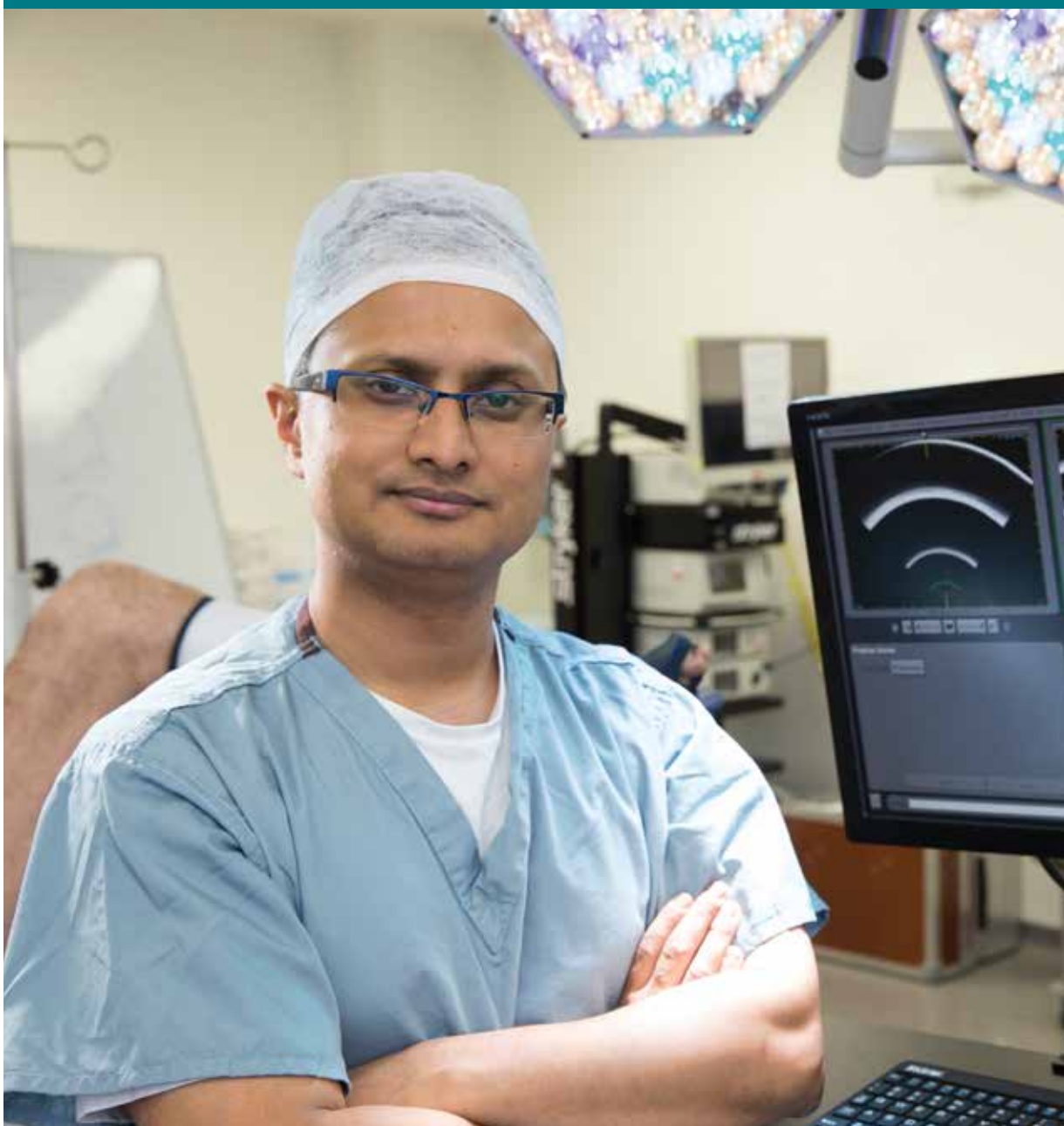


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Annual report and accounts 2015/16



University College London Hospitals NHS Foundation Trust
Annual Report and Accounts 2015/16

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

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1 The performance report

1.1 Overview of performance

Foreword from the chairman and chief executive

Welcome to our 2015/2016 annual report. As will be evident from the national media, the NHS is facing an unprecedented combination of severe financial pressures and ever growing numbers of patients. In the face of these challenges, UCLH has maintained its focus on providing top quality patient care, excellent education and world class research. These aims are founded on the twin pillars of a strong focus on excellent care for both our local community in North Central London and in certain specialist fields.

Last year we described the likely requirement for the NHS to save £22bn over the following five years. This challenge remains and, despite the government's welcome injection of further funds into the service in the 2015 Autumn Statement, the financial pressures on us and the rest of the service are unrelenting. We are pleased that UCLH has continued to manage to provide safe, high-quality care to our patients in the face of these difficulties.

A particular challenge facing the hospital has been the inadequate remuneration of our specialist services, which was compounded by the removal at the end of 2014/15 of an additional supplement for specialist services which had been paid for the previous five years. This led the Board for the first time for many years to plan for a deficit and then revise this at quarter one of the financial year. UCLH reported an underlying deficit of £31.2m that was within this revised forecast. The financial outlook in 16/17 is increasingly challenging and will inevitably require us to make substantial further savings. Even after making these savings, we expect to report a deficit in 2016/17.

We continue to look at ways of improving how we provide care, both to improve quality and to make financial savings. These programmes, which we call uclh future, include re-engineering many of our processes to provide a more standardised level of service with the aim of improving patient experience. We are also investing in our IT systems to support these initiatives and comply with national requirements to create a digitally enabled NHS.

In December 2015, all regions in England were asked to prepare Sustainability and Transformation Plans (STPs) to show how local healthcare systems, working together could reorganise services to improve public health, transform healthcare

(especially of long term conditions) and achieve financial balance. UCLH will be an important contributor to the North Central London STP which will be submitted by the end of June. A number of our clinicians are already making an important contribution to the provision of more integrated care, working closely with community and mental health providers, with local GPs and with social services.

During the year we were able to press forward with some of our strategic developments. The activities of the Heart Hospital were transferred to Barts Health at the beginning of the year. At UCLH, we are seeing an increasing level of cancer activity due to the parallel reconfiguration of cancer services. Specifically, more specialist cancer surgery from around the region is now being carried out at UCLH. We have also been designated by NHS England as a national vanguard for cancer services, in partnership with the Christie in Manchester and The Royal Marsden. This collaborative cancer care partnership aims to improve cancer diagnosis and treatment across the geographical areas which is served by the three organisations and to be a model for care more broadly. These developments are important steps on our journey to improve cancer care in North Central and North East London and to become a major European cancer centre.

During the year, the Board approved the development of two major new facilities. Work is now well underway on a major new facility on the old Odeon Cinema site on Tottenham Court Road. It will house one of the two national Proton Beam Therapy facilities (the second will be at the Christie) underground with a significant cancer inpatient and short stay surgery centre above ground. The building is scheduled to open in 2019. The Board approved the

redevelopment of the Ear Hospital and UCL Student Union buildings on our University College Hospital campus to provide a new facility for the Eastman Dental Hospital and the Royal Throat, Nose and Ear Hospital. This new ambulatory centre is also expected to open in 2019.

Elsewhere, a major reconfiguration is planned at the National Hospital for Neurology and Neurosurgery (NHNN) in Queen Square which will add two new neurosurgery theatres. Since the year end, we have also opened a new pain management centre in the new development which has replaced the old Middlesex Hospital.

Nationally, acute hospitals have struggled this year to meet the government's four-hour accident and emergency waiting target. The year began well at UCLH with the target comfortably being exceeded, but as attendances grew through autumn and winter we were unable to maintain this performance. We continue to expand the footprint of the department to meet the ever-increasing demand for A&E services and our performance has been better than average for London and nationally.

We have also been unable to meet the target to treat cancer patients within 62 days of referral. We are working hard to deal with problems we have internally, but a large part of our difficulty is caused by late referrals from other hospitals to our specialist services. We are working closely with commissioners and local partners to try to deal with these problems.

The Care Quality Commission inspected us in March 2016 and we look forward to the publication of their report.

We have implemented a number of initiatives aimed at supporting, developing and rewarding our staff. Our workforce continues to work in our pursuit of excellence in patient care. None of the achievements described in this annual report would be possible without their dedication, and as we reflect back on the year, we give them our thanks and our appreciation.



Richard Murley
Chairman

Sir Robert Naylor
Chief Executive

About UCLH

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

UCLH delivers clinical services from five hospital sites:

- University College Hospital, including:
 - University College Hospital
 - University College Hospital at Westmoreland Street
 - Macmillan Cancer Centre
 - Elizabeth Garrett Anderson Wing
 - Hospital for Tropical Diseases
 - Institute of Sport, Exercise and Medicine
- The NHNN, including the National Hospital for Neurology and Neurosurgery at Cleveland Street
- Eastman Dental Hospital
- Royal National Throat, Nose and Ear Hospital
- Royal London Hospital for Integrated Medicine

We became one of the first foundation trusts in 2004. Giving staff, patients and members of the local community a greater say in how their hospitals are run is the driving force behind the creation of NHS foundation trusts. Greater involvement will bring lasting improvements to patient services and better health for communities.

As a foundation trust we remain firmly part of the NHS but we manage our own budgets and shape the services we provide to better reflect the needs and priorities of our local community. Through our council of governors (until August 2014 called the governing body) we are able to listen to the views of patients, local people, staff and partners and by doing so, offer patients faster, better and more responsive healthcare.

We provide academically linked acute and specialist services, both to the local population and to patients from across England and Wales. We balance the provision of nationally recognised specialist services with delivering high-quality acute services to our local populations in Camden, Islington, Barnet, Enfield, Haringey and Westminster.

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

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

We have a turnover of £933m and contracts with more than 90 commissioning bodies. On average we see more than 1 million outpatients, see 131,000 A&E attendances and admit more than 170,000 patients each year. We employ more than 7500 staff across all of our hospital sites.

A full exploration of the key issues and risks that could affect our ability to deliver our objectives can be found on page 26.

Our highlights

Specialist cancer services move to UCLH

In December 2015, UCLH became the specialist treatment centre for a number of complex cancers including blood cancer for all north-central London, for oesophago-gastric cancer surgery for north-central and part of north-east London and for head and neck and prostate and bladder cancer surgery for all north-central and east London. In 2016 we will become a specialist centre for brain cancer for north-central and part of north-east London.

We work within a 'system' of hospitals including Barts Health, The Royal Free, Princess Alexandra in Harlow and Queen's Hospital in Romford to provide cancer services to people who live in north and east London and West Essex. The system approach means that patients have some of their treatment at their local hospital but may come to UCLH for specialist treatment such as surgery or specialist radiotherapy.

The system was set up as part of a new approach to cancer care developed by NHS England with the aim of saving more lives, improving service quality and making the best use of local expertise.

The system could save up to 1,200 lives a year.

UCLH forms cancer vanguard with The Royal Marsden and The Christie

UCLH Cancer formed a collaborative cancer care partnership with The Royal Marsden NHS Foundation Trust and The Christie NHS Foundation Trust. It aims to create a network to facilitate earlier diagnoses and to reduce national variations in care.

