisham (UHL) has been testing every patient for HIV who is over 18 and requires a blood test, unless they opt out. This programme is a partnership between UHL, the Elton John AIDS Foundation and local NHS commissioners, with the overall aim of achieving zero new HIV infections by the year 2030.

For the report, Channel 4's Health and Social Care Editor, Victoria Macdonald, interviewed consultant Dr Melanie Rosenvinge and Clinical Nurse Specialist Lucy Wood from UHL's Alexis (HIV) clinic.

We have made 41 new diagnoses through the testing, with the first diagnosis in an 85-year-old patient. Nearly half of these diagnoses were in patients who attended ED with issues unrelated to their HIV, such as fractures, mental health issues and cardiac problems.

AIDS campaigner David Furnish, also interviewed as part of the report, said that detecting HIV early saves up to £250,000 in long term costs.

## Covid-19 – one year on

Our Trust was the subject of a BBC News story on 9 February 2021 focussing on colleagues who've spent a year on the front line of Covid. The starting point was the first Covid diagnosis in London, which was at University Hospital Lewisham on 9 February 2020.

To set up the piece, the communications team arranged for a BBC journalist and cameraman to come into the Trust to interview five members of staff: Itohan Ibude, Ward Manager, Chestnut Ward; Dr Mohamed Bakhit, Diabetes Consultant; Harriet Bryce, Respiratory Physiotherapist; Richard Jones, Advanced Clinical Practitioner in ED; and Dr Ed Scott, ICU Registrar.

The story appeared across all BBC platforms including their website, YouTube, social media and TV news bulletins.

The interviewees were excellent ambassadors for our Trust, and the piece was a fair and honest reflection of the challenges faced by a diverse group of frontline staff over the past year.

## Sickle cell service

The Trust's sickle cell service (the third largest in the country), was featured in a video produced by BBC StoryWorks, the commercial content division of BBC Global News. It was made for Terumo, which manufactures the apheresis device shown in the film.

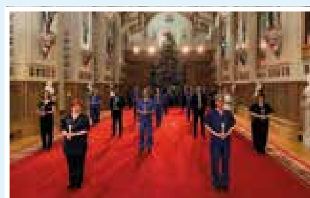
The film shows one of our patients receiving automated red blood cell exchange therapy at University Hospital Lewisham cared for by Clinical Nurse Specialists Marian Bonsu and Gifty Homevoh. It also features an interview with Consultant Haematologist Tullie Yeghen, who speaks about the devastating effects of sickle cell disease and how automated exchange therapy gives patients a much better quality of life.

## Choir teams up with Justin Bieber

METRO

BIEBER'S POP AT No.1 WITH NHS CHOIR

WE'RE INTO EXTRA TIME



In December 2020 the Lewisham and Greenwich NHS choir recorded a charity single with Justin Bieber to raise money for our Trust Charity and NHS Charities Together. The story received a huge amount of coverage all over the world, appearing in The Metro, Daily Mirror, The Independent, Sky News, The Times, Evening Standard, Daily Mail and ITV, as well as overseas publications.

The song, a new version of Justin Bieber's Holy, reached the iTunes and Spotify top five. Justin Bieber said: "It's great to be reunited with the Lewisham and Greenwich NHS Choir as we share a fun bit of UK chart history [the choir beat Bieber to the Christmas number one spot in 2015]. Especially in these difficult times, I'm humbled to team up with them for a charity single that will benefit NHS workers on the frontlines of this pandemic and pay tribute to their unbelievable dedication."

Choir leader Caroline Smith said: *"The choir includes doctors, nurses, therapists, support staff and admin staff. We're proud to promote the amazing work of colleagues in Lewisham and Greenwich NHS Trust and the wider NHS."*

Also in December, the choir was invited to sing at Windsor Castle as part of the Queen's annual Christmas broadcast on the BBC, performing the carol "Joy to the World".

NHS
Kolawole

# Our award-winning staff

**The Trust and individual members of staff received several awards over the year**

## A Woman to Watch

Zainab Hussain, the Trust's Associate Chief Clinical Information Officer, was chosen as one of the Pharmaceutical Journal's Women to Watch 2020, which celebrates brilliant, under-recognised female pharmacy professionals who are doing great things across the sector.

Zainab is one of just 12 women on the list, all of whom were nominated by their colleagues for their work in improving patient care and pushing forward the boundaries of pharmacy. Zainab was integral in the implementation of electronic prescribing and medicines administration (EPMA) at the Trust.

Described by the Pharmaceutical Journal as a 'national leader in health informatics', Zainab was in the first cohort to do a diploma with the NHS Digital Academy. Before joining the Trust, she implemented an EPMA system across Imperial College Healthcare NHS Trust, and she has helped several other hospitals with their digital prescribing systems. She also had a year-long part-time consultancy working with King's College Hospital in Dubai.

Zainab loves her job, saying: "It's so effective and so transformative. How often can you go to work and do something that changes how so many people do their job and has such a huge impact on patients?"

Outside of work, Zainab is a member of the Shuri Network, the UK's first network for women of colour working in digital health, and she regularly provides advice and support to other women from black, Asian minority ethnic backgrounds.

Champa Mohandas, Chief Pharmacist/Clinical Director, said: "We are all so proud of Zainab, and this accolade is very well deserved. She is an expert in her field, and is a great role model for women and the profession. Well done Zainab!"

## New Year Honours for Dr Azeem Alam

One of our junior doctors, Azeem Alam, was awarded a British Empire Medal in the Queen's New Year's Honours List.

Azeem was recognised for his services to medical education and as a junior doctor in his former role at Guy's and St Thomas' NHS Foundation Trust during the Covid-19 pandemic. He was appointed to one of the inaugural undergraduate medical education fellow posts at our Trust and has been an integral part of our medical education team since October 2020.

He was also nominated for his achievements as co-founder of BiteMedicine, an online medical education company committed to bringing high quality teaching and support to medical students all over the world. During lockdown, when teaching was suspended, BiteMedicine provided critical learning to 15,000 students worldwide free of charge, becoming one of the UK's largest medical education providers. Azeem and the team improvised interactive and innovative ways to engage with students, including quizzes and offering support during difficult times.

Once lockdown restrictions are eased Azeem will be invited to attend a palace garden party to receive his honour. He said: "When I first received news of the award I thought it was a scam! It's a huge honour to be recognised for my work during Covid, and I would like to share the accolade with my colleagues."

## Trust shortlisted for national award

The Trust was shortlisted from more than 1,000 entries in Health Service Journal's (HSJ) 2020 awards – the largest annual healthcare awards in the country.

We were shortlisted in the "Workforce Initiative of the Year" category for our respect and compassion programme to make the organisation a great place to work for all its staff.

Our respect and compassion programme was set up in early 2019 in response to staff feedback that more needed to be done to support the organisation's workforce.

Ben Travis, Chief Executive, said: "We've been engaging with staff to ensure that our organisational values are central to everything that we do, so that all staff get the support they need. Our focus has been on listening to colleagues and focusing on the things that matter to them."

## NELA team shortlisted for prestigious BMJ Award

The National Emergency Laparotomy Audit (NELA) team at Queen Elizabeth Hospital was shortlisted for the BMJ Awards 2020 in the Anaesthesia and Perioperative Medicine Team of the Year category. This award seeks to recognise an innovative project in the field of anaesthesia that has measurably improved care for patients.

Led by Ioannis Nikolopoulos, Surgical Consultant Lead, with help from Imran Sharieff, Anaesthetic Speciality Doctor and others, the team was recognised for its work improving outcomes for emergency laparotomy patients. Emergency laparotomies are among the highest risk procedures carried out in our theatres.

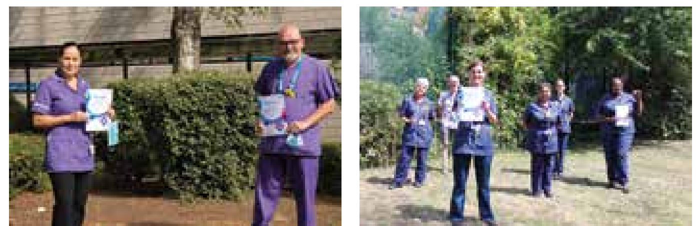
The team was seeing higher than expected patient mortality figures for laparotomy patients at QEH and decided it was time to intervene. They came up with the innovative idea to add additional prompts to the World Health Organisation (WHO) surgical safety checklist to identify high risk laparotomy patients.

The new checklist has now been in use for over 18 months and is completed jointly by the surgical team before and after surgery. Mortality rates for emergency laparotomy at QEH have substantially reduced since it was introduced, and length of stay and standards of care have also improved. Imran said: "We are thrilled to have been nominated for the BMJ Awards for this work. Lives have been saved by a simple and low-cost intervention."

"In future we hope to share our modified surgical safety checklist with other hospitals. We are also looking forward to making further quality improvement jointly with our NELA colleagues at University Hospital Lewisham; including provision of a consultant-led care of the elderly service for patients undergoing emergency laparotomy."

## Covid awards

In summer 2020 we invited staff to nominate their colleagues for outstanding work during the pandemic. We held outdoor events in July to celebrate all the nominees and present them with a certificate and badge.



## Parliamentary Awards

In November, staff from the Trust were announced as regional London winners in two categories of the NHS Parliamentary Awards – a major awards scheme where MPs nominate health and care workers who have done an outstanding job.

Kate Hudson, the Trust's Lead Dementia Nurse Specialist (above right), won the London Regional NHS Parliamentary **Care and Compassion Award** for her work to support dementia patients.

Kate's work has included championing virtual visits for patients, establishing a comprehensive staff training programme and supporting dementia patients with everyday tasks.

The Trust also won the London Regional NHS Parliamentary **Wellbeing at Work Award** in recognition of the organisation's respect and compassion programme – a major initiative to make the Trust a great place to work for everyone.

#hello my name is...
Urmila

# Redeployment during the pandemic

**Many of our staff transferred temporarily to different areas of the Trust, providing valuable support**

Early on in the pandemic, when we suspended many of our services, we ran a redeployment programme so that staff whose normal duties had been reduced, or who were isolating and working from home, could help keep other services running.

## Redeployed to ICU

One area that needed extra help was intensive care, and scrub nurse Caroline Duffy was happy to volunteer once elective surgery was cancelled. She found the work quite different to her normal job in theatres.

"In theatres the nature of the job means we tend not to get emotionally involved with patients. As scrub nurses we concentrate on the practical aspects of making sure the patient is safe, that we have everything we need, and keeping accurate records.

"In intensive care, even though the patients can't fully engage with the nurses due to their illnesses, medication or both, we are the link to the outside world and their families. I very much invest in the intensive care patients, as they need to feel human connection (even through three pairs of gloves) so I feel a duty to become emotionally involved on some level.

"What I do know is that, while we can't guarantee the outcomes that we want, we can and do make a real difference."

Critical Care Matron Martine Rooney was full of praise for the professionalism demonstrated by the nurses who were redeployed to intensive care. "Right from the beginning they were quick to learn new skills, and all adapted swiftly to working in our high stress, fast-paced environment."

## Runners in command centres

Staff from the medical records team were redeployed as runners in our command centres. Their roles included making visors, distributing PPE, and distributing delicious food donated by local businesses to front line staff.

"The people on the wards are doing the really tough work, saving people's lives," said Keiron Joseph from the Medical Records team, "but being a runner makes you feel useful too because you know you're making their lives easier, and most people have been really grateful for all the donations and help."

## Non-clinical staff on wards

During the second wave of the pandemic, non-clinical staff provided valuable support on the wards by making calls to families to give an update about their loved one in hospital. It was also a chance to set up a Zoom or FaceTime call with their relative - which plays a big part in keeping families connected while visiting isn't allowed.

Catriona Stapleton, from the Quality Improvement team, set up a Facetime call between a 97-year-old patient, his son and his grandchild: "He couldn't believe he could see them – he said it was like they were in the room!" said Catriona.

"He really came to life on the call – he was winking, blowing kisses… I nearly shed a tear! It's so special to give people this kind of reassurance and boost."

Other non-clinical staff worked at our wellbeing hubs and took trolleys to the wards loaded with refreshments to give clinical staff a well-deserved break.

## Therapists help out on wards

At the height of the Covid-19 crisis, some of our therapists were redeployed to work on wards at University Hospital Lewisham. Physiotherapists, speech and language therapists and dietitians came together to utilise their skills on the frontline after aspects of their services were temporarily suspended due to Covid-19.

The therapists helped out with tasks such as clinical observations, assisting with personal care, feeding and drinking, assisting patients to take medicines and helping patients communicate with loved ones at home. This was a huge help to patients and staff, relieving pressure on some of our services through our busiest period. This collaboration also allowed for more multidisciplinary working and for staff with various skillsets to come together to provide patients with the best possible care and support.

**Caroline Harbord, Senior Physiotherapist and LEEP Team Lead said:** "It has been great to be able to use my skills elsewhere in the organisation and help out colleagues on the wards who are doing a fantastic job. We may be from different healthcare backgrounds, but one thing we all have in common is that we all want to provide the best patient care possible.

"I have found it to be an extremely rewarding experience. It has been really uplifting to see everyone coming together to do their bit."

## Redeployed to the bereavement office

Jackie Taylor, Patient Experience Officer at UHL, and Carolyn Britten, Clinical Effectiveness Facilitator at QEH, were redeployed to the bereavement offices at UHL and QEH respectively during the first wave of the Covid-19 pandemic.

**Jackie says:** "As part of the Patient Experience Team we usually carry out a lot of work on wards, talking to patients and completing surveys, but as this was no longer possible I volunteered for redeployment and came to the bereavement office. It was already extremely busy, so I hit the ground running. I helped prepare all the paperwork, contacted the doctors to come and complete their reports, and set up systems to support the smooth running of the department.

"I was happy to support a team under pressure during such a difficult time. One positive for me was working with doctors, which I haven't really done before, and to use my knowledge of the Trust to help gather information for the reports. I'm pleased I was able to help families and colleagues through a stressful time."

**Carolyn says:** "I was helping to answer phones, prepare paperwork and speak to bereaved relatives to help them through the next steps. This was emotionally very tough, and some days I was speaking to a great many families. What helped was that so many relatives told me how grateful they were for the care their loved ones received and how much this meant to them. They understood how much care our staff put into looking after patients at the end of their life, and they appreciated being able to keep in contact with their relatives through video and phone calls.

"I was welcomed into the team straightaway and felt that the work I was doing had value and helped relieve some of the pressure everyone was under. I was really pleased to be able to use my people skills and experience to make a contribution. Everyone has stepped up to do their bit and the team spirit is heartening for both staff and patients."

## Back to ICU after 11 years

Martina Reyes, a breast cancer clinical nurse specialist at QEH volunteered to work in the intensive care unit (ICU) to support patients admitted with Covid-19.

Having worked as a critical care nurse 11 years ago, Martina was well placed to work in ICU, but completed a refresher course to reacquaint herself with this specialist form of nursing.

She says: "I was a bit nervous on my first day back in the unit. My first shift was exhausting, but I was pleased that the skills came back to me quickly, including very specialist tasks like close monitoring, mixing antibiotics and so on. One of the most positive things for me was the broadening of my skills, learning and adding to my experience.

"The staff in ICU are outstanding and highly skilled. They are incredibly supportive of one another, and dedicated to patients. As visitors aren't allowed in the unit at the moment, we helped patients to keep up contact with relatives with regular phone and video calls.

"Despite all the difficult moments, I am proud that I've been able to help our patients through challenging times."

# Trust Charity

**Our charity makes a real difference to staff, patients and families when they need it most**

We were touched by how our local community reached out to support our colleagues and patients during the Covid-19 pandemic, and were moved by the abundance of donations from individuals and organisations. This generosity enabled our Trust Charity to make a significant difference to staff, patients and patients' families when they needed it most.

The donations enabled us to provide patients with equipment such as iPads to keep in touch with friends and family, and fleeces and trousers for those who needed warm clothing to wear when discharged. The generous contributions made to our toy appeal at Christmas ensured every child spending Christmas in one of our hospitals had a special gift to open on Christmas Day.

Throughout the pandemic, staff have worked tirelessly to maintain the highest possible standards of patient care. Donations to the Trust Charity have helped support this tremendous effort by funding staff wellbeing hubs and rest areas, including bean bags, furniture for outdoor rest areas and a marquee to use for outdoor activities. In June 2020, the Trust Charity made it possible for the Trust to provide Covid Award badges and certificates to recognise the fantastic work of our staff.

As the pandemic unfolded in 2020, Captain Sir Tom Moore inspired our nation and raised £32.8m for NHS Charities Together by walking 100 laps of his garden before his 100th birthday. The money he raised is being distributed to NHS charities across the country; our Trust Charity has received £186,000 of these funds, helping to fund psychological support for staff, key items for our staff wellbeing hubs and training for our staff Wellbeing Champions programme. During this unique year, we continued to support key memorial events including our 'Forget-me-not' service to commemorate all children and babies who have died during pregnancy or after their birth, as well as the 'Forever and Always' service to remember colleagues and others we have lost in our community. This year, our 'Forever and Always' service was particularly poignant as we also commemorated the lives of staff and patients lost due to the pandemic.

The Trust Charity also funded other important items, such as recliner chairs for our children's wards, enabling a parent or carer to stay in hospital with their child. We also provided sensory play equipment for our youngest patients, and exercise bikes for patients in our cardiac department. In addition, and in partnership with the CRADLE charity, we funded comfort bags for patients affected by early pregnancy loss.

Lewisham and Greenwich NHS Trust Charity

As 2020 came to a close, we ended an unprecedented year on a real high, thanks to the efforts of the Lewisham and Greenwich NHS Trust Choir, who teamed up with Justin Bieber to release a special charity Christmas version of his hit single 'Holy'. Our Trust Charity and NHS Charities Together will continue to benefit from the royalties generated by this single over the coming year.

Following the extraordinary period of the pandemic's first wave, we appointed our first Head of Charity, who will develop the Charity's activities to improve staff and patient areas across the Trust's sites.

**Visit the Trust Charity section on our website to find out more and get involved**
**www.lewishamandgreenwich.nhs.uk/charity**

# Performance report

# Chief Executive's statement on performance

**Early on in the pandemic, when numbers of Covid positive inpatients were on the rise, we suspended many of our usual services including planned surgery and diagnostics. At the same time we started to see reduced numbers of patients attending our Emergency Departments, which we put down to anxiety about Covid-19. All of these things affected our performance against the NHS standards.**

In the summer we restarted planned services, putting measures in place to keep our patients and staff safe. However, it took some time before patients felt confident enough to return.

In October all of our services started to become busier but our Emergency Departments continued to perform well compared with others in the region.

Numbers of Covid positive patients picked up in November 2020 but, despite the pressures, we were able to continue with elective activity, outpatient appointments and diagnostics. We had thought we'd be able to keep as many services running as possible during the second wave, but in January we were forced to suspend planned surgery. During the second wave, we saw 65% more Covid-positive patients in our hospitals than in the first wave, which put enormous pressure on our resources. However, we were in a better position this time around due to lessons learned during and after the first wave, and we were able to give more effective treatments to patients with Covid.

We worked closely with our local NHS partners during the second wave to manage demand for critical care services. We also created virtual wards, so that patients could receive care at home rather than in hospital.

We began reopening our theatres in March 2021 and worked with the independent sector to get through our urgent surgery lists. However, our waiting lists are very long, and we are doing our best to work through the backlog and reduce the impact on our patients.

In other news, the results of our February 2020 CQC inspection, published in July 2020, were extremely encouraging. Although our overall rating remains "Requires Improvement", we are now rated 'Good' in three domains: caring, effective and well-led. Our ratings improved in over half the areas they inspected, and over three quarters of the Trust's service domains are now rated as "Good" or "Outstanding" (with no areas rated "Inadequate").

**Ben Travis**, Chief Executive
2021

# Performance overview

## Our performance against NHS standards and targets

The Trust's performance is measured against national and local targets. This section provides an overview of our performance in these areas. A table showing our performance is on pages 28 and 29.

Performance in 2020/21 has been seriously affected by the Covid-19 pandemic. During the first and second waves of the pandemic many services were suspended, which meant that staff were redeployed and our acute medicine capacity was expanded to treat Covid patients.

## Emergency department four-hour wait

The national standard is for at least 95% of patients to wait no more than four hours to be treated when attending our emergency departments (EDs). It was acknowledged during the 2020/21 planning round that this standard has become increasingly difficult to achieve and a local trajectory was agreed for 82.4% of attendances to be treated within four hours. The trajectory was exceeded by 7.3% with 89.7% being treated within four hours, and the monthly trajectory was exceeded for 10 out of 12 months. This level of performance compares well with other London acute trusts.

The Covid-19 pandemic had a significant impact on our performance. For much of the year attendances have been much lower than usual. However, the severity of patient illness has been much higher, as has the proportion of patients requiring admission. During both waves of the pandemic, bed occupancy was very high and additional beds were opened wherever possible. Both ED departments were reconfigured to increase capacity for patients requiring admission and enhanced infection prevention measures were implemented to protect patients and staff.

NHS England is currently consulting on new ED performance measures to be implemented during 2021/22. One of the proposed changes is to replace the four hour wait with a new standard that measures the mean waiting time for all patients.

## Cancer targets

In 2020/21 none of the cancer standards have been consistently achieved due to the impact of the Covid pandemic.

### Two-week waiting standard

The national standard is that 93% of patients should wait no more than two weeks to be seen following an urgent referral for any type of cancer. This national standard is measured separately for patients with symptoms of breast cancer.

Two-week wait outpatient referral volumes have increased steadily during 2020/21, despite lower than normal referrals during April 2020 and again during the second wave (January and February 2021). From September 2020, performance was below the 93% standard, however performance has been improving month on month since October.

### 31-day standard

Following diagnosis, all patients who need cancer treatment should begin this within 31 days of the decision to treat. In previous years the Trust has consistently achieved this target. However, in 2020/21, due to the suspension of elective surgery, a small number of patients have waited longer for treatment to begin, which means the standard was not achieved in eight months of the year.

### 62-day standard

The NHS standard is that at least 85% of patients needing treatment for cancer should start their treatment within 62 days of referral.

This standard has always been challenging to achieve in south east London and there has been a drop in performance in 2020/21 due to the impact of the Covid pandemic. We have been using independent sector capacity and working in partnership with other south east London trusts to minimise waits and this partnership working will continue in 2021/22. The number of patients who have been on the waiting list for over 62 days increased during the first and second waves of the pandemic but is now steadily reducing and this will translate into improved performance.

## Referral to treatment standard

The NHS standard remains that 92% of patients referred to hospital should start their treatment within 18 weeks. The NHS 2020/21 national planning guidance continued the focus on reducing the overall size of the waiting list compared to March the previous year.

Nearly all elective (planned) surgery was suspended for several months during both waves of the pandemic. This has meant that we have seen a large increase in the numbers of patients waiting for elective treatment. The length of time patients are waiting for treatment has also increased and the number of patients waiting more than 52 weeks increased from 95 in April 2020 to 3,046 in March 2021. The increase in the waiting list and number of long waiters is unprecedented but comparable to those in other trusts in south east London.

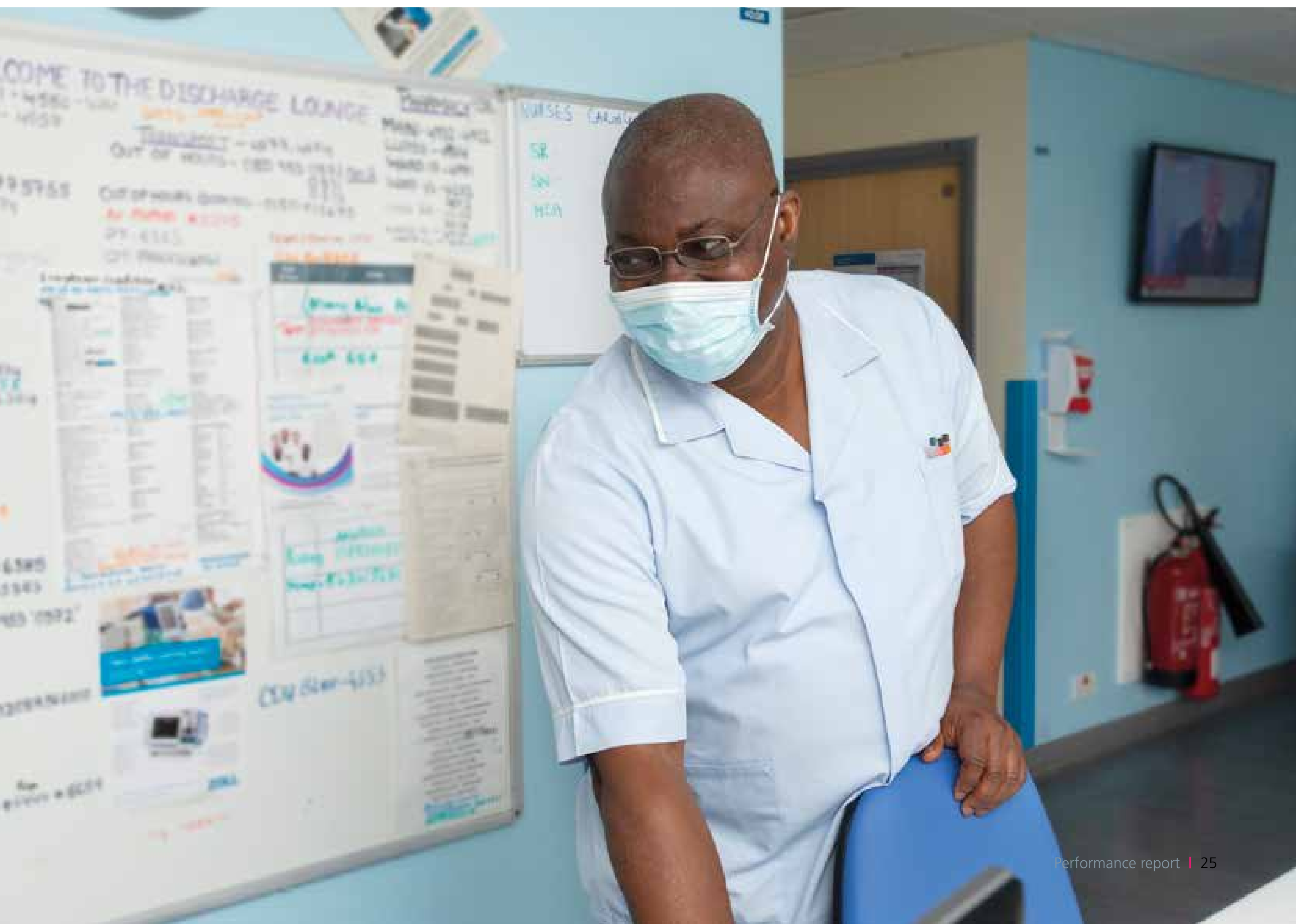
In April 2021, although most elective (planned) capacity has reopened, the number of patients that can be treated is lower due to enhanced infection prevention measures. The waiting list size and number of long waiters is projected to continue increasing into 2021/22.

All patients have been clinically reviewed and prioritised for treatment and this is kept under ongoing review. The most clinically urgent patients, not necessarily those who have waited longest, are being treated first. The NHS planning guidance for 2021/22 emphasises increasing activity levels and this is a priority for the Trust. We are using independent sector capacity and exploring other options to increase capacity.

## Infection control

The Trust ended the financial year with a total of 38 Clostridiodes difficile (C. difficile) cases against a trajectory of no more than 27 cases. This is an increase on the previous year's figure of 30, but should be viewed against a backdrop of Covid-19 and the increased use of antibiotics, which is often related to cases of C.difficile, as has been seen nationally. Of the 38 cases which are Trust assigned, 24 were Hospital Onset Healthcare Associated and 14 were Community Onset Healthcare Associated. Compared to the last financial year, this is an increase of only two Hospital Onset Healthcare Associated cases.

The Trust reported four Trust assigned MRSA bacteraemia over 2020/21. Although this breaches the zero trajectory, all cases are being investigated, with appropriate learning being identified to reduce the risk of further occurrences.



## Safer staffing

Lewisham and Greenwich NHS Trust continues to improve and build its safe staffing review process, with this year building on the review undertaken in 2019. The reviews take into account evidence-based tools, professional judgement and outcomes to ensure the right staff with the right skills are in the right place at the right time. It is based on patients' needs, acuity, dependency and risks, and should be continually monitored and reported ward to board (NHSI, 2018).

Evidence to support the decisions and proposals within the paper have been made using available evidence and data. The scope of this year's review extended to incorporate and reference all 82 services with a nursing and midwifery workforce and areas that have been relocated and remodelled during the Covid-19 pandemic, with the aim to reflect the anticipated future staffing needs for 2021/22.

The Trust has improved its position in regards to the recruitment of the registered nursing and midwifery workforce, meeting the key milestones set out in the roadmap 12 months ahead of time, with a much improved vacancy rate of 8.09%, down from 11.37% in January 2020. This has led to better team working and an increase in substantive staff on each shift and the ability to develop individuals.

## VTE

The national standard is that 95% of patients are screened on admission for venous thromboembolism, more commonly known as VTE. This is the collective term for blood clots known as deep vein thrombosis (DVT) and pulmonary embolism (PE) – a significant cause of death, long-term disability and chronic health problems. We met this target consistently over 2020/21.

## Childhood obesity

Measuring a child's height and weight is part of the Government's strategy to tackle obesity; it is led by the National Child Measurement Programme (NCMP).

Children are weighed and measured in reception class (aged four to five years) and again in year 6 (aged 10 to 11 years) to assess the percentage of children who are overweight or very overweight within primary schools.

The School Health Service in Lewisham aims to meet all the targets for measuring children so that early action can be taken to detect and treat obesity. The service delivers a 10-week programme from the HENRY organisation called 'Healthy Families:Growing Up' for families with children aged 5-12 years.

In Greenwich, community services are provided by Oxleas NHS Foundation Trust.

## Breastfeeding

The health benefits of breastfeeding are well documented, and the Department of Health recommends children are breastfed for at least a year, as it continues to provide both significant nutritional benefits and protection from illnesses.

In July 2018, the Lewisham Health Visiting Service gained full "Baby Friendly" Level 3 accreditation from UNICEF, showing that we are meeting the highest levels in supporting breastfeeding effectively. Over 2020/21, our focus has been on ensuring that this work is sustainable, and we are aiming to gain the UNICEF Baby Friendly Gold Award in recognition of this work. Our community team in Lewisham has met all targets for ensuring that the majority of infants are fully or partially breastfed at six to eight weeks. For the third quarter of 2020/21, 80.6% of babies in Lewisham were fully or partially breastfed, which far exceeds the national average. Lewisham is consistently the borough with one of the highest rates of breastfeeding at six to eight weeks in London.

## Mortality data

We review mortality data about our patients so we can check that our services are safe and take action to improve where necessary. The Summary Hospital-level Mortality Indicator (SHMI) is a mortality measure that takes account of a number of factors. It includes patients who have died while having treatment in hospital or within 30 days of being discharged. The SHMI score is measured against the NHS average – which is 1. A score below 1 denotes a lower than average mortality rate and therefore indicates good, safe care.

To help understand the SHMI data, trusts are categorised into one of three bands:

- Trust's SHMI is "higher than expected" – Band 1
- Trust's SHMI is "as expected" – Band 2
- Trust's SHMI is "lower than expected" – Band 3

Over 2020/21, the Trust's score was "as expected" (Band 2) in the SHMI, indicating that our care is safe.

Our SHMI score has gone down from 1.07 when the Trust was formed (in 2013) to 0.93, indicating lower than expected mortality rates.

This improvement is due to a range of initiatives, including:

- Improving how we respond to inpatients showing early signs of deteriorating health (through use of the National Early Warning Score system – known as NEWS for short)
- Ensuring the intensive care teams provide outreach support on the wards when needed
- A wide range of improvements we've made through the national Sign up to Safety programme and continue to make through our ongoing patient safety programme.

# Performance table

| National target | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Emergency cases: 95% of all patients attending A&E should be treated, admitted or discharged within a maximum of four hours (performance against trajectory) | 84.8% | 96.3% | 96.3% | 95.2% | 96.9% | 93.3% | 91.1% | 89.8% | 78.7% | 70.2% | 89.5% | 92.9% |
| Infection control: the Trust should have no cases of MRSA bacteraemia | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 1 | 0 |
| Infection control: the Trust should have no more than 27 cases of Clostridium difficile. The table lists the total number of cases in each month of the year to date (so there was a total of 38 cases over the year) | 2 | 2 | 2 | 8 | 2 | 5 | 5 | 1 | 1 | 6 | 2 | 2 |
| Infection control: Clostridium difficile ytd trajectory variance | -1 | -2 | -3 | 3 | 3 | 6 | 9 | 8 | 7 | 11 | 11 | 12 |
| Cancer: patients should wait no more than two weeks for an urgent referral. The standard is 93% | 85.2% | 94.4% | 95.3% | 96.9% | 93.5% | 87.4% | 78.3% | 83.8% | 87.7% | 87.8% | 90.7% | 89.0% |
| Cancer: patients with symptoms of breast cancer should wait no more than two weeks for treatment following an urgent referral. The standard is 93% | 66.7% | 66.7% | 100% | 100% | 97.2% | 96.9% | 95.0% | 91.5% | 89.9% | 79.1% | 92.7% | 96.2% |
| Cancer: patients should not wait more than 31 days from confirmed diagnosis to treatment. The standard is 96% | 95.9% | 98.5% | 93.4% | 98.9% | 93.8% | 95.4% | 89.8% | 96.4% | 96.5% | 93.1% | 92.9% | 95.1% |
| Cancer: patients should not wait more than 62 days for treatment from GP referral. The standard is 85% | 78.9% | 77.3% | 75.4% | 80.0% | 81.6% | 79.3% | 69.8 | 76.6% | 81.3% | 80.1% | 77.7% | 78.5% |

| National target | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cancer 62 day performance excluding shared pathway patients | 80.5% | 80.6% | 81.4% | 85.7% | 86.1% | 84.4% | 76.2% | 81.5% | 88.5% | 85.7% | 77.3% | 89.4% |
| 18 weeks target: patients who have not been treated yet should not have waited longer than 18 weeks. The standard is 92%. | 71.5% | 66.1% | 61.4% | 57.7% | 61.0% | 66.9% | 69.5% | 72.7% | 74.1% | 71.7% | 69.7% | 68.2% |
| 18 weeks target: number of open pathways | 37535 | 36892 | 36571 | 37041 | 37678 | 39350 | 40227 | 41380 | 43964 | 44487 | 45507 | 49247 |
| 18 weeks target: patients waiting longer than 52 weeks | 95 | 276 | 592 | 984 | 1276 | 1468 | 1726 | 1789 | 1906 | 2506 | 2940 | 3046 |
| Safer staffing: we should be meeting 90% of staffing requirements | 95% | 99% | 99% | 99% | 100% | 98% | 100% | 103% | 102% | 97% | 105% | 99% |
| 95% of inpatients should receive a VTE assessment | 97.6% | 96.9% | 96.5% | 98.0% | 98.0% | 97.7% | 96.4% | 96.8% | 98.0% | 98.5% | 97.1% | 95.4% |
| Breastfeeding: ensure the feeding status of 95% of infants is checked within 6-8 weeks after birth | 99.3% | | | 99.0% | | | 99.3% | | | 99.6% | | |
| Breastfeeding: ensure that 72.5% of infants are fully or partially breast fed at 6-8 week check | 81.5% | | | 79.2% | | | 80.6% | | | 80.9% | | |
| Childhood obesity: ensure that 87% of children in Reception are measured as part of the Government's National Childhood Measurement Programme - Academic year 2019-20 | 90.9% | | | | | | | | | | | |
| Childhood obesity: ensure that 87% of children in Year 6 are measured - Academic Year 2019-20 | 90.2% | | | | | | | | | | | |
| Standardised Hospital Mortality Indicator (SHMI) | 0.9453 | 0.9467 | 0.9376 | 0.9392 | 0.9516 | 0.9648 | 0.9570 | 0.9624 | 0.9337 | 0.9407 | 0.9436 | 0.9363 |

# The view from our regulators

The Care Quality Commission (CQC) inspected the Trust in February 2020 and published the results in July 2020.

While the Trust's overall rating remains "Requires Improvement", the CQC found huge improvements, and we're now rated as "Good" in three domains: caring, effective and well-led. The CQC improved the ratings of over half the areas they inspected, and over three quarters of the Trust's service domains are now rated as "Good" or "Outstanding" (with no areas rated as "Inadequate").

Ben Travis, Chief Executive, said: "We've made a number of improvements since the last CQC inspection in 2018, and this report shows that – while we have got more to do – we are on the right track."

A CQC spokesperson said: "Lewisham and Greenwich NHS Trust has made improvements and CQC recognise that the Trust's leadership is moving the organisation in the right direction."

The CQC report noted that:

- Critical care services at Queen Elizabeth Hospital (QEH) achieved a rating of "Outstanding" in the "well-led" domain – an improvement from "Requires Improvement" in the previous inspection
- The education and development programme offered to nurses in urgent and emergency care services at QEH was cited as an example of "outstanding practice"
- Surgery services at both University Hospital Lewisham (UHL) and QEH have improved from "Requires Improvement" to achieve a rating of "Good"
- Critical Care services at QEH have moved from "Requires Improvement" to "Good"
- A number of hospital services were not inspected and retain their rating of "Good", namely: urgent and emergency services at UHL, critical care at UHL, maternity at both UHL and QEH, children and young people's services at UHL and outpatients at QEH
- Community services in Lewisham were not inspected and retain their rating of "Outstanding".

The CQC inspection noted that improvements needed to be made at QEH for the safe and secure storage of medicines and for care of patients with mental health needs in urgent and emergency care. In response:

- The Trust's pharmacy and nursing teams have been engaging with frontline staff to ensure safe and secure medicines management. This has included producing clear guidance for staff on monitoring best practice and escalating any issues to ensure that the Trust meets best practice guidelines
- The Trust has worked with Oxleas NHS Foundation Trust to set up a mental health suite next to the urgent care centre, so that the high number of mental health patients requiring emergency care can be treated in the right environment. Specialist nurses and therapists from Oxleas staff the area, overseen by consultants from the Emergency Department. The Trust is also currently reviewing all arrangements for patients with mental health needs who receive urgent and emergency care.

## CQC whole Trust ratings 2018

| Safe | Effective | Caring | Responsive | Well-led | Overall |
|---|---|---|---|---|---|
| Requires improvement →← 2018 | Requires improvement →← 2018 | Good ↑ 2018 | Requires improvement →← 2018 | Requires improvement →← 2018 | Requires improvement →← 2018 |

## CQC whole Trust ratings 2020

| Safe | Effective | Caring | Responsive | Well-led | Overall |
|---|---|---|---|---|---|
| Requires improvement →← July 2020 | Good ↑ July 2020 | Good →← July 2020 | Requires improvement →← July 2020 | Good ↑ July 2020 | Requires improvement →← July 2020 |

## Ratings for University Hospital Lewisham

| | Safe | Effective | Caring | Responsive | Well-led | Overall |
|---|---|---|---|---|---|---|
| **Urgent and emergency services** | Requires improvement Sept 2018 | Good Sept 2018 | Good Sept 2018 | Good Sept 2018 | Good Sept 2018 | Good Sept 2018 |
| **Medical care** (including older people's care) | Requires improvement →← July 2020 | Requires improvement ↓ July 2020 | Good ↑ July 2020 | Good ↑ July 2020 | Good ↑ July 2020 | Requires improvement →← July 2020 |
| **Surgery** | Good ↑ July 2020 | Good ↑ July 2020 | Good →← July 2020 | Good →← July 2020 | Good ↑ July 2020 | Good ↑ July 2020 |
| **Critical care** | Good Aug 2017 | Good Aug 2017 | Good Aug 2017 | Good Aug 2017 | Good Aug 2017 | Good Aug 2017 |
| **Maternity** | Good Sep 2018 | Good Sep 2018 | Good Sep 2018 | Good Sep 2018 | Good Sep 2018 | Good Sep 2018 |
| **Services for children and young people** | Good Aug 2017 | Good Aug 2017 | Good Aug 2017 | Good Aug 2017 | Good Aug 2017 | Good Aug 2017 |
| **End of life care** | Requires improvement Sep 2018 | Requires improvement Sep 2018 | Good Sep 2018 | Good Sep 2018 | Good Sep 2018 | Requires improvement Sep 2018 |
| **Outpatients** | Requires improvement Aug 2017 | N/A | Good Aug 2017 | Requires improvement Aug 2017 | Requires improvement Aug 2017 | Requires improvement Aug 2017 |
| **Overall** | Requires improvement →← July 2020 | Requires improvement →← July 2020 | Good →← July 2020 | Good ↑ July 2020 | Requires improvement →← July 2020 | Requires improvement →← July 2020 |

## Ratings for Queen Elizabeth Hospital

| | Safe | Effective | Caring | Responsive | Well-led | Overall |
|---|---|---|---|---|---|---|
| **Urgent and emergency services** | Requires improvement →← July 2020 | Good →← July 2020 | Good →← July 2020 | Requires improvement →← July 2020 | Good ↑ July 2020 | Requires improvement →← July 2020 |
| **Medical care** (including older people's care) | Requires improvement →← July 2020 | Good →← July 2020 | Good ↑ July 2020 | Good ↑ July 2020 | Good ↑ July 2020 | Good ↑ July 2020 |
| **Surgery** | Good ↑ July 2020 | Good ↑ July 2020 | Good →← July 2020 | Good ↑ July 2020 | Good ↑ July 2020 | Good ↑ July 2020 |
| **Critical care** | Good ↑ July 2020 | Good →← July 2020 | Good →← July 2020 | Good ↑ July 2020 | Outstanding ↑↑ July 2020 | Good ↑ July 2020 |
| **Maternity** | Good Sep 2018 | Good Sep 2018 | Good Sep 2018 | Good Sep 2018 | Good Sep 2018 | Good Sep 2018 |
| **Services for children and young people** | Requires improvement →← July 2020 | Good →← July 2020 | Good →← July 2020 | Requires improvement ↓ July 2020 | Requires improvement →← July 2020 | Requires improvement →← July 2020 |
| **End of life care** | Requires improvement Sep 2018 | Requires improvement Sep 2018 | Good Sep 2018 | Good Sep 2018 | Good Sep 2018 | Requires improvement Sep 2018 |
| **Outpatients** | Good Aug 2017 | N/A | Good Aug 2017 | Requires improvement Aug 2017 | Good Aug 2017 | Good Aug 2017 |
| **Overall** | Requires improvement →← July 2020 | Good ↑ July 2020 | Good →← July 2020 | Requires improvement →← July 2020 | Good ↑ July 2020 | Requires improvement →← July 2020 |

## Ratings for Community Health Services

| | Safe | Effective | Caring | Responsive | Well-led | Overall |
|---|---|---|---|---|---|---|
| Community health services for adults | Good Aug 2017 | Good Aug 2017 | Good Aug 2017 | Good Aug 2017 | Good Aug 2017 | Good Aug 2017 |
| Community health services for children and young people | Good Aug 2017 | Outstanding Aug 2017 | Good Aug 2017 | Good Aug 2017 | Outstanding Aug 2017 | Outstanding Aug 2017 |
| Overall | Good Aug 2017 | Outstanding Aug 2017 | Good Aug 2017 | Good Aug 2017 | Outstanding Aug 2017 | Outstanding Aug 2017 |

# **Quality:** continually improve safety and quality

**"Our hospitals were hit hard during the pandemic but our staff adapted very quickly to new ways of working. We suspended planned surgery, expanded our ICUs and established Covid and non-Covid areas of the hospital to keep patients and staff safe."** Dr Elizabeth Aitken, Medical Director

## Responding to Covid-19

The first Covid-19 patient in London was diagnosed at University Hospital Lewisham on 9 February 2020, and we received our first positive inpatient on 8 March. From then on, numbers steadily rose, reaching a peak on 8 April 2020, when we had 350 confirmed or suspected inpatients with Covid-19 across both of our hospitals.

In line with national guidance, visiting was restricted to protect our staff and patients from the risk of Covid-19, although exceptions were made for certain categories of patient, such as those who were critically ill or nearing the end of life, children, and women during and after labour.

Numbers started to decline over the summer and we were able to restart planned services, developing robust safety measures to keep patients and staff safe.

In the autumn, numbers started to rise again and, at the height of the second wave in January 2021, we were caring for around 500 confirmed or suspected Covid positive patients.

### Covid Command Centres

In March 2020 we set up Covid Command Centres at both of our hospitals to answer queries from staff and the public on Covid-19, contact patients with swab results and support the contact tracing of staff in the event of an inpatient testing positive. The command centres also made sure that up-to-date clinical information was available to all staff.

### Treatment for Covid-19

By the time the second wave of the pandemic took hold we'd learnt a lot more about how to treat people with Covid-19. Oxygen was still the main treatment, but we were able to use CPAP machines rather than put patients on ventilators. In February 2021, we set up a parallel oxygen system for wards 22 and 23 at QEH, which took pressure off the main system and made us more resilient.

Trust Medical Director Dr Elizabeth Aitken says: "Initially, the only treatment for Covid-19 was oxygen, but our Trust has taken part in a number of trials, most notably the national RECOVERY trial, which produced evidence to support the effectiveness of new treatments such as steroids and the antiviral treatment, remdesivir.

"Also identified over the year was the need to treat the blood clots associated with the early stages of Covid.

"In addition, new community pathways have been developed to treat patients at home with oxygen, oximeters and ongoing support, reducing their need for hospital admissions.

"Thanks to all this work, we are helping more patients to recover, reducing their time in hospital and their need for critical care treatment."

### ED reconfigurations

At the beginning of the pandemic we reconfigured our Emergency Department (ED) at University Hospital Lewisham and moved a number of sub areas to different locations. This was in line with national infection prevention and control advice to protect 'green' patients (no signs or symptoms of Covid-19) from 'red' (Covid-19 positive or clinical suspicion).

In December 2020, we also expanded the children's ED at UHL, building a new-three bed paediatric short stay unit. The temporary two-year structure was built in just ten weeks, with the Estates and Children's teams working together to give the department a peaceful, separate space where children who don't need to be admitted but who need further tests or observation can be treated.

### Virtual follow-up clinics

In December 2020, the Emergency Department (ED) at University Hospital Lewisham launched a Covid-19 virtual follow up clinic. Any patient who came to ED with suspected Covid-19 went through a risk assessment. If they were felt to be at risk of deterioration but did not have an oxygen requirement, they were assessed by a senior clinician and, if they met the criteria, were sent home with a pulse oximeter and detailed instructions on how to use it.

An advanced clinical practitioner (ACP) from ED would call the patient daily to check their oxygen levels and assess their symptoms. If there were any concerns, the clinician would arrange a home visit from a community nurse. A small minority of patients (10%) returned to the hospital to be admitted to a ward.

As of 10 February 2021, 241 patients who attended ED and fitted the criteria were sent home to be cared for via the virtual clinic. The majority (90%) were able to remain at home until they recovered and didn't need to be admitted to hospital. This resulted in 530 bed days being saved, and feedback from patients has been very positive.

## Expansion of our ICUs

At the height of the first wave, in April 2020, we increased the number of beds in our Intensive Care Units (ICUs) from 17 to 60 to accommodate the high numbers of patients needing to be put on ventilators. We expanded bed capacity once again when the second wave started in the autumn of 2020.

As a member of the South East London Critical Care Network (SELCCN) we were able to share critical care capacity with our neighbours Guy's and St Thomas' NHS Foundation Trust and King's College Hospital NHS Foundation Trust. In March 2020 the network set up the Specialist Retrieval and Intensive Care Transfer Service (SPRINT) to transfer patients between ICUs to ensure that no one hospital was ever overwhelmed during the pandemic.

To date, around 1,500 patients have been transferred using this service, which uses specially equipped ambulances and highly trained staff to transfer patients between hospitals.

Richard Breeze, Intensivist and Anaesthetist at University Hospital Lewisham, said: "All transfers were coordinated by daily SELCCN meetings, and all patients needing critical care were able to access it quickly. This way of working builds resilience within the integrated care system and makes the best use of our resources."

## Mobile cancer service

In July 2020 we launched a mobile cancer service using St John Ambulance community response vehicles parked outside our hospitals. This enabled cancer patients at our Trust to get essential blood tests and other procedures before starting chemotherapy. This meant patients didn't have to go into the hospital building, minimising their contact with other patients and staff and keeping everyone safer.

The mobile cancer service was an innovative collaboration between St John Ambulance and our Chemotherapy Day Unit and Phlebotomy Department, sponsored by Guy's charitable foundation.

Lisa McGarry, Lead Chemotherapy Nurse and Matron for Cancer Services, explained: "This is a crucial service and a fantastic way to keep our most vulnerable patients safe during this Covid-19 outbreak. The mobile cancer service reduces the number of people patients come into contact with and therefore reduces the risk of exposure to the virus. Patients drive up and wait safely in their car close to the St John Ambulance and are contacted via their mobile phone asking them to attend the St John Ambulance for their test or procedure. The feedback from our patients has been extremely positive."

Steven Poynter was diagnosed with bowel cancer in January. He'd been using the mobile cancer service instead of coming into the hospital and commented: "Using this service makes me feel safe. It is efficient and excellent. The staff are lovely, and my bloods and checks are all done in 10 to 15 minutes."

## Restarting planned services

When we restarted planned services in June 2020, we were aware that patients would be understandably nervous about coming into hospital, so we launched our 'Caring for you safely' campaign. This was to tell people about the steps we were taking to keep patients and staff safe, including:

- Seeing patients coming in for planned day case services in a sealed-off part of both hospitals – well away from patients receiving treatment for Covid-19
- Securing sufficient PPE for all frontline staff, including those involved in day case procedures

- Screening all staff and patients in elective areas for Covid-19 on a daily basis
- Giving patients a test for Covid-19 three days before surgery
- Requiring all patients for planned treatment to self-isolate for a period of time before coming in for treatment.

## Antibody testing

In June 2020 we launched our antibody testing programme for all asymptomatic staff, a blood test showing whether you have had Covid-19 in the past. 89% of staff were tested, and 26% had antibodies to Covid-19, although the rate was higher for black (38%) and Asian (27%) staff, and for those working on wards (43%).

The results of antibody testing are being used to study the incidence of Covid-19 in different groups of people and to help us understand how many people and NHS staff in particular have been in contact with the virus.

## Covid-19 testing for staff

In September 2020 we launched our own testing centre at Queen Elizabeth Hospital to provide PCR swab tests for symptomatic staff and members of their household. Prior to that, only staff working in high risk areas in our hospitals (for example, ICU) were able to be tested in-house.

In December we launched our Covid-19 self-testing programme for asymptomatic staff using lateral flow devices. Since launch, the programme has picked up 600 positive cases of Covid-19 in members of staff who had no symptoms. These members of staff isolated for the required period of time, preventing transmission of the virus and protecting patients and colleagues.

## Post-Covid clinics

We were among the first group of hospitals in the country to set up a holistic post-Covid assessment clinic. Guy's and St Thomas' NHS Foundation Trust were ahead of us and kindly shared their learning and insights to help us develop the service.

We were aware that some patients were experiencing ongoing symptoms after recovering from Covid-19 and being discharged from hospital. We set up our first post-Covid assessment clinic in May 2020 at University Hospital Lewisham (UHL). Queen Elizabeth Hospital has its own post-Covid assessment pathway.

Consultant Respiratory Physician Dr Thomas Simpson, who leads the post-Covid assessment clinics at UHL, says: "We call all patients who've been discharged after recovering from Covid-19 and ask a series of questions. Those with concerning symptoms, especially those who were severely ill as an inpatient, are invited in for blood tests, a chest X-ray and physiotherapy assessments.

"We have found that around 20% of patients have ongoing symptoms after Covid, which reflects the national picture," says Dr Simpson. "The symptoms are incredibly varied, but the common ones are cough, shortness of breath, fatigue, 'brain fog' and concentration issues. These symptoms are often referred to as long Covid. Currently the main treatment for long Covid is physiotherapy and occupational therapy, but new treatments may emerge once we know more about the condition.

"Working as a multidisciplinary team of clinicians and therapists, we've learned so much from each other, but also from our patients, who have been generous with their time and their patience as we have evolved our understanding of their conditions and the treatments and therapies we have offered them."

## Covid-19 vaccination clinics

We received our first delivery of Pfizer vaccine in late December and began vaccinating staff and inpatients in the eligible groups. In February 2021 we became a mass vaccination centre, which meant that the public were able to book appointments using the National Booking Service at both of our hospitals.

By the end of July 2021, we had delivered 100,000 vaccines.

## Emergency care improvements

### New ED appointment scheme

The Trust launched the new enhanced "NHS 111 First" service in October 2020 as part of an NHS initiative to reduce waiting times and overcrowding in emergency departments.

Under the new system, local people are asked to contact NHS 111 by phone or online before attending the ED if they have an urgent – but not serious or life-threatening – medical need. They will then be directed to the right service for them. This could be an appointment with a GP, community service, or – for the first time – they will be given a time slot for treatment in the Emergency Department.

People with serious or life-threatening illnesses or injuries are still advised to dial 999 as before. And people who attend the Emergency Department without having contacted NHS 111 beforehand will still be treated as usual.

### Same day emergency care (SDEC)

Many patients who come to our Trust's Emergency Departments are able to access same-day emergency care without the need for admission.

To enable this, we have set up Acute Assessment Units at both our hospitals so that patients with urgent medical and surgical conditions can be seen by a consultant-led team.

This reduces the pressures on our EDs, as a large number of these patients can go home after they've been seen and treated; those that can't will benefit from better continuity of care and stronger specialty based care.

We also have Surgical Assessment Units at both our hospitals where patients with confirmed or suspected surgical conditions can be assessed by a specialist.

## Cancer improvements

### Lung cancer diagnosis

October 2020 marked a year since Queen Elizabeth Hospital started using the endobronchial ultrasound (EBUS) machine. This specialist lung cancer diagnosis machine is used for a minimally invasive but highly effective procedure to diagnose lung cancer and other diseases and means our patients no longer need to travel to Guy's and St Thomas' Hospitals for the procedure.

Dr Sivanantham Sasikumar, Consultant Respiratory Physician, describes how it has benefited our patients across both our hospitals:

"We have now treated 100 patients with the EBUS. Although based at Queen Elizabeth Hospital, we treat patients from University Hospital Lewisham too. The machine was funded by the South East London Accountable Cancer Network.

"During Covid-19 our team has worked really hard to continue to diagnose patients using EBUS, although the number of patients dropped due to Covid-19 restrictions.

"The EBUS machine has made a real difference. Our lung service waiting times for the procedure is now reduced to one week compared to Guy's and St Thomas', which is two weeks. This means our lung cancer patients are now diagnosed more quickly, and 60% of the people we see have lung cancer. The sooner patients are diagnosed, the better options they have for treatment. We get the preliminary diagnostic results for patients within 48 hours, thanks to the hard work and efficiency of our colleagues in the Pathology team.

"The feedback so far from patients has been very positive and this machine has really improved patient care."

## Quality improvement

The Trust's Quality Improvement (QI) programme, launched in November 2019, is a systematic approach to improvement using a recognised model. It is a "bottom up" approach and recognises that frontline staff are best at identifying where things could be done differently and finding the solutions. QI involves scoping the problem, understanding the current processes and systems, listening to and involving staff and patients in changes, and measuring the impact of the change over time. Our central QI team helps give staff the tools and skills to make changes needed for patients and colleague.

One example of a successful QI project was improving the quality of discharge summaries on Ward 22 at Queen Elizabeth Hospital. These summarise a patient's hospital journey, including important changes to medications and discharge plans. There was a huge variation in the quality of discharge summaries, which can have a negative impact on the transfer of care for patients. The project, which began in June 2020, was to improve the 10 core elements of discharge summaries and achieve a goal of 95% compliance by June 2021.

In fact, the team's goal was achieved by February 2021, increasing overall compliance from 55% to 97%. Project lead Dr Phoebe Scarfield said: "Leading

the discharge summaries QI project has been a challenging but incredibly rewarding experience. Making changes in the NHS is slow, but through this project and the work of a great team, we have managed to make a real impact that positively affects both patients and clinicians. That's a great feeling."

## Technology

During the pandemic our staff adapted to new ways of working, and technology was an essential part of this. NHSmail Microsoft Teams was rolled out to all NHS organisations, enabling us to work remotely, meet our colleagues virtually and continue delivering and receiving training. We also invested in additional licences to enable more of our staff to access clinical systems and files from home using our LGTAnywhere portal.

Our Chief Executive Ben Travis began hosting weekly webinars for staff using MS Teams, which have proved very popular and have continued throughout the pandemic. All of our meeting rooms have been video enabled to link our hospitals and community hubs.

Working with NHS England and NHS Digital, we have also completed a project to upgrade our IT systems to ensure that we are using the most up-to-date and secure hardware and software.

### Connect Care

Connect Care brings a patient's health and social care records into a single system, giving our staff instant access to key information from GPs, hospitals and social services. This means that care is more joined up, transfer between services is smoother, and there are fewer delays in care and treatment. When Connect Care was launched in 2015, staff could access information from GPs and hospitals in south east London only. However, during 2020/21, our IT team have worked hard to enable staff to access patient information from a wider area that covers 18 London boroughs and a total of eight hospitals across London.

### Virtual consultations

During the coronavirus pandemic we rolled out a video consultation programme called Attend Anywhere. To date, 34 services including physiotherapy, rheumatology, health visiting, speech and language therapy and occupational therapy are using the platform, with over 12,000 consultations being completed on Attend Anywhere from February 2020 to February 2021.

The software allows people to attend their appointment from home on a smartphone or PC via video link. The roll-out of the software has been accelerated by the Trust due to Covid-19 and has enabled clinicians to continue clinics that may have been cancelled otherwise.

### Innovation and technology

We have been recognised by the Health Foundation and NHS England and Improvement (NHSE/I) as one of the leading Trusts in the country for introducing new technology to improve patient care. It is particularly impressive for a district general hospital to be named in NHSE/I's report on best practice along with much larger specialist and/or teaching hospitals. NHSE/I and the Health Foundation are particularly impressed with the way our clinical teams have adopted technology including:

- Endocuff – a device that attaches to a colonoscope to maximise viewable mucosa during endoscopic therapy
- HeartFlow – a non-invasive coronary artery test that uses data from a standard CT scan to create personalised 3D models of coronary arteries
- Transfer of Care Around Medicines (TCAM) – a programme that sets up a secure digital platform for discharged patients to access their local community pharmacy
- PReCePT – antenatal administration of magnesium sulphate (MgSO4) to mothers during preterm labour, to reduce the risk of cerebral palsy in neonates.
- Urolift – an innovative and minimally invasive way of treating enlarged prostrate.

The Trust's work on PReCePT appeared as a case study in a CQC publication called 'Enabling innovation and adoption in health and social care' (February 2021). The PReCePT programme is a national initiative encouraging midwives to give magnesium sulphate to eligible mothers who go into labour early to reduce the risk of cerebral palsy.

To embed the programme, The Trust appointed a midwifery champion at each of its maternity units to plan and train others in the PReCePT process. The midwives developed their own PReCePT 'grab box' that contained everything needed to give magnesium

sulphate to mothers when needed. The Trust now gives magnesium sulphate to 92% (2020) of eligible mothers, which will have reduced the number of babies who develop cerebral palsy.

## Getting It Right First Time (GIRFT)

Getting It Right First Time (GIRFT) is an NHS improvement programme delivered in partnership with the Royal National Orthopaedic Hospital NHS Trust. It is designed to improve the quality of care within the NHS by reducing unwarranted variations.

By tackling variations in the way services are delivered across the NHS, and by sharing best practice between trusts, GIRFT identifies changes that will help improve care and patient outcomes, as well as delivering efficiencies such as the reduction of unnecessary procedures and cost savings.

The Trust is currently involved in 40 workstreams covering various surgical and medical specialties including speciality in-depth visits, GIRFT surveys and the GIRFT projects in collaboration with the NHSBN (NHS Benchmarking Network).

The action plans resulting from the in-depth visits provide a range of opportunities for the services to improve quality, patient safety, productivity and efficiency, such as improved patient access/flow due to reduction in length of stay (LOS); increased income due to improved clinical coding and data quality; changes to practice and a review of lessons learned from litigation.

In 2020/21, the Trust continued to engage actively with the GIRFT programme and successfully contributed to the national projects involving sharing of lessons learned during the Covid-19 pandemic.