The partnership is part of NHS England's acute care collaboration vanguard bid scheme. Each vanguard is responsible for devising new care models that will improve and integrate patient services.

The innovations that we develop together with The Royal Marsden and The Christie will be used as blueprints for models of cancer care across the country.

Work starts on new clinical facilities

Work started on our new specialist cancer and short stay surgery facility, which will occupy more than 25,000sqm on the block between Grafton Way, Huntley Street and Tottenham Court Road.

It will house one of the UK's two proton beam therapy centres, as well as Europe's largest centre for the treatment of blood disorders and a short stay surgical centre.

The facility will open in 2019.

With planning permission and Board approval granted in summer 2015, work is also underway to build a new centre for the treatment of ear, nose, throat and mouth conditions. Located on Huntley Street, the new state of the art development will accommodate ambulatory services currently provided by the Royal National Throat, Nose and Ear and Eastman Dental Hospitals, as well as some diagnostic and treatment services provided at other UCLH sites.

The Heart Hospital becomes Westmoreland Street

As part of an NHS England plan to improve specialist care, we transferred our specialist cardiac services from the Heart Hospital to the new state-of-the-art Barts Heart Centre, which opened on the St Bartholomew's Hospital site in May 2015.

The Heart Hospital was then refurbished and renamed the University College Hospital at Westmoreland Street. After an interim period our thoracic surgical services returned to the site, joined by our urology services.

Moving urology services and continuing to have thoracic surgery at Westmoreland Street supports our plan to improve cancer service detection and delivery and at the same time has enabled us to develop both services further; for example, by providing more one-stop urology clinics and greater urological surgical capacity.

UCLH celebrates three historic anniversaries

We celebrated three historic milestones this year.

In October, we commemorated the 10th anniversary of University College Hospital, which was opened by Her Majesty the Queen in October 2005.

The Royal National Throat, Nose and Ear Hospital celebrated its 140th year at Gray's Inn Road. First located in Manchester Street, it moved to its current location in 1875 when demand increased.

This year also marked the 150th anniversary of Elizabeth Garrett Anderson becoming the first woman in Britain to qualify for inclusion in its medical register. Garrett Anderson oversaw the New Hospital for Women at the turn of the 20th century; this later became the Elizabeth Garrett Anderson hospital, which was incorporated into University College Hospital as the Elizabeth Garrett Anderson Wing in 2008.

Prostate cancer team wins BMJ and Health Service Journal awards

Our prostate cancer team won awards from the BMJ and Health Service Journal (HSJ).

In May, the team won the BMJ Award for Innovation Team of the Year for “using its knowledge to deliver change” and showing “courage in raising the possibility that things could be done differently”.

The team reworked the patient pathway, using magnetic resonance imaging and a one-stop diagnostic service to allow patients to be reviewed, scanned and, if necessary, biopsied in one day. As a result, they achieved 30 per cent better cancer detection.

The BMJ judging panel said that the innovations UCLH/UCL had made in the diagnosis and treatment of prostate cancer could have a significant global impact.

In November, the team won the HSJ Acute Sector Innovation award for the same achievements.

Leading speech therapist awarded OBE

Consultant speech and language therapist Gillian Kenney was awarded an OBE in the Queen’s Birthday Honours List.

Gillian was honoured for her work in helping premature babies and their families to establish feeding and promote neurodevelopment.

She is an international advisor and educator, and one of only two specialist trainers in the UK teaching healthcare staff about non-verbal communication in infants.

Gillian joined UCLH 20 years ago; she is mainly based at the neonatal unit in the Elizabeth Garrett Anderson Wing. She said that she was “surprised and delighted” to have been awarded the OBE: “I love my work and it is as much a passion now as it was when my career began.”

Curing Cancer documentary wins industry accolade

The Channel 4 documentary Curing Cancer, which was filmed over 12 months at the University College Hospital Macmillan Cancer Centre, was named Best Science Documentary at the Grierson Awards.

The awards celebrate excellence in documentary making.

The programme, directed by Brian Woods for Truevision, follows four patients and their doctors involved in clinical trials of advanced new treatments and diagnostic procedures.

Filming was managed by UCLH’s in-house communications team.

In accepting the award, Woods said: “We wanted to show that a cancer diagnosis is not a death sentence that there are people working very hard to make living with cancer easier and more bearable for patients.”

The Grierson Awards judging panel praised the film’s “great integrity and sensitivity”.

Critical care unit refurbished

We refurbished our critical care unit following our research showing that patients who suffered post-traumatic stress disorder (PTSD) after being in critical care did so partly because of the stark nature of the environment.

The new look was designed with staff and patients. Unveiled in December, nature scenes have replaced blank walls and picture boards have been installed to enable patients and carers to pin up photos.

Relatives’ areas have also been improved with bright colours and new furniture.

Sue Row, general manager, critical care division, said: “Patients tell us that the improvements make the unit look and feel much better, while their relatives say that their new area is a home away from home that helps them to refresh and recharge.”

UCLH Institute launches to develop staff into the future

Education at UCLH was boosted with the launch of the UCLH Institute, part of the uclh future transformation programme.

The Institute helps UCLH staff to perform their roles safely and effectively, particularly during times of change.

Emma Taylor, director of education, oversees the Institute, leading a team of facilitators who provide training and support in quality improvement. Together, they bring staff development together into one coordinated programme, providing a central hub for organisation-wide learning.

The uclh future programme aims to achieve a significant improvement for patients and staff in four key areas: learning, via the UCLH Institute; improving quality and the patient experience; technology and informatics and workforce.

UCLH forms integrated frailty services with the Whittington and Islington services

We formed a partnership with the Whittington and primary care providers in Islington to improve integrated frailty services for older people in Islington. This forms part of our innovative work in this area with Camden Clinical Commissioning Group (CCG). For more information, see the quality report.

The service provides a multidisciplinary, integrated community ageing team (ICAT); it was set up to support the large number of Islington-based older patients who attend UCLH and the Whittington.

ICAT brings together the best resources for Islington's elderly patients while also encouraging greater interaction between hospital and community teams, including local nursing homes.

Dr Ruth Law, ICAT clinical lead, said: "If patients do need to come into hospital, those links with community colleagues mean we're benefiting from greater awareness and knowledge of patients and assurance around how their care is continued after discharge."

Summary of achievements

Research

50-year-old drug could revolutionise blood pressure treatment

A UCLH professor discovered a new use for a drug that could revolutionise the treatment of the common blood pressure condition resistant hypertension.

Professor Bryan Williams, director of our BRC, led a study that discovered that the drug spironolactone could be used to control blood pressure in patients with the condition when used in conjunction with other drugs.

Results of the study, called PATHWAY-2 and funded by the British Heart Foundation (BHF), are likely to change guidelines and clinical practice across the world and to influence the treatment of some millions of people.

Professor Williams said: "The results of the study offer a spectacularly cost-effective approach to a previously intractable problem."

UCLH leads first UK study to prevent Alzheimer's

We led a landmark study to test whether two immunotherapy drugs can prevent the onset of symptoms in patients at high risk of developing Alzheimer's.

The Dominantly Inherited Alzheimer Network Trials Unit (DIAN-TU) is an international collaboration, working with 200 people who have a 50 per cent chance of carrying a rare genetic mutation which would see them develop dementia early in life.

Dr Cath Mummery, consultant neurologist at the NHNN, led the UK arm of the study at Queen Square's Dementia Research Centre. She said: "We are trying to prevent the onset of the disease, which is very different from the studies so far that have trialled treatments in those already suffering from dementia."

Ovarian cancer screening trial

UCLH and University College London co-led The UK Collaborative Trial of Ovarian Cancer Screening (UKCTOCS) – the world’s biggest ovarian cancer screening trial.

Early results suggested that approximately 15 ovarian cancer deaths could be prevented for every 10,000 women who attend a screening programme involving annual blood tests for between seven to 11 years.

UCLH consultant gynaecologist Professor Usha Menon, one of the trial’s four principal investigators, said: “Finally we have data which suggests that screening may prevent ovarian cancer deaths. This is welcome news and provides fresh impetus for renewed efforts in this area.”

UKCTOCS was funded by the Medical Research Council, Cancer Research UK, the Department of Health and the Eve Appeal.

Workforce

Exceptional success with recruitment and our nursing vacancy rate halved

During the year we made exceptional progress filling vacant posts. Our vacancy rate fell to 6.7 per cent. Reported nursing vacancies were more than halved, from more than 16 per cent in April 2015 to 6.4 per cent in March 2016.

Our recruitment effort is supported by new retention schemes designed to give nurses opportunities to develop and progress their careers at UCLH. A new transfer process was put in place to give staff nurses the chance to register for internal moves before jobs are advertised externally and offer dedicated career counselling to staff. More than 80 band 5 nurses were promoted to band 6 positions in the scheme’s first year.

New staff induction

More than 2,000 new staff joined us this year (including junior doctors on rotation). Since September all joiners have commenced a multi-disciplinary professional induction where our newest doctors, nurses, scientists, therapists and administrators work together in their first days in post.

Delivering this induction ensures that all staff receive the same welcome to UCLH, focused around our vision, values and objectives. It sets the tone for our work in multi-disciplinary teams, and also enables us to ensure that our staff leave induction having completed all of the mandated training required to assure their competence.

New support for our staff

In January 2016, we became the first NHS employer to become both a London Living Wage Employer and a member of the Good Jobs campaign for new employment opportunities for young people. Our staff are also leading a range of initiatives that they have designed themselves. These include a ‘good deed feed’ on our intranet that has enabled more than 1000 colleagues so far to publicly recognise and thank one another for demonstrating our values of safety, kindness, teamwork and improving.

Diagnosis, treatment and care

New films for people with learning disabilities

We co-produced a series of short films to help patients with learning disabilities.

The series helps patients with learning disabilities with their visits to hospital while also raising awareness of their needs amongst our staff.

Tim Buck, clinical nurse specialist, led the project. He said: “There’s a growing awareness that people with learning disabilities face health inequalities. These can be made worse by poor communication and misunderstandings. We want to raise awareness of learning disabilities and the staff training that is available and to talk about how we can best meet the individual needs of these patients and their carers.”

Eleven films were made, each focusing on a key department or area of care at UCLH. The series is available to view on UCLH’s YouTube channel.

New online information for patients with MS and blood diseases

Patients with multiple sclerosis (MS) and blood diseases can now benefit from online services designed to provide 24/7 information and support.

We launched our new MS web pages on World MS Day, when we also held a web chat with the NHS’s first consultant nurse, Bernadette Porter MBE, who has worked at the NHNN for 25 years.

MS patients and carers were involved in content development from the start; they will be updated as new topics arise.

Meanwhile we launched our blood diseases website with a web chat with consultant haematologist Dr Shirley D’Sa. This website meets the needs of patients with a variety of cancerous and non-cancerous blood disorders, providing advice on everything from treatment to clinical research trials.