The Deputy Medical Director, GIRFT and Productivity, was appointed as the new Chair of the Trust's GIRFT Steering Board, which continues to oversee the progress of the GIRFT action plan. The Trust GIRFT Management Protocol was developed by the GIRFT team to provide guidance and achieve uniformity of performance with regards to the management of the Trust GIRFT Programme implementation.

## Ethics committee

In October 2020 we set up an ethics committee as part of our commitment to ensuring that patients receive the highest quality care at all times. The committee is made up of both clinical and non-clinical staff with the aim of providing advisory input into policy and clinical cases where a specific ethical dilemma has been identified. Going forward we hope it will support frontline clinicians in making complex ethical decisions.

# **Patients:** put patients at the heart of everything we do

**“It has been more important than ever this year to listen to what our patients, relatives and carers are telling us to ensure we can support them through the challenges of the pandemic.”** Sophie Gayle, Associate Director of Patient Experience and Governance

## Listening to patients

Throughout the year, our informal and formal routes of receiving feedback have remained open and accessible, including our Patient Advice and Liaison Service (PALS) and complaints service, the NHS Friends and Family test and informal email and social media. We have adapted these services in the light of Covid restrictions, using technology to enable virtual meetings.

We continued to respond to formal complaints and to collect Friends and family test feedback. This provided us with valuable feedback to help us to adapt services and provide additional support during this critical time.

Our patient user groups have continued to meet virtually, as well as working with us to co-design a Quality Improvement training package for service users. While the presence of our user groups on site has been restricted, both the Patient Welfare Forum (University Hospital Lewisham) and Patient User Group (Queen Elizabeth Hospital) have contributed to project groups and committee meetings. They have also carried on their vital role reviewing our patient facing information and leaflets, providing that vital patient perspective.

A number of service-specific patient groups have also continued to meet, including the Maternity Voices partnership, breastfeeding and postnatal support groups.

Our patient stories programme has also continued, featuring short videos of patients talking about their experiences (good and bad) presented at the start of every Trust Board meeting to highlight patient experience.

## PALS and complaints

The Patient Advice and Liaison Service (PALS) has played a vital role during the pandemic in assisting patients, their carers and their relatives with queries or concerns. The service has also been able to highlight areas where we need to improve our communication or processes during the pandemic. This meant that we were able to learn from these and make improvements as a result, adapting our response during the course of the last year.

The Trust complaints service has continued to receive and respond to complaints throughout the pandemic. During 2020/21 we received 6,970 PALS contacts and 883 formal complaints compared with 5,607 contacts through PALS and 951 formal complaints in 2019/20.

The learning from complaints has also been used to make improvements to service delivery. Some of the improvements made as a result of feedback are highlighted below.

## Keeping patients connected

While visiting in hospitals was restricted due to Covid-19, we put in a number of measures to help people stay connected with their loved ones.

### Knitted hearts

This initiative aims to provide a connection between very sick patients and those who can’t visit them. One of the knitted/crocheted hearts is given to the patient, and one is kept by the loved ones at home, creating a connection they can hold on to. The heart remains with the patient at all times even if they are critically ill.

### Virtual visits

Ward staff facilitated FaceTime, Zoom and Skype calls between patients and relatives. During the first wave of the pandemic the Trust received donations of iPads and smartphones to make these incredibly important calls possible. By embracing technology we helped people keep in touch, and we have received an overwhelming amount of positive feedback from patients and their loved ones. One patient reported how seeing their family 'brought them tears of joy' after staff took the time to set up a video call. Other comments from relatives included: "Mum struggles to use her mobile phone unaided. We really appreciate staff taking the time to help her call us, so she can hear a familiar voice."

### Patient postcards

We set up a Patient Postcards service to enable relatives and friends to send a free postcard greeting to a friend or loved in hospital. Relatives/friends use our website to choose an image and write a message, and the printed cards are then delivered to our wards by porters and other staff.

### Patient belongings hubs

Relatives and friends can drop off a small bag of belongings for patients at Patient Belongings Hubs near our main reception areas. The bags are then taken to the wards by our volunteers.

### Welfare calls

While visiting restrictions are in place, non-clinical staff have been working on the wards calling families with welfare updates about their loved ones in hospital. This takes the pressure off clinical staff and enables them to continue with their clinical work.

## Hidden Disabilities Sunflower

In the autumn of 2020 the Trust adopted the national Hidden Disabilities Sunflower in support of colleagues and patients with hidden disabilities. The sunflower is a discreet way for patients and colleagues to indicate that they have a hidden disability, and the lanyards help raise awareness of the unseen challenges faced by many people in their daily lives.

We provide free sunflower lanyards at main entrances at both hospitals for patients and staff who wish to wear one to indicate that they have a hidden disability.

There is a huge range of hidden disabilities, including autism, chronic pain, anxiety and hearing impairment. They impact each person in different ways, and can be painful, exhausting and isolating.

Since its launch in 2016, the scheme has been adopted globally by the NHS, major airports and venues, supermarkets, railway and coach stations and an increasing number of other organisations.

## Improving patient experience

The wealth of feedback we have received over the year has been used to inform a wide range of other improvements including:

- Working with staff and patients to improve the environment on two wards at Queen Elizabeth Hospital with new artwork
- Continuity of care teams in maternity, enabling women to be cared for by a small team of named midwives throughout pregnancy and birth
- Streamlining the induction of labour process and opening a new induction suite to improve privacy
- Comfort bags for emergency gynaecology admissions, which include information about bereavement, counselling and support groups
- A virtual breastfeeding hub and postnatal support group run by the Health Visiting team
- Mobile cancer service units to reduce visits to the hospital for blood tests and intravenous infusions
- Opening an additional entrance at QEH to reduce the walk to the outpatient cancer clinic (the Macmillan Brook Unit)
- Launching a dedicated phlebotomy appointments booking line and call centre.

# **People:** support and develop our workforce to live our values every day

**"This year we've worked hard to support the wellbeing of our staff, and I'm pleased that the initiatives we've put in place are making a real difference."** Meera Nair, Chief People Officer

## Staff wellbeing

Caring for the health and wellbeing of our staff has been a key priority for the Trust, and this was further amplified in the last year. Our priority is to create a workplace where all staff feel safe and supported.

The Trust introduced 150 wellbeing champions to help shape the wellbeing programme and related Trust initiatives. The champions represent a cross-section of Trust staff and have supported a range of wellbeing programmes over the year. In addition, we were also delighted to appoint two psychologists to support the programme.

During the pandemic the Trust laid on a weekly calendar of activities for staff to support physical and mental health, including a comprehensive range of psychological support (both in person and virtual), financial wellbeing webinars, and accommodation for staff.

Staff who were required to shield in line with national guidelines were welcomed back in April 2021 and supported through welfare calls, return to work plans and other wellbeing offers.

### Guardian Service

In response to feedback, we launched our independent Guardian Service in June 2020 offering all staff access to independent and confidential support 24 hours a day. Despite the challenges posed by the pandemic, the service has been well received by staff, with a 50% increase in cases reported in the first nine months since launch. The service has been instrumental in helping the Trust build a culture where staff feel psychologically safe and able to speak up.

### Covid risk assessment tool

Concerns about the disproportionate impact of Covid-19 on minority communities as well as heightened levels of staff anxiety resulted in the redesign of the risk assessment tool. We did this in partnership with our staff-side and staff network representatives and enabled staff and their managers to have discussions that allowed individual anxieties to be considered as well as sufficient mitigations to be put in place to keep staff safe. The tool has been revised throughout the year to ensure that it remains fit for purpose as more evidence comes to light.

### Support from local communities

A range of programmes were in place during both waves of the pandemic to support staff and their physical, emotional and psychological wellbeing, and the Trust was fortunate to receive extraordinary support from local communities and services. This included hot meals and drinks delivered for staff across the two main hospital sites. During the first wave of the pandemic, wellbeing hubs were established in our staff canteens and run by volunteers from Project Wingman (a group of current and former aircrew). In the second wave, Project Hope – a collaboration between the Trust, the Royal Borough of Greenwich and Charlton Athletic Community Trust – provided drinks, snacks and toiletries to our frontline staff. In addition, non-clinical staff supported clinical teams by taking trolleys with free drinks, snacks and small gifts twice a day every day during December, January and February to thank them for their work and to give them a break.

### Domestic abuse

In light of the increase in domestic abuse during the pandemic (as evidenced by calls to the National Domestic Abuse helpline), the Trust introduced guidance to provide confidential support for staff affected by domestic abuse. This included support from psychologists, easy access to advice and support from Independent Domestic Violence Advocates, additional time off and financial support. The enhanced support has been very well received since its launch in late December 2020. We also reviewed guidance on annual leave and special leave, providing paid time off for staff with caring responsibilities as well as increasing the amount of annual leave staff

could sell during the year to prevent a situation where service pressures linked to the pandemic resulted in staff being unable to take sufficient rest.

## Equality, diversity and inclusion

We have a number of staff networks at the Trust including the Black, Asian and minority ethnic (BAME) staff network, an Under 30s staff network and the LGBT+ (Lesbian, Gay, Bisexual, Transgender) staff network. Over 2020/21 the Trust has celebrated a number of key events including Black History Month in October and LGBT History Month in February. We also launched the Women's Network as part of our International Women's Day celebrations, sharing inspiring stories for staff across the Trust. We also plan to launch a new Disability and Wellbeing Network.

We have an action plan developed in partnership with staff networks and staff representatives that is aimed at helping create a truly inclusive organisation. Although there is far more we need to do, we are pleased to have steadily increased the proportion of staff from Black, Asian and minority ethnic groups in senior leadership roles in the Trust. We launched our reverse mentoring programme in October 2020 and have over 30 of our senior leaders being mentored by staff from under-represented groups.

## Recruitment

We have continued to make sustained improvements in our vacancy rates over the last 12 months. Our vacancy rates have been consistently below the Trust target of 10% for the last year. Vacancies were last reported at 8.28% (Jan 2021), with nursing vacancies at 8.1%. We quickly redesigned our recruitment process in March 2020 to allow us to continue recruiting safely, and have continued to use virtual interview and on-boarding processes. Our time to hire rates demonstrate sustained improvements, with performance consistently at seven weeks, better than Model Hospital benchmarks.

We reviewed all our recruitment-related processes to ensure that any concerns about inequality were addressed. As well as reviewing training and improving how roles are advertised in the Trust, we also introduced Equality Advocates, who will join interview panels for senior roles at 8a and above, and will have the authority to stop the process if any concerns are identified. We have started to offer coaching to internal candidates who were unsuccessful at the interview stage. We have also seen a 39% increase in the representation of Black, Asian and minority ethnic staff in Bands 8a and above since January 2019 (from 121 in Jan 2019 to 160 in Jan 2021, against the Model Employer aspirational 2021 target of 139).

## Staff development and retention

We have seen a sustained decline in turnover levels from 14.8% to 10%, achieving the Trust target, and are now in the top three London Trusts for staff retention. As well as leading on a number of flexible working practices across the Trust, which were recognised through our accreditation by Timewise, we also invested in equipment to allow staff to work in an agile way, supporting staff to work from home and to support staff who were required to shield. The Trust has plans to further improve agile working across the Trust in line with site reconfigurations.

Our mandatory training compliance remained above the Trust target of 90% and we have continued to support staff with a range of internal and external training opportunities. Nearly 4,000 leaders (84% of the eligible workforce) attended our #improvingtogether values-based workshops. We also reviewed our induction process, introducing a more streamlined process in July 2020, which focussed on our Trust priorities including values, inclusion and speaking up. We plan to increase our development offer for clinical staff and will be expanding our Clinical Academy.

We continue to support apprenticeships across the Trust and over 140 leaders have undertaken or started leadership and management apprenticeships. Our leaders have also been supported through a programme of leadership development run by the King's Fund.

## Nursing education

### Undergraduate nurses and midwives

In a normal year, the Trust supports around 450-500 university students from three universities. During the summer of 2020, we employed and supported the learning of 180 second and third year student nurses and midwives on paid placements from 15 universities across England as part of the Covid-19 response.

### Clinical Academy

The Trust provides 12 accredited courses delivered by Practice Development Nurses and/or senior nursing teams to support staff development and improve the quality of care for patients. We are planning to expand the academy to increase the number of courses we provide.

### Nursing Associates

The Trust's Nursing Associate training programme began in December 2018. Training takes the form of a two-year apprenticeship, and we now have several fully qualified Nursing Associates working at the Trust. Over the coming months more nursing associates will qualify to become a valuable addition to the workforce.

### Advanced Clinical Practitioners

Advanced clinical practitioners (ACPs) are experienced nurses, midwives and allied healthcare professionals working with a high degree of autonomy and making complex decisions.

The Trust runs an ACP training programme, and this year a further seven healthcare professionals have successfully completed the academic requirements of the programme.

### International recruitment

The Trust continues to recruit registered nurses from overseas. We welcomed 114 overseas nurses to the trust in 2020/21, which has helped us to reduce our vacancy rate to 8%.

## Medical education

The Trust continues to perform well in both undergraduate and postgraduate education. During the first and second waves of Covid-19, all our trainees showed commitment, flexibility, resilience and incredible teamwork to pull together in such challenging times. In addition, 30 of our local medical students applied for the NHS's Foundation Interim Year 1 posts and were fast-tracked onto the frontline to help respond to the pandemic. In 2020 we recruited two inaugural full-time undergraduate medical education fellows. Their contribution to the team, and the quality improvement that has resulted, was recognised in a recent visit to the Trust by senior medical school management. This programme, alongside our other projects, will continue to advance our reputation as a leading medical education provider in south east London.

## Staff survey

All NHS organisations take part in the national NHS staff survey. The 2020 survey was carried out between September and November 2020 and the results were published in February 2021. Our response rate to the survey increased markedly from 46% last year and 36% the year before to 50%, a sign of increased levels of engagement within the Trust. The survey was impacted by the pandemic and provided a mixed set of results for the Trust, as it has for most London trusts.

The survey analysed responses across 10 themes and showed a mixed set of results with a sustained or improved position on five themes, and a worsening position on the remaining five when compared to the 2019 results:

The key highlights were:

- Improved response rates amongst nurses and doctors compared to the national average, and when compared to 2018 and 2019
- Improvement in staff perception of the Trust having a 'safety culture', with staff feeling that the Trust would take action when things went wrong, in a way that treated staff fairly
- Sustained the improvement previously achieved in relation to quality of care despite the challenges presented by the pandemic
- Improvements in perceptions regarding the support offered for employee wellbeing
- Worsening in perception of equality in the context of fairness in career progression but with a significant improvement in support available to staff who require adjustments at work.

Meera Nair, Chief People Officer, said: "These survey results give us really important feedback about the experience of our staff and, with the high response rate, it is critical that we listen to this feedback and work with colleagues to make the Trust a great place to work for all. The survey shows us that we are focusing on the issues that matter to staff – eg wellbeing, equality and inclusion and bullying. It is important that we sustain this work and respond to the feedback that we receive from our staff."

There is a detailed programme of work that was developed in partnership with staff and their representatives that is already in place and will continue to be prioritised in 2021/22 to ensure that areas of concern are being addressed and that improvements are being sustained.

## Respect, Compassion and Wellbeing programme

Despite the challenges of the pandemic, we have continued with our Respect, Compassion and Wellbeing programme and have recently reviewed the terms of reference to ensure that the staff voice is heard clearly. This has been achieved through improved representation across the divisions and sufficient representation from our staff networks, staff-side representatives, wellbeing champions and chaplains. Through the programme we have also reviewed the processes for managing our employee relations (ER) cases and have seen sustained improvement in our ER casework timescales, as well as possibly being the only Trust to openly share outcomes of casework with all staff.

# **Partnership:** work effectively with partners

**"We worked closely with our partners during the pandemic to provide the best possible care for patients across south east London, and we thank them for their vital support."** Jim Lusby, Chief Strategy and Infrastructure Officer

In our clinical strategy, we emphasise the importance of working in collaboration with our partners as a community focused provider. The South East London Integrated Care system (SEL ICS) has developed over the last year to support all health organisations in the local area to collaborate and work together.

We take part in a number of formal and informal partnerships to support these objectives, and we recognise that we can only be successful as part of a wider health and care system.

**Acute Provider Collaborative:** We work closely with colleagues at King's and Guy's and St Thomas' to plan and deliver elective services, with a particular focus on recovery from Covid. There were many examples of mutual aid between the Trusts to support each other during the Covid emergency.

**Local Borough Partnerships:** These bring together representatives from health, social care, the third sector and patient groups for Bexley, Greenwich and Lewisham to focus on local priorities. These relationships were particularly helpful during peaks in the pandemic for supporting discharge and sharing resources.

**Mental health partnerships:** We have formal arrangements in place with Oxleas and SLaM to improve pathways for patients with physical and mental health conditions and have worked together on reducing waits and improving the experience for mental health patients in ED.

**Pathology partnership:** Over the last year we have worked to develop our pathology network with Barts Health NHS Trust (BHT) and Homerton University Hospital NHS Foundation Trust. A networked approach is in line with national guidance and will improve the quality of services, speed up response times and achieve efficiencies. Our partnership with Barts and Homerton will keep local pathology services in the NHS. The network went live in May 2021.

**Community Providers Network:** The four community providers in SEL meet regularly to share best practice and to agree consistent standards of service delivery across the patch. We were successful in a joint bid to become an 'Accelerator' (early implementor) site for the new Urgent Community Response standard, which has allowed us to invest in and develop our community services in Lewisham to respond to urgent needs within two hours.

## Research at the Trust

The Trust has continued its research activities in 2020/21 and has seen a remarkable increase in its research portfolio. This is despite the fact that, in line with national recommendations, recruitment to all non-Urgent Public Health (UPH) portfolio trials was paused at the start of the first Covid pandemic in March 2020, and only Urgent Public Health (UPH) studies have remained open. This was intended to provide capacity for potentially high-recruiting SARS-CoV-2 trials and also in anticipation of significant sickness absence and redeployment of research staff into clinical roles.

Several multidisciplinary healthcare professionals working at the Trust have been active participants in research activities, and the Trust attracted £725,000 in research funding in 2020/21. The Trust is a member of the South London Clinical Research Network and has successfully recruited 1,596 subjects to a wide range of National Institute of Health Research (NIHR) registered portfolio research trials. There were 47 new studies opened in 2020/21 (32 NIHR portfolio studies, 14 non-portfolio studies and one commercial study). There are currently 100 studies open to recruitment and a further 53 in follow-up.

Commercial research at the Trust has generated almost £50,000 in revenue, which has been invested in patient care and research. The money has enabled the Trust to buy equipment to enable bespoke physiotherapy training and has helped to fund a Trust-sponsored research study, a research fellow and part-funded a PhD candidate.

Significant highlights of the year include:

- 400 staff participants were recruited to the national SIREN study, which examines the level and durability of immunity after COVID infection
- The landmark RECOVERY trial – the world's largest interventional SARS-CoV-2 study – has delivered significant results both in terms of positive findings (dexamethasone and tocilizumab) and negative findings (Lopinavir, hydroxychloroquine, convalescent plasma, azithromycin and colchicine). This has globally influenced the management of hospitalised Covid patients whilst reducing the risks of exposing individuals to ineffective therapies.
- The QEH Intensive Care Unit team has been recognised for being a top recruiting site to the GENOMICS study – a trial which assesses genetic influences on the response to emerging infections.

The research team also took a number of steps to ensure patient safety of individuals recruited to studies. 200 protocol amendments were processed to allow trials to continue safely and effectively during the pandemic. The team adopted novel ways of conducting research, including virtual consultations, self-sampling at home, and home delivery of trial drugs. The department has risk assessed all paused non-COVID studies and the majority have been able to be reopened.

### High profile Covid-19 research into singing

During the summer of 2020, the Trust played a key role in a high-profile research project which could potentially help singers and musicians to get back on the stage.

Dr Natalie Watson from University Hospital Lewisham's world-renowned voice clinic wrote the PERFORM study, which was supported by Public Health England and carried out by collaborative teams from Lewisham and Greenwich NHS Trust, Imperial College London, University of Bristol, Wexham Park Hospital and Royal Brompton Hospital.

Natalie explains: "Singing and playing brass and woodwind instruments has effectively been banned in many countries, but there is no scientific evidence behind this.

"The PERFORM study was a collaborative effort to look at whether singing or the playing of woodwind or a brass instrument produces more respiratory particles than speaking. It also explored whether the size of a venue makes a difference to the generation and accumulation of aerosol droplets and particles.

"It was an exciting project and we hope that the results will enable singers and musicians to return to performing safely as soon as possible."

PERFORM stands for **P**articulat**E** **R**espiratory Matter to In**F**orm Guidance for the Safe Distancing of Perf**O**rme**R**s in a Covid-19 Pande**M**ic.

The initial findings of the study, published in August 2020, showed that the differences between singing and speaking were small. Professor Pallav Shah, from the National Heart and Lung Institute at Imperial College, said: "The PERFORM study has shown that the differences between activities such as singing and speaking on aerosol generation is generally small. However, increasing volume significantly generates more aerosol. Therefore, singing with the use of microphones should be safer."

The PERFORM 2 study is now underway with a UKRI grant investigating aerosol production in exercise, speech and language therapy, in addition to further investigating professional and amateur singing (including a child cohort) and playing woodwind and brass instruments.

## A helping hand from St John Ambulance

At the end of March 2020, highly trained St John Ambulance volunteers joined us to support staff in our Emergency Departments and ward areas.

They helped out with patient assessments, personal care, mealtime support, ward transfers and lots more.

"As a charity with around 8,500 available health volunteers, and England's auxiliary ambulance service, St John Ambulance stands ready to offer extra, immediate support to the NHS and the public, as required," said St John Ambulance's Ambulance and Community Response Director, Craig Harman. "We are working closely with NHS England and the National Ambulance Strategic Advisor on how we can support the health service during the Covid-19 pandemic. The need for our work has never been more relevant or urgent than now, but we are ready."

## Youth violence intervention programme

Redthread, an organisation that works with victims of serious youth violence, now has teams in place at both of our Emergency Departments (EDs).

Since September 2020 they have been offering practical and emotional support to young people aged 11-25 who come to our EDs and may be experiencing issues relating to:

- Youth violence
- Criminal exploitation and gang affiliation
- Domestic abuse and violence
- Sexual exploitation.

John Sheerman-Chase, Redthread team leader at QEH, said: "We support young people in hospital and after discharge in the community, to address the risk of continued harm to the young person, to holistically identify their needs and assist them in accessing additional support that may help them lead healthy, safe and happy lives."

# **Money:** ensure we spend every penny wisely

**"Despite the challenges of the past year, the Trust has managed its finances well, continuing a positive trend."** Spencer Prosser, Chief Finance Officer

The Trust faced significant challenges throughout the financial year due to disruption caused by Covid-19. Despite this, the Trust managed its finances well to deliver better than forecast figures, with an adjusted performance of £1.5m deficit. This figure relates to a carry-over of annual leave for staff who had to cancel leave to work on the frontline of the pandemic response. This cost is recognised by our regulators and deemed as acceptable. This continues a positive trend over the last few years and represents a significant improvement from the deficit last financial year of £15m.

The three national lockdowns and other restrictions had a direct impact on the services the Trust was able to deliver. There was a significant drop in elective and emergency work, with the bulk of inpatient care relating to Covid-19 patients. This resulted in a drop in the Trust's usual cost base, with an increase in costs to support critical services such as ICU, the Emergency Department, and ward-based nursing in response to Covid-19. Outpatient work continued throughout the pandemic through investment in remote working capabilities and a dynamic shift in the way people worked and how patients accessed care. There was also a significant increase in costs to meet the demand of changes to patient pathways, infection prevention and control measures, and moving staff to remote working where possible. Staffing levels were also affected, with high sickness levels due to Covid-19 and some staff having to shield, which had an impact on temporary staffing spend.

Despite these challenges, the Trust launched its Improving Use of Resources Programme, with the aim of emphasising the link between quality and efficiency. This was a key enabler to the Trust delivering £11m of savings.

The Trust invested £24m in capital infrastructure and equipment to support the delivery of services. Key investments included the replacement of ageing medical equipment across the Trust, critical infrastructure, and IT expenditure, including replacing laptops and software licenses.

Looking forward, planned investment for 2021/22 includes a major replacement of imaging facilities and further improvements to estates maintenance, IT equipment and medical equipment.

Due to the uncertain nature of Covid-19, and as part of the government's response to the evolving pandemic, the NHS was funded to break even for April to September. Block payments were set at prior financial year expenditure levels, plus an inflationary uplift for the Trust's main patient care contracts. Any costs associated with the Trust's direct response to Covid-19 were also reimbursed. For the second half of the financial year similar funding was distributed, with an increased focus on working with partners across the South East London Integrated Care System.

As the national context continues to be challenging, both operationally and financially, the Trust continues to utilise quality improvement methodology to work differently to address the ongoing pressures. Future efficiency plans are focused on delivering a £60m sustained efficiency programme over the next three financial years, with £18m of annualised savings planned for the coming year. Initial opportunities being considered include enhancing digitisation, improving energy sustainability, and building on the improvements in our outpatient provision.

## Going concern

Lewisham and Greenwich NHS Trust's annual accounts have been prepared on a going concern basis. Going concern is an accounting term for an organisation that can meet its financial obligations for the foreseeable future. As a non-trading public body, the Trust is assumed to be a going concern when it expects to continue providing services in the future. This is evidenced by the Trust agreeing income with the commissioners for the provision of services in the future. The Board has therefore reported that the Trust is a going concern (with no plans for any substantial changes to services). The auditors will also be reporting to the Secretary of State that the Trust met its financial targets in 2020/21.

# Sustainability report

Our goal is to always be moving our Trust towards greater sustainability. We must continually evolve our practices with engagement to meet net-zero carbon target. By making the most of our social, environmental and economic assets we can improve health both in the immediate and long term.

## Reducing our carbon footprint

The Trust is now using Green Tomato Cars (GTC) as our official taxi provider for patients and staff. GTC operates the UK's only fully zero-emissions car service. The company has recently completed a full migration of their entire fleet of standard vehicles from the Toyota Prius Active Hybrid, (which has a CO2 rating of 69g/Km to the new BMW 225e Plug In-Hybrid, which has a CO2 rating of 40g/Km – reducing their emissions in this category by 42%).

## Green Plan

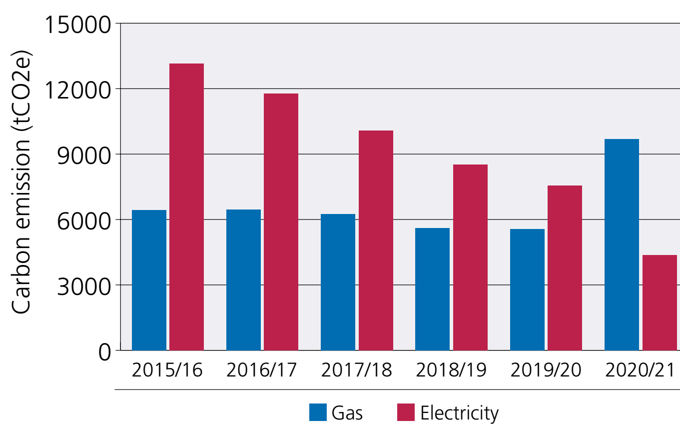
The Trust is in talks with an organisation called ETL, part of Guy's and St Thomas' NHS Foundation Trust, who are experienced in supporting hospitals who are starting the journey towards becoming environmentally friendly. Currently, ETL are developing a Green Plan to support our journey to net zero carbon, and to become a more socially and environmentally conscious organisation.

As an organisation we acknowledge our responsibility towards creating a sustainable future. To help us achieve that goal, ETL is running online awareness workshops that promote the benefits of sustainability to our staff in terms of health and wellbeing, waste and recycling, travel and air quality, efficient and sustainable buildings, green space and biodiversity and climate change adaptation. Climate change brings new challenges to our business both in direct effects to our buildings, facilities and land, but also to patient health.

## Energy use over 2020/21

Lewisham and Greenwich NHS Trust spent £3,470,459 on energy in 2020/21, which is 24% lower than we spent on energy last year. This is due mainly to our onsite electricity generation by Combined Heating Plant (CHP) since May 2020, and partly to service disruption caused by the Covid-19 pandemic. The table (above right) shows a 7.1% increase in CO2 emissions from 2019/20.This is because of an increase in gas consumption for the CHP plant operation.

| Year | Carbon(tCO2e) Gas | Carbon(tCO2e) Electricity |
|---|---|---|
| 2015/16 | 6,443 | 13,143 |
| 2016/17 | 6,457 | 11,766 |
| 2017/18 | 6,250 | 10,078 |
| 2018/19 | 5,607 | 8,514 |
| 2019/20 | 5,569 | 7,559 |
| 2020/21 | 9,689 | 4,377 |




## New waste tracking system

Our soft facilities management partners ISS have introduced a new waste tracking system that allows them to monitor performance in more detail throughout different areas of our Trust. For example, the system will log whether one ward is producing more waste than a similar ward, or whether the wrong waste is consistently being put in the wrong bin, which increases the cost of disposal. ISS will then be able to offer targeted training to educate staff on how to reduce waste and dispose of it correctly, which will save money for the Trust.

## Energy efficiency measures

The Trust has replaced the refrigerant used in the chillers at University Hospital Lewisham with one that is less damaging to the environment. We are also embarking on a project to insulate all exposed pipework in places such as plant rooms and the boiler house to increase energy efficiency.

# Planning for the future

In February 2020, we published "Caring for our Communities", a five-year strategy for providing high-quality, best value care. The document, which you can read on our website (www.lewishamandgreenwich.nhs.uk), sets out our vision of where we see ourselves in 2025 and our ambitions for continuous improvement.

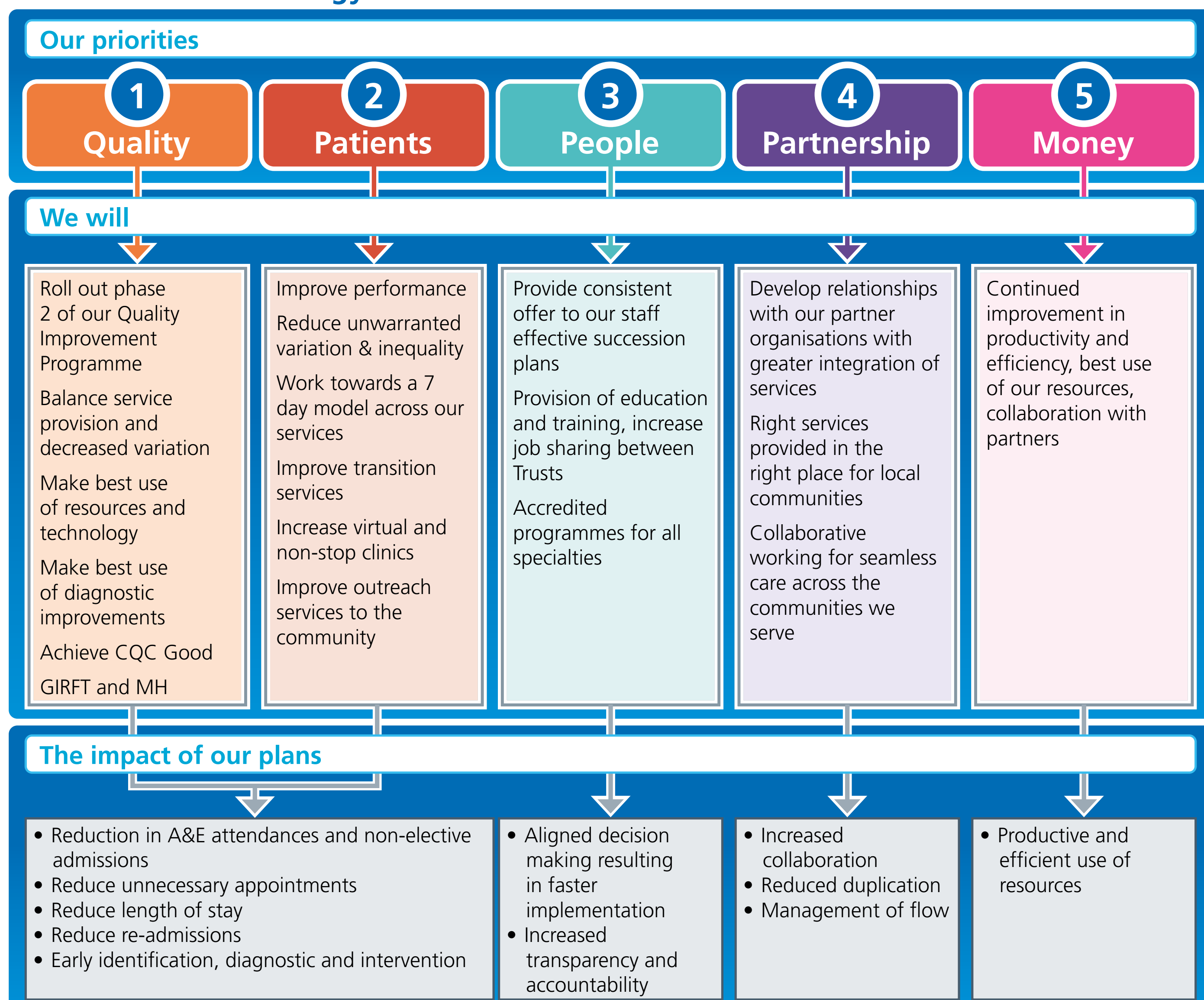
We are developing our estates strategy to support delivery of the clinical strategy. We know that major capital investment will be needed at Queen Elizabeth Hospital to address infrastructure issues and to cope with the large number of patients we see at the site. We'll also be looking at how we free up space for clinical services at the UHL site. We'll be engaging with patients and colleagues about this over the coming year.

During the Covid-19 pandemic we have worked very closely with neighbouring hospitals in south east London, for example in coordinating intensive care treatment, and we will continue to work closely with our partners in the South East London Integrated Care System (ICS).

During the pandemic many non-clinical staff were able to work from home and quickly learned to use digital technology to keep in touch, share documents and hold meetings. As we come out of the pandemic, we want to continue to work in this way to reduce our use of office space and create more clinical capacity.

One priority in the coming year will be to work with local partners and patient groups to address health inequalities, which have been highlighted by the pandemic.

## Overview of our strategy



# Accountability report

# Directors' report

## Role of the Trust Board

Our Board plays a key role in shaping the strategy, vision and purpose of the organisation. Board members hold the Trust to account for the delivery of strategy and ensure value for money. They are also responsible for assuring that risks to the organisation and the public are managed and mitigated effectively. The Board is led by an independent chair and composed of a mixture of independent non-executive members appointed by NHS Improvement and executive members, who work for the Trust. The Board has a collective responsibility for the performance of the organisation.

## Trust Board members

Members of the Trust Board during 2020/21 are listed below.

| Voting |
|---|
| **Ms Val Davison**, Trust Chair |
| **Mr Harry Bright**, Non-Executive Director |
| **Ms Sarah Higgins**, Associate Non-Executive Director |
| **Mr Steve James**, Non-Executive Director *(from June 2020)* |
| **Ms Edleen John**, Non-Executive Director *(from 15 March 2021)* |
| **Ms Sukhvinder Kaur-Stubbs**, Non-Executive Director |
| **Ms Binka Layton**, Non-Executive Director |
| **Dr Julia Mundy**, Non-Executive Director |
| **Prof Ian Norman**, Non-Executive Director *(up to December 2020)* |
| **Ms Katherine Yeung**, Non-Executive Director *(up to August 2020)* |
| **Professor Allan Young**, Non-Executive Director *(from 1 March 2021)* |
| **Mr Ben Travis**, Chief Executive |
| **Dr Elizabeth Aitken**, Medical Director |
| **Ms Angela Helleur**, Chief Nurse |
| **Ms Meera Nair**, Chief People Officer |
| **Mr Spencer Prosser**, Chief Financial Officer |
| **Non-voting** |
| **Ms Kate Anderson**, Director of Corporate Affairs |
| **Ms Rachael Backler**, Director of Performance |
| **Mr Keith Howard**, Director of Estates, Facilities and Redevelopment (up to June 2020) |
| **Mr Jim Lusby**, Chief Strategy and Infrastructure Officer |
| **Ms Suzanne Wills**, Chief Operating Officer (up to June 2020) |

## How the Board is appraised

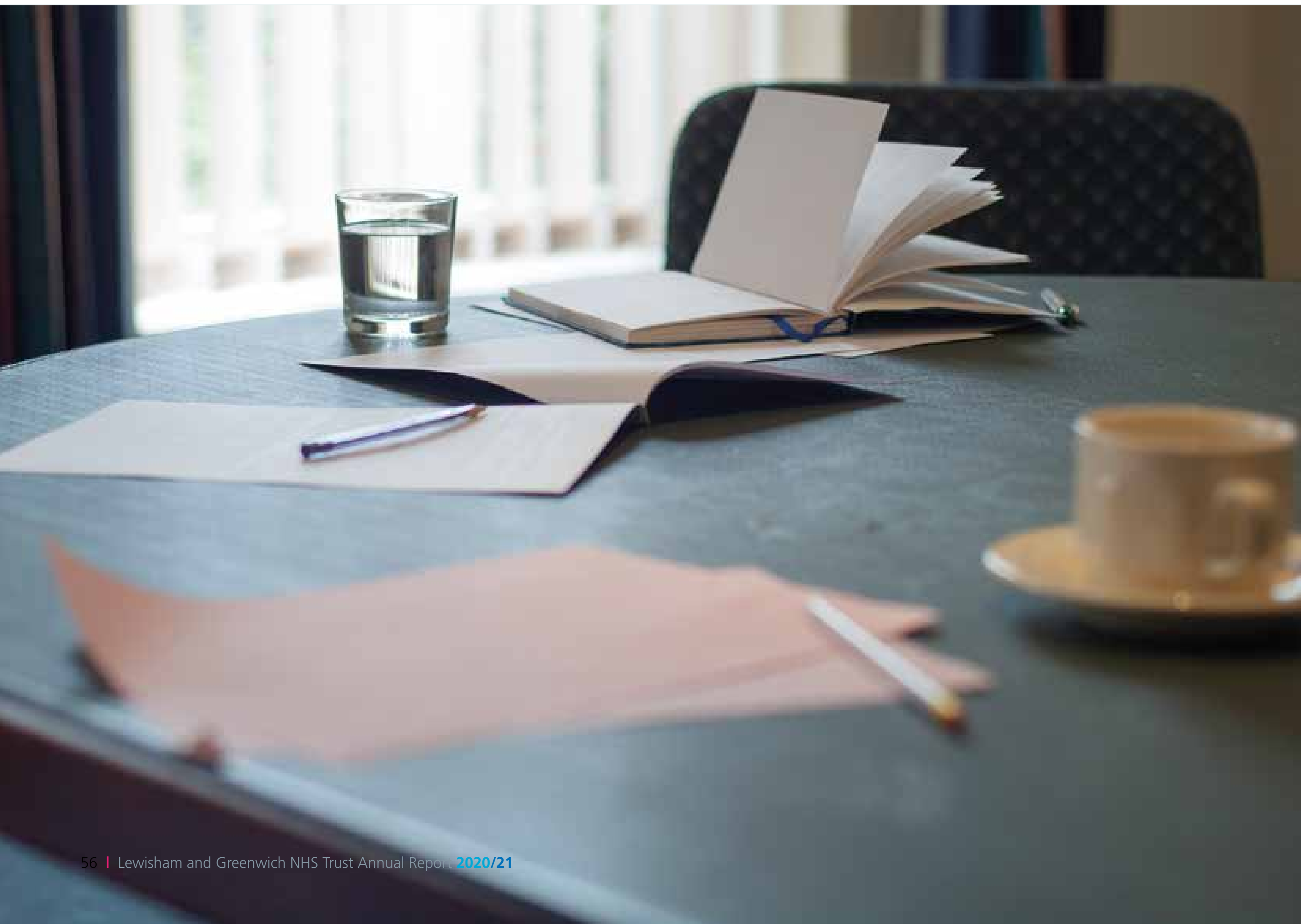
The Chair appraises the Chief Executive and non-executive directors. An independent director reviews the Chair's personal appraisal and the Chair is appraised by NHS Improvement. The Chief Executive appraises the executive members of the Board.

## Audit committees

A range of committees report directly to the Board and are chaired by non-executive directors. These include the audit and risk committee, which meets five times a year and approves the annual accounts and annual report. Over 2020/21, membership of the audit committee included:

- Binka Layton, Committee Chair
- Sukhvinder Kaur-Stubbs
- Julia Mundy (from September 2020)
- Katherine Yeung (up to August 2020)

The other Board committees are the Finance and Performance Committee, Remuneration Committee, Workforce and Education committee, Strategic Projects Committee and Quality Governance Committee.



**Details of company directorships and other significant interests**
The register of interests for Board members is in the table below, as of April 2021:

| Name | Declaration |
|---|---|
| Dr Elizabeth Aitken | Nil |
| Ms Kate Anderson | Nil |
| Ms Rachael Backler | Nil |
| Mr Harry Bright | Member, Senior Management Committee, Santander UK<br>Chairman, Dartford Cricket Club Ltd<br>Director, Hesketh Parking Ltd Sports Club |
| Ms Val Davison | Dulwich Consulting Ltd is no longer trading and being wound up<br>Chair, Youth First<br>Occasional facilitating of events for NHS Providers for which remuneration is provided |
| Ms Angela Helleur | Member, King's Fund Advisory Group<br>Associate Governor, Torridon Primary School<br>Various clinical negligence and litigation teams<br>Expert witness midwifery<br>No formal connection but undertakes services as an independent expert witness in an advisory role |
| Ms Sarah Higgins | Nil |
| Mr Stephen James | Non Executive Director, Oxleas NHS Foundation Trust<br>Trustee, South London Special League |
| Ms Edleen John | Nil |
| Ms Sukhvinder Kaur-Stubbs | Director/Chair of Regeneration for the London Legacy Development Corporation (LLDC).<br>Director/Chair of Quality and Safety Governance for the GP Care group (Tower Hamlets).<br>Managing Director Engage – Building Networks of Trust<br>Chief Executive Citizens Advice Lewisham (CAL) and<br>Chair of the Advice Lewisham Partnership<br>Governor for the Leathersellers Federation<br>GSTT funding in IAPT |
| Ms Binka Layton | Director in EY but employed as staff |
| Mr Jim Lusby | Nil |
| Dr Julia Mundy | Employee, University of Greenwich |
| Ms Meera Nair | Trustee, The May Centre (charity for women who have suffered abuse or trauma) |
| Mr Spencer Prosser | Nil |
| Mr Ben Travis | Nil |
| Prof Allan Young | Charity Trustee, Bipolar UK (term due to end in 2021)<br>Board member, Academic Faculty Executive Board, Royal College of Psychiatrists<br>See declaration form for most recent grant funding; industry and research. |

# Information governance and data security

Information governance (IG) refers to the way in which the NHS handles all data in a secure and confidential manner – in particular the personal and sensitive data of patients and employees.

Effective information governance is about ensuring that personal confidential data is dealt with legally, securely, efficiently and effectively, in order to deliver the best possible care.

Every year the Trust is required to submit an annual data security and protection toolkit assessment (DSPT). This is an online self-assessment which allows NHS and other related organisations to demonstrate whether they are compliant in data security and data protection standards. The new Data Security and Protection Toolkit came into force in July 2018 and the Trust is required to upload evidence to support this assessment. The new toolkit gives the auditors, who review the toolkit, extra powers to ensure the Trust is compliant with the standards.

Like all NHS Organisations in England and Wales, the Trust is required to submit the mandatory Data Protection Toolkit self-assessment to the Department of Health, the Information Commissioner's Office and the Care Quality Commission. This Data Security and Protection Toolkit (DSPT) is in its second year and the standards have been almost the same, except for Data Security Standard 1, which has been changed.

## The 10 standards are:

**Data Security Standard 1**
All staff ensure that personal confidential data is handled, stored and transmitted securely, whether in electronic or paper form. Personal confidential data is only shared for lawful and appropriate purposes.

**Data Security Standard 2**
All staff understand their responsibilities under the National Data Guardian's Data Security Standards, including their obligation to handle information responsibly and their personal accountability for deliberate or avoidable breaches.

**Data Security Standard 3**
All staff complete appropriate annual data security training and pass a mandatory test, linked to the revised Information Governance Toolkit.

**Data Security Standard 4**
Personal confidential data is only accessible to staff who need it for their current role and access is removed as soon as it is no longer required. All access to personal confidential data on IT systems can be attributed to individuals.

**Data Security Standard 5**
Processes are reviewed at least annually to identify and improve processes which have caused breaches or near misses, or which force staff to use workarounds which compromise data security.

**Data Security Standard 6**
Cyber-attacks against services are identified and resisted and CareCERT security advice is responded to. Action is taken immediately following a data breach or a near miss, with a report made to senior management within 12 hours of detection.

**Data Security Standard 7**
A continuity plan is in place to respond to threats to data security, including significant data breaches or near misses, and it is tested once a year as a minimum, with a report to senior management.

**Data Security Standard 8**
No unsupported operating systems, software or internet browsers are used within the IT estate.

**Data Security Standard 9**
A strategy is in place for protecting IT systems from cyber threats, which is based on a proven cyber security framework such as Cyber Essentials. This is reviewed at least annually.

**Data Security Standard 10**
IT suppliers are held accountable via contracts for protecting the personal confidential data they process and meeting the National Data Guardian's Data Security Standards.

## Information governance incidents for 2020/21

We continue to embed and improve our information governance (IG) practices across the Trust, identify lessons learnt, and reflect these in future policy/ procedure revisions and "Sharing the Learning" events for staff. Also for 2020/21, IG training at the Trust will focus on incidents as well as the legalities of information governance. The number of incidents for the period is 144, an increase of seven from the previous year (137). The breakdown of the incidents is as follows:

| | |
|---|---|
| Clerical error | 1 |
| Corruption or inability to recover electronic data | 3 |
| Data entry error | 1 |
| Disclosed in error | 44 |
| Fax/email transmitted to incorrect destination | 15 |
| Lost in transit | 3 |
| Lost or stolen hardware/paperwork | 11 |
| Non-secure disposal – hardware/ paperwork | 3 |
| Other – information governance | 48 |
| Unauthorised access/disclosure of patient/ staff | 15 |
| **Grand total** | **144** |

# Statement of Chief Executive's and Directors' responsibilities

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

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

- There are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- Value for money is achieved from the resources available to the Trust
- The expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- Effective and sound financial management systems are in place
- Annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

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

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

**Ben Travis**, Chief Executive
July 2021

## Statement of directors' responsibilities in respect of the accounts

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

- Apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- Make judgements and estimates which are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts; that, as far as they are aware, there is not relevant audit information of which the Trust's auditors are unaware; that they have taken all steps that they ought to have taken to make themselves aware of any such information and to establish that the entity's auditors are aware of that information.

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

By order of the Board

**Ben Travis,**
Chief Executive
July 2021

**Spencer Prosser,**
Chief Financial Officer
July 2021

# Annual governance statement signed by accountable officer

## 1. Scope of responsibility

The Board is accountable for internal control. As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation'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 Lewisham and Greenwich NHS Trust (the Trust) is administered prudently and economically, and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum.

I report to the Chair of the Trust and ensure appropriate systems exist to support the work of the Trust and the Board. I manage the executive team who have clear accountabilities and annual objectives, drawn from the annual operating plan for the Trust which sets out our approach to planning and the delivery of agreed priorities and how we will work with partner provider and commissioning organisations across the South East London Integrated Care System.

## 2. The purpose of the system of internal control

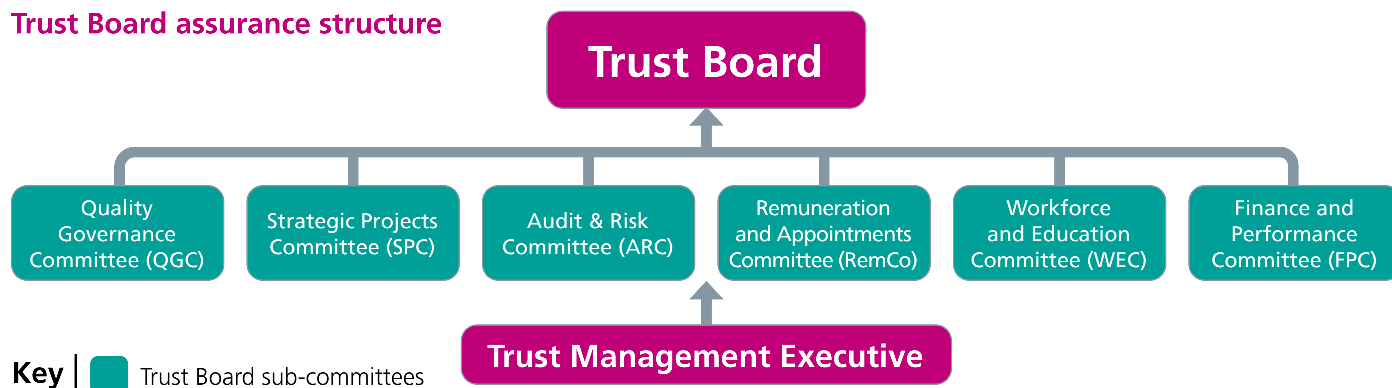
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process, designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Lewisham and Greenwich NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lewisham and Greenwich NHS Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

## 3. The governance framework of the organisation

The Trust has described its corporate governance arrangements in the Corporate Governance Manual which pulls together the Trust's Standing Orders, Standing Financial Instructions and Scheme of Delegation. The Board is responsible for providing effective and proactive leadership of the Trust within a framework of processes, procedures and controls, which enable risks to be assessed and managed. The Board governs the Trust business, including the delivery of the strategies it sets by seeking assurance that the managerial systems that are in place deliver the desired outcomes, and enable effective and timely reporting of significant issues that threaten its objectives. Accountability and decision-making authorities have been delegated to the line management structures in place that deliver the day to day business.

### The Trust Board

The Trust Board consists of five voting executive directors, eight voting non-executive directors (including the Chair), one non-voting associated non-executive director and three non-voting executive directors. The Trust Board expects to meet ten times a year in public, with minutes and papers available on the Trust's website. The Board also meets four times a year for 'Board Seminars', and twice a year for "Board Away Days".



Attendance at Trust Board meetings by Board members remained consistently high. I am confident that the Executive Team and Board members were suitably engaged and informed in both Board and Trust management throughout the period.

In 2020 the effectiveness of the Board was considered as part of the CQC's 'Well-Led' assessment. The results of this inspection were published in June 2020 and included a revised rating of 'Good' for the Well-Led assessment undertaken as part of the CQC inspection. This rating reflected improvements identified by the CQC in the Trust's governance arrangements and leadership approach put in place since the time of the previous CQC inspection in 2018.

In recent years NHS England and NHS Improvement has worked closely with the Care Quality Commission (CQC) to bring together their respective approaches. This has resulted in a fully joint well-led framework structured around eight key lines of enquiry as detailed at https://www.england.nhs.uk/well-led-framework/. During 2021/22 the Trust has plans to undertake further self-assessment against the framework in order to demonstrate continuous development of, and improvement to, the Trust's leadership and governance arrangements.

## Summary of Public Board Activity and points of note

During the 2020/21 period, in line with social distancing requirements, the impact of the Covid pandemic necessitated changes to established frequency and approach to Board meetings. Since March 2020 all Trust Board meetings have been held virtually on MS Teams. During the period from March 2020 to May 2020 the Board met for weekly private meetings to review Covid-19 pressures and risks, as well as any urgent Board and Committee business (as all Board Committees were stood down to enable the Trust to manage operational pressures). Summaries of these meetings were made available on the Trust's website.

During the 2020/21 period, all Board meetings were held on MS Teams and the Board met seven times in public between June 2020 and March 2021. Standing items at all Board meetings include a report from the Chair, summaries from Committee meetings, workforce, financial and performance reports, the Board assurance framework, Corporate Risk Registers, Board visit reports, a report from the Trust Chair and my report as Chief Executive Officer, which has included regular updates on the Trust's response to Covid-19. Throughout 2020/21, the Board routinely received reports from its Committees, as well as those reports that it is required to review by legislation or national guidance. The Board agenda also regularly included a patient or staff story, presentations or reports about clinical work in the Trust, and reports relating to patient safety and quality including the CQC Inspection Report and resulting action plan.

The Board regularly discussed the changing local operational picture noting developments in the South East London Integrated Care System, current capacity issues and planning for winter and Covid-19 pressures. The Board's programme of visibility visits – which has involved Board Members undertaking virtual visits to clinical areas – has continued throughout the pandemic with Board members using the opportunity to engage with staff and support the Trust's wellbeing activities.

During 2020-21, the Board has considered input from a range of stakeholders including:

- **Patients:** via the Trust's virtual Annual General Meeting and the question and answer sessions before each Board meeting. Patient stories are also presented at each Board meeting. The Trust also engages with patient groups – including Healthwatch, the Patient Welfare Forum and the Patient User Group – who have all continued to engage virtually with patients throughout the pandemic, and have helped inform the Trust's response to key issues, such as visiting restrictions. Patient representatives are also members of a number of key Trust meetings, representing the patients' voice in these forums.
- **Partners:** The Trust's five-year strategy was agreed in December 2020 following engagement with staff, patients and partners across the South East London Integrated Care System (ICS). Partners from across the ICS and patient groups also joined a workshop with the Trust's leadership team in February 2021 to discuss priorities for the next three years.
- **Community groups:** The Trust is committed to playing an active role in the South East London ICS to contribute towards the vitality of local communities and to reduce health inequalities. In 2020/21, the Trust and partners carried out targeted engagement activities with local faith and community groups to encourage uptake of the Covid-19 vaccine. In addition, the Trust is part of a number of formal partnerships, including the South East London Acute Provider Collaborative, provider partnerships with South London & Maudsley and Oxleas NHS Foundation Trusts, and borough-based Boards of the ICS in Bexley, Greenwich and Lewisham.
- **Public/voluntary sector:** The Trust has worked closely with partners and local community groups over 2020/21, with a particular focus on supporting the wellbeing of NHS frontline staff during the Covid-19 pandemic. Projects included:
  - "Project Hope" – the Royal Borough of

Greenwich worked with the Trust to coordinate donations of food and refreshments to staff from local residents and businesses. In addition, the Royal Borough of Greenwich supported frontline staff by enabling care staff to volunteer at the Trust
• "The Point" – a local community support centre set up in Lewisham for NHS staff, run by the voluntary sector
• Links with local business and community groups who supported staff wellbeing throughout the pandemic – including providing meals, and running wellbeing hubs in the Trust's hospitals
• Work with St John Ambulance, who provided highly skilled volunteers to support staff in the Trust's emergency departments and ward areas during the pandemic
• The Trust's vaccination programme – supported by colleagues from partner organisations.

- **Staff:** The Board is informed of staff views through reporting from staff surveys, staff webinars, the Staff Friends and Family test, by members of the Trust management teams, Board virtual visibility visits and by the discussions held during the monthly Trust Joint Partnership Board. The Trust also holds regular staff feedback and engagement events with members of the Executive Team, although over the past 12 months these have, in line with social distancing requirements, been required to adopt virtual formats. Over the past 18 months the Trust has established a number of staff networks at the Trust including the Black, Asian and minority ethnic (BAME) staff network, an Under 30s staff network, the LGBT+ (Lesbian, Gay, Bisexual, Transgender) staff network as well as a Women's network. These networks ensure that the views, interests and concerns raised by these groups within the workforce can be represented and promoted to inform decision making. In addition, the Trust's reverse mentoring programme was launched in October 2020. This has resulted in over 30 of our senior leaders currently being mentored by staff from under-represented groups.
- The Trust has performed detailed self-assessment of its staffing position in line with the workforce safeguards published by NHS Improvement in October 2018, including the triangulated approach to staffing planning in accordance with the National Quality Board guidance published in 2016. This latest self-assessment confirmed a high assurance rating for 13 of the recommendations, with actions in place to address identified gaps.

- **GPs and Clinical Commissioners:** The views of provider and commissioner GPs are of key importance to the Board. The Trust engages with GP commissioning, provider and educational leads in a number of ways to ensure it responds to the needs of our local population and to the views and expectations of those responsible for commissioning services for them. In practice these relationships are maintained through daily dialogue, as well as more formal interaction with the CCG Governing Body. The Trust is engaged in the development of place-based governance at borough level as part of the Integrated Care System and Acute Provider Collaborative across South East London. In addition, formal partnership Boards have been established with both Oxleas and South London & Maudsley NHS Foundation Trusts. Increasingly this will provide the framework through which partnerships will evolve and be strengthened between the Trust and local GPs as well as with other providers.

The remit, membership and Terms of Reference for all Board Committees will be included in the annual Board Committee reports to Trust Board which are due in Spring 2021. The Board receives a written summary report from each Committee Chair at the following public board meeting.

## 4. Risk assessment

Risk, or change in risk is identified, evaluated and controlled as described in the Trust's Risk Management Policy and Procedure which was reviewed and updated in April 2021. The risk evaluation and treatment model is based on a grading matrix of likelihood and consequence. This produces a risk score to enable each identified risk to be prioritised against other risks. The risks are also mapped to the strategic risks identified within the Trust's Board Assurance Framework and objectives identified within the Trust planning process. All Trust divisions maintain risk registers which are now reviewed on a monthly basis and reported through Divisional Governance Boards, with top divisional risks being reported to the Trust Management Executive.

Risks are escalated to the Board via a variety of mechanisms:

- The Audit and Risk Committee and Trust Board receive details of significant risks through regular presentation of the Corporate Risk Register and Board Assurance Framework.
- All Board Committees review the corporate risks related to their Committees on a monthly basis. The risk registers for Board Committees have recently been reviewed to ensure consistent reporting and provide more narrative on the risks and mitigations.

The Board will also identify risk through its review of the reports received from the Board Committees and any self-assessment exercise required for regulators or commissioners of service.

Reports from all external reviews and inspections are also presented to the Trust Management Executive and Quality Governance Committee – with any identified risks, concerns and gaps in compliance considered, together with appropriate mitigation and actions plans to address identified deficiencies.

All areas within the Trust report incidents and near misses in line with the Trust's Incident Reporting Policy. Details of incidents are reported monthly through the Divisional Governance structure and to the Quality and Safety Committee. The Board receives a report of Serious and Red Incidents each month, and on a quarterly basis a Patient Safety Report which contains the themes, root causes and learning from incidents.

The Trust also produces quarterly thematic reviews of complaints, claims and litigation and areas of risks associated with the themes are reported and detailed in the reports. These are presented quarterly to the Trust Management Executive, the Quality Governance Committee and Trust Board on a quarterly basis.

The Trust's Raising Concerns (Whistleblowing) Policy was reviewed and updated in February 2020. The Trust has reviewed local processes and arrangements in response to the CQC feedback on the Trust's Freedom to Speak Up framework and has an action plan in place to implement recommendations. The Trust has designated 'Freedom to Speak Up' Guardians to facilitate any concerns raised by staff and also has in place a Guardian of Safe Working Hours for junior doctors.

Risk Assessments, including Health and Safety and Infection Control Audits are undertaken throughout the Trust. All identified risks at all levels are evaluated using a common methodology as defined in the Risk Management Policy and Procedure. The Trust's Risk Register is generated through the assessment process of all risks at Divisional level and is reviewed on a regular basis to ensure that risks are being addressed and risks can be added or deleted, as necessary.

Other methods of identifying risks include:

- Complaints and Parliamentary Health Service Ombudsman Reports and recommendations
- Care Quality Commission inspections
- Inquest findings and HM Coroners' recommendations
- External reports such as the Francis Inquiry and National Confidential Inquiries
- Medico-legal claims and litigation
- Learning from Serious Case Reviews
- Incident reports and trend analysis
- Internal reports that contribute towards revalidation of doctors
- Internally generated reports from the Performance/Information Team
- Internal and external audit reports
- Performance reviews
- Feedback from patient/public groups
- Feedback from Health Overview and Scrutiny Committees
- Patient satisfaction surveys including 'Friends and Family' test
- Focus Groups
- Environmental Audits
- Quality and safety/visibility visits by Executive and Non-Executive Directors
- Patient-Led Assessment of the Care Environment inspections
- Public attendance and questions at Trust Board meetings.

## 5. Capacity to handle risk

The Trust's capacity to handle risk is based around a clear Risk Management Policy and Procedure and effective leadership of the risk.

The Director of Corporate Affairs is the lead executive for the risk management structure and processes. The Medical Director is the Executive Lead for patient safety, supported by the Chief Nurse. The Deputy Medical Director (Quality and Safety) is the responsible officer for the revalidation of doctors.

The Chief Financial Officer is the lead executive for financial risk and accountable for effective financial control and appropriate internal and external audit.