Positive results from inpatient survey 2015 and friends and family test (FFT)

We have achieved excellent results in the 2015 Picker Institute national inpatient survey. Nationally, we scored significantly better on 30 of the 65 questions compared to the Picker trusts and scored significantly worse on none. Most importantly, we have improved against our 2014 scores, getting significantly better scores for 11 of the questions and significantly worse on only one.

As well as the great results from the national inpatient survey, we have achieved our highest-ever inpatient friends and family test (FFT) score this year with 98 per cent of our patients recommending us to their friends and family in January and an average of 97 per cent doing so throughout the year.

We expect to receive the national CQC inpatient survey results in full in June. These results will show how we compare against every trust in the country.

We have procured a new patient feedback system which will enable us to continue to effectively monitor patient experience in real time. It will also give patient more and better ways to feed back to us. All of this will ensure that we maintain and where possible improve on the excellent results we have achieved.

For more information, see the quality report.

Information and communications technology (ICT)

Electronic prescribing and medicines administration system (EPMA) launches

Medchart, our EPMA system, is now live on all inpatient wards and theatres in University College Hospital and the NHNN. The system was introduced to improve patient safety and increase staff productivity. It is already improving patient safety as missed doses of medicines ('dose omissions') have dropped significantly, there has been an increase in compliance with antibiotic prescribing guidelines and there has been a big reduction in patients being prescribed medicines to which they are allergic. Meanwhile, staff productivity is increasing because staff using the system spend less time looking for, and rewriting, paper drug charts, thus releasing time to deliver better patient care.

The rollout of the system is ongoing and will be complete at Westmoreland Street and EGA inpatient areas in July 2016.

Two new apps for UCLH

Two new apps have been launched this year. ADDiT helps to improve the flow of patients and is available on most wards at University College Hospital and Westmoreland Street. It provides an accurate, up-to-date picture of which patients are located on which wards. Meanwhile FindMyPatient helps to save clinicians time by enabling them to view results and track where patients have been moved to.

Wider contributions to the NHS

NeuroResponse to be rolled out across England

An innovative model of care designed by a UCLH consultant nurse was rolled out across England.

NeuroResponse, devised by Bernadette Porter, is a technology that gives patients with neurological conditions more control over the care they receive.

Bernadette was one of 17 healthcare pioneers whose inventions will be rolled out nationally as part of the NHS Innovation Accelerator programme.

NeuroResponse comprises a telephone triage/advice line staffed by specialist nurses, email advice services for GPs wishing to contact a consultant neurologist, and a video clinic linking a specialist's neurology team with the patient and their local clinical team.

Patients and staff can discuss physical, mental, and social care needs, agree plans and share information in order to ensure timely treatment interventions.

Pathology joint venture launched

UCLH launched a pathology joint venture with the Royal Free London and The Doctors Laboratory (TDL). North Middlesex University Hospital was the first customer trust.

The Health Services Laboratories (HSL) will bring together the best resources from the independent and public sectors. The joint venture makes possible the development of the largest specialist laboratory in the UK.

HSL is clinically led, offering research, service development and teaching activities as well as patient care. Its Board is chaired by Lord Carter, who was commissioned by the Department of Health in 2005 to review pathology services across the NHS.

The joint venture uses the 'hub and spoke' system, where on-site rapid response laboratories handle urgent, small-volume work while a partner core hub processes all non-urgent requests. This model, recommended in the Carter Report, promotes positive change via research, development and innovation both locally and across the country.

1.2 Performance analysis

Introduction

This report presents a summary of UCLH performance in 2015/16 against our priority performance indicators. These include the national access standards, which are: referral to treatment, A&E four-hour wait and cancer waiting times, and performance against our key quality metrics as defined through our corporate objectives (see page 20).

This section also describes our performance assurance strategy for analysing and maintaining performance.

Finance director's report for the year ended 31 March 2016

The year just ended has been hugely challenging financially for the NHS, with the majority of NHS providers reporting a deficit. Within this context we planned to make a deficit of £20m (before charitable donations) in 2015/16 following the loss of £28m of specialist services funding compared to 2014/15. Delivery of this plan was dependent upon achievement of a £43m savings target and significant activity growth associated with planned service reconfiguration within the local health economy.

We underperformed financially against this plan in 2015/16, reporting an underlying deficit of £31.2. This operational financial performance was largely due to lower than planned levels of activity in the early part of the year, together with failure to meet the challenging savings target. Service reconfiguration had a disruptive financial impact in the summer, particularly relating to the move of cardiac services from the Heart Hospital in Westmoreland Street to Barts Health, urology services from the main UCH hospital to Westmoreland Street, and malignant haematology work from the Royal Free London to UCH.

In the autumn, UCLH put in place a number of further financial controls to stabilise our financial position, particularly in relation to use of agency staff and discretionary expenditure, and worked closely with the regulator Monitor (now NHS Improvement) to put in place a sustainable recovery plan that appropriately protected the quality and safety of the services we provide. Whilst the financial position stabilised very significantly towards the end of the year, UCLH still has an underlying financial deficit and the need for commissioners to ensure the complexity of specialist work is adequately funded remains clear.

Total operating income for UCLH fell by 1 per cent to £933m compared to the previous year. This figure incorporates the service changes above, most notably the move of cardiac services to Barts Health in May 2015 (a reduction in income for the part-year of around £60m) and the move of malignant haematology from the Royal Free London in December (an increase in income for the part-year of £4m). This also includes the reduction of £28m in specialist services funding. Total non-NHS income represented around 7 per cent of total operating income, significantly lower than permitted in the Health and Social Care Act.

Operating expenditure for UCLH grew by 7 per cent to £955m compared to the previous year. This includes significant exceptional adjustments, including a downward revaluation of the trust's estate due to a revised valuation methodology (£31m), partially reversing the upward trend in valuation in previous years. UCLH also made a technical adjustment to the value of the PFI lifecycle fund (an asset in our accounts) following receipt of new information that shows the cost of lifecycle works within the PFI is lower than previously expected. This meant that the amount of the PFI unitary payment historically charged to the lifecycle fund has been higher, with a corresponding lower charge to expenditure, than required based upon the new lifecycle estimates. Reflecting the revised estimate has resulted in a downward adjustment in the value of this fund which is accounted for as additional one-off expenditure but has no cash impact or impact upon UCLH's present or future obligations in relation to the PFI. This was almost exactly offset by a capital to revenue funding transfer from the Department of Health to reduce the value of the UCLH's outstanding cancer centre loan – this is accounted for as additional one-off income.

UCLH's cash balance has reduced significantly during the year, from an opening position of £93m to a closing balance of £69m at 31 March 2016. This is primarily as a result of the underlying deficit for the year, although this is partially offset by capital expenditure slippage and the timing of loan draw-down. Our current borrowing of £335m (including the PFI, which is a particularly expensive form of borrowing) and will increase further in the short to medium term as we construct two new hospitals and manage the financial timing difference between capital expenditure and receipt of disposal proceeds from the existing hospital sites that will be vacated. UCLH has a significant amount of outstanding debt owing to it at the end of the year, particularly in relation to NHS commissioners, and we will work hard to address this and more actively to manage and preserve cash as we

enter 2016/17, which we expect will be another very challenging year financially.

The directors have prepared the financial statements on a going concern basis after consideration of the continuity of provision of services from UCLH sites. The directors have also considered UCLH as an entity and found that the financial projection for UCLH over the next 12 months supported this position. The full going concern statement can be found in note 1.3 to the accounts.

Outlook for 2016/17 and beyond

UCLH faces an increasingly challenging financial outlook as we enter 2016/17, in common with most NHS provider organisations. Although the reduction in the headline efficiency requirement for providers (2 per cent per year) represents a greater degree of realism about what can be achieved by providers, the outlook for UCLH overall is significantly less positive than this might imply – the planned specialist service top-up payments, which would have benefitted us by around £10m in the coming year, have been deferred, and there continues to be a structural underfunding of our specialist services as a result.

There are also a number of other specific pressures – for example a £5m increase in UCLH's insurance premium for clinical negligence, a £4m loss of transitional funding to cover our financial losses from moving cardiac services to Barts Health, and around a £4m loss of funding for training undergraduate doctors, all of which come with no opportunity to reduce cost in line with these reductions. Cumulatively, these specific pressures are equivalent to a doubling of the headline 2 per cent efficiency requirement and mean that very significant further reductions in unit cost will be required in 2016/17.

With this context, UCLH is planning to deliver a deficit of £11m, an improvement upon 2015/16 and narrowly within our control total (the target level of deficit that we have been set by NHS Improvement), assuming full receipt of the £15m sustainability funding that UCLH has been offered. There do, however, remain a number of significant risks to delivery of the plan, many of which are outside of UCLH's control.

Despite these short-term pressures, the UCLH board remains committed to taking a medium-term view of financial sustainability whilst keeping an absolute focus on maintaining quality and safety, providing the necessary support to all areas of the trust to meet the challenges ahead. The UCLH future programme and focus on productivity (as part of the UCLH response to Lord Carter's report earlier this year) are important components of this. We are

also developing a strategy for the use of information technology to improve productivity, and are working closely with partner organisations within North Central London as part of the area's Sustainability and Transformation Plan.

UCLH's strategic development programme, together with the opportunity to work more closely with local partners for our local services and further consolidation of specialist services, provides a strong platform to deliver our world class aspirations. It will be essential for UCLH, as a leading provider of specialist services, regionally and indeed nationally, to be appropriately resourced to ensure this can be underpinned by a sustainable financial plan.



Tim Jaggard
Finance Director
25 May 2016

National Access Standards

During the past year we have responded to significant challenges in delivering key access targets, particularly A&E four-hour wait and 62- and 31-day cancer targets.

Referral to Treatment (RTT)

In October performance tracking changed across the country; only one RTT metric is now tracked, namely that 92 per cent of patients waiting for treatment at month end should have waited for less than 18 weeks. We achieved this target across UCLH each month in the past year. This is a key achievement providing a sustainable platform for shorter waits for our patients based on:

- Clear roles and responsibilities for the delivery of short waiting times
- More proactive operational management of waiting lists
- Booking patients according to protocols shown to deliver shorter waiting times
- Significant improvements to our operational reporting capability on patient waiting times, particularly stronger patient tracking list reporting and tighter controls on validation of patient pathway information
- Specialty level RTT demand and capacity modelling and forecasting.

We continue to see some data quality issues on our pathways as discussed in the quality report and have developed a suite of data quality reports to manage this. The percentage of data quality issues is reported monthly to the board as part of the performance pack and more detailed monitoring is undertaken at our weekly Patient Tracking List (PTL) meeting with divisions. Our internal and external auditors both undertook audits of RTT data quality in 2015/16. The external audit opinion on the quality report, including RTT, is set out in the quality report.

Cancer waiting times

We have found it difficult to meet the waiting times targets for 2015/16. We missed the standard that patients referred by a GP on suspicion of cancer should be treated within 62 days of referral. We also missed the standard that patients receive treatment within 31 days of diagnosis in eight months of the year (April to November); we put on more surgical capacity for prostate cancer to address one of the main causes of longer waits for patients, and as a result waiting times have been much shorter since October and we achieved the standard in December.