### Trust Audit and Risk Committee

This Board Committee, chaired by a Non-Executive Director (NED), has delegated responsibility for the review, scrutiny and challenge of the establishment and maintenance of an effective system of governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives.

### Trust Management Executive (TME)

The TME is chaired by the Chief Executive and membership consists of Executive Directors, Divisional Medical Directors, Divisional Directors of Operations and Divisional Directors of Nursing and Governance. The TME is responsible for ensuring that there are

clear and robust accountability arrangements at all levels of the organisation for risk management, including within the Divisional structure, which are explicit and understood.

The TME also has the responsibility for regular review and challenge of the Corporate Risk Register / Board Assurance Framework.

Audit managers from KPMG LLP (internal audit) and Grant Thornton (external audit) attend all Audit and Risk Committee meetings and are responsible for the development of the audit reports and findings and the Annual Report to those charged with Governance. The Audit and Risk Committee approves the annual Internal Audit Plan. This Plan is based on the Trust's Assurance and Risk Framework. The Audit and Risk Committee receives details of all the reports of the Internal Auditors and monitors the implementation of recommendations. The monitoring of the recommendations of Audit reports for quality and safety are reviewed at the Trust Quality & Safety and Quality Governance Committee, through the External and Internal Review reports.

The main purpose of the audit reports is to provide Management, the Audit and Risk Committee and the Trust Board with:

- An opinion of the adequacy of internal control
- The degree to which the Trust complies with standards
- Information on significant audit findings and recommendations.

Management and ownership of risk is delegated to the appropriate level from Executive Director to local management teams through the Divisional Management and Governance structure. Local risk registers are maintained and monitored through Directorate and Divisional management and Governance meetings. These are reviewed at the Divisional Governance meetings and monthly reports on top risks are presented to the TME and Divisional Operating Plan Reviews.

Serious Incidents (SIs) are investigated through the Divisions involved, with reports generated by managers and signed off by the Chief Executive. The Outcomes with Learning Group reviews all incidents after completion and monitors implementation of learning derived from each SI as well as delivery of action plans arising. In 2020/21 the Trust has routinely produced a quarterly thematic SI report for the part one Board meeting.

All Divisions have a Medical Quality and Safety lead as well as a substantive governance and risk lead, with responsibility for ensuring that risk management and clinical governance processes are applied consistently within their Division.

## 6. Risk and control framework

The Trust Management Executive reviews the Corporate Risk Register on a bi-monthly basis. The recommendations of national and other high-level reports are reviewed at appropriate Trust level committees and where gaps are identified, these are also submitted for consideration in the Corporate Risk Register.

The Trust Board is responsible for determining the strategic direction of the Trust, including that of quality governance and risk management. It is supported by the Audit and Risk Committee, which establishes basis of assurance on risk management issues. The Board reviews the interaction, ways of working, Terms of Reference, and membership of its committees. The Trust's system of internal control is designed to manage the risks associated with achieving aims, objectives and policies to a reasonable level. During 2020/21 the Trust Board sought to review and confirm those key strategic risks which were most significant to delivery of the Trust's priorities. This process identified the following significant strategic risks which formed the basis of the Board Assurance Framework during 2020/21:

- BAF1: The Trust unable to respond effectively to demands for services
- BAF2: Failure to deliver a financially sustainable organisation, in the light of wider financial uncertainty within the NHS landscape and the wider economy.
- BAF 3: Inconsistent delivery of high-quality standards/services
- BAF 4: The continued impact of the Covid-19 pandemic adversely affects the Trust's ability to maintain safe, high quality services for patients and local communities.
- BAF 5: The risk that the Board does not deliver on the agreed Trust strategy

Alongside regular review of the Corporate Risk Register, the Trust Board requires ongoing assurance in relation to each of the above key strategic risks to confirm that appropriate risk management and mitigation strategies are in place.

## 7. Care Quality Commission

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC). In February and March 2020, the CQC undertook a planned focused inspection, as well as 'use of resources' and 'well-led' assessments. The CQC inspected the core services of urgent and emergency care, medical care, surgery, critical care and services

for children and young people at Queen Elizabeth Hospital. At University Hospital Lewisham they inspected the core services of medical care and surgery. Two requirement notices were issued to the Trust as a result of the inspections:

- Regulations 12 & 17 at Queen Elizabeth Hospital in relation to the care of patients with mental health needs in urgent and emergency care and medicines management in medical care.
- Regulation 17 in relation to an outstanding breach for medicines management in children and young people.

The Trust saw an increase in the numbers of services rated 'good' with critical care, surgery and medical care core services moving to a 'good' rating however the overall CQC rating for the Trust remains 'Requires Improvement'.

The Trust has in place a robust improvement action plan in response to the CQC requirement notices. This is monitored by the Quality and Safety Improvement Group, chaired by the Director of Quality, which in turn reports through to both TME and the Quality Governance Committee.

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

As noted above, the CQC undertook an assessment of the Trust's Use of Resources in March 2020. In this report the CQC rated the Trust as 'Requires Improvement' in the use of resources. To address this the Trust has established an Improving Use of Resources Programme. Alongside this there are a number of processes used by the Trust to deliver economy, efficiency and effectiveness of the use of resources. These include:

- Use of the Trust's Corporate Governance Manual and Standing Financial Instructions (last revised in July 2020)
- Delivery of agreed transformation projects through a series of groups reporting into the Trust Management Executive
- Efficient use of electronic procurement with workflow
- Regular, systematic and risk based Internal Audit
- Detailed bottom-up process for budget setting and business cases and
- Financial and efficiency benchmarking at Trust level against other NHS trusts, in recent periods this has been facilitated by the development and use of the 'Model Hospital' database.

## 9. Annual Quality Account

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. Quality Accounts detail the Trust's performance against a series of quality indicators and detail the Trust's plans to continually improve the quality of its services. The Quality Accounts are developed internally, and shared with local health partners before submission to the Secretary of State by uploading it to the NHS website. In previous years, the Trust's Quality Account has been subject to review by the Trust's external auditors. For the 2020/21 period no external audit review is mandated.

The Director of Quality co-ordinates the production of the Trust's Quality Account and quality priorities aligned to the patient safety, patient experience and clinical effectiveness domains. The Quality Account and progress against our quality priorities are monitored by the Quality and Safety Committee with oversight by the Quality Governance Committee.

## 10. The management of incidents and identification of clinical risk

All staff are responsible for managing risks within the scope of their role and responsibilities as employees of the Trust. Structured processes are in place for incident reporting, and the investigation of Serious Incidents and Never Events. The Trust has a positive culture of reporting incidents enhanced by accessible online reporting systems available across the Trust. The responsibility for risk management is clearly mapped to all staff, the Trust Board, NEDs and Executive Directors, department heads, managers and senior clinicians. Risks are identified reactively and proactively. All risks are assessed against one standard tool. All risks are managed through Divisional Governance meetings; oversight is maintained by the relevant Trust Board sub-committee. High level risks are reported to and reviewed by the Trust Board.

## 11. Clinical Audit

The Trust has an established Clinical Audit programme as detailed in the Trust's Quality Account. The programme aims to drive continuous improvement of services and quality of care. The Clinical Audit Programme priorities in 2020/21 were the National Clinical Audit and Confidential Enquiries Programme, Mandatory Audits, NICE Guidance and Quality Standards, Trust Wide Governance and Risk Audits and local Clinical Specialty level Audits. The internal monitoring and reporting of Clinical Audit activity within the Trust is established through a range of structures, systems and processes. The overall monitoring and reporting of all Clinical Audit activity is led by the Clinical Effectiveness Department supported by Directorate Level Governance and Audit Meetings, Divisional Level Governance and Risk Meetings and is overseen by the both the Quality & Safety and Quality Governance Committees.

## 12. Information governance/data security

Information governance is a framework for managing information, particularly personal information of patients and employees. The framework is responsible for ensuring that all personal information is handled and processed fairly and securely by the Trust to support its future regulatory, legal, risk and operational requirements. As part of this remit, and on 25 May 2018, the new legislation for GDPR Regulations came into force and introduced a new set of performance standards/regulations. This has now been incorporated with the UK Data Protection Act 2018.

The new regulations have been implemented across the Trust and are subject to a new self-assessment toolkit (known as the Data Security Protection Toolkit) which all Health and Social Care Organisations must comply with. The Trust's compliance is reviewed on an annual basis through our internal audit programme and is reviewed by the CQC as part of Well-Led Inspection.

Our aim is to continually improve our compliance year on year with improved standards. A key element in achieving this is to ensure that all staff undertake annual Information Governance and Data Protection training and receive regular updates relating to Information Governance and Data Security.

The Trust has an established Information Governance Steering Committee (IGSC) which meets monthly and is chaired by the Head of Information Governance and Assurance. The Trust's Caldicott Guardian is a member of this Committee as well as the Senior Information Risk Owner (SIRO). The Steering Committee reports into the Trust's Digital Committee, both through the minutes of its meetings and also on an exception-reporting basis, so that the Committee is kept informed of any risks relating to information assurance within the Trust and to ensure that mitigating action plans are in place to address such risks.

The number of data/information governance incidents for 2020/21 is 144 compared to 137 the previous year. There were no incidents reported to the ICO from the Trust for the period 1 April 2020 to 31 March 2021.

Due to Covid-19 the Data Security and Protection Toolkit has been extended until 30 June 2021. The Trust intends to publish "Standards Met" by 30 June 2021.

## 13. Data quality

Poor data quality affects all aspects of the Trust – patient safety, performance against national targets, Income and reputation, therefore improving the quality of data is a key priority for the Trust.

Virtual Data quality audits looking at data recording and quality issues across wards, Emergency Departments (ED) and outpatient areas (OPDs) are carried out on a weekly basis with the reports being shared with service managers for them to identify and implement improvement actions, with areas revisited to monitor the impact of improvements introduced from their previous audit. Where training needs are identified these are raised with the IT Training team.

Daily reviews of demographic details including checks for duplicate patient registrations for current activity and future patients on the Trust waiting lists are being carried out to confirm that the details are correct and up-to-date and iCare is synchronised with the Spine. Investigations and updates are performed when errors and inconsistencies are found.

Routine daily reports identifying data quality issues that require action are being sent out automatically to service staff for corrective action. Live reports have been introduced to highlight where data on iCare is not being updated in a timely manner in ED arrivals, inpatient admissions and discharges.

Activity data is automatically submitted daily and weekly to NHS Digital depending on the dataset and is checked for completeness and validity with any errors flagged for investigation and correction before submission.

The Trust has established processes to assure the quality and accuracy of elective waiting time data and the risks to the quality and accuracy of this data.

Automated daily load reports flag if any activity is missing from our data warehouse or overdue or if there has been a failure during the data load process. These automated reports are emailed to the data warehouse team daily for review and action.

Data Assurance meetings, led by the Data Quality Team, are held quarterly with membership drawn from clinical divisions and corporate areas. These meetings are a forum for data quality issues and risks to be raised and solutions to be identified and their implementation monitored. They have been relatively successful and the action notes from these meetings will be reported into the Information Governance

Steering Committee along with the Data Quality scorecard. The attendance of the Data Assurance meeting has been positive from corporate areas but needs improvement from clinical areas if this is to become a truly effective forum for improving data quality across the Trust.

## 14. Counter fraud

The anti-fraud, bribery and corruption work carried out during the financial year 2020/21 has been assessed by the Trust against the NHS Counter Fraud Authority Standards for Providers 2020/21 – Fraud, Bribery and Corruption/NHS Standard Contract.

Following the annual Self-Review Toolkit return on 31 March 2020, changes to the standards were incorporated into the 2020/21 annual Counter Fraud plan to improve ratings not assessed as green.

## 15. Register of interests

The Trust 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 12 months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

## 16. Workforce

The Workforce and Education Committee endorsed the Trust's Workforce Strategy which focuses on four main themes to make the Trust a great place to work: by recruiting staff who share our values; by caring for the health and wellbeing of all our staff; by developing and retaining a workforce that is fit for the future and by creating inclusive workplaces. The strategy is underpinned by improving workforce processes and outcomes. As part of the wider development of the strategy, the key challenges and risks the Trust faces have been acknowledged with clear goals identified. Updates on progress against these goals is reported on a monthly basis.

Workforce planning is undertaken with active engagement and in collaboration with services, professional leads, Finance and Workforce. Workforce plans are reviewed and risk-adjusted to ensure that they are able to meet the Trust's key targets, both qualitative and financial.  Reviews of the workforce and establishments take place throughout the year with services and key stakeholders for the process in attendance, including divisional performance review meetings and the Workforce and Education Committee.

We expect teams to have effective operational controls. We monitor vacancy levels at directorate and staff

group level to ensure that any risks are anticipated and mitigated. Induction, training and appraisal processes are in place and are tracked and monitored on a monthly basis to ensure that staff are safe and supported at work. We are working with clinical teams to ensure that there are effective mechanisms to support staff at an operational level when they are under pressure. We continue with plans to ensure all staff have rosters in place and that these are published in advance to allow managers and staff to be assured of staffing levels and service needs on an operational level through the year. We are expecting to further improve the quality of rosters with a view to improving practice and impact. Job plans for the medical workforce are also in the process of being agreed and signed off. There are clear processes to support services with temporary staff with the appropriate levels of skills and competencies should the need arise and to ensure that patient care is prioritised at all times. We review all of our workforce performance indicators through an equalities lens on a triannual basis to ensure that any areas of concern are addressed through informed and robust actions.

We review our safe staffing levels by triangulating a range of quantitative and narrative sources of information that are tracked over time, including benchmarking data, average fill rates for nurses and healthcare assistants, turnover, sickness, bank and agency staff usage, incidents, compliments and complaints, roster KPIs, appraisals and professional judgement reviews. As noted above, over the past 18 months the Trust has established a number of staff networks at the Trust including the Black, Asian and minority ethnic staff network, an Under 30s staff network, the LGBT+ (Lesbian, Gay, Bisexual, Transgender) staff network and a Women's network. An action plan has been developed in partnership with staff networks and staff representatives that is aimed at helping create a truly inclusive organisation with progress reviewed by the senior leadership team and the Workforce and Education Committee on a triannual basis.

## 17. Sustainable development

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets we can improve health both in the immediate and long term, even in the context of the rising cost of natural resources.

We acknowledge this responsibility to our patients, local communities and the environment by working hard to minimise our environmental footprint. As a part of the NHS, it is our duty to contribute towards the NHS-wide goals set in 2020:

- for the emissions we control directly, net zero by 2040, with an ambition to reach an 80% reduction by 2028 to 2032;
- for the emissions we can influence, net zero by 2045, with an ambition to reach an 80% reduction by 2036 to 2039.

One way that an organisation can embed sustainability is to develop and implement a Green Plan. We will be putting together a Green Plan for LGT in the near future for consideration by the board. This plan will seek to set out the Trust's approach to becoming net carbon zero for the emissions we directly control by 2040, in line with the NHS net zero plan.

As an organisation we acknowledge our responsibility towards creating a sustainable future. To help us achieve that goal we run awareness campaigns that promote the benefits of sustainability to our staff. Climate change brings new challenges to our business both in direct effects to our buildings, facilities and land, but also to patient health. Examples in recent years include the effects of heatwaves, extreme temperatures and prolonged periods of cold, floods, droughts etc. As an organisation we have identified the need to develop a board approved plan for future climate change risks affecting our area.

### Travel

We can improve local air quality and improve the health of our community by promoting environmentally friendly ways of travelling – for example through the "Cycle to Work" scheme.

Every action counts and we are a lean organisation trying to realise efficiencies across the board for cost and carbon (CO2e) reductions. We support a culture for active travel to improve staff wellbeing and reduce sickness.

## 18. Other aspects

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.

## 19. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed in a number of ways:

- The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. *The 2020/21 Head of Internal Audit opinion is: "Significant assurance with minor improvements" confirming the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.* During the period KPMG completed ten reviews. Of these, two reports received an assurance rating of "partial assurance" reports. The Trust did not receive any "no assurance" reports in 2020/21. The partial assurance reports related to the ePrescribing (ePMA) and SFI Waivers reviews. Improvement work is underway to address the recommendations that have been raised and this is regularly tracked through the Audit and Risk Committee.
- In February and March 2020, the CQC undertook a planned focused inspection, as well as 'use of resources' and 'well led' assessments. This was published in June 2020. The overall rating for the Trust remained 'requires improvement'. Executive Directors within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.
- The regular reviews of the Corporate Risk Register and Board Assurance Framework provide me with evidence that the effectiveness of the controls used to manage the risks to the organisation in achieving its strategic priorities have been regularly reviewed.
- The Trust's committee structures ensure sound monitoring and review mechanisms to make certain that the systems of internal control are working effectively.
- External auditor assurances are provided through the annual opinion on the financial statements and value for money conclusion.
- Clinical leads within the Trust have responsibility for the development and maintenance of the internal control framework.
- Other sources of information include: the views and comments of stakeholders; patient and staff surveys; internal and external audit reports; clinical benchmarking and audit reports and mortality monitoring; reports from external assessments.

## 20. Conclusion

This report sets out an open and balanced reflection of the Trust's progress over the past year. The Board and Executive have a clear understanding of the significant issues facing the Trust to address its workforce, financial and performance challenges, and the work it must focus on during the 2021/22 period and beyond to address these.

As reflected in this Annual Government Statement, I am satisfied that Lewisham and Greenwich NHS Trust has a sound system of internal controls that supports the achievement of its policies, aims and objectives, and that no significant internal control issues have been identified in relation to the 2020/21 period.

**Ben Travis**, Chief Executive
July 2021

# Remuneration report

Pay for executive directors is set and agreed by the Trust's Remuneration Committee. Other senior managers' pay is in line with Agenda for Change pay scales.

All executive directors report to the Chief Executive and, like other staff, have regular appraisals to set and assess performance against objectives. There is no performance-related pay within the Trust.

All our directors were appointed as permanent employees. The notice period for executive directors is six months. If applicable, termination payments would be made in line with contractual entitlements.

**2020/21 – Salary and pension entitlements of senior managers - remuneration - audited**

| Name | | Title | Salary (bands of £5,000) | Expense payments (Taxable) Nearest £100 | Performance pay and related bonuses (bands of £5,000) | Long term performance related pay and bonuses (bands of £5,000) | All pension related benefits (bands of £2,500) | 2020/21 Total (bands of £5,000) |
|---|---|---|---|---|---|---|---|---|
| **1. Executive Directors** | | | | | | | | |
| Ben Travis | | Chief Executive | 210-215 | - | - | - | - | 210-215 |
| Angela Helleur | | Chief Nurse | 145-150 | - | - | - | 2.5-5 | 145-150 |
| Elizabeth Aitken | 1 | Medical Director | 215-220 | - | - | - | 27.5-30 | 240-245 |
| Meera Nair | | Chief People Officer | 140-145 | - | - | - | 117.5-120 | 260-265 |
| Spencer Prosser | | Chief Financial Officer | 180-185 | - | - | - | - | 180-185 |
| **2. Other Members of the Board - Non Voting** | | | | | | | | |
| Jim Lusby | | Director of Strategy and Integrated Care | 145-150 | - | - | - | - | 145-150 |
| Keith Howard | 2 | Director of Estates, Facilities and redevelopment to 11-Jun-20 | 25-30 | - | - | - | - | 25-30 |
| Kate Anderson | | Director of Corporate Affairs | 105-110 | - | - | - | 27.5-30 | 135-140 |
| Rachael Backler | | Director of Performance | 130-135 | - | - | - | 32.5-35 | 160-165 |
| **3. Chairman & Non Executive Directors (5)** | | | | | | | | |
| Val Davison | | Trust Chair | 35-40 | - | - | - | - | 35-40 |
| Allan Young | | Non-Executive Director from 01-Mar-21 | 0-5 | - | - | - | - | 0-5 |
| Binka Layton | | Non-Executive Director | 10-15 | - | - | - | - | 10-15 |
| Edleen John | | Non-Executive Director from 15-Mar-21 | 0-5 | - | - | - | - | 0-5 |
| Harry Bright | | Non-Executive Director | 10-15 | - | - | - | - | 10-15 |
| Ian Norman | | Non-Executive Director to 31-Dec-20 | 5-10 | - | - | - | - | 5-10 |
| Julia Mundy | | Non-Executive Director | 10-15 | - | - | - | - | 10-15 |
| Katherine Yeung | | Non-Executive Director to 31-Aug-20 | 0-5 | - | - | - | - | 0-5 |
| Steve James | | Non-Executive Director from 01-Jun-20 | 5-10 | - | - | - | - | 5-10 |
| Sarah Higgins | | Associate Non-Executive Director | 10-15 | - | - | - | - | 10-15 |
| Sukhvinder Kaur-Stubbs | | Non-Executive Director | 10-15 | - | - | - | - | 10-15 |
| **4. Payments to Past Directors and Senior Managers** | | | | | | | | |
| Suzanne Wills | 3 | Chief Operating Officer to 16-Dec-20 | 95-100 | - | - | - | 55-57.5 | 155-160 |

(1) Elizabeth Aitken's salary includes both Clinical and Medical Director earnings

(2) Retired

(3) from 01 Apr 20 to 31 May 20 was a non voting member of the board (salary band £20k-£25k) from 01 Jun 20 to 16 Dec 20 was seconded to another organisation (salary band £75k-£80k)

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less, the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of the accounts an estimation of the benefit that being a member of the pension scheme could provide.

The pension benefit table provides further information on the pension benefits accruing to the individual. Factors determining the variation in the values recorded between individuals include but are not limited to:

- A change in role with a resulting change in pay and impact on pension benefits
- A change in the pension scheme itself
- Changes in the contribution rates
- Changes in the wider remuneration package of an individual

**2019/20 – Salary and pension entitlements of senior managers - remuneration - audited**

| Name | | Title | Salary (bands of £5,000) | Expense payments (Taxable) Nearest £100 | Performance pay and related bonuses (bands of £5,000) | Long term performance related pay and bonuses (bands of £5,000) | All pension related benefits (bands of £2,500) | 2019/20 Total (bands of £5,000) |
|---|---|---|---|---|---|---|---|---|
| **1. Executive Directors** | | | | | | | | |
| Ben Travis | 1 | Chief Executive | 200-205 | - | - | - | - | 200-205 |
| Elizabeth Aitken | 2 | Medical Director | 210-215 | - | - | - | 37.5-40 | 250-255 |
| Angela Helleur | 1 | Chief Nurse | 145-150 | - | - | - | 82.5-85 | 225-230 |
| Sebastian Nai | 3 | Chief Financial Officer to 26-Jul-19 | 70-75 | - | - | - | - | 70-75 |
| Spencer Prosser | | Chief Financial Officer from 01-Aug-19 | 115-120 | - | - | - | - | 115-120 |
| Meera Nair | | Chief People Officer from 15-Sep-19 | 75-80 | - | - | - | 25-27.5 | 100-105 |
| **2. Other Members of the Board - Non Voting** | | | | | | | | |
| Rachael Backler | | Director of Performance from 09-Dec-19 | 40-45 | - | - | - | 37.5-40 | 75-80 |
| Keith Howard | 1 | Director of Estates, Facilities and redevelopment | 135-140 | - | - | - | 12.5-15 | 145-150 |
| Kate Anderson | | Director of Corporate Affairs | 100-105 | - | - | - | 25-27.5 | 125-130 |
| Nigel Kee | | Interim Director of Service Delivery to 10-Aug-19 | 50-55 | - | - | - | 257.5-260 | 310-315 |
| Jim Lusby | 1 | Director of Strategy and Integrated Care | 145-150 | - | - | - | - | 145-150 |
| Suzanne Wills | | Chief Operating Officer from 01-Jan-20 | 30-35 | - | - | - | 60-62.5 | 90-95 |
| Lynn Saunders | 4 | Director of Strategy, Business and Communications to 31-Aug-19 | 65-70 | - | - | - | - | 65-70 |
| **3. Chairman & Non Executive Directors (5)** | | | | | | | | |
| Val Davison | | Chair | 35-40 | - | - | - | - | 35-40 |
| John Ballard | | Non-Executive Director to 30-Sep-19 | 0-5 | - | - | - | - | 0-5 |
| Sukhvinder Kaur-Stubbs | | Non-Executive Director | 5-10 | - | - | - | - | 5-10 |
| Harry Bright | | Non-Executive Director | 5-10 | - | - | - | - | 5-10 |
| Binka Layton | | Non-Executive Director | 5-10 | - | - | - | - | 5-10 |
| Julia Mundy | | Non-Executive Director | 5-10 | - | - | - | - | 5-10 |
| Katherine Yeung | | Non-Executive Director | 5-10 | - | - | - | - | 5-10 |
| Ian Norman | | Non-Executive Director from 24-Jun-19 | 5-10 | - | - | - | - | 5-10 |
| Sarah Higgins | | Associate Non-Executive Director (non-voting) | 5-10 | - | - | - | - | 5-10 |
| **4. Payments to Past Directors and Senior Managers** | | | | | | | | |
| Janet Lynch | | Ex Director of Workforce and Education - Pay in Lieu of Notice | 65-70 | - | - | - | 57.5-60 | 120-125 |

(1) Included within the salaries disclosed is a payment of £0-5K relating to 2018/19
(2) Elizabeth Aitken's salary includes both Clinical and Medical Director earnings
(3) Sebastian Nai was seconded from NHSI and the costs disclosed are gross
(4) Part time
(5) Chair and Non Executive Director salaries are in line with revised guidance published by NHSI/E on the 26th September 2019.

## 2020/21 – Salary and pension entitlements of senior managers - pension benefits - audited

| Name | | Title | Real increase/ (decrease) in pension at age (bands of £2,500) | Real increase/ (decrease) in pension lump sum at age (bands of £5,00) | 'Total accrued pension at age 31 March 2021 (bands of £5,000) | 'Lump sum at pension age related to accrued pension at 31 March 2021 | Cash Equivalent Transfer Value at 31 March 2020 £000s | Real Increase in Cash Equivalent Transfer Value £000s | Cash Equivalent Transfer Value at 31 March 2021 £000s | Employers Contribution to Stakeholder Pension £000s |
|---|---|---|---|---|---|---|---|---|---|---|
| Elizabeth Aitken | | Medical Director | 2.5-5 | - | 65-70 | 95-100 | 1,095 | 60 | 1,174 | - |
| Angela Helleur | | Chief Nurse | 0-2.5 | 0-2.5 | 60-65 | 185-190 | 1,411 | 49 | 1,484 | - |
| Meera Nair | | Chief People Officer | 5-7.5 | 10-12.5 | 30-35 | 55-60 | 424 | 124 | 556 | - |
| Rachael Backler | | Director of Performance | 2.5-5 | 0-2.5 | 10-15 | - | 65 | 24 | 90 | - |
| Keith Howard | | Director of Estates, Facilities and Redevelopment to 11-Jun-20 | - | 85-87.5 | 25-30 | 190-195 | - | - | - | - |
| Kate Anderson | | Director of Corporate Affairs | 0-2.5 | 0-2.5 | 10-15 | - | 81 | 23 | 105 | - |
| Suzanne Wills | | Chief Operating Officer to 16-Dec-20 | 0-2.5 | 2.5-5 | 35-40 | 75-80 | 644 | 53 | 730 | - |

Director of Estates, Facilities and Redevelopment retired 11 June 2020.

As non-executive directors do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive directors.

Board members not in the scheme in the current or previous year are not listed.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. The benefits and related CETVs do not allow for a potential adjustment arising from the McCloud judgement.

Real Increase in CETV reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement).

## 2019/20 – Salary and pension entitlements of senior managers - pension benefits - audited

| Name | | Title | Real increase/ (decrease) in pension at age (bands of £2,500) | Real increase/ (decrease) in pension lump sum at age (bands of £5,00) | 'Total accrued pension at age 31 March 2020 (bands of £5,000) | 'Lump sum at pension age related to accrued pension at 31 March 2020 | Cash Equivalent Transfer Value at 31 March 2019 £000s | Real Increase in Cash Equivalent Transfer Value £000s | Cash Equivalent Transfer Value at 31 March 2020 £000s | Employers Contribution to Stakeholder Pension £000s |
|---|---|---|---|---|---|---|---|---|---|---|
| Elizabeth Aitken | | Medical Director | 2.5-5 | 0-2.5 | 65-70 | 95-100 | 1,012 | 59 | 1,095 | - |
| Angela Helleur | | Chief Nurse | 2.5-5 | 12.5-15 | 60-65 | 180-185 | 1,243 | 139 | 1,411 | - |
| Meera Nair | | Chief People Officer from 15-Sep-19 | 0-2.5 | - | 20-25 | 45-50 | 384 | 17 | 424 | - |
| Rachael Backler | | Director of Performance from 09-Dec-19 | 0-2.5 | 0-2.5 | 5-10 | - | 43 | 6 | 65 | - |
| Keith Howard | | Director of Estates, Facilities and Redevelopment | 0-2.5 | 2.5-5 | 30-35 | 100-105 | - | - | - | - |
| Kate Anderson | | Director of Corporate Affairs | 0-2.5 | 0-2.5 | 5-10 | - | 59 | 20 | 81 | - |
| Nigel Kee | | Interim Director of Service Delivery to 10-Aug-19 | 10-12.5 | 27.5-30 | 45-50 | 140-145 | 831 | 98 | 1,125 | - |
| Suzanne Wills | | Chief Operating Officer from 01-Jan-20 | 2.5-5 | 2.5-5 | 30-35 | 70-75 | 569 | 15 | 644 | - |

The Chief Executive is no longer contributing to the scheme so is not included above and the previous Director of Workforce and Education is not included as they have taken retirement.

| Exit packages 2020/21 - audited | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Exit package cost band (including any special payment element) | Number of compulsory redundancies Number | Cost of compulsory redundancies £ | Number of other departures agreed Number | Cost of other departures agreed £ | Total number of exit packages Number | Total cost of exit packages £ | Number of departures where special payments have been made Number | Cost of special payment element included in exit packages £000s |
| <£10,000 | - | - | 8 | 23,659 | 8 | 23,659 | - | - |
| £10,000 - £25,000 | - | - | - | - | - | - | - | - |
| £25,001 - £50,000 | - | - | 1 | 28,747 | 1 | 28,747 | - | - |
| £50,001 - £100,000 | - | - | - | - | - | - | - | - |
| £100,001 - £150,000 | - | - | - | - | - | - | - | - |
| £150,001 - £200,000 | - | - | - | - | - | - | - | - |
| >£200,000 | - | - | - | - | - | - | - | - |
| Total | - | - | 9 | 52,406 | 9 | 52,406 | - | - |

| Analysis of other departures - audited | Agreements Number | Total value of agreements £000s |
|---|---|---|
| Voluntary redundancies including early retirement contractual costs | - | - |
| Mutually agreed resignations (MARS) contractual costs | - | - |
| Early retirements in the efficiency of the service contractual costs | - | - |
| Contractual payments in lieu of notice | 9 | 52 |
| Exit payments following Employment Tribunals or court orders | - | - |
| Non-contractual payments requiring HMT approval | - | - |
| Total | 9 | 52 |

| Exit packages 2019/20 - audited | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Exit package cost band (including any special payment element) | Number of compulsory redundancies Number | Cost of compulsory redundancies £ | Number of other departures agreed Number | Cost of other departures agreed £ | Total number of exit packages Number | Total cost of exit packages £ | Number of departures where special payments have been made Number | Cost of special payment element included in exit packages £000s |
| <£10,000 | - | - | 8 | 32,966 | 8 | 32,966 | - | - |
| £10,000 - £25,000 | - | - | - | - | - | - | - | - |
| £25,001 - £50,000 | - | - | - | - | - | - | - | - |
| £50,001 - £100,000 | - | - | 1 | 53,822 | 1 | 53,822 | - | - |
| £100,001 - £150,000 | - | - | - | - | - | - | - | - |
| £150,001 - £200,000 | - | - | - | - | - | - | - | - |
| >£200,000 | - | - | - | - | - | - | - | - |
| Total | - | - | 9 | 86,788 | 9 | 86,788 | - | - |

| Analysis of other departures - audited | Agreements Number | Total value of agreements £000s |
|---|---|---|
| Voluntary redundancies including early retirement contractual costs | - | - |
| Mutually agreed resignations (MARS) contractual costs | - | - |
| Early retirements in the efficiency of the service contractual costs | - | - |
| Contractual payments in lieu of notice | 9 | 87 |
| Exit payments following Employment Tribunals or court orders | - | - |
| Non-contractual payments requiring HMT approval | - | - |
| Total | 9 | 87 |

## Highest paid director and median pay of workforce

### Audited

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

The banded, full time equivalent, annualised total remuneration of the highest paid director in Lewisham and Greenwich NHS Trust in the financial year 2020/21 was £215K-£220K (2019/20 £210-215K). This was 5.52 times (2019/20 5.67 times) the median remuneration of the workforce, which was £39,415 (2019/20 £37,448). There has been no change from last year – the Medical Director continues to be the highest paid director.