We also missed the standard that urgent referrals should have their first appointment within 14 days. This was especially the case in the latter half of the year due to a sudden unplanned staff shortage in our breast service. We are looking at overall resilience in the service to ensure that we keep waiting times for patients consistently shorter than 14 days.

We have taken some key steps to improve our position against all cancer targets. In areas where we are fully in control of pathway and process improvements we have:

- Put in place medical director-led meetings to review the waiting list for all cancer pathways
- Reviewed the process we have in place for pathways at our hospitals to understand what is driving delays
- Developed timed pathways which show the milestones that need to be met for each pathway to be compliant with the 62-day standard
- Shortened pathways so that some patients can have all of their diagnostics at the first appointment
- Put in place additional capacity where required
- Carried out detailed analysis of two-week wait capacity and availability on choose and book to reduce the number of breaches as a result of patients choosing appointments outside of the two-week standard
- Improved the resilience of the breast service through additional clinical appointments

UCLH receives a high level of tertiary cancer referrals. Many of these patients are referred to us late in their pathway, leaving us insufficient time to agree treatment options and treat them within 62 days.

This has been a significant contributing factor in our under-performance against the 62 day standard.

We have set up a number of fora with trusts across the sector to address this and all other causes of underperformance against this standard. Together with these trusts, we are in the process of agreeing standardised pathways for these patients and identifying capacity or other blockages that cause delays. We have also agreed a referral protocol that mandates a weekly telephone call with all referring trusts to review patients that have been or are likely to be referred so that we can manage their pathways closely.

A&E four-hour wait

We have not consistently met the operational standard that 95 per cent of patients in our emergency department be seen within four hours. However, across the year we performed better than both the London average position, which was 87.7 per cent and the England average position which was 87.9 per cent. We also has particularly strong performance in quarter one when we achieved 97.7 cent against the national average of 91.1 per cent.

We have made improvements to reduce the time that patients spend waiting for care in our A&E. Within the emergency department itself we have implemented a number of initiatives, including:

- Developing a new model of care for our emergency department, including a new emergency day unit
- Expanding the department into a bigger space, particularly for our ambulatory care and clinical decision unit services
- Improving the consistency of practice across the emergency floor
- Providing access to a community nursing team in the department
- Embedding an admission avoidance service

Bed availability at University College Hospital continues to be a significant driver of our overall waiting times in the emergency department. During 2015/16 we have done the following to give ourselves more bed capacity:

- Set targets for individual specialities' to use the UCLH@Home service, where patients who still need our medical input are cared for in their own home
- Worked with commissioners to provide enough beds in

- the community for patients who are medically stable
- Implemented a new escalation policy to improve the timeliness of beds being made available across UCLH
 - We have also made good progress in the past year in working with CCGs, community providers, mental health and social care colleagues as part of CCGs' system resilience groups to address the system-wide factors affecting where patients receive their care. Improvements from this collaborative sector-wide working include development of a system-wide scorecard to monitor pressure across the whole system and improved mental health crisis support.

Diagnostic waiting times

We have not achieved the standard that 99 per cent of patients should be waiting less than six weeks for a diagnostic test at month end. This is primarily due to extended waiting times in MRI and Endoscopy. Sleep studies and echocardiography have also experienced challenges.

We have taken a number of actions to improve diagnostic waiting times, including:

- Undertaking demand and capacity modelling in all challenged areas to understand demand and quantify any capacity shortfalls
- Diagnostic wait monitoring in weekly RTT meetings
- Improved monitoring of diagnostic waits through the weekly meetings in place which review RTT waiting lists.
- Increasing capacity through increased use of weekend working and, for MRI and endoscopy, using private sector capacity to treat our patients.

Quality metrics

The following provides a description of performance against a number of key quality indicators that were prioritised through our 2015/16 corporate objectives and are reported through UCLH's performance framework.

Falls

Reducing harm from falling was a key objective in 2015/16 and we aimed to reduce the number of falls with harm in our inpatient areas. Whilst there has been an overall increase in falls reported since 2014/15, the number where severe harm has occurred has reduced. We continue to look at alternate ways to reduce the number of falls and the impact on our patients, especially in high risk areas such as on our epilepsy ward where a fall is linked to their condition.

More positively, an inpatient falls audit conducted by the Royal College of Physicians highlighted a

range of good practice within UCLH, including that the number of falls per bed day was one of lowest amongst London trusts.

The audit also helped to identify areas for improvement, and we have undertaken the following actions to reduce the number of falls with harm on our wards:

- Falls prevention equipment has been fully rolled out to the wards
- A falls prevention summit was called to work on staff training and local action plans
- A Darzi fellow nurse for falls was appointed to focus on areas for improvement
- The Darzi fellow and matrons at Queen Square have reviewed the site's unique combination of the patient mix and environment to reduce falls

Pressure ulcers

The number of all-grade hospital acquired pressure ulcers for 2015/16 was 81 against a threshold of 84. However, there has been a significant year-on-year reduction in the number of hospital-acquired pressure ulcers from 2012/13, when we reported 293. As was the case in 2014/15 there have been no Grade 4 (the most severe grade) pressure ulcers reported to date. We have undertaken significant work to reduce the number of pressure ulcers, including undertaking the largest trust-wide audit of pressure ulcer care in four years. Following this, we have put in place executive team-led reviews of cases within 48 hours, and recruited a tissue viability nurse educator. The training that is provided to our sisters and matrons has also been significantly enhanced over the year to help sustain the improvement.

Healthcare-associated infections

There were 90 *Clostridium difficile* toxin positive cases reported in 2015/16. Each case is reviewed with the lead CCG to agree whether it was due to lapses in care by us. Our year-end threshold is that no more than 97 cases should be due to lapses in care. Of the 90 cases, 25 are due to lapses in care, as agreed between UCLH and the CCG.

We have reported high numbers of *Clostridium difficile* toxin positive cases compared to other similar trusts but we believe that this is due to the case mix of our patients and also our sensitive testing protocol. We have seen an increase in patients for cancer services and therefore a greater volume of immuno-suppressed patients who are naturally more likely to pick up infections. In addition, we test all patients with diarrhoea, not just those stipulated by Public Health England guidance. Our testing rate

has grown across recent years at a time when most other trusts are reducing theirs. As we test more, it is likely that comparatively we will identify more cases. We have undertaken a detailed assessment of our performance so that we can learn from each case. However, we firmly believe that early identification is key to treating our patients safely.

There have been two cases of MRSA reported year to date that are attributed to us. While this is above the national standard of zero, it is below the ceiling that Monitor set of six cases at year end.

Mortality

UCLH consistently ranks as having some of the best mortality rates in England. We have performed excellently in the last five years in particular; we have held second, third and fourth position in the SHMI rankings compiled by the Health and Social Care Information Centre (HSCIC). Nearly 140 trusts across the country are included in the SHMI rankings and are assessed on all medical conditions, including deaths in hospital and deaths in the 30 days after discharge from hospital. In the last published SHMI ratings, only 13 trusts achieved better than expected results. Our

consistently high ranking is a true achievement and one that we are keen to maintain.

Patient feedback

Our results from the 2015 Picker Institute national inpatient survey were excellent and showed a marked improvement from the year before. We also achieved our highest ever FFT score this year. In addition, we expect to receive the national CQC inpatient survey results in full in June. For more information, see page 13 and the quality report.

Monitoring quality and performance

Our performance assurance framework enables us to conduct a monthly detailed review of where we are against a range of targets, making interventions where necessary and monitoring if those interventions are working. We provide data and performance packs to the Board of Directors, the Executive Board and the Board-level Quality and Safety Committee to help these senior committees carry out their monitoring and assurance roles.

Figure 1: Monitoring quality and performance

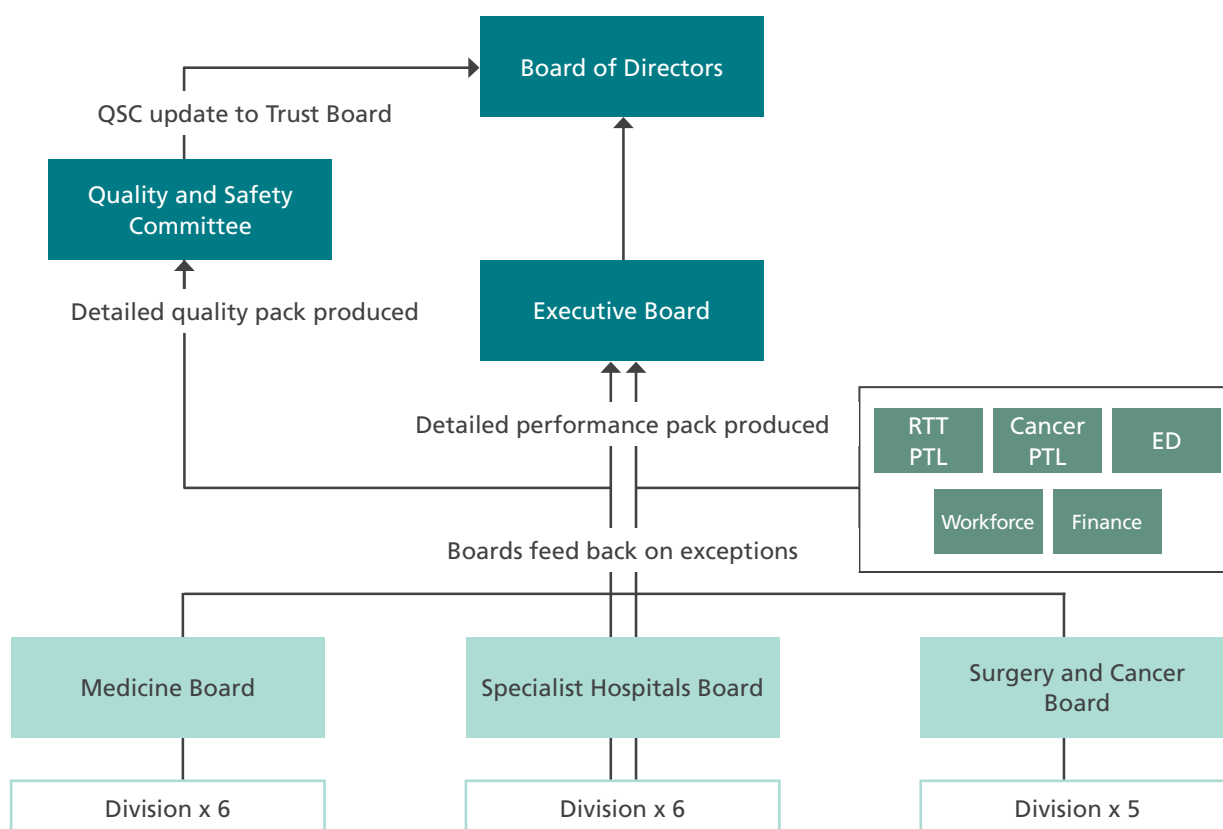


Table 1: Performance against the top ten objectives (2015-16)

Objectives	Deliverable	Progress made			
		Full	Good	Partial	None
Improve patient safety	Achieve hospital acquired infection targets		✓		
	Deliver "Sign up to Safety" campaign			✓	
	Deliver progress towards 24 / 7 working		✓		
Deliver excellent clinical outcomes	Maintain upper decile Standard Hospital Mortality Index results	✓			
	Agree an integration strategy with CCGs		✓		
	Avoid increase in levels of emergency admissions		✓		
Deliver high quality patient experience and customer service	Maintain patient survey satisfaction ratings	✓			
	Reduce the number of outpatient cancellations	✓			
	Avoid increase in the number of inpatient cancellations	✓			
Enable staff to maximise their potential	Reduce the level of nursing vacancies		✓		
	Maintain/achieve improvements in staff satisfaction survey			✓	
	Improve the effectiveness of performance appraisals for all staff			✓	
Reduce waiting times	Achieve the 18-week RTT targets		✓		
	Meet cancer waiting times targets			✓	
	Achieve the 95 per cent four-hour A&E standard			✓	
Achieve sustainable financial health	Agree contracts with commissioners			✓	
	Deliver cost improvement programme			✓	
	Improve cash-flow performance			✓	
Develop and implement year 1 of our transformation strategy	Standardise and improve patient pathways			✓	
	Agree preferred option for future IT infrastructure			✓	
	Agree strategy for organisational development			✓	
Develop the research agenda	Increase the number of participants in clinical trials			✓	
	Move the Clinical Research Facility to new premises		✓		
	Progress clinical academic appointments with UCL		✓		
Develop education	Develop plans for the UCLH Institute	✓			
	Improve staff compliance with mandatory training	✓			
	Improve satisfaction with medical education programmes	Survey results not yet received			

Objectives	Deliverable	Progress made			
		Full	Good	Partial	None
Progress service developments	Progress phase 4/5 developments	✓			
	Implement cardiac/cancer strategy	✓			
	Continue Emergency Department expansion project	✓			

Table 2: Our top ten objectives for 2016/17

Objectives	
Provide the highest quality of care within our resources	Deliver 'Sign up to Safety' campaign pledges so that we further reduce harm to patients
	Maintain upper-decile Standardised Hospital Mortality Index (SHMI) results
	Maintain patient experience ratings
	Improve booking and correspondence with patients and GPs
	Ensure that we check and action all patient test results
	Achieve hospital acquired infection targets
Improve patient pathways through collaboration with partners	Meet A&E waiting time targets
	Meet 18-week and diagnostic waiting times targets
	Meet cancer waiting times targets
	Implement the cancer vanguard project
	Deliver phase 4, phase 5, ED and Queen Square development milestones
	Work with CCGs on new pathways for diabetes, MSK and frail elderly patients
Support the development of our staff to deliver their potential	Improve staff experience
	Improve development opportunities for staff
	Achieve targets of staff retention, vacancies and temporary staffing usage
	Support patient safety by ensuring staff complete mandatory training
	Improve the quality of appraisals for our staff
	Improve the UCLH experience for medical and dental trainees
Achieve financial sustainability	Achieve financial targets
	Contribute to North Central London's sustainability and transformation plan
	Deliver agreed contracts with commissioners
	Improve utilisation of beds, theatres, imaging and outpatient resources
	Progress the rationalisation of support services
	Agree preferred option for future IT infrastructure

Objectives	
Generate world-class clinical research	Achieve re-designation as an NHR biomedical research centre
	Increase recruitment of patients into portfolio studies and early phase trials
	Support bids for the National Dementia Research Institute and the Cancer Research UK centre
	Establish new clinical research facility in new location
	Deliver on our responsibilities for the 100,000 Genomes Project
	Progress clinical academic appointments with UCL

Important events during the financial year affecting the foundation trust

The economic climate in the NHS in 2015/16 placed significant pressure on UCLH, in common with many other provider trusts. The loss of Project Diamond income previously received to support highly specialist activity resulted in a deficit plan being submitted. This plan for £20m deficit included a £43m CIP plan. In the quarter one return to Monitor UCLH elected to worsen its forecast to c.£32m deficit based on underperformance against plan in the quarter. We have maintained the forecast level of financial performance through the rest of the year, resulting in an underlying deficit of £31m at the year-end, of which only £2m was in the last quarter.

Commissioning contracts for 2015/16 were not signed until November 2015. The extensive delay in signing contracts was caused by the general debate in the setting of national tariffs and the uncertainties inherent within the tariff options that were available nationally. Although even this protracted timescale did represent an improvement on 2014/15, the lack of agreed activity and payment levels placed a risk on financial performance in year.

This year we ran a project to focus on improving cash collection from both NHS and non-NHS debtors. This project included an investment in the accounts receivable team that allowed more cash to be collected than anticipated in a number of areas. This remains an area of focus for us, particularly in respect of NHS debt.

UCLH launched a pathology joint venture with the Royal Free London and The Doctors Laboratory (TDL). For more information, see page 14.

Cancer services transfer

More information can be found in our highlights section on page 9.

Developing new models of care

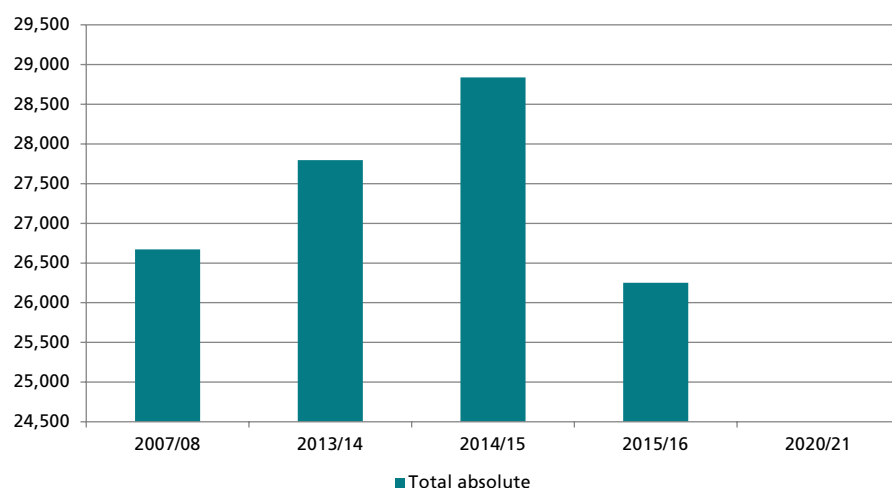
Since its appointment as a cancer vanguard with The Royal Marsden and The Christie (see page 9) UCLH has been working to define how we will collaborate with partners over the next few years. Our aim in working with partners in the sector and more widely will be to innovate and spread change in cancer service delivery so that we can provide earlier diagnoses and better levels of care.

Environmental matters

UCLH has made excellent progress in improving the environmental and social impact of our work. These improvements will in turn provide wider social benefits such as maximising our contribution to people's health and wellbeing through for example local employment and welcoming public places. These improvements also contribute towards UCLH's objectives to boost quality, efficiency and performance and above all improving patient healthcare.

Our sustainable development, carbon, and waste management policies, which integrate the latest requirements and guidance from UCLH's Sustainable Development Unit, clearly state our way forward. UCLH has already met its 2015 target of reducing carbon emissions by 10 per cent (per patient contact), and we are now working hard to cut emissions by more than 28 per cent against our 2007/08 baseline. This represents a target of 19923 tCO₂e (absolute tonnes of carbon dioxide equivalent) to be achieved by 2020. Currently we are short of that target, with absolute emissions of 26381 tCO₂e.

Chart 1: UCLH absolute carbon emissions



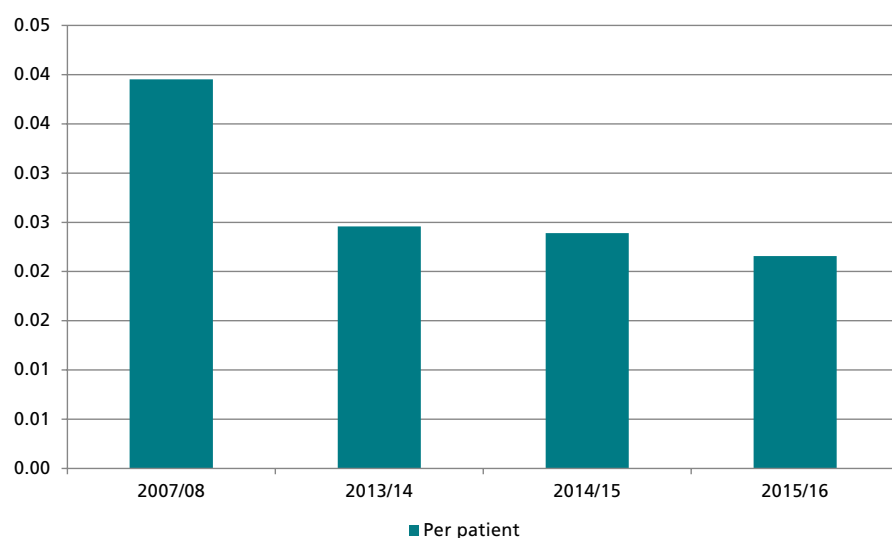
UCLH has long been accredited to the Carbon Trust Standard. This is a mark of excellence providing independent verification for our carbon footprint. Our reported carbon footprint includes those sources where we have a good understanding of emissions. Not included at this stage are emissions from procurement and our supply chain plus transport and travel, which will be integrated into the much more demanding 2020 reduction target. We are working to quantify emissions from these sources and towards

developing effective plans to minimise and reduce emissions from these highly significant areas.

Carbon intensity

Our carbon footprint has been determined in relation to patient contacts (defined as the sum of inpatients and outpatients) and has demonstrated a continuous improvement each year, based on 2007/08 baseline figures.

Chart 2: UCLH carbon footprint per patient contact



Achievements:

- In June 2015, UCLH recommissioned the Macmillan Cancer Centre building energy management system. Since this project the building has reduced its carbon emissions by between 10-15 per cent a month on average
- UCLH introduced the Green Wards competition in conjunction with the Centre for Sustainable Healthcare. Teams across UCLH who entered the competition developed sustainable projects to improve efficiency, resource use and patient healthcare
- We continued REUSE, UCLH's recycling programme, where one department's unwanted furniture or goods are kept and made available for other departments
- We use recyclable shower heads; these reduce maintenance times and save water. After use, the shower heads are recycled into road bollards
- UCLH took part in the annual NHS Sustainability Day on 24 March 2016, where we engaged with patients and staff on improving sustainability at work and at home
- UCLH was highly commended for environmental practice by the Health Business Awards in 2015
- We are a leading advisory board member of the Camden Climate Change Alliance

Sustainability projects in progress include:

- Work on projects to improve energy performance, such as reconfiguring sub-meters to give better meter readings
- Reducing our waste by providing reusable items to NGOs, charities and rehabilitation schemes
- Working with a designer to produce a tap nozzle that will save water without the risk of developing microbial contamination

Social, community and human rights issues including UCLH policies and effectiveness of these policies

UCLH meets its duties under the NHS Constitution and its public sector equality duty by publishing an annual equality report that describes the work that has been done to ensure that patients and staff are treated fairly. We work closely with a number of local partners to safeguard children and vulnerable adults. Safeguarding issues are addressed in real time by trained safeguarding champions applying our policies and procedures 24/7. These teams are supported by a team of substantive safeguarding child and adult leads who have expert knowledge in this field. There are named executive leaders for both children's and adult safeguarding, with a quarterly report presented to the Executive Board.