In 2020/21 four employees received remuneration in excess of the highest-paid director (two in 2019/20). Remuneration ranged from £15K-£20K to £330K-£335K (2019/20 £15K-£20K to £240K-£245K).

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

| Median pay and highest paid director | 2020-21 | 2019-20 |
|---|---|---|
| Pay of highest paid director (bands of £5,000) | 215-220 | 210-215 |
| Median pay | £39,415 | £37,488 |
| Median as multiple of highest paid director | 5.52 | 5.67 |

## Off-payroll engagements

### Off-payroll engagements longer than 6 months.

The table below shows all off-payroll engagements of more than £245 per day as of 31 March 2021.

| Off-payroll engagements longer than six months | |
|---|---|
| | Number |
| Number of existing engagements as of 31 March 2021 | 1 |
| **Of which, the number that have existed:** | |
| for less than one year at the time of reporting | - |
| for between one and two years at the time of reporting | 1 |
| for between 2 and 3 years at the time of reporting | - |
| for between 3 and 4 years at the time of reporting | - |
| for 4 or more years at the time of reporting | - |

### Off-payroll workers engaged at any point during the financial year

For all off-payroll engagements between 1 April 2020 and 31 March 2021, for more than £245 per day.

| New off-payroll engagements | |
|---|---|
| | Number |
| No. of temporary off-payroll workers engaged between 1 April 2020 and 31 March 2021 | 3 |
| **Of which** | |
| No. not subject to off-payroll legislation | - |
| No. subject to off-payroll legislation and determined as in-scope of IR35 | 3 |
| No. subject to off-payroll legislation and determined as out of scope of IR35 | - |
| No. of engagements where the status was disputed under provisions in the off-payroll legislation | - |
| Of which: no. of engagements that saw a change to IR35 status following review | - |

### Off-payroll board member/senior official engagements

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021

| Off-payroll board member/senior official engagements | |
|---|---|
| | Number |
| Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year | - |
| Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure must include both on payroll and off-payroll engagements. | 21 |

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# Staffing report

## Our staffing profile

At the time of writing (March 2021), we have 5,240 full time members of staff. In addition a total of 1,800 employees work part-time, making up 26% of the Trust's permanent workforce. We have recruited 1,407 new members of staff in the last year and our vacancy rate has reduced to below 9% and recruitment continues to be a key priority for the Trust.

The Trust's most recent workforce equalities report is available on our website at www.lewishamandgreenwich.nhs.uk/equality or on request (tel: 020 3192 6044). We regularly analyse our staffing to help us better understand workforce representation and staff experience. This enables us to take appropriate action to improve outcomes where necessary.

By gender, the breakdown of the Trust's workforce is as follows:

- 79.4% of the Trust's overall permanent workforce is female
- 71.3% of staff above band 8a are female. This represents a 1% decrease since the last report
- 61.5% of Very Senior Managers in the organisation are female. This represents a 5% increase since the last report

The Trust has an ethnically diverse workforce. Black and minority ethnic (BAME) employees make up 53.8% of the Trust's permanent workforce. In general though, there is under representation of BAME staff amongst the higher pay bands. This is an ongoing issue that the Trust is committed to addressing and continues to feature as a focus for action within our equality objectives.

The disability breakdown of the trust's permanent workforce is as follows:

- 3.7% of permanent staff have stated they have a disability
- 84.1% have stated they do not have a disability
- 12.1% of staff have chosen not to disclose information with regards to disability

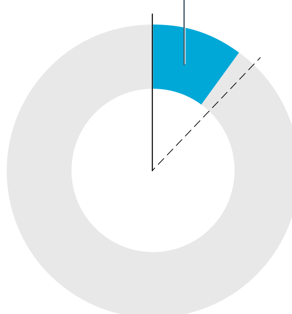
## Staff sickness absence

Sickness absence rates are available on the NHS Digital website at https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates.

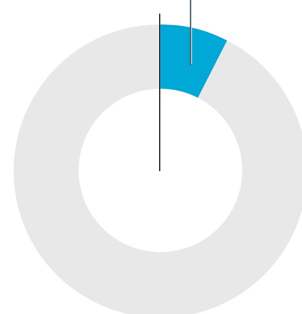
## Staff turnover

At the time of publication, the Trust gross annual staff turnover was reported as 10.2%, below the Trust target of 12; this represents a 1.7% reduction in comparison with the 2019/20 year end position. Voluntary annual turnover was reported as 7.7%, the lowest rate to date, which represents an improvement of 1.9% compared to the 2019/20 year end position.

Gross annual staff turnover
**10.2%**



Voluntary annual turnover
**7.7%**



| Staff costs - audited | | | | |
|---|---|---|---|---|
| | Permanent | Other | 2020/21 Total | 2019/20 Total |
| | £000 | £000 | £000 | £000 |
| Salaries and wages | 344,352 | 3,213 | 347,565 | 305,696 |
| Social security costs | 31,202 | 3,463 | 34,665 | 31,999 |
| Apprenticeship levy | 1,394 | 204 | 1,598 | 1,419 |
| Employer's contributions to NHS pensions | 32,855 | 1,889 | 34,744 | 32,412 |
| Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%) | 14,415 | 829 | 15,244 | 14,194 |
| Pension cost - other | 13 | 3 | 16 | 23 |
| Other post employment benefits | - | - | - | - |
| Other employment benefits | - | - | - | - |
| Termination benefits | 53 | - | 53 | 87 |
| Temporary staff | - | 15,501 | 15,501 | 25,721 |
| **Total gross staff costs** | **424,284** | **25,102** | **449,386** | **411,551** |
| Recoveries in respect of seconded staff | (3,523) | - | (3,523) | (5,341) |
| **Total staff costs** | **420,761** | **25,102** | **445,863** | **406,210** |
| Of which | | | | |
| Costs capitalised as part of assets | 219 | 38 | **257** | 2,017 |

| Average number of employees (WTE basis) - audited | | | | |
|---|---|---|---|---|
| | Permanent | Other | 2020/21 Total | 2019/20 Total |
| | Number | Number | Number | Number |
| Medical and dental | 1,016 | 44 | 1,060 | 989 |
| Ambulance staff | - | - | - | - |
| Administration and estates | 1,302 | 157 | 1,459 | 1,465 |
| Healthcare assistants and other support staff | 794 | 260 | 1,054 | 996 |
| Nursing, midwifery and health visiting staff | 2,432 | 496 | 2,928 | 2,677 |
| Nursing, midwifery and health visiting learners | - | - | - | - |
| Scientific, therapeutic and technical staff | 1,084 | 81 | 1,165 | 1,158 |
| Healthcare science staff | - | - | - | - |
| Social care staff | - | - | - | - |
| Other | 7 | - | 7 | 5 |
| **Total staff costs** | **6,635** | **1,037** | **7,672** | **7,290** |
| Of which | | | | |
| Costs capitalised as part of assets | 4 | 2 | **6** | 32 |

**Ben Travis,** Chief Executive
July 2021

# Parliamentary accountability and audit report

## Parliamentary accountability

Lewisham and Greenwich NHS Trust does not produce a separate parliamentary accountability report but has opted to include disclosures on contingent liabilities, losses and special payments on page 116.

## Independent auditor's report to the Directors of Lewisham and Greenwich NHS Trust

### Report on the audit of the financial statements

### Opinion on financial statements

We have audited the financial statements of Lewisham and Greenwich NHS Trust (the 'Trust') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of its
- expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted
- and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the Directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2020 to 2021 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of the Directors and Those Charged with Governance for the financial statements' section of this report.

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the guidance issued by NHS Improvement, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

### Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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

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

We have nothing to report in respect of the above matters except on 28 June 2021 we referred a matter to the Secretary of State under section 30(b) of the Local Audit and Accountability Act 2014 in relation to Lewisham and Greenwich NHS Trust's breach of its breakeven duty for the three-year period ending 31 March 2021.

### Responsibilities of the directors and those charged with governance for the financial statements

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

In preparing the financial statements, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

The Audit and Risk Committee is those charged with governance. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

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

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

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021).
- We enquired of management and the Audit and Risk Committee, concerning the Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit and Risk Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and the recognition of both revenue and expenditure. We determined that the principal risks were in relation to:
  - journal entries we identified that met elevated risk criteria determined through the course of the audit;
  - potential management bias in determining accounting estimates, especially in relation to:
    - the calculation of the valuation of the Trust's land and buildings; and
    - occurrence and accuracy of income and the completeness of expenditure at the end of the financial year.

- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - using data analytics to consider all journal entries against specific criteria to identify entries we considered to be of higher risk of fraud. Such criteria included:
    - journals with unusual values;
    - journals posted after the year end;
    - journals with a material impact on the surplus/deficit for the year; and
    - journals created by senior managers;
  - identified and tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration;
  - testing of how management made the significant accounting estimates in respect of land and building valuations and challenging assumptions and judgements made by management in making the estimate;
  - substantive procedures to confirm the completeness of operating expenditure with a particular emphasis on payables and transactions recorded after 31 March 2021;
  - substantive procedures to confirm the occurrence and accuracy of income not received under a block contract; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the Trust's ongoing breach of its breakeven duty, the potential for fraud in revenue and expenditure recognition, the significant accounting estimates related to land and buildings valuations, the occurrence and accuracy of income and the completeness of expenditure.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the Trust operates
  - understanding of the legal and regulatory requirements specific to the Trust including:
    - the provisions of the applicable legislation NHS Improvement's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Trust's operations, including the nature of its income and expenditure and its services and of
  - its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

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

### Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

Our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in our Audit Completion Certificate. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.

### Responsibilities of the Accountable Officer

As explained in the Statement of the chief executive's responsibilities as the accountable officer of the Trust , the Chief Executive, as Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

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

We are required under Section 21(3)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can
- continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

## Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Lewisham and Greenwich NHS Trust for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

### Use of our report

This report is made solely to the Directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

**Iain Murray, Key Audit Partner**

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

London

28 June 2021

# Independent auditor's report to the Directors of Lewisham and Greenwich NHS Trust

In our auditor's report issued on 28 June 2021, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2021, in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had:

- Completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work, and the results of our work are set out below.

## Opinion on the financial statements

In our auditor's report for the year ended 31 March 2021 issued on 28 June 2021 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave this opinion.

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

### Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

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

### Responsibilities of the Accountable Officer

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

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

We are required under Section 21(3)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

## Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Lewisham and Greenwich NHS Trust for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

### Use of our report

This report is made solely to the Directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

**Iain Murray, Key Audit Partner**

for and on behalf of Grant Thornton UK LLP, Local Auditor
London
20 September 2021

# Annual accounts

# Accounts

| Statement of comprehensive income | Note | 2020/21 £000 | 2019/20 £000 |
|---|---|---|---|
| Operating income from patient care activities | 3 | 594,006 | 545,526 |
| Other operating income | 4 | 120,037 | 80,897 |
| Operating expenses | 6, 8 | (687,143) | (614,554) |
| **Operating surplus/(deficit) from continuing operations** | | **26,900** | **11,869** |
| Finance income | 11 | 4 | 139 |
| Finance expenses | 12 | (19,054) | (22,765) |
| PDC dividends payable | | (6,501) | (2,599) |
| **Net finance costs** | | **(25,551)** | **(25,225)** |
| Other gains / (losses) | 13 | (5,409) | (44) |
| Gains / (losses) arising from transfers by absorption | 32 | - | - |
| Corporation tax expense | | - | - |
| **Surplus/(deficit) for the year from continuing operations** | | **(4,060)** | **(13,400)** |
| **Other comprehensive income** | | | |
| **Will not be reclassified to income and expenditure:** | | | |
| Impairments | 7 | (12,986) | (644) |
| Revaluations | 17 | 3,267 | 26,492 |
| **May be reclassified to income and expenditure when certain conditions are met:** | | | |
| Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI | | - | - |
| Foreign exchange gains / (losses) recognised directly in OCI | | - | - |
| **Total comprehensive income / (expense) for the period** | | **(13,779** | **12,448** |
| **Adjusted financial performance (control total basis)** | | | |
| Surplus / (deficit) for the period | | (4,060) | (13,400) |
| Remove net impairments not scoring to the Departmental expenditure limit | | 4,099 | (1,660) |
| Remove (gains) / losses on transfers by absorption | | - | - |
| Remove I&E impact of capital grants and donations | | (1,483) | 49 |
| Prior period adjustments | | - | - |
| Remove non-cash element of on-SoFP pension costs | | - | - |
| Remove 2018/19 post audit PSF reallocation (2019/20 only) | | | (807) |
| Remove net impact of inventories received from DHSC group bodies for COVID response | | - | - |
| **Adjusted financial performance surplus / (deficit)** | | **(1,444)** | **(15,818)** |

The notes on pages 94 to 126 form part of these accounts.

| Statement of financial position | Note | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 14 | 25,764 | 28,456 |
| Property, plant and equipment | 15 | 354,842 | 377,597 |
| Receivables | 19 | 1,156 | 3,132 |
| **Total non-current assets** | | **381,762** | **409,185** |
| **Current assets** | | | |
| Inventories | 18 | 4,729 | 4,870 |
| Receivables | 19 | 26,313 | 68,622 |
| Cash and cash equivalents | 20 | 90,813 | 2,064 |
| **Total current assets** | | **121,855** | **75,556** |
| **Current liabilities** | | | |
| Trade and other payables | 21 | (78,564) | (49,542) |
| Borrowings | 23 | (6,707) | (199,167) |
| Other financial liabilities | | - | - |
| Provisions | 25 | (12,193) | (4,302) |
| Other liabilities | 22 | (5,210) | (10,125) |
| Liabilities in disposal groups | | - | - |
| **Total current liabilities** | | **(102,674)** | **(263,136)** |
| **Total assets less current liabilities** | | **400,943** | **221,605** |

| Statement of financial position | Note | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Trade and other payables | | - | - |
| Borrowings | 23 | (96,363) | (103,057) |
| Other financial liabilities | | - | - |
| Provisions | 25 | (2,514) | (5,380) |
| Other liabilities | 22 | (453) | (507) |
| **Total non-current liabilities** | | **(99,330)** | **(108,944)** |
| **Total assets employed** | | **301,613** | **112,661** |
| **Financed by** | | | |
| Public dividend capital | | 411,010 | 208,279 |
| Revaluation reserve | | 164,558 | 174,277 |
| Income and expenditure reserve | | (273,955) | (269,895) |
| **Total taxpayers' equity** | | **301,613** | **112,661** |

The notes on pages 94 to 126 form part of these accounts.

Ben Travis
Chief executive June 2021

| Statement of changes in equity for the year ended 31 March 2021 | Public dividend capital £000 | Revaluation reserve £000 | Financial assets reserve £000 | Other reserves £000 | Merger reserve £000 | Income and expenditure reserve £000 | Total £000 |
|---|---|---|---|---|---|---|---|
| **Taxpayers' and others' equity at 1 April 2020 - brought forward** | **208,279** | **174,277** | **-** | **-** | **-** | **(269,895)** | **112,661** |
| Surplus/(deficit) for the year | - | - | - | - | - | (4,060) | (4,060) |
| Impairments | - | (12,986) | - | - | - | - | (12,986) |
| Revaluations | - | 3,267 | - | - | - | - | 3,267 |
| Public dividend capital received* | 202,731 | - | - | - | - | - | 202,731 |
| **Taxpayers' and others' equity at 31 March 2021** | **411,010** | **164,558** | **-** | **-** | **-** | **(273,955)** | **301,613** |

* On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS England & 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 have been repaid and replaced with the issue of Public Dividend Capital (PDC).

| Statement of changes in equity for the year ended 31 March 2020 | Public dividend capital £000 | Revaluation reserve £000 | Financial assets reserve £000 | Other reserves £000 | Merger reserve £000 | Income and expenditure reserve £000 | Total £000 |
|---|---|---|---|---|---|---|---|
| **Taxpayers' and others' equity at 1 April 2019 - brought forward** | **200,835** | **148,429** | **-** | **-** | **-** | **(256,495)** | **92,769** |
| Surplus/(deficit) for the year | - | - | - | - | - | (13,400) | (13,400) |
| Impairments | - | (644) | - | - | - | - | (644) |
| Revaluations | - | 26,492 | - | - | - | - | 26,492 |
| Public dividend capital received | 7,444 | - | - | - | - | - | 7,444 |
| **Taxpayers' equity at 31 March 2020** | **208,279** | **174,277** | **-** | **-** | **-** | **(269,895)** | **112,661** |

## Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to Trusts by the Department of Health and Social Care.

A charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as the public dividend capital dividend.

## Revaluation reserve

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

## Income and expenditure reserve

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

| Statement of cash flow | Note | 2020/21 £000 | 2019/20 £000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Operating surplus / (deficit) | | 26,900 | 11,869 |
| **Non-cash income and expense** | | | |
| Depreciation and amortisation | 6 | 31,584 | 28,559 |
| Net impairments | 7 | 4,099 | (1,660) |
| Income recognised in respect of capital donations | 4 | (1,763) | - |
| (Increase) / decrease in receivables and other assets | | 46,956 | (19,479) |
| (Increase) / decrease in inventories | | 141 | (458) |
| Increase / (decrease) in payables and other liabilities | | 28,596 | (2,178) |
| Increase / (decrease) in provisions | | 5,032 | 697 |
| **Net cash flows from / (used in) operating activities** | | **141,545** | **17,350** |
| **Cash flows from investing activities** | | | |
| Interest received | | 4 | 139 |
| Purchase of intangible assets | | (2,290) | (4,396) |
| Purchase of PPE and investment property | | (25,854) | (24,872) |
| Sales of PPE and investment property | | - | 7 |
| **Net cash flows from / (used in) investing activities** | | **(28,140)** | **(29,122)** |
| **Cash flows from financing activities** | | | |
| Public dividend capital received* | | 202,731 | 7,444 |
| Public dividend capital repaid | | - | - |
| Movement on loans from DHSC* | | (193,610) | 31,939 |
| Movement on other loans | | (250) | 1,500 |
| Other capital receipts | | - | - |
| Capital element of finance lease rental payments | | (183) | (183) |
| Capital element of PFI, LIFT and other service concession payments | | (4,593) | (4,596) |
| Interest on loans | | (795) | (3,494) |
| Other interest | | - | (2) |
| Interest paid on finance lease liabilities | | (50) | (50) |
| Interest paid on PFI, LIFT and other service concession obligations | | (18,732) | (18,852) |
| PDC dividend (paid) / refunded | | (9,174) | (1,934) |
| **Net cash flows from / (used in) financing activities** | | **(24,656)** | **11,772** |
| **Increase / (decrease) in cash and cash equivalents** | | **88,749** | **-** |
| **Cash and cash equivalents at 1 April - brought forward** | | **2,064** | **2,064** |
| Unrealised gains / (losses) on foreign exchange | | - | - |
| **Cash and cash equivalents at 31 March** | 20 | **90,813** | **2,064** |

* On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS England & 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 have been repaid and replaced with the issue of Public Dividend Capital (PDC).

# Notes to the accounts

## Note 1 Accounting policies and other information

### Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2020/21 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.

### 1.1.1 Accounting convention

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

### Note 1.2 Going concern

International Accounting Standard 1 (IAS1) requires management to assess the Trust's ability to continue as a going concern. The Trusts 2020-21 accounts have been prepared on a going concern basis.

In keeping with the DHSC Group Accounting Manual (GAM), it is the view of the Directors 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; such as the 2021/22 operating plan submission to NHS England and NHS England & Improvement (NHSE/I) and together with the absence of a notification from DHSC or any other relevant national body of the intention for the dissolution of the Trust, is sufficient evidence of going concern.

The current situation is that:

- The Trust is in the process of agreeing funding with the South East London Integrated Care System
- It is not expected interim cash funding will be required to deliver the 2021/22 plan
- During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 have been extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment, this has significantly reduced the Trust's debt obligations.
- The operating plan assumes delivery of a £18,000k cost improvement program which is considered an ambitious, yet achievable, target.

Whilst these factors reflect some uncertainty the Director's expectation is that:

- The contracts agreed with commissioners will provide the Trust with a sound level of income
- The operating plan will produce a significant improvement in the Trust's underlying run rate
- DHSC will, as in previous years, provide revenue cash support should an requirement arise, although this is not anticipated
- Neither DHSC or any other relevant national body will seek to dissolve the Trust in the foreseeable future.

Taking account of the GAM and the factors outlined above, the Directors believe that it is a realistic expectation that the Trust will have sufficient resources to continue as a going concern for the foreseeable future through to the 31st March 2022 and beyond.

### Note 1.3 Revenue from contracts with customers

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

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that

year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

This also includes income for education and training (excluding notional apprenticeship levy income).

**Revenue from NHS contracts**
The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

**2020/21**
The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at a Integrated Care System level. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

**Comparative period (2019/20)**
In the comparative period (2019/20), the trust's contracts with NHS commissioners included those where the trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

**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.

**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.

**Private Finance Initiative funding**
DHSC provides Private Finance Initiative (PFI) funding to the Trust as additional support to cover the excess cost, compatred to tariff, of the Queen Elizabeth Hospital contract on an annual basis until the contracts are modified or end.
Receipt of the funding by the Trust is assurance by virtue of the operation of the contract as set out in the TSA 2013 report "Securing sustainable healthcare for the people of South East London" and is recognised on this basis.

## Note 1.4 Expenditure on employee benefits
## Short-term employee benefits

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

**Pension costs - NHS Pension Scheme**
Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

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

## Note 1.5 Expenditure on other goods and services

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

## Note 1.6 Property, plant and equipment

### 1.6.1 Recognition

Property, plant and equipment is capitalised where:
it is held for use in delivering services or for administrative purposes

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

Items form part of the initial equipping and setting up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

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

### 1.6.2 Measurement

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

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

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

As such, all land and buildings are subject to a quinquennial "full revaluation" supplemented by annual indexation or professional "desk top" valuation updates.

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.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

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

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

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

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

**Depreciation**

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

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

**Revaluation gains and losses**

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

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

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

**Impairments**

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

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

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

### 1.6.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 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 and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

### 1.6.4 Donated and grant funded assets

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

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

In 2020/21 this includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

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

PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's Financial Reporting Manual (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

The Trust has not capitalised lifecycle replacement costs for the PFI building (Riverside and QEH) on the basis that the costs identified in the PFI provider financial model cannot be analysed over the following headings with adequate certainty:

1. Property, plant and equipment
2. Improvement or day-to-day maintenance

#### Assets contributed by the Trust to the operator for use in the scheme

The Trust has no assets contributed to the operator for use in the scheme.

### 1.6.6 Useful lives of property, plant and equipment

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

| | Min life Years | Max life Years |
|---|---|---|
| Land | - | - |
| Buildings, excluding dwellings | 5 | 60 |
| Dwellings | - | - |
| Plant & machinery | 2 | 25 |
| Transport equipment | 7 | 7 |
| Information technology | 3 | 10 |
| Furniture & fittings | 5 | 10 |

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

## Note 1.7 Intangible assets

### 1.7.1 Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at cost. Software that 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 that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally generated assets are recognised if, and only if, all of the following have been demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the Trust intends to complete the asset and sell or use it
- the Trust has the ability to sell or use the asset

- how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset and
- the Trust can measure reliably the expenses attributable to the asset during development.

### 1.7.2 Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

### Amortisation

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

### Useful lives of intangible assets

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

| | Min life Years | Max life Years |
|---|---|---|
| Information technology | 3 | 10 |

## Note 1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

In 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

## Note 1.9 Cash and cash equivalents

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

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

## Note 1.10 Financial assets and financial liabilities

### 1.10.1 Recognition

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

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

### 1.10.2 Classification and measurement

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

### Financial assets and financial liabilities at amortised cost

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

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

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

**Impairment of financial assets**

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

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

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

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

**Outstanding Debt Balances - Age Profile (Days)**

| | Overseas | ICR | All other |
|---|---|---|---|
| 0-60 | 100% | 22% | 0% |
| 61 - 90 | 100% | 22% | 50% |
| 91 - 180 | 100% | 22% | 75% |
| 181 - 360 | 100% | 22% | 100% |
| Over 360 | 100% | 100% | 100% |

### 1.10.3 Derecognition

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

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

## Note 1.11 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.

### 1.11.1 The trust as a lessee

**Finance leases**

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

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

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

**Operating leases**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the Statement of Financial Position and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

**Leases of land and buildings**

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

### 1.11.2 The trust as a lessor

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 1.12 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 2021:

| | | 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 costs

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 25.1 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 1.13 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 26 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 1.14 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,

(iii) any PDC dividend balance receivable or payable, and (iv) PSF Incentive receivables

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.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

### Note 1.15 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 1.16 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. They are disclosed in a note 20.2 to the accounts in accordance with the requirements of HM Treasury's FReM.

### Note 1.17 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 1.18 Critical judgements in applying accounting policies

No critical judgements, apart from those involving estimations (see below), have been made in the process of applying the Trust accounting policies that have the most significant effect on the amounts recognised in the financial statements.

### Note 1.19 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:

A valuation exercise was carried out in February 2021 with a valuation date of 28 February 2021. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book') the valuer has its exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Department of Health and Social Care guidance specifies that the Trust's land and buildings should be valued on the basis of depreciated replacement cost, applying the Modern Equivalent Asset MEA) concept. The MEA is defined as "the cost of a modern replacement asset that has the same productive capacity as the property being valued." Therefore, the MEA is not a valuation of the existing land and buildings that the Trust holds, but a theoretical valuation for accounting purposes of what the Trust could need to spend in order to replace the current assets.

In determining the MEA, the Trust has to make assumptions that are practically achievable, however the Trust is not required to have any plans to make such changes.

The valuer has "largely relied upon the floor areas of the existing buildings in assuming modern equivalent assets will require the same floor area. Although we consider some of the existing buildings owned by LGT to be inefficient in their use of space when compared to modern buildings, we have agreed with LGT to retain the existing floor areas of the clinical space within the notional MEA noting all of their healthcare accommodation is fully utilised. However, we have made adjustments to the non-clinical space and agreed with the Trust to reduce the corridor and plant room space where these are considered excessive when compared to those required for a MEA facility."

"In September 2018, Montagu Evans undertook a MEA exploratory exercise, it was subsequently agreed that the relatively large sprawling layout of the hospital on both the Lewisham and Greenwich sites would not be re-provided in the same layout and that a Modern Equivalent Asset would reflect a stacking approach and provided on a smaller site area (albeit a higher density). We have reflected the site area analysis within our valuation."

Of the £315,388k net book value of land and buildings subject to valuation, £265,886k relates

to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets.

The valuation report does not provide a potential scale of the uncertainty and includes factors which might lead to a higher as well as lower valuation. The impact of a +/-3% change on the net book value of land and buildings (circa +/- £10m) would have an immaterial impact on PDC dividends and depreciation.

The useful economic life of plant and machinery and IT equipment has been estimated on a probable life basis; consistent with actual experience inside the Trust and across similar NHS provider organisations.

### Note 1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

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

**IFRS 14 Regulatory Deferral Accounts**
Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.

**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 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the Statement of Financial Position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the Statement of Financial Position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2022, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 0.91% 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. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable.

**IFRS 17 Insurance contracts**
Application required for accounting periods beginning on or after 1 January 2023, but not yet adopted by the FReM: early adoption is not therefore permitted.

## Note 2 Operating segments

The Trust manages all services and functions as a unified and fully integrated healthcare provider and, as such, operates one segment.

## Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3

### Note 3.1 Income from patient care activities (by nature)

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| **Acute services** | | |
| Block contract / system envelope income* | 455,353 | 445,182 |
| High cost drugs income from commissioners | 26,607 | 23,451 |
| Other NHS clinical income | 11,759 | 11,205 |
| **Community services** | | |
| Block contract / system envelope income* | 30,409 | 29,192 |
| Income from other sources (e.g. local authorities) | 7,476 | 7,660 |
| Additional pension contribution central funding** | 15,244 | 14,194 |
| Other clinical income | 47,158 | 14,642 |
| **Total income from activities** | **594,006** | **545,526** |

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have 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 3.2 Income from patient care activities (by source)

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| **Income from patient care activities received from:** | | |
| NHS England | 76,339 | 69,689 |
| Clinical Commissioning Groups | 501,768 | 444,420 |
| Department of Health and Social Care | 20 | 41 |
| Other NHS providers | 1,760 | 2,750 |
| NHS other | - | - |
| Local authorities | 11,590 | 11,604 |
| Non-NHS: private patients | 2 | 190 |
| Non-NHS: overseas patients (chargeable to patient) | 846 | 3,048 |
| Injury cost recovery scheme | 1,037 | 1,589 |
| Non NHS: other | 644 | 12,195 |
| **Total income from activities** | **594,006** | **545,526** |
| **Of which:** | | |
| Related to continuing operations | 594,006 | 545,526 |
| Related to discontinued operations | - | - |

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

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Income recognised this year | 846 | 3,048 |
| Cash payments received in-year | 373 | 720 |
| Amounts added to provision for impairment of receivables | 280 | 2,052 |
| Amounts written off in-year | 3,021 | 1,346 |

## Note 4 Other operating income

| | 2020/21 | | | 2019/20 | | |
|---|---|---|---|---|---|---|
| | Contract income £000 | Non-contract income £000 | Total £000 | Contract income £000 | Non-contract income £000 | Total £000 |
| Research and development | 1,126 | - | 1,126 | 967 | - | 967 |
| Education and training | 21,471 | 1,378 | 22,849 | 20,876 | 500 | 21,376 |
| Non-patient care services to other bodies | 2,848 | | 2,848 | 8,202 | | 8,202 |
| Provider sustainability fund (2019/20 only) | | | - | 13,653 | | 13,653 |
| Financial recovery fund (2019/20 only) | | | - | 14,807 | | 14,807 |
| Marginal rate emergency tariff funding (2019/20 only) | | | - | 1,191 | | 1,191 |
| Reimbursement and top up funding | 62,128 | | 62,128 | | | - |
| Income in respect of employee benefits accounted on a gross basis | - | | - | - | | - |
| Receipt of capital grants and donations | | 1,763 | 1,763 | | - | - |
| Charitable and other contributions to expenditure | | 9,184 | 9,184 | | - | - |
| Support from the Department of Health and Social Care for mergers | | - | - | | - | - |
| Rental revenue from finance leases | | - | - | | - | - |
| Rental revenue from operating leases | | 1,170 | 1,170 | | 1,530 | 1,530 |
| Amortisation of PFI deferred income / credits | | - | - | | - | - |
| Other income* | 18,969 | - | 18,969 | 19,171 | - | 19,171 |
| **Total other operating income** | **106,542** | **13,495** | **120,037** | **78,867** | **2,030** | **80,897** |
| **Of which:** | | | | | | |
| Related to continuing operations | | | 120,037 | | | 80,897 |
| Related to discontinued operations | | | - | | | - |

* Other Income Includes £16,440K (£16,440K in 2019/20) of financial support received under the SLHT dissolution agreement to off-set the additional cost imposed by the QEH PFI building - Reference the TSA 2013 report "Securing sustainable healthcare for the people of South East London".

## Note 5 Additional information on contract revenue

### Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end | 7,172 | 10,507 |
| Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods | - | - |

### Note 5.2 Transaction price allocated to remaining performance obligations

| Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised: | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| within one year | - | - |
| after one year, not later than five years | - | - |
| after five years | - | - |
| **Total revenue allocated to remaining performance obligations** | **-** | **-** |

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

## Note 6 Operating expenses

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Purchase of healthcare from non-NHS and non-DHSC bodies | 1,171 | 481 |
| Staff and executive directors costs | 443,585 | 402,940 |
| Remuneration of non-executive directors | 132 | 105 |
| Supplies and services - clinical (excluding drugs costs) | 47,769 | 44,790 |
| Supplies and services - general | 25,902 | 6,330 |
| Drug costs (drugs inventory consumed and purchase of non-inventory drugs) | 36,829 | 35,695 |
| Inventories written down | 195 | 186 |
| Consultancy costs | 300 | 854 |
| Establishment | 6,548 | 3,686 |
| Premises | 26,187 | 27,765 |
| Transport (including patient travel) | 5,291 | 4,581 |
| Depreciation on property, plant and equipment | 26,091 | 23,369 |
| Amortisation on intangible assets | 5,493 | 5,190 |
| Net impairments | 4,099 | (1,660) |
| Movement in credit loss allowance: contract receivables / contract assets | 5,736 | 2,073 |
| Change in provisions discount rate(s) | - | (27) |
| Audit fees payable to the external auditor | | |
| audit services- statutory audit | 123 | 108 |
| other auditor remuneration (external auditor only) | - | - |
| Internal audit costs | 200 | 238 |
| Clinical negligence | 25,828 | 24,383 |
| Legal fees | 722 | 539 |
| Insurance | 24 | 20 |
| Research and development | - | - |
| Education and training | 3,740 | 3,443 |
| Rentals under operating leases | 1,835 | 1,826 |
| Early retirements | 876 | 271 |
| Redundancy | - | - |
| Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) | 16,335 | 25,990 |
| Hospitality | 14 | 51 |
| Losses, ex gratia & special payments | 529 | 15 |
| Other services, eg external payroll | 698 | 968 |
| Other | 891 | 344 |
| **Total** | **687,143** | **614,554** |
| **Of which** | | |
| Related to continuing operations | 687,143 | 614,554 |
| Related to discontinued operations | - | - |

## Note 6.1 Other auditor remuneration

| Other auditor remuneration paid to the external auditor | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| 1. Audit of accounts of any associate of the trust | - | - |
| 2. Audit-related assurance services | - | - |
| 3. Taxation compliance services | - | - |
| 4. All taxation advisory services not falling within item 3 above | - | - |
| 5. Internal audit services | - | - |
| 6. All assurance services not falling within items 1 to 5 | - | - |
| 7. Corporate finance transaction services not falling within items 1 to 6 above | - | - |
| 8. Other non-audit services not falling within items 2 to 7 above | - | - |
| **Total** | **-** | **-** |

## Note 6.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2 million (2019/20: £2 million).

## Note 7 Impairment of assets

| Net impairments charged to operating surplus / deficit resulting from | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Loss or damage from normal operations | - | - |
| Over specification of assets | - | - |
| Abandonment of assets in course of construction | - | - |
| Unforeseen obsolescence | - | - |
| Loss as a result of catastrophe | - | - |
| Changes in market price | 4,099 | (1,660) |
| Other | - | - |
| **Total net impairments charged to operating surplus / deficit** | **4,099** | **(1,660)** |
| Impairments charged to the revaluation reserve | 12,986 | 644 |
| **Total net impairments** | **17,085** | **(1,016)** |

## Note 8 Employee benefits

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Salaries and wages | 347,565 | 305,696 |
| Social security costs | 34,665 | 31,999 |
| Apprenticeship levy | 1,598 | 1,419 |
| Employer's contributions to NHS pensions | 49,988 | 46,606 |
| Pension cost - other | 16 | 23 |
| Other post employment benefits | - | - |
| Other employment benefits | - | - |
| Termination benefits | 53 | 87 |
| Temporary staff (including agency) | 15,501 | 25,721 |
| **Total gross staff costs** | **449,386** | **411,551** |
| Recoveries in respect of seconded staff | (3,523) | (5,341) |
| **Total staff costs** | **445,863** | **406,210** |
| **Of which** | | |
| Costs capitalised as part of assets | 257 | 2,017 |

| Reconciliation to employee benefits in Note 6 Operating expenses | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| **Total staff costs** | **445,863** | **406,210** |
| Costs capitalised as part of assets | (257) | (2,017) |
| Education and training | (1,145) | (982) |
| Redundancy | - | - |
| Early retirements | (876) | (271) |
| **Total staff and executive directors costs as per Note 6 Operating expenses** | **443,585** | **402,940** |

### Note 8.1 Retirements due to ill-health

During 2020/21 there were 2 early retirements from the trust agreed on the grounds of ill-health (none in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £75k (0k in 2019/20).

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

## Note 9 Pension costs

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

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

### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as at 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

### b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be

included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

The Trust had to provide a local pension scheme for staff who were unable to join the NHS Pension Scheme from 1 July 2013. NEST (National Employer Savings Trust) was chosen following advice from the Pension Advisory Service.

The specific characteristics of NEST are as follows:

- Contributions to NEST are based on 4% for employees and 3% for employers
- Retirement age within this scheme is set at 65
- Pensions are based on investment and growth funds
- Employees can pay into these funds directly to top up their pension
- Pensions can be drawn from age 55.
- At retirement employees can choose how they receive their funds – based on pension pot value
- Cash only – cash payment up to 25% value will be tax free
- Retirement income
- Cash and retirement income – cash payment up to 25% will be tax free
- Transfer pension – open market
- Survivor's pensions are included as well as death benefits
- Employees can choose to opt out of the scheme
- From April 2020 employees contributed 4%
- From April 2020 employers contributed 3%.

# Note 10 Operating leases

## Note 10.1 Lewisham and Greenwich NHS Trust as a lessor

This note discloses income generated in operating lease agreements where Lewisham and Greenwich NHS Trust is the lessor.

The Trust has in place a number of operating lease arrangements under which space within the main hospitals and other sites is rented to third parties; including NHS and non-NHS organisations. The income from these leases is shown under rental revenue below.

| Operating lease revenue | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Minimum lease receipts | 1,170 | 1,530 |
| Contingent rent | - | - |
| Other | - | - |
| **Total** | **1,170** | **1,530** |

| Future minimum lease receipts due | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| - not later than one year; | 1,170 | 1,530 |
| - later than one year and not later than five years; | 4,680 | 6,120 |
| - later than five years. | 3,510 | 6,120 |
| **Total** | **9,360** | **13,770** |

## Note 10.2 Lewisham and Greenwich NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Lewisham and Greenwich NHS Trust is the lessee.

The Trust has leases for various items of medical equipment and lease cars. The terms of renewal and purchase options vary between individual leases.

| Operating lease expense | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Minimum lease payments | 1,835 | 1,826 |
| Contingent rents | - | - |
| Less sublease payments received | - | - |
| **Total** | **1,835** | **1,826** |

| Future minimum lease payments due | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| - not later than one year; | 1,740 | 1,663 |
| - later than one year and not later than five years; | 6,450 | 6,377 |
| - later than five years. | 8,659 | 9,893 |
| **Total** | **16,849** | **17,933** |
| Future minimum sublease payments to be received | - | - |

## Note 11 Finance income

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

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Interest on bank accounts | 4 | 139 |
| Interest income on finance leases | - | - |
| Interest on other investments / financial assets | - | - |
| Other finance income | - | - |
| **Total finance income** | **4** | **139** |

## Note 12 Finance expenditure

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

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| **Interest expense:** | | |
| Loans from the Department of Health and Social Care | 278 | 3,610 |
| Other loans | - | - |
| Overdrafts | - | - |
| Finance leases | 50 | 50 |
| Interest on late payment of commercial debt | - | 2 |
| Main finance costs on PFI and LIFT schemes obligations | 8,889 | 9,311 |
| Contingent finance costs on PFI and LIFT scheme obligations | 9,843 | 9,541 |
| **Total interest expense** | **19,060** | **22,514** |
| Unwinding of discount on provisions | (7) | 251 |
| Other finance costs | 1 | - |
| **Total finance costs** | **19,054** | **22,765** |

## Note 12.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Total liability accruing in year under this legislation as a result of late payments | - | - |
| Amounts included within interest payable arising from claims made under this legislation | 2 | - |
| Compensation paid to cover debt recovery costs under this legislation | - | - |

## Note 13 Other gains / (losses)

| Operating lease expense | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Gains on disposal of assets | - | - |
| Losses on disposal of assets | (5,409) | (44) |
| **Total other gains / (losses)** | **(5,409)** | **(44)** |

# Note 14 Intangible assets - 2020/21

## Note 14.1 Intangible assets - 2020/21

| | Internally generated information technology £000 | Intangible assets under construction £000 | Total £000 |
|---|---|---|---|
| **Valuation / gross cost** | | | |
| **Valuation / gross cost at 1 April 2020 - brought forward** | **51,379** | **58** | **51,437** |
| Transfers by absorption | - | - | - |
| Additions | 2,290 | - | 2,290 |
| Impairments | - | - | - |
| Reversals of impairments | - | - | - |
| Revaluations | - | - | - |
| Reclassifications | 2,726 | (58) | 2,668 |
| Transfers to / from assets held for sale | - | - | - |
| Disposals / derecognition | (2,668) | - | (2,668) |
| **Valuation / gross cost at 31 March 2021** | **53,727** | **-** | **53,727** |
| **Amortisation** | | | |
| **Amortisation at 1 April 2020 - brought forward** | **22,981** | **-** | **22,981** |
| Provided during the year | 5,493 | - | 5,493 |
| Reclassifications | - | - | - |
| Disposals / derecognition | (511) | - | (511) |
| **Amortisation at 31 March 2021** | **27,963** | **-** | **27,963** |
| **Net book value at 31 March 2021** | **25,764** | **-** | **25,764** |
| **Net book value at 1 April 2020** | **28,398** | **58** | **28,456** |

## Note 14.2 Intangible assets - 2019/20

| | Internally generated information technology £000 | Intangible assets under construction £000 | Total £000 |
|---|---|---|---|
| **Valuation / gross cost** | | | |
| **Valuation / gross cost at 1 April 2019 - as previously stated** | **46,081** | **960** | **47,041** |
| Additions | 4,336 | 60 | 4,396 |
| Reclassifications | 962 | (962) | - |
| Disposals / derecognition | - | - | - |
| **Valuation / gross cost at 31 March 2020** | **51,379** | **58** | **51,437** |
| **Amortisation** | | | |
| **Amortisation at 1 April 2019 - as previously stated** | **17,791** | **-** | **17,791** |
| Provided during the year | 5,190 | - | 5,190 |
| Reclassifications | - | - | - |
| Disposals / derecognition | - | - | - |
| **Amortisation at 31 March 2020** | **22,981** | **-** | **22,981** |
| **Net book value at 31 March 2020** | **28,398** | **58** | **28,456** |
| **Net book value at 1 April 2019** | **28,290** | **960** | **29,250** |

# Note 15 Property, plant and equipment

## Note 15.1 Property, plant and equipment - 2020/21

| | 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** | | | | | | | | |
| **Valuation/gross cost at 1 April 2020 - brought forward*** | **25,720** | **314,875** | **9,099** | **68,844** | **10** | **23,045** | **1,674** | **443,267** |
| Additions | - | 5,747 | 2,522 | 10,073 | - | 4,732 | - | 23,074 |
| Impairments | - | (12,986) | - | - | - | - | - | (12,986) |
| Reversals of impairments | - | - | - | - | - | - | - | - |
| Revaluations | 12 | (19,829) | - | - | - | - | - | (19,817) |
| Reclassifications | - | 1,867 | (2,089) | 162 | - | (2,608) | - | (2,668) |
| Transfers to / from assets held for sale | - | - | - | - | - | - | - | - |
| Disposals / derecognition | - | - | (2,826) | (613) | - | (144) | - | (3,583) |
| **Valuation/gross cost at 31 March 2021** | **25,732** | **289,674** | **6,706** | **78,466** | **10** | **25,025** | **1,674** | **427,287** |
| **Accumulated depreciation** | | | | | | | | |
| **Accumulated depreciation at 1 April 2020 - brought forward*** | **-** | **-** | **-** | **48,448** | **10** | **15,924** | **1,288** | **65,670** |
| Provided during the year | - | 18,985 | - | 4,707 | - | 2,283 | 116 | 26,091 |
| Impairments | - | 5,275 | - | - | - | - | - | 5,275 |
| Reversals of impairments | (12) | (1,164) | - | - | - | - | - | (1,176) |
| Revaluations | 12 | (23,096) | - | - | - | - | - | (23,084) |
| Reclassifications | - | - | - | - | - | - | - | - |
| Transfers to / from assets held for sale | - | - | - | - | - | - | - | - |
| Disposals / derecognition | - | - | - | (269) | - | (62) | - | (331) |
| **Accumulated depreciation at 31 March 2021** | **-** | **-** | **-** | **52,886** | **10** | **18,145** | **1,404** | **72,445** |
| **Net book value at 31 March 2021** | **25,732** | **289,674** | **6,706** | **25,580** | **-** | **6,880** | **270** | **354,842** |
| **Net book value at 1 April 2020** | **25,720** | **314,875** | **9,099** | **20,396** | **-** | **7,121** | **386** | **377,597** |

## Note 15.2 Property, plant and equipment - 2019/20

| | Land £000 | Buildings excluding dwellings £000 | Assets under construction £000 | Plant & machinery £000 | Transport equipment £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|
| **Valuation/gross cost** | | | | | | | | |
| **Valuation / gross cost at 1 April 2019 - as previously stated** | **25,720** | **287,251** | **8,456** | **82,141** | **10** | **18,982** | **1,672** | **424,232** |
| Prior period adjustments* | - | - | - | (20,093) | - | - | - | (20,093) |
| **Valuation / gross cost at 1 April 2019 - restated** | **25,720** | **287,251** | **8,456** | **62,048** | **10** | **18,982** | **1,672** | **404,139** |
| Additions | - | 12,597 | 5,335 | 6,943 | - | 4,067 | 41 | 28,983 |
| Impairments | - | (644) | - | - | - | - | - | (644) |
| Revaluations | - | 10,989 | - | - | - | - | - | 10,989 |
| Reclassifications | - | 4,682 | (4,692) | 10 | - | - | - | - |
| Disposals / derecognition | - | - | - | (157) | - | (4) | (39) | (200) |
| **Valuation/gross cost at 31 March 2020** | **25,720** | **314,875** | **9,099** | **68,844** | **10** | **23,045** | **1,674** | **443,267** |
| **Accumulated depreciation** | | | | | | | | |
| **Accumulated depreciation at 1 April 2019 - as previously stated** | **-** | **-** | **-** | **64,479** | **8** | **14,007** | **1,212** | **79,706** |
| Prior period adjustments* | - | - | - | (20,093) | - | - | - | (20,093) |
| **Accumulated depreciation at 1 April 2019 - restated** | **-** | **-** | **-** | **44,386** | **8** | **14,007** | **1,212** | **59,613** |
| Provided during the year | - | 17,163 | - | 4,168 | 2 | 1,921 | 115 | 23,369 |
| Impairments | - | 1,970 | - | - | - | - | - | 1,970 |
| Reversals of impairments | - | (3,630) | - | - | - | - | - | (3,630) |
| Revaluations | - | (15,503) | - | - | - | - | - | (15,503) |
| Disposals / derecognition | - | - | - | (106) | - | (4) | (39) | (149) |
| **Accumulated depreciation at 31 March 2020** | **-** | **-** | **-** | **48,448** | **10** | **15,924** | **1,288** | **65,670** |
| **Net book value at 31 March 2020** | **25,720** | **314,875** | **9,099** | **20,396** | **-** | **7,121** | **386** | **377,597** |
| **Net book value at 1 April 2019** | **25,720** | **287,251** | **8,456** | **17,662** | **2** | **4,975** | **460** | **344,526** |

* Opening balance has been restated following the review of accummulated depreciation. In 2017/18 Plant & Machinery assets were revalued as part of the Toshiba contract end. As per IAS 16, when an item of property, plant and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of the revaluation, the accumulated depreciation is eliminated against the gross carrying amount of the asset.

## Note 15.3 Property, plant and equipment financing - 2020/21

| | Land £000 | Buildings excluding dwellings £000 | Assets under construction £000 | Plant & machinery £000 | Transport equipment £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|
| **Net book value at 31 March 2021** | | | | | | | | |
| Owned - purchased | 25,732 | 120,234 | 6,706 | 24,073 | - | 6,525 | 270 | 183,540 |
| Finance leased | - | - | - | 327 | - | - | - | 327 |
| On-SoFP PFI contracts and other service concession arrangements | - | 168,793 | - | - | - | - | - | 168,793 |
| Owned - donated/granted | - | 647 | - | 1,180 | - | 355 | - | 2,182 |
| **NBV total at 31 March 2021** | **25,732** | **289,674** | **6,706** | **25,580** | **-** | **6,880** | **270** | **354,842** |

## Note 15.4 Property, plant and equipment financing - 2019/20

| | Land £000 | Buildings excluding dwellings £000 | Assets under construction £000 | Plant & machinery £000 | Transport equipment £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|
| **Net book value at 31 March 2020** | | | | | | | | |
| Owned - purchased | 25,720 | 130,273 | 9,099 | 19,874 | - | 7,121 | 386 | 192,473 |
| Finance leased | - | - | - | 510 | - | - | - | 510 |
| On-SoFP PFI contracts and other service concession arrangements | - | 184,066 | - | - | - | - | - | 184,066 |
| Owned - donated/granted | - | 536 | - | 12 | - | - | - | 548 |
| **NBV total at 31 March 2020** | **25,720** | **314,875** | **9,099** | **20,396** | **-** | **7,121** | **386** | **377,597** |

# Note 16 Donations of property, plant and equipment

Donated assets were received during the year from DHSC, relating to the COVID 19 response for diagnostic and ventilation equipment of £1,289k. Donations of IT equipment were also received to the value of £474k from other donors.

# Note 17 Revaluations of property, plant and equipment

## Note 17.1 Revaluations of property, plant and equipment

### Summary

Prior to 2020/21, the last full "fair value" revaluation was carried out in 2015/16 under the quinquennial programme of valuations.

Therefore, the Trust appointed Montagu Evans (ME), independent firm of professional valuers, to provide a full quinquennial report on the fair value of land and buildings.

The valuation from ME is on an Modern Equivalent Asset (MEA) basis as at 28th February 2021. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book').

ME have also applied the latest DHSC Group Accounting Manual guidance and industry best practice in carrying out the valuation.

### Basis of valuations

In the preparation of the valuation under IFRS, Montagu Evans have had regard to the Standards and in particular, reference to the following:

- IVSC: International Valuation Standards 2017 – Market Value;
- RICS: Valuation – Global Standards 2020 – Market Value (Valuation Performance Standard VPS4 – Bases of Value);
- RICS: Valuation – Global Standards 2017 – UK National Supplement (Valuation Practice Guidance – Applications – VPGA1: Valuation for Financial Reporting; VPGA6 Local Authority and Central Government Accounting: Existing Use Value (EUV) Basis of Value);
- RICS UK Guidance Note, Depreciated Replacement Cost Method of Valuation for Financial Reporting, 1st Edition.

In assessing Fair Value ME have had regard to the following definitions:

- Depreciated Replacement Cost where the Trust owned property is a specialised operational asset with no perceived market;
- Existing Use Value where the Trust owned property is a non-specialised operational asset and can be 'compared to other assets in the market.

### Depreciated Replacement Cost (DRC) - Specialised Assets:

The RICS UK Guidance Note, Depreciated Replacement Cost Method of Valuation for Financial Reporting 1st Edition November 2018 sets out the definition of DRC as;

"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."

Valuations based on DRC are only to be used for valuing specialised property that is owner occupied for inclusion in financial statements.

ME have used DRC as the basis of valuation for the Lewisham and Queen Elizabeth Hospitals (excluding office space) and four health centres considered as specialised assets owner occupied by the Trust.

### Existing Use Value (EUV) - Non Specialised Assets:

Existing Use Value is defined in the RICS Valuation – Global Standards – UK National Supplement UK VPGA 6;

"The estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion – assuming that the buyer is granted vacant possession of all parts of the asset required by the business, and disregarding any potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost."

Valuations based on EUV are only to be used for valuing non-specialised property that is owner occupied for inclusion in financial statements. ME have used EUV as the basis of valuation for the following non-specialised asset owner occupied by the Trust:

- Office space on the Lewisham and Queen Elizabeth Hospital sites.
- Kaleidoscope Centre, 32 Rushey Green, Catford.

### Modern Equivalent Assets

In keeping with the FReM, IFRS and RICS valuation guidelines ME have assumed that modern equivalent assets (replacement buildings) would be constructed at the date of valuation without phasing or lead in periods.

ME have taken the same approach to MEA as last year in relation to:

- Considering and applying assumptions covering the existing use, clinical and non-clinical space requirements and land requirements.
- The decision not to apply the alternative location concept and assess the land valuations and build costs on the basis of the existing hospital locations; the rationale being that the MEA should be situated in the same locality as the population served.

Inherent within MEA Valuations, using the DRC approach, is the BCIS Indices which provide the "mean UK new build figures per sq. ft." which form the basis of the MEA calculations.

There is also a location weighting applied to construction cost to reflect regional differences in build costs. These weightings are provided by BCIS. Weightings for the London Borough of Lewisham of 21% (24% last year) and Royal Borough of Greenwich 24% (27% last year) have been applied.

The following extract from the ME valuation report summarises the overall movement in building costs during the year:

"Over the period since our last valuation we have seen a generally downward movement in build costs and locational weightings. However at the present time, the BCIS is forecasting that there will be an increase in build costs over the short to medium term with a return to normal conditions and less competition in the market due to Covid-19."

| Accounting outcomes | £000 |
|---|---|
| The overall change in value from the valuation update was an increase / (decrease) | (13,818) |
| **This gave rise to the following accounting changes:** | |
| - Valuation increase / (decrease) charged to the revaluation reserve - Gross | (32,803) |
| - Valuation increase / (decrease) charged to the revaluation reserve - Accumulated Depn | 23,084 |
| **Total charge to revaluation reserve** | **(9,719)** |
| - Impairment losses | (5,275) |
| - Impairment reversals | 1,176 |
| - Valuation increase / (decrease) charged to the revaluation reserve - Accumulated Depn | (4,099) |
| **Total revaluation increase / (decrease)** | **(13,818)** |

## Note 18 Inventories

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| Drugs | 1,863 | 1,924 |
| Work In progress | - | - |
| Consumables | 2,866 | 2,939 |
| Energy | - | 7 |
| Other | - | - |
| **Total inventories** | **4,729** | **4,870** |
| **of which:** | | |
| Held at fair value less costs to sell | | - |

Inventories recognised in expenses for the year were £61,874k (2019/20: £56,492k). Write-down of inventories recognised as expenses for the year were £195k (2019/20: £186k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge.

During 2020/21 the Trust received £8,872k of items purchased by DHSC.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

## Note 19 Receivables

### Note 19.1 Receivables

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Current** | | |
| Contract receivables | 27,863 | 44,917 |
| Allowance for impaired contract receivables / assets | (9,211) | (9,183) |
| Prepayments (non-PFI) | 3,193 | 29,052 |
| PDC dividend receivable | 2,835 | 162 |
| VAT receivable | 1,311 | 2,426 |
| Other receivables | 322 | 1,248 |
| **Total current receivables** | **26,313** | **68,622** |
| **Non-current** | | |
| Contract receivables | - | 3,132 |
| Other receivables | 1,156 | - |
| **Total non-current receivables** | **1,156** | **3,132** |
| **Of which receivables from NHS and DHSC group bodies:** | | |
| Current | 20,037 | 30,684 |
| Non-current | 1,156 | - |

### Note 19.2 Allowances for credit losses

| | 2020/21 | |
|---|---|---|
| | Contract receivables and contract assets £000 | All other receivables £000 |
| **Allowances as at 1 April - brought forward** | 9,183 | - |
| New allowances arising | 5,736 | - |
| Changes in existing allowances | - | - |
| Reversals of allowances | - | - |
| Utilisation of allowances (write offs) | (5,708) | - |
| Changes arising following modification of contractual cash flows | - | - |
| **Allowances as at 31 Mar 2021** | **9,211** | **-** |

| | 2019/20 | |
|---|---|---|
| | Contract receivables and contract assets £000 | All other receivables £000 |
| **Allowances as at 1 April - brought forward** | 8,535 | - |
| New allowances arising | 2,073 | - |
| Changes in existing allowances | - | - |
| Reversals of allowances | - | - |
| Utilisation of allowances (write offs) | (1,425) | - |
| Changes arising following modification of contractual cash flows | - | - |
| **Allowances as at 31 Mar 2021** | **9,183** | **-** |

## Note 20 Cash and cash equivalents movements

### Note 20.1 Cash and cash equivalents movements

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

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| **At 1 April** | **2,064** | **2,064** |
| Transfers by absorption | - | - |
| Net change in year | 88,749 | - |
| **At 31 March** | **90,813** | **2,064** |
| **Broken down into:** | | |
| Cash at commercial banks and in hand | 12 | 21 |
| Cash with the Government Banking Service | 90,801 | 2,043 |
| **Total cash and cash equivalents as in SoFP** | **90,813** | **2,064** |
| Bank overdrafts (GBS and commercial banks) | - | - |
| Drawdown in committed facility | - | - |
| **Total cash and cash equivalents as in SoCF** | **90,813** | **2,064** |

## Note 20.2 Third party assets held by the Trust

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

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| Bank balances | 17 | 23 |
| Monies on deposit | - | - |
| **Total third party assets** | **17** | **23** |

## Note 21 Trade and other payables

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Current** | | |
| Trade payables | 30,917 | 26,174 |
| Capital payables | 3,309 | 7,852 |
| Accruals | 33,816 | 14,488 |
| Social security costs | 4,857 | - |
| Other taxes payable | 4,608 | - |
| Other payables | 1,057 | 1,028 |
| **Total current trade and other payables** | **78,564** | **49,542** |
| **Non-current** | | |
| Trade payables | - | - |
| Capital payables | - | - |
| Accruals | - | - |
| **Total non-current trade and other payables** | **-** | **-** |
| **Of which payables from NHS and DHSC group bodies:** | | |
| Current | 8,306 | 4,652 |
| Non-current | - | - |

## Note 22 Other liabilities

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Current** | | |
| Deferred income: contract liabilities | 5,210 | 10,125 |
| Deferred grants | - | - |
| Deferred PFI credits / income | - | - |
| Lease incentives | - | - |
| Other deferred income | - | - |
| **Total other current liabilities** | **5,210** | **10,125** |
| **Non-current** | | |
| Deferred income: contract liabilities | 453 | 507 |
| Deferred grants | - | - |
| Deferred PFI credits / income | - | - |
| Lease incentives | - | - |
| Other deferred income | - | - |
| Net pension scheme liability | - | - |
| **Total other non-current liabilities** | **453** | **507** |

## Note 23 Borrowings

| | 31 March 2020 £000 | 31 March 2019 £000 |
|---|---|---|
| **Current** | | |
| Loans from DHSC | 484 | 194,139 |
| Other loans | 500 | 250 |
| Obligations under finance leases | 158 | 182 |
| Obligations under PFI, LIFT or other service concession contracts | 5,565 | 4,596 |
| **Total current borrowings** | **6,707** | **199,167** |
| **Non-current** | | |
| Loans from DHSC | 6,523 | 6,995 |
| Other loans | 1,750 | 2,250 |
| Obligations under finance leases | 119 | 278 |
| Obligations under PFI, LIFT or other service concession contracts | 87,971 | 93,534 |
| **Total non-current borrowings** | **96,363** | **103,057** |

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS England & 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 have been repaid and replaced with the issue of Public Dividend Capital (PDC).