Any overseas operations

There are no overseas operations to report for the past year.

This performance report is made up of two parts: an overview of UCLH's performance and our performance analysis.

The overview highlights some of our key achievements from the past year, showcasing the best of our recent work in patient care, clinical research, education and partnerships. The performance analysis demonstrates how we measure performance along with any important events that affected us over the past year.

UCLH has done its best to ensure that, to my knowledge, the information in these sections is true and accurate.



Sir Robert Naylor
Chief Executive
25 May 2016

2 Accountability report

2.1 Directors' report

Statement of directors' responsibility

The directors are responsible for preparing the annual report and audited financial statements which taken together with the strategic report for 2015/16 provide a fair, balanced and understandable analysis of UCLH's activities and provide the information necessary for our patients, regulators and stakeholders to assess our performance during the year and our plans for the future.

So far as UCLH's directors are aware, there is no relevant audit information of which the auditors are unaware. The directors have taken all of the steps that they ought to have taken as directors in order to make themselves aware of any audit information and to establish that the auditors are aware of that information.

The names of our chairman, vice-chairman and our chief executive, together with the names of the directors who held office during the year can be found on pages 57.

Patient care

News on service development can be found on page 30.

Our performance against key healthcare targets can be found in the performance report on page 16.

Stakeholder relations

News on significant achievements regarding partnerships can be found on page 32.

Allocation charging guidance

This information can be found on page 33.

Political and charitable donations statement

This information can be found on page 33.

Better payment code

This information can be found on page 33.

Income disclosures

This information can be found on page 33.

Disclosure of information to the auditors

This information can be found on page 33.

Quality governance

Overview of the arrangements in place to govern service quality

The key elements of the UCLH quality governance arrangements are as described in Monitor's quality governance framework; strategy, capabilities and culture, processes and structure and measurement. UCLH considers that there are robust structures and processes in place to ensure required standards are met, action is taken to address sub-standard performance, there are plans to drive continuous improvement which is based on best practice and that risks to quality of care are identified and managed.

The Quality and Safety Committee ensures oversight of clinical risks and provides assurance on the quality of clinical care. To do this it reviews, complaints, claims and incidents. It also monitors compliance with CQC standards.

The quality and safety team, led by the director of quality and safety, share learning across UCLH from these activities and from patient feedback via complaints to promote and maintain a safe environment for patients and staff. This is delivered through quality forums, a monthly quality and safety bulletin, monthly sharing of learning from serious incidents and at divisional governance meetings.

Further assurance of our current systems and processes has been gained from our internal assessments, for example through internal audit and through our improving care walkarounds. UCLH produces an annual quality report, the production of which is led by the director of quality and safety. The report includes the quality objectives set to improve patient safety, experience and outcomes and our quality performance measures and assurances. Further information is also provided in the annual governance statement.

Following our annual review of the quality governance framework for 2015/16, we noted progress on actions identified last year and we agreed a continued focus on embedding risk management during 2016/17. Actions from the well-led review will also be taken forward in 2016/17.

Key strategic risks to delivery of our priorities

Our overarching priority is to provide high-quality care, research and education. There are a number of risks facing us that could affect the delivery of

these priorities. These are due to the highly political, financially challenging, technologically complex and competitive environment within which UCLH operates.

The following outlines the principal strategic risks from our key strategic themes and includes the mitigation and current status.

Table 3: Key strategic risks

Strategic theme: Provide the highest quality of care within our resources	
Risk	Mitigation/current status
We could fail to provide best care because of weaknesses in patient tracking	<p>We can now track future bookings and need to this to develop performance indicators to measure its success.</p> <p>We are updating our clinical data repository to help us flag abnormal results, thus reducing the risk of missing important test data.</p> <p>Our chief clinical information office (CCIO) is developing a strategy that will help us to share patient data with stakeholders who refer patients to us.</p>
Quality of care could be reduced because we need to save money.	We carry out a quality impact assessment on each saving scheme before committing to it.
Older parts of UCLH are in a state of disrepair, which could impact on the quality of our services	<p>We will continue our regular maintenance work, focusing on preventative checks and repairing areas in need.</p> <p>We conduct an annual condition survey which enables us to evaluate the state of our buildings in full.</p>
We fail to meet waiting time targets due to insufficient capacity, particularly in diagnostic services.	<p>We will look at demand and capacity across our service areas, working with commissioners.</p> <p>Our new building projects are designed to increase capacity. We continue to ascertain whether these new buildings have enough room to meet waiting time targets.</p> <p>Our planned new models of care and the uclh future programme aims to improve pathways and reduce length of stay.</p>
Strategic theme: Support the development of our staff to deliver their potential	
Risk	Mitigation/current status
Failure to recruit nurses, which could impact on our quality and finances.	<p>We have a retention and recruitment plan in place and have started work on our national and international recruitment drive. We will continue workforce modelling and forecasting to help us target our efforts.</p> <p>We are lobbying the appropriate bodies to ensure that sufficient nurses are trained in the future</p>
The lack of a long-term organisational development plan could affect our continued effectiveness and viability.	<p>We have made good progress in organisational development over the past year, including launching a change capability programme for our top 400 leaders, completing an engagement strategy and making headway in change planning across our care delivery system programmes.</p> <p>We plan to design and implement a process for assessing capability along with a leader development programme.</p>

Risk	Mitigation/current status
We could lose accreditation for junior doctors' training posts, which in turn impacts on junior doctors' availability	<p>Our director of workforce and director of education are collaborating with the accreditation bodies to help inform better planning and provision.</p> <p>Our Medical and Dental Education teams work with departments across the organisation to develop and implement training plans which are attractive to medical trainees.</p>

Strategic theme: Achieve financial sustainability

Risk	Mitigation/current status
Unachievable efficiency targets greater than those assumed in the UCLH long-term financial model could be imposed upon acute providers.	We have already started work on cost improvement plans for 2016/17. Will be informed by detailed benchmarking against other trusts and the Carter Review on efficiency and productivity. We will lobby NHS England and other bodies to ensure adequate contracts and funding for our services.
We could lose income due to commissioner-driven changes in models of care and tariff structures.	<p>We are investigating partnerships and pathways that would make more efficient use of capacity; for example, we have set up a new partnership board with the Royal Free. We also continue to liaise with local CCG commissioners and other healthcare providers.</p> <p>We will work with the North-Central London Sustainability and Transformation Programme Board</p>
Complex specialist treatments could be funded below the levels assumed in UCLH's long-term financial model	UCLH, Shelford Group and NHS providers are working with Monitor and NHS England to access sustainability funding and develop future years' tariffs. We will use Patient Level Information & Costing Systems (PLICS) data to support our case.
Commissioners may not pay for activity because of financial constraints	<p>We are undertaking a high-level review of all of our capital projects and keeping in close contact with commissioners. These relationships, together with our formal governance and negotiation frameworks, help us to mould fair contract and tariff models.</p> <p>The uclh future programme is developing new pathways and we are actively involved in the development of the North Central London Sustainability and Transformation Plan.</p>
uclh future may not generate enough savings to meet the efficiency requirement in our long-term financial model.	<p>The Board has reviewed UCLH's long-term financial model and reviewed its future efficiency requirements.</p> <p>We need to see uclh future and cost improvement plans at a more detailed level to better understand the required level of savings.</p>
London property values may decline, so we cannot make as much money as expected when selling our assets in the future.	Our long-term financial model takes the changing value of London property into account.

Strategic theme: Improve patient pathways through collaboration with partners

Risk	Mitigation/current status
We could be unable to develop and increase our role in the local health economy because we are not fully engaged with the integrated care agenda	<p>There are a number of governance arrangements to help develop our role in the local health economy, including an integrated care division, a local services strategy, an urgent care steering group and a system redesign group.</p> <p>We have agreed a local service strategy and we will also explore accountable care options.</p>
Negotiations for reconfigurations and mergers across London may weaken our strategic and financial position	<p>We engage with Camden CCG at regular monthly meetings to discuss strategic planning and opportunities.</p> <p>We meet with NHSE (London) on an ad-hoc basis to review UCLH's strategic development in line with commissioner plans.</p> <p>We participate in and influence all major UCLPartners events.</p>

Strategic theme: Generate world-class research

Risk	Mitigation/current status
We could lose our 'Big' or 'Comprehensive' Biomedical Research Centre (BRC) status as a result of the transfer of cardiovascular services to Barts Health and our strategic focus on just neurosciences and cancer	<p>We are developing a strategy for a cardiometabolic experimental medicine programme.</p> <p>Programme directors are considering how best to align their strengths with neuroscience and cancer services.</p> <p>We are developing additional BRC strategies that will help us to emphasise our strengths and apply for more funding in the next BRC bidding round.</p>

Patient care

Information on our service development can be found on page 30.

As a foundation trust, UCLH has a degree of independence to decide how best to use its finances to serve its patients. We have therefore decided to prioritise use of our finances by reinvesting in key services for patients. These include building a new facility for the Eastman Dental Hospital and the Royal National Throat, Nose and Ear Hospital (see page 32) and starting work on our purpose-built hospital for PBT, haematology and short-stay surgery (see page 9). Both buildings will help to drive clinical innovation while improving treatment pathways and the patient experience.

uclh future

We continued work on uclh future, our long-term transformation plan that brings together the benefits of IT investment with processes improvement and people development to deliver higher levels of quality and service. The programme aims to enable UCLH not just to maintain our position as one of the best-performing hospitals in the NHS but also to match our best-performing contemporaries across the world

To do this, we have ambitious technology investment plans and proposals to change operational processes. These processes will help to shorten clinical pathways and improve service delivery, all with the goal of enhancing patient and staff experience while achieving long-term financial sustainability.

uclh future has four workstreams: care delivery system, uclh Institute, workforce and iCare. Work during 2015/16 has included the following:

Care delivery system

There are seven areas of work within this programme. These cover improvements to the management of inpatient flow, the management of outpatient appointments and access to clinics, the introduction of a ward accreditation programme, and support for elective and urgent care pathway development.

The exemplar ward accreditation project, which started this year, aims to get all UCLH wards performing at an outstanding level. Designed in partnership with frontline staff, clinicians and patient representatives, the project launched this year at the NHNN. All wards at the site were inspected and accredited, helping staff to identify where they could do even better for patients and staff.

Our paediatric diabetes service piloted Skype clinics to give young patients and their parents face-to-face clinical time without them having to travel to UCLH. We are among the first to trial the use of video in our clinics and initial feedback from the trial was overwhelmingly positive. All patients and parents surveyed said that they preferred their Skype appointment to a phone appointment, and 75 per cent of respondents agreed that they would like the option to use Skype for appointments with the diabetes team in the future.

We are making it easier for patients to access services by improving our patient administration processes. We introduced a new clinical letters system and are consulting with administrative teams to determine how processes and roles should change to ensure that they are fit for the future.