## Note 23.1 Reconciliation of liabilities arising from financing activities - 2020/21

| | Loans from DHSC £000 | Other loans £000 | Finance leases £000 | PFI and LIFT schemes £000 | Total £000 |
|---|---|---|---|---|---|
| **Carrying value at 1 April 2020** | **201,134** | **2,500** | **460** | **98,130** | **302,224** |
| **Cash movements:** | | | | | |
| Financing cash flows - payments and receipts of principal | (193,610) | (250) | (183) | (4,593) | (198,636) |
| Financing cash flows - payments of interest | (795) | - | (50) | (8,890) | (9,735) |
| **Non-cash movements:** | | | | | |
| Application of effective interest rate | 278 | - | 50 | 8,889 | 9,217 |
| **Carrying value at 31 March 2021** | **7,007** | **2,250** | **277** | **93,536** | **103,070** |

## Note 23.2 Reconciliation of liabilities arising from financing activities - 2019/20

| | Loans from DHSC £000 | Other loans £000 | Finance leases £000 | PFI and LIFT schemes £000 | Total £000 |
|---|---|---|---|---|---|
| **Carrying value at 1 April 2019** | **169,079** | **1,000** | **643** | **102,726** | **273,448** |
| Prior period adjustment | - | - | - | - | - |
| **Carrying value at 1 April 2018 - restated** | **169,079** | **1,000** | **643** | **102,726** | **273,448** |
| **Cash movements:** | | | | | |
| Financing cash flows - payments and receipts of principal | 31,939 | 1,500 | (183) | (4,596) | 28,660 |
| Financing cash flows - payments of interest | (3,494) | - | (50) | (9,311) | (12,855) |
| **Non-cash movements:** | | | | | |
| Application of effective interest rate | 3,610 | - | 50 | 9,311 | 12,971 |
| **Carrying value at 31 March 2020** | **201,134** | **2,500** | **460** | **98,130** | **302,224** |

# Note 24 Finance leases

## Note 24.1 Lewisham and Greenwich NHS Trust as a lessee

Obligations under finance leases where the trust is the lessee.

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Gross lease liabilities** | **277** | **460** |
| **of which liabilities are due:** | | |
| - not later than one year; | 158 | 182 |
| - later than one year and not later than five years; | 119 | 278 |
| - later than five years. | - | - |
| Finance charges allocated to future periods | - | - |
| **Net lease liabilities** | **277** | **460** |
| **of which payable:** | | |
| - not later than one year; | 158 | 182 |
| - later than one year and not later than five years; | 119 | 278 |
| - later than five years. | - | - |
| **Total of future minimum sublease payments to be received at the reporting date** | **-** | **-** |
| Contingent rent recognised as expense in the period | - | - |

## Note 25 Provisions for liabilities and charges analysis

| | Pensions: early departure costs £000 | Pensions: injury benefits £000 | Legal claims £000 | Redundancy £000 | Other £000 | Total £000 |
|---|---|---|---|---|---|---|
| **At 1 April 2020** | **5,366** | **538** | **2,548** | **-** | **1,230** | **9,682** |
| Change in the discount rate | - | - | - | - | - | - |
| Arising during the year | 876 | 206 | 4,257 | 663 | 5,730 | 11,732 |
| Utilised during the year | (6,242) | (65) | - | - | (43) | (6,350) |
| Reversed unused | - | (96) | (205) | - | (49) | (350) |
| Unwinding of discount | - | (7) | - | - | - | (7) |
| **At 31 March 2021** | **-** | **576** | **6,600** | **663** | **6,868** | **14,707** |
| **Expected timing of cash flows:** | | | | | | |
| - not later than one year; | - | 64 | 6,600 | 663 | 4,866 | 12,193 |
| - later than one year and not later than five years; | - | 256 | - | - | 941 | 1,197 |
| - later than five years. | - | 256 | - | - | 1,061 | 1,317 |
| **Total** | **-** | **576** | **6,600** | **663** | **6,868** | **14,707** |

**Early departure pensions costs** relate to continuing contribution payments to the NHS Pensions Agency (NHSPA) for staff who retired early. This liability was settled in full during 2020/21.

**Pension: injury benefits** relate to the cost of payments to people who sustained an injury or contracted a disease wholly or mainly due to their NHS employment.

**Legal Claims** are based on an assessment of all outstanding cases by solicitors acting on behalf of the Trust and other potential claims. The value of reported claims is based on an estimation of the probable liabilities arising from outstanding legal claims against the Trust at the year end; having taken professional legal advice and assessment by appropriate Trust directors of the likelihood of the successful defence of the relevant cases.

**Redundancy** relates to a small number of staff who have been put at formal risk of redundancy.

**Other provisions include;**

- Liabilities to Third Parties Scheme (LTPS) and Property Expenses Scheme (PES) claims handled by the NHS Litigation Authority
- Clinician Pension Tax reimbursement for clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold will be able to have this charge paid by the NHS Pension Scheme. This is offset by the commitment from NHS England and the Government to fund the payments to clinicians as and when they arise
- Onerous contracts
- Anticipated charges from NHSPA for retired employees in the 1995 section of the scheme who receive above inflation pay rises in their final 3 years
- Dilapidations related to a small number of leased properties.

### Note 25.1 Clinical negligence liabilities

At 31 March 2021, £518,167k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Lewisham and Greenwich NHS Trust (31 March 2020: £494,586k).

## Note 26 Contingent assets and liabilities

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Value of contingent liabilities** | | |
| NHS Resolution legal claims | - | - |
| Employment tribunal and other employee related litigation | - | - |
| Redundancy | - | - |
| Other | (75) | (72) |
| **Gross value of contingent liabilities** | **(75)** | **(72)** |
| Amounts recoverable against liabilities | - | - |
| **Net value of contingent liabilities** | **(75)** | **(72)** |
| **Net value of contingent assets** | **-** | **-** |

The contingent liability of £75K (£72K 2019/20) relates to employee and public liability claims handled by the NHS Litigation Authority.

## Note 27 Contractual capital commitments

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Value of contingent liabilities** | | |
| Property, plant and equipment | 3,997 | 1,056 |
| Intangible assets | - | 707 |
| **Total** | **3,997** | **1,763** |

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

### Note 28.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the Statement of Financial Position:

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Gross PFI, LIFT or other service concession liabilities** | **300,383** | **324,028** |
| **Of which liabilities are due** | | |
| - not later than one year; | 24,781 | 23,297 |
| - later than one year and not later than five years; | 102,102 | 100,621 |
| - later than five years. | 173,500 | 200,110 |
| Finance charges allocated to future periods | (206,847) | (225,898) |
| **Net PFI, LIFT or other service concession arrangement obligation** | **93,536** | **98,130** |
| - not later than one year; | 5,565 | 4,596 |
| - later than one year and not later than five years; | 26,390 | 24,473 |
| - later than five years. | 61,581 | 69,061 |

The Trust had two on-balance sheet service concessions at the start of the year; Queen Elizabeth Hospital Building (QEH) and the Riverside Building on the University Lewisham Hospital site.

### Queen Elizabeth Hospital building

The PFI contract transferred to the Trust under the QEH merger was entered into in January 2001 for 60 years. The contract is with Meridian Hospital Company PLC for the supply of the QEH hospital premises, maintenance and other site related services.

Under the contract, the rights and privileges of ownership of the Hospital will transfer to the NHS after 30 years (October 2030). There is the option to terminate the concession to provide facilities management services from the PFI contractor at 30 and 45 years.

In February 2020, the Trust exercised a break in the soft FM element of the PFI contract, the soft FM services is no longer part of the PFI contract and therefore is not included in any future payments.

The Trust retains the freehold to the land on which the hospital is based. A head lease to the land was granted to Meridian Hospital Company PLC for a period of 125 years under the contract.

### Riverside building

The Riverside building is treated as an asset of the Trust under IFRIC 12; which applies to public-to-private service concession arrangements to the extent that the Trust:

- Controls or regulates what services the operator must provide within the infrastructure, whom it must provide them to, and at what price
- Controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the infrastructure at the end of the term of the arrangement.

| Queen Elizabeth Hospital building | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Gross PFI, LIFT or other service concession liabilities** | **182,975** | **199,640** |
| **Of which liabilities are due** | | |
| - not later than one year; | 18,002 | 16,665 |
| - later than one year and not later than five years; | 75,352 | 73,735 |
| - later than five years. | 89,621 | 109,240 |
| Finance charges allocated to future periods | (127,345) | (141,120) |
| **Net PFI, LIFT or other service concession arrangement obligation** | **55,630** | **58,520** |
| - not later than one year; | 3,759 | 2,891 |
| - later than one year and not later than five years; | 19,274 | 17,366 |
| - later than five years. | 32,596 | 38,262 |

| Riverside building | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Gross PFI, LIFT or other service concession liabilities** | **117,408** | **124,388** |
| **Of which liabilities are due** | | |
| - not later than one year; | 6,779 | 6,632 |
| - later than one year and not later than five years; | 26,750 | 26,886 |
| - later than five years. | 83,879 | 90,870 |
| Finance charges allocated to future periods | (79,502) | (84,778) |
| **Net PFI, LIFT or other service concession arrangement obligation** | **37,906** | **39,610** |
| - not later than one year; | 1,806 | 1,705 |
| - later than one year and not later than five years; | 7,116 | 7,107 |
| - later than five years. | 28,985 | 30,799 |

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

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

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Total future payments committed in respect of the PFI, LIFT or other service concession arrangements** | **424,975** | **456,156** |
| **Of which payments are due:** | | |
| - not later than one year; | 32,588 | 31,710 |
| - later than one year and not later than five years; | 138,839 | 135,115 |
| - later than five years. | 253,548 | 289,331 |

| Queen Elizabeth Hospital building | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Total future payments committed in respect of the PFI, LIFT or other service concession arrangements** | **237,616** | **258,657** |
| **Of which payments are due:** | | |
| - not later than one year; | 22,777 | 22,125 |
| - later than one year and not later than five years; | 96,947 | 94,175 |
| - later than five years. | 117,892 | 142,357 |

| Riverside building | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Total future payments committed in respect of the PFI, LIFT or other service concession arrangements** | **187,359** | **197,499** |
| **Of which payments are due:** | | |
| - not later than one year; | 9,811 | 9,585 |
| - later than one year and not later than five years; | 41,892 | 40,940 |
| - later than five years. | 135,656 | 146,974 |

## Note 28.3 Analysis of amounts payable to service concession operator

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

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| **Unitary payment payable to service concession operator** | **31,778** | **41,256** |
| **Consisting of:** | | |
| - Interest charge | 8,889 | 9,311 |
| - Repayment of balance sheet obligation | 4,594 | 4,596 |
| - Service element and other charges to operating expenditure | 8,452 | 17,808 |
| - Contingent rent | 9,843 | 9,541 |
| Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment | 7,883 | 8,182 |
| **Total amount paid to service concession operator** | **39,661** | **49,438** |

| Queen Elizabeth Hospital building | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| **Unitary payment payable to service concession operator** | **22,222** | **31,912** |
| **Consisting of:** | | |
| - Interest charge | 6,602 | 6,927 |
| - Repayment of balance sheet obligation | 2,890 | 2,944 |
| - Service element and other charges to operating expenditure | 5,508 | 15,007 |
| - Contingent rent | 7,222 | 7,034 |
| Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment | 7,565 | 8,105 |
| **Total amount paid to service concession operator** | **29,787** | **40,017** |

| Riverside building | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| **Unitary payment payable to service concession operator** | **9,556** | **9,344** |
| **Consisting of:** | | |
| - Interest charge | 2,287 | 2,384 |
| - Repayment of balance sheet obligation | 1,704 | 1,652 |
| - Service element and other charges to operating expenditure | 2,944 | 2,801 |
| - Contingent rent | 2,621 | 2,507 |
| Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment | 318 | 77 |
| **Total amount paid to service concession operator** | **9,874** | **9,421** |

## Note 29 Financial instruments

### Note 29.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risk a body faces in undertaking its activities.

Because of the continuing service provider relationship that the Trust has with commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk that would be typical of listed companies. As a Non-Foundation Trust, Lewisham and Greenwich NHS Trust has limited powers to borrow or invest surplus funds and, as such, financial assets and liabilities are generated through its day-to-day operational activities and with little scope to manage any associated risks over the longer- term.

### Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposure as at 31 March 2021 is in receivables from customers, as disclosed in the trade and other receivables note.

### Liquidity risk

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

### Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS England & Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

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

The Trust therefore has low exposure to interest rate fluctuations.

### Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

## Note 29.2 Carrying values of financial assets

| | Held at amortised cost £000 | Held at fair value through I&E £000 | Held at fair value through OCI £000 | Total book value £000 |
|---|---|---|---|---|
| **Carrying values of financial assets as at 31 March 2021** | | | | |
| Trade and other receivables excluding non financial assets | 20,130 | - | - | 20,130 |
| Other investments / financial assets | - | - | - | - |
| Cash and cash equivalents | 90,813 | - | - | 90,813 |
| **Total at 31 March 2021** | **110,943** | **-** | **-** | **110,943** |

| | Held at amortised cost £000 | Held at fair value through I&E £000 | Held at fair value through OCI £000 | Total book value £000 |
|---|---|---|---|---|
| **Carrying values of financial assets as at 31 March 2020** | | | | |
| Trade and other receivables excluding non financial assets | 40,114 | - | - | 40,114 |
| Other investments / financial assets | - | - | - | - |
| Cash and cash equivalents | 2,064 | - | - | 2,064 |
| **Total at 31 March 2020** | **42,178** | **-** | **-** | **42,178** |

| Reconciliation of Financial Instruments as in SoFP | 2020/21 | | |
|---|---|---|---|
| | Current £000 | Non Current £000 | Total £000 |
| **Financial Instruments Receivables** | | | |
| Contract receivables | 27,863 | - | 27,863 |
| Allowance for impaired contract receivables / assets | (9,211) | - | (9,211) |
| Other receivables | 322 | 1,156 | 1,478 |
| **Total receivables** | **18,974** | **1,156** | **20,130** |
| Total cash and cash equivalents as in SoCF | 90,813 | - | 90,813 |
| **Total Financial Instruments** | **109,787** | **1,156** | **110,943** |
| **Non-Financial Instruments Receivables** | | | |
| Prepayments (non-PFI) | 3,193 | - | 3,193 |
| PDC dividend receivable | 2,835 | - | 2,835 |
| VAT receivable | 1,311 | - | 1,311 |
| **Total Non-Financial Instruments** | **7,339** | **-** | **7,339** |
| **Total receivables and cash and cash equivalents as in SoFP** | **117,126** | **1,156** | **118,282** |

## Note 29.3 Carrying value of financial liabilities

| | Held at amortised cost £000 | Held at fair value through the I&E £000 | Total book value £000 |
|---|---|---|---|
| **Carrying values of financial liabilities as at 31 March 2021** | | | |
| Loans from the Department of Health and Social Care | 7,007 | - | 7,007 |
| Obligations under finance leases | 277 | - | 277 |
| Obligations under PFI, LIFT and other service concession contracts | 93,536 | - | 93,536 |
| Other borrowings | 2,250 | - | 2,250 |
| Trade and other payables excluding non financial liabilities | 53,680 | - | 53,680 |
| Other financial liabilities | - | - | - |
| Provisions under contract | - | - | - |
| **Total at 31 March 2021** | **156,750** | **-** | **156,750** |

| | Other financial liabilities £000 | Held at fair value through the I&E £000 | Total book value £000 |
|---|---|---|---|
| **Carrying values of financial liabilities as at 31 March 2020** | | | |
| Loans from the Department of Health and Social Care | 201,134 | - | 201,134 |
| Obligations under finance leases | 460 | - | 460 |
| Obligations under PFI, LIFT and other service concession contracts | 98,130 | - | 98,130 |
| Other borrowings | 2,500 | - | 2,500 |
| Trade and other payables excluding non financial liabilities | 49,542 | - | 49,542 |
| Other financial liabilities | - | - | - |
| Provisions under contract | - | - | - |
| **Total at 31 March 2020** | **351,766** | **-** | **351,766** |

| Reconciliation of Financial Instruments as in SoFP | 2020/21 | | |
|---|---|---|---|
| | Current £000 | Non Current £000 | Total £000 |
| **Financial Instruments Payables** | | | |
| Trade payables | 15,498 | - | 15,498 |
| Capital payables | 3,309 | - | 3,309 |
| Accruals | 33,816 | - | 33,816 |
| Other payables | 1,057 | - | 1,057 |
| **Total payables** | **53,680** | **-** | **53,680** |
| Loans from DHSC | 484 | 6,523 | 7,007 |
| Other loans | 500 | 1,750 | 2,250 |
| Obligations under finance leases | 158 | 119 | 277 |
| PFI lifecycle replacement received in advance | - | - | - |
| Obligations under PFI, LIFT or other service concession contracts | 5,565 | 87,971 | 93,536 |
| **Total borrowings** | **6,707** | **96,363** | **103,070** |
| **Total Financial Instruments** | **60,387** | **96,363** | **156,750** |
| **Non-Financial Instruments payables** | | | |
| Employee benefit payables | 15,419 | - | 15,419 |
| Social security costs | 4,857 | - | 4,857 |
| Other taxes payable | 4,608 | - | 4,608 |
| **Total Non-Financial Instruments** | **24,884** | **-** | **24,884** |
| **Total Trade and other payables as in SoFP** | **78,564** | **-** | **78,564** |

### Note 29.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the Statement of Financial Position which are discounted to present value.

| | 31 March 2021 £000 | 31 March 2020 restated* £000 |
|---|---|---|
| In one year or less | 79,852 | 268,410 |
| In more than one year but not more than five years | 106,118 | 104,887 |
| In more than five years | 179,646 | 207,148 |
| **Total** | **365,616** | **580,445** |

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

## Note 30 Losses and special payments

| | 2020/21 | | 2019/20 | |
|---|---|---|---|---|
| | Total number of cases Number | Total value of cases £000 | Total number of cases Number | Total value of cases £000 |
| **Losses** | | | | |
| Cash losses | - | - | - | - |
| Fruitless payments and constructive losses | - | - | - | - |
| Bad debts and claims abandoned | 3,992 | 5,695 | 560 | 1,425 |
| Stores losses and damage to property | 5 | 195 | 5 | 186 |
| **Total losses** | **3,997** | **5,890** | **565** | **1,611** |
| **Special payments** | | | | |
| Compensation under court order or legally binding arbitration award | 15 | 42 | 14 | 6 |
| Extra-contractual payments | - | - | - | - |
| Ex-gratia payments | 27 | 10 | 39 | 9 |
| Special severance payments | - | - | - | - |
| Extra-statutory and extra-regulatory payments | - | - | - | - |
| **Total special payments** | **42** | **52** | **53** | **15** |
| **Total losses and special payments** | **4,039** | **5,942** | **618** | **1,626** |
| Compensation payments received | | - | | - |

### Details of cases individually over £300k

There were no individual cases over £300K.

## Note 31 Related parties

During the year none of the DHSC Ministers, Trust Board members or members of the key management staff, or parties related to any of them, has undertaken transactions within Lewisham and Greenwich NHS Trust.

The DHSC is regarded as a related party. During the year Lewisham and Greenwich NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent department.

### Related parties are shown below:

Barts Health NHS Trust
Bexley London Borough Council
Care Quality Commission
Community Health Partnerships
Dartford and Gravesham NHS Trust
Department of Health and Social Care
Greenwich London Borough Council
Guy's & St Thomas' NHS Foundation Trust
Health Education England
HM Revenue & Customs
King's College Hospital NHS Foundation Trust
Oxleas NHS Foundation Trust
Lewisham London Borough Council
NHS Blood and Transplant
NHS England & Improvement (TDA legal entity)
NHS Hammersmith and Fulham CCG
NHS Kent and Medway CCG
NHS Newham CCG
NHS North Central London CCG
NHS North East London CCG
NHS Pension Scheme
NHS Property Services
NHS Resolution
NHS South East London CCG
NHS South West London CCG
South London and Maudsley NHS Foundation Trust
St George's University Hospitals NHS Foundation Trust

Entities are included based on the following criteria:

- CCG where a formal service level agreement was in place during the year
- NHS, Government Department or Local Authority where the transaction exceeds £250K

The members of the Trust Board are also Trustees of the Lewisham and Greenwich NHS Trust Charitable Fund (registered Charity No. 1050522).

The Charity's objectives are to provide support both generally and in certain areas of the Trust's activities.

During the last two years the Charity contributed the following amounts:

| | 2020/21 £ | 2019/20 £ |
|---|---|---|
| Patient education and welfare | 5,009 | 1,246 |
| Staff education and welfare | 335,189 | 37,491 |
| New equipment | 7,121 | 98,429 |
| Governance | 47,540 | 33,722 |
| **Grand Total** | **394,859** | **170,888** |

## Note 32 Events after the reporting period

There were no events that had a material impact on the accounts after the end of the reporting period.

## Note 33 Better Payment Practice code

| | 2020/21 Number | 2020/21 £000 | 2019/20 £000 | 2019/20 £000 |
|---|---|---|---|---|
| **Non-NHS Payables** | | | | |
| Total non-NHS trade invoices paid in the year | 67,654 | 297,883 | 75,988 | 362,332 |
| Total non-NHS trade invoices paid within target | 63,905 | 283,167 | 70,657 | 350,468 |
| **Percentage of non-NHS trade invoices paid within target** | **94.5%** | **95.1%** | **93.0%** | **96.7%** |
| **NHS Payables** | | | | |
| Total NHS trade invoices paid in the year | 2,015 | 19,118 | 2,758 | 18,495 |
| Total NHS trade invoices paid within target | 1,633 | 15,766 | 2,170 | 14,317 |
| **Percentage of NHS trade invoices paid within target** | **81.0%** | **82.5%** | **78.7%** | **77.4%** |

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

## Note 34 External financing limit

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

| SoCF | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Net cash (gen from) / used in - Operations | (141,545) | (17,350) |
| Net cash gen from / (used in) - Investing Activities | 28,140 | 29,122 |
| Net cash gen from / (used in) - Financing Activities | | |
| **Less:** | | |
| Interest paid | 795 | 3,496 |
| Interest element of fin lease | 50 | 50 |
| Interest element of PFI | 18,732 | 18,852 |
| PDC dividend (paid)/refunded | 9,174 | 1,934 |
| **Total** | **(84,654)** | **36,104** |
| **External financing requirement** | **(84,654)** | **36,104** |
| External financing limit (EFL) | (48,690) | 36,104 |
| **Under / (over) spend against EFL** | **35,964** | **-** |

## Note 35 Capital resource limit

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Gross capital expenditure | 25,364 | 33,379 |
| Less: Disposals | (5,409) | (51) |
| Less: Donated and granted capital additions | (1,763) | - |
| Plus: Loss on disposal from capital grants in kind | - | - |
| **Charge against Capital Resource Limit** | **18,192** | **33,328** |
| Capital Resource Limit | 38,019 | 33,328 |
| **Under / (over) spend against CRL** | **19,827** | **-** |

## Note 36 Breakeven duty financial performance

| | 2020/21 £000 |
|---|---|
| Adjusted financial performance surplus / (deficit) (control total basis) | (1,444) |
| Remove impairments scoring to Departmental Expenditure Limit | - |
| Add back non-cash element of On-SoFP pension scheme charges | - |
| IFRIC 12 breakeven adjustment | 11,426 |
| **Breakeven duty financial performance surplus / (deficit)** | **9,982** |

## Note 37 Breakeven duty rolling assessment

| | 2008/09 £000 | 2009/10 £000 | 2010/11 £000 | 2011/12 £000 | 2012/13 £000 | 2013/14 £000 | 2014/15 £000 | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | 2020/21 £000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Breakeven duty in-year financial performance | | 6,753 | 1,058 | 1,427 | 1,750 | 242 | (8,482) | (22,867) | (20,054) | (50,396) | (22,231) | (6,420) | 9,982 |
| Breakeven duty cumulative position | (9,337) | (2,584) | (1,526) | (99) | 1,651 | 1,893 | (6,589) | (29,456) | (49,510) | (99,906) | (122,137) | (128,557) | (118,575) |
| Operating income | | 188,109 | 222,366 | 229,184 | 241,470 | 382,097 | 517,522 | 518,947 | 539,242 | 543,854 | 574,541 | 626,423 | 714,043 |
| **Cumulative breakeven position as a percentage of operating income** | | **(1.4%)** | **(0.7%)** | **(0.0%)** | **0.7%** | **0.5%** | **(1.3%)** | **(5.7%)** | **(9.2%)** | **(18.4%)** | **(21.3%)** | **(20.5%)** | **(16.6%)** |

# Glossary

## Financial statements – glossary

The accounts have been produced in line with the **International Financial Reporting Standards (IFRS)**. The main features of IFRS, as compared with the previously applied UK GAAP rules, are that fixed assets are valued at fair value; normally existing use value (EUV) or depreciated replacement cost (DRC) in the case of most Trust assets, assets covered by finance leases such as the Riverside (PFI) building are shown on balance sheet and potential staff costs relating to untaken annual leave are included in expenditure.

The **Statement of Comprehensive Income (SoCI)** records the income and the costs incurred by the Trust during the year in the course of running its operations. It includes cash expenditure on staff and supplies as well as non-cash expenses such as depreciation (a charge that reflects the consumption of assets used to deliver services). It is the equivalent of what may be referred to as the "profit and loss account" in the private sector. If income exceeds expenditure, the Trust has a surplus that can be re-invested in new equipment or services. Conversely, if expenditure exceeds income, a deficit is incurred which the Trust will have to recover. Unrealised gains and losses from changes in the value assets during the year which have not yet had any cash consequences, such as those arising from the revaluation of property, are now also summarised here as part of Other Comprehensive Income.

The **Statement of Financial Position (SoFP)** provides a balance sheet snapshot of the Trust's financial condition at the end of the financial year. It summarises assets held (everything the Trust owns that has monetary value), liabilities (money owed to external parties) and taxpayers' equity (public funds invested in the Trust). The sum of assets less liabilities is matched by an equal amount of taxpayers' equity.

The **Statement of Cash Flows (SoCF)** summarises the amount of cash received and paid out by the Trust during the year in the delivery of its operational services, investment activities, capital transactions and payment of financing cost. A surplus in the SoCI will not always lead to an increase in cash. Similarly, a deficit would not necessarily translate into a reduction in cash held. This is because the SoCI has expenditure in the form depreciation which does not involve actual cash payments, and cash flow includes payments for investments, capital and financing cost that are not shown in the SoCI because they are non-operational (greater than one year). The impact of an organisation's operating performance on its cash position can only be gleaned from the SoCF and SoFP.

**Revenue from patient care activities** relates primarily to income for services commissioned by CCGs. It also includes income received for joint care arrangements with local authorities or for delayed discharges, and income from treating overseas visitors from countries where there is no reciprocal healthcare agreement in place. Reciprocal arrangements exist with most European countries – meaning healthcare is delivered free to patients and costs funded by the Department of Health via CCGs. The NHS Injury Costs Recovery Scheme enables trusts to recover the cost of treating patients injured in a road traffic accident by charging a standard fee for an accident and emergency attendance or claiming actual costs (up to a set limit), through the private insurance system, if inpatient care was provided.

**Other operating income** includes education, training and research funding, income from non-patient care services to other bodies, and rental income from other NHS and Non NHS bodies that use Trust property to deliver patient care related services. Funds to cover the costs of providing education and training come from Medical and Professional Education and Training (MPET) levies. The levies comprise Service Increment for Teaching undergraduate medical students (SIFT), Medical and Dental Education Levy for postgraduate medical training (MADEL) and Non Medical Education and Training for nursing and other professional staff training (NMET). These funds are generally allocated by the Department of Health via Health Education England (HEE). Organisations undertaking research can also receive funding through a research and development levy.

**Non patient care services** to other bodies – examples include laundry and pathology.

**Income generation** is income from non patient care activities such as car parking, pharmacy and accommodation charges.

**Other income** covers income not reported in the categories above and include Riverside PFI support.

## Operating expenses

**Establishment** includes items such as printing, postage, telephone, advertising and travel expenses.

**Transport** includes vehicle insurance, fuel and oil, maintenance equipment and hire of transport.

**Premises** include all the trust's utility costs, furniture and other property related revenue expenditure such as rates, rent and insurance.

**Provision for impairment of receivables** is the amount of outstanding non NHS debt charged to expenditure on the basis that it is unlikely to be recovered. These debts are pursued and only written-off after they are three years old.

**Depreciation** is an accounting charge recognising that capital assets are 'consumed' over their useful lives. For instance, IT equipment may be depreciated over five years on a straight line basis, meaning one fifth the purchase cost is assigned to each of the 5 years of the assumed asset life.

**Impairments of property, plant and equipment** is where the Net Book Value of an asset is charged to expenditure due to the consumption of economic benefit in full or a reduction in value not matched a positive revaluation reserve balance. The Department of Health excludes the impact of impairments from a trust's breakeven duty.

**Clinical negligence** is the annual premium payment to the NHS Litigation Authority (NHSLA) as part of the Clinical Negligence Scheme for Trusts. Premium levels are influenced by a range of factors, including the type of trust, the specialties it provides and the number of clinical staff it employs. Discounts are available to those trusts that achieve the relevant NHSLA risk management standards and to those with a good claims history.

**Employee benefits** are the total employment costs. These are analysed into:

1. 'Employee benefits excluding board members'. This includes employer's national insurance, pension contributions, early retirement, termination and agency staff costs.

2. 'Directors' costs'. This is the total paid to Executives including employer's national insurance and employer's pension costs.

**Revaluation – Existing Use Value for non-specialised properties** is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion – assuming that the buyer is granted vacant possession of all parts of the asset required by the business, and disregarding any potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

**Revaluation** – Depreciated Replacement Cost (DRC) is 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.

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