Our coordination centre will oversee patient flow across UCLH. It will help to improve the post-operative pathway, ensuring that patients are transferred more quickly to a bed after surgery and that they experience the right care at the right time throughout their time with us.

uclh Institute and workforce

The uclh Institute supports the work of the uclh future programme teams by training staff to do their jobs safely in a changing environment. This year it took responsibility for staff induction, liaising with workforce to create a cohesive and multi-disciplinary introduction to the organisation for new starters. The institute also offered a series of quality improvement training courses to staff including midwives, radiologists and clinical researchers.

We have developed a change management and leadership development programme. To date, more than 100 of our managerial and clinical leaders have benefited from this training.

iCare

We did substantial work on electronic health record systems (EHRS). EHRS will transform the way we work, giving clinicians real-time data on their patients, enabling them to work quickly and efficiently to provide the best care. It will also link us together with our healthcare partners to support entire pathways of care. We held a number of demonstration sessions across the organisation, asking staff from a variety of specialties to rank their preferred suppliers in order of preference.

Significant partnerships

UCLH works in partnership to improve patient services. In this financial year we launched a pathology joint venture; for more information see page 14. We are committed to working to improve the integration of services with local partners. For example, we have worked together to improve frailty services – see page 11 for more information.

Performance against key healthcare targets

Data that shows our performance against key healthcare targets can be found on page 16.

Monitoring performance

Measuring improvements against national and local targets

Information on improvements measured against national and local targets can be found in the performance report on page 16.

Progress against targets with local commissioners

Our local commissioners have been tracking us against key healthcare targets as shown on page 16.

Service improvements following staff or patient surveys/comments and Care Quality Commission reports.

UCLH remains focused on both patient and staff experience. Our vision for patients as customers remains of prime importance; delivering top-quality patient care is a top priority for us.

We introduced a new approach to patient experience early last year in order to embed the work of our original Making a Difference Together Campaign, as well as to address some of the gaps in patient and customer experience.

As a result we have revised and streamlined our governance structures for patient and staff experience. This includes a new committee structure and simplified reporting to help us regularly review feedback. We have also developed a new quarterly experience reporting pack to share this data more widely across the organisation.

In addition to this we have on secondment a part-time director of customer experience, who has been in post since November 2015. This post aims to define our customer experience indicators and standards in order to transform the UCLH customer experience. This is done partly by using staff and patient feedback to help focus where improvements in quality are needed.

For more information on patient surveys, see the quality report.

Our integration division worked with stakeholders across our local healthcare economy to draft and agree our local services strategy. This defines our local services as those provided for Camden and Islington and the focus of our work in four areas:

- Urgent care
- Frailty
- Women's and children's services
- Long term conditions

We developed our joint work with the Royal Free London NHS Foundation Trust, Central and North West London NHS Foundation Trust (CNWL), Haverstock Health GP Federation and Camden CCG on adult diabetes care and we developed an innovative model of care for chronic obstructive pulmonary disease which currently awaits a commissioning decision.

Considerable progress was also made with the maternity network across North Central London by women's health. Much of this work will now move into the work across the region to develop the Sustainability and Transformation Plan (STP) and more accountable networks of care for the future. We have also developed our GP liaison, with more direct practice visits and focused evening events added to our educational activities.

We have developed our UCLH@Home virtual ward so that patients can be discharged earlier, still under our care, but receiving the last few days of their nursing care at home. This enables us to reduce the number of patients in acute beds, which in turn increases bed capacity for our sicker patients. Our integrated discharge team continues to deal with more complex discharges with the strong support of our colleagues in social care.

Improvements in patient information

We have successfully implemented several changes to patient information based on patient and staff feedback.

Following feedback that patients are not always sure where to get answers or how to complain, we have developed and implemented 'Call for concern' stickers. These are in place at every patient bedside to ensure patients know who to talk to about their concerns.

Mobile phone charging stations have been introduced in our emergency department for a three-month trial, following an idea submitted to our staff suggestion scheme. The charging stations allow patients to charge their phones free of charge so they can contact their family or friend. They have been used more than 1000 times since being installed.

We are working on Disabled Go, an online access guide that provides detailed information in a range of formats aimed at patients with disabilities. The guide helps patients requiring special access or facilities to confidently plan their visit to UCLH.

We have also continued to work with our outpatient teams to improve patient information. We secured five new TV screens and licences for our outpatient department's healthcare messaging system; this was in response to both staff and patient feedback. The screens will allow reception teams to regularly and clearly update patients about waiting times while also providing them with general entertainment and information.

A new clinic check-in process is being rolled out, following feedback from staff frustrated with inefficient check-in and rebooking of appointments resulting in long queues for patients at the reception desk.

The new kiosk check-in process allows the nursing team to see when a patient has checked in. The electronic dashboard streamlines the administration process so patient outcome forms can now be placed directly in patients' notes. This means shorter queues for patients at reception and allows reception teams to complete all patient outcomes forms on the day.

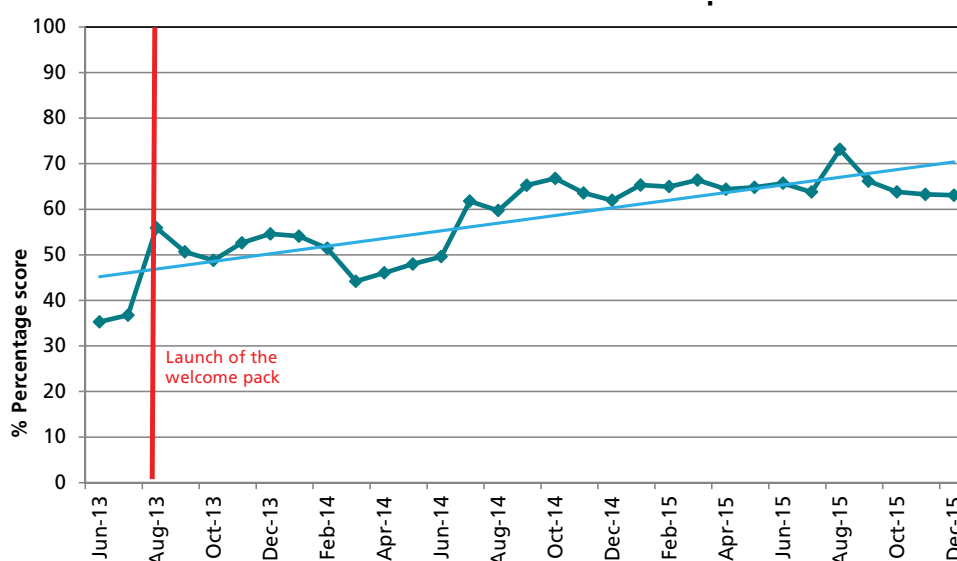
Improvements in patient/carer information

Inpatient welcome packs

Since its launch in August 2013, we have continued to roll out our inpatient welcome pack. More than 65,000 packs have been delivered across all of our inpatient areas. The packs contain useful information such as what patients can expect from their stay, information on safety and wellbeing and information for visitors. All of this information links in with our key measurables and questions asked in both our national and local patient experience surveys.

The pack lets patients know how they can complain and raise concerns with our teams; our inpatient survey asks: "Have you received information about how to complain?"

Chart 3: "I received information about how to complain."



Feedback from patients receiving the pack continues to be hugely positive, with comments including:

"I would like to mention how much I really appreciated the welcome pack. It is very useful, especially the eye mask and information booklet."

"My experience was exemplary, and I wish that even some of the quality was used to provide guidelines to other hospitals. For example, even simple things like the menu and welcome pack were models of quality."

We are currently designing a maternity-specific pack as well as reviewing whether we can produce a paediatric pack. The welcome pack project has been funded by the UCLH charity for the last two years; this year we hope to see the project move into 'business as usual'.

'Call for concern' bedside stickers

'Call for concern' bedside stickers were launched this year and give patients and visitors a quick guide on how to raise concerns in the moment. The stickers are on the sides of bedside lockers, visible to patients in beds, providing another way we can ensure our patients feel able to contact someone to raise a concern or issue.

Information on complaints handling

UCLH asks complainants how they want their complaint to be handled. A formal complaint is one in which the complainant asks for an investigation and written response. Individual divisions work closely with the complaints team to resolve issues which do not require a full investigation.

If patients are not satisfied by our investigation, a complaint can be reinvestigated by the Parliamentary and Health Service Ombudsman (PHSO). In total, 24 complaints were accepted by the PHSO for investigation in 2015/16.

This year, we introduced a patient experience quarterly report using data from complaints, Patient Advice and Liaison Service (PALS), feedback, surveys and FFTs. Monthly figures on complaints are shared and monitored via the performance pack and a complaint monitoring group which also looks at PALS and patient experience data. We produce an annual complaints report along with six monthly detailed reports about complaints, all of which are discussed at the appropriate committees.

We received 712 formal complaints in 2015/16 compared to 833 in the previous year, making a reduction of 15 per cent. For more information, see the quality report.

Stakeholder relations

Information on significant achievements regarding our partnerships can be found on page 30.

Development of services in consultation with local groups

Cancer vanguard

Alongside the cancer vanguard, UCLH has been engaged with the NHS more widely to explore opportunities to help lead the sector in the development of new models of care and care delivery. Early discussions are underway with sector-wide providers and commissioners as part of the STP process and it is hoped these could lead to opportunities for real change and investment in new ways of working which support the five-year forward view and ensure improved care for patients across the sector.

New facility for the Eastman Dental Hospital and the Royal National Throat, Nose and Ear Hospital

We were granted conditional planning permission by the London Borough of Camden's Development Control Committee for our new facility for the Eastman Dental Hospital and the Royal National Throat, Nose and Ear Hospital in June 2015, with formal grant of planning permission in January 2016. Our work so far on this project has been developed in consultation with local groups including Gordon Mansions Residents Association (GMRA), Bloomsbury Conservation Area Advisory Committee (BCAAC), UCLH Charity and Clic Sargent. We conducted an engagement survey, whose respondents included representatives from the local community and our patients. We also carried out a number of face-to-face interviews to gain further insights.

The proposed building will be on Huntley Street at the site of the former Students' Union building and the Royal Ear Hospital.

Any other patient and public involvement activities

The views of patients, carers and the public matter to UCLH. We want to listen to and involve patients and the local community in the decisions we make, as this allows us to make the improvements that matter to them. Working together through patient and public Involvement (PPI) is one of the ways in which we can deliver our objective of delivering high-quality patient experience.

The profile of PPI has continued to increase across the organisation over the last 12 months with the approval of our PPI policy and an improved PPI toolkit. The PPI toolkit now includes a framework for PPI that provides staff with guidance on the practical

steps required to carry out involvement activities, as well as practical advice in planning and facilitating PPI activity.

Some of our involvement this year has concerned large-scale change, such as the redevelopment of the Emergency Department (ED).

Patient feedback is central to the ED redevelopment patient engagement programme.

A wide range of patients attend ED, so a number of workshops have taken place engaging different patient groups in order to influence and shape our service improvement.

In addition to the real-time survey feedback collected across UCLH, a number of divisions are setting up patient groups to work in partnership with staff at both a strategic and operational level. For example, the NHNN has established a patient and carer forum. A number of people expressed an interest and underwent a selection process to become members. Priorities for the forum include reviewing the experience of accessing outpatient areas in the Royal London Hospital for Integrated Medicine (RLHIM), clarity and usefulness of maps on outpatient appointment letters, and providing patient and user perspective on how patient can be involved in design of new areas delivered by the NHNN redevelopment programme.

Statement that UCLH has complied with the cost allocation charging guidance

UCLH has complied with all costing guidance issued by Monitor.

Political and charitable donations statement

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

Better payment code

UCLH aims to pay its suppliers within 30 days of receipt of goods or a valid invoice (whichever is later) in line with the Better Payment Practice code and monitors performance against this target. In 2015/16 we paid 61 per cent by value of invoices within this target (2014/15 63 per cent).

Income disclosures

Total non-NHS income represented around 7 per cent of total operating income, significantly lower than permitted in the Health and Social Care Act.

Statement as to disclosure of information to auditors

So far as UCLH's directors are aware, there is no relevant audit information of which the auditors are unaware. The directors have taken all of the steps that they ought to have taken as directors in order to make themselves aware of any audit information and to establish that the auditors are aware of that information.

Signed on behalf of the Board of Directors



Sir Robert Naylor
Chief Executive
25 May

2.2 Remuneration report

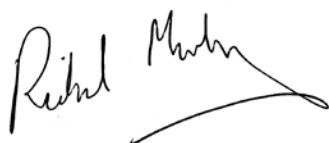
Annual statement on remuneration from the chair of the remuneration committee

All decisions regarding the pay of senior managers are made by the UCLH's remuneration committee (RC). The committee is responsible for determining and agreeing, on behalf of the Board, the broad policy for the remuneration of UCLH's senior managers. The RC is also responsible for considering the performance of the Chief Executive and Executive Directors, including the setting of objectives and regular review of performance against them.

In the financial year 2015/16 no increase to base salaries were agreed for senior managers whose terms and conditions were not covered by nationally determined contracts. The four medical directors' basic salaries are covered by national agreements for medical and dental staff. In April 2015, one medical director received an unconsolidated, non-pensionable uplift of 1 per cent to base salary in line with the national agreement for medical and dental staff whose terms and conditions are covered by nationally determined contracts.

In regards to new appointments in 2015/16, no Executive Director appointments took place during this period.

UCLH is aware of recent media attention given to the levels of remuneration of senior managers within the NHS. UCLH has always strived to operate with openness and transparency when reviewing and setting the pay levels for senior management and we will continue to do this going forward.



Richard Murley
Chairman
University College London Hospitals
NHS Foundation Trust
Chair of the Remuneration
Committee
25 May 2016

Annual report and policy on remuneration

The Remuneration Committee (RC) sets pay and The RC sets pay and employment policy for the executive directors and other senior staff designated by the Board. The RC sets basic salary remuneration with due regard to benchmarking information and survey data of other comparative senior posts within the NHS sector.

Although NHS foundation trusts are free to determine their own rates of pay for very senior managers (VSMs), benchmarking is informed by the VSM pay framework as published by NHS Employers and updated in July 2013. Although there is no local consultation with affected employees on VSM pay, the framework takes account of the Will Hutton Fair Pay Review and the Senior Salaries Review Body (SSRB) report on pay, which involved wide consultation. Decisions on any annual uplift to basic salary are informed by government decisions in respect of the recommendations from the SSRB including any government recommendation on non-consolidated basic pay increases.

UCLH does not operate a performance bonus scheme and the sole component of VSM pay is the basic salary determined as set out above. There is, therefore, no performance related pay component to VSM salary.

UCLH's strategy and business planning process set key business objectives, which in turn inform individual objectives for senior managers. Performance is closely monitored and discussed through both an annual and ongoing appraisal process. All senior managers' remuneration is subject to performance. This approach will continue to be applied in the forthcoming year. Senior managers, other than directors, have pay progression linked to performance in line with the nationally implemented Agenda for Change system.

UCLH have developed a leader model against which it has begun the task of assessing management capability in order to assess performance. Implementation of this model and assessment will continue to support the short and long term strategic objectives of UCLH. Whilst this is linked to pay at Agenda for Change level management, it is not at VSM level due to their being no performance pay element.

The other elements of pay listed in the table below are only applicable to medical directors and are determined in line with national terms and conditions for medical and dental staff.

The salary and pension entitlements for senior managers and directors for the financial year are shown in tables 5 and 6 respectively. The remuneration table also shows the notional increase in pension benefits that have accrued during the year, calculated in line with Monitor and HMRC guidance. The pensions table includes the real increase of pensions during the reporting year, the value of accrued pension at the end of the reporting year, the value of 'cash equivalent transfer value' (CETV) and the real increase of CETV during the financial year.

The remuneration and expenses for the UCLH Chairman and non-executive directors are determined by the governing body, taking account of the guidance issued by organisations such as the NHS Confederation and the NHS Appointments Commission. Remuneration for UCLH's most senior managers (executive directors who are members of the Board of Directors, and other directors) is determined by UCLH's remuneration sub-committee, which consists of the chairman and the non-executive directors.

Table 4 includes a description of each component of the senior manager remuneration. The only non-cash element of senior managers' remuneration packages are pension-related benefits accrued under the NHS pensions scheme. Contributions are made by both the employer and employee in accordance with the rules of the national scheme which applies to all NHS staff in the scheme. Pay levels are informed by executive salary surveys conducted by independent management consultants and by the salary levels in the wider market place. Affordability, determined by corporate performance and individual performance, are also taken into account. Terms and conditions are consistent with the new NHS pay arrangements.

Table 4: Description of components of senior manager remuneration

Component	Applicable	Description
Basic salary inclusive of London weighting	All senior managers	Agreed at appointment by the Remuneration Committee.
Non consolidation payment	Applicable to medical directors only	In April 2015, one medical director received an unconsolidated, non-pensionable uplift of 1 per cent to base salary in line with the national agreement for medical and dental staff, whose terms and conditions are covered by nationally determined contracts.
Clinical Excellence Award (CEA)	Applicable to medical directors only	The Clinical Excellence Awards (CEA) scheme is intended to recognise and reward those consultants who contribute most towards the delivery of safe and high quality care to patients and to the continuous improvement of NHS services including those who do so through their contribution to academic medicine
Additional programme Activity	Applicable to medical directors only	The remuneration for this is covered by Schedules 13 and 14 of the terms and conditions – Consultants (England) 2003.
Clinical director responsibility	Applicable to medical directors only	Recognises the increased responsibilities associated with the role of medical director.
Medical on-call	Applicable to medical directors only	The on-call availability supplement recognises the time spent being available while on call. It does not recognise the work actually done while on call.

Senior managers are employed on contracts of employment, with a standard six month notice period, and are substantive employees of UCLH. UCLH's disciplinary policies apply to senior managers, including the sanction of dismissal for gross misconduct. UCLH's redundancy policy is consistent with NHS redundancy terms for all staff.

Details of the remuneration committees which determine the remuneration of board members can be found on page 64. Details of the appointments committees can be found on page 56 (non-executive panel) and page 64 (remuneration committee). No compensation for early termination was paid during this financial year. No early terminations are expected and no provisions are required accordingly. No awards have been made to any past senior managers or directors. There were no benefits in kind or non-cash elements of remuneration paid to directors in the year.

In 2015-16, seven senior managers were paid in excess of the threshold of £142,500. UCLH has taken the following steps to satisfy itself that this remuneration is reasonable:

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

The salaries and pension entitlements of the directors for 2015/16 and 2014/15 are shown on the following pages. Accounting policies for pensions and other retirement benefits are set out in note 7 of the accounts.



Sir Robert Naylor
Chief Executive

25 May 2016

Table 5: Senior manager remuneration for year ended 31 March 2016

	TOTAL Salary and Fees	Taxable Benefits and Bonuses	Notional Increase / (Decrease) in Pension-Related Benefits (see note below)	Total Including Notional Increase in Pension-Related Benefits
Name and title	(bands of £5000)	(bands of £5000)	(bands of £2500)	(bands of £5000)
R Murley Chairman	60–65	–	–	60–65
Sir A Breckenridge Non-Executive Director To 31 December 2015	5–10	–	–	5–10
H Bush Non-Executive Director	10–15	–	–	10–15
R Makarem Non-Executive Director	15–20	–	–	15–20
K Murphy Non-Executive Director	10–15	–	–	10–15
C Woolley Non-Executive Director	10–15	–	–	10–15
Sir J Tooke Non-Executive Director To 31 August 2015	0–5	–	–	0–5
D Walford Non-Executive Director	10–15	–	–	10–15
D Lomas Non-Executive Director From 1 September 2015	5–10	–	–	5–10
Sir R Naylor Chief Executive	265–270	–	(2.5–0)	265–270
N Griffiths Deputy Chief Executive	185–190	–	(25–22.5)	165–170
R Alexander Director of Finance To 28 June 2015	50–55	–	20–22.5	70–75
T Jaggard Director of Finance (Interim) From 29 June 2015	130–135	–	135–137.5	265–270
G Bellingan Medical Director	250–255	–	(42.5–40)	210–215
J Fielden Medical Director To 11 March 2016	220–225	–	10–12.5	230–235

Table 5 cont. overleaf

Table 5 cont.

	TOTAL Salary and Fees	<i>Taxable Benefits and Bonuses</i>	<i>Notional Increase / (Decrease) in Pension-Related Benefits (see note below)</i>	<i>Total Including Notional Increase in Pension-Related Benefits</i>
Name and title	(bands of £5000)	(bands of £5000)	(bands of £2500)	(bands of £5000)
G Gaskin Medical Director	200-205	–	22.5-25	225-230
A Mundy Medical Director	150-155	–	–	150-155
Flo Panel-Coates Chief Nurse	155-160	–	35-37.5	190-195

Table 6: Senior manager remuneration for year ended 31 March 2015

	TOTAL Salary and Fees	<i>Taxable Benefits and Bonuses</i>	<i>Notional Increase / (Decrease) in Pension-Related Benefits (see note below)</i>	<i>Total Including Notional Increase in Pension-Related Benefits</i>
Name and title	(bands of £5000)	(bands of £5000)	(bands of £2500)	(bands of £5000)
R Murley Chairman	60-65	-	-	60-65
Sir A Breckenridge Non-Executive Director	10-15	-	-	10-15
H Bush Non-Executive Director	10-15	-	-	10-15
R Makarem Non-Executive Director	15-20	-	-	15-20
K Murphy Non-Executive Director	10-15	-	-	10-15
C Woolley Non-Executive Director From 1 January 2015	0-5	-	-	0-5
Sir J Tooke Non-Executive Director	10-15	-	-	10-15
D Walford Non-Executive Director	10-15	-	-	10-15

Table 6 cont. overleaf

Table 6 cont.

	TOTAL Salary and Fees	<i>Taxable Benefits and Bonuses</i>	<i>Notional Increase / (Decrease) in Pension-Related Benefits (see note below)</i>	<i>Total Including Notional Increase in Pension-Related Benefits</i>
Name and title	(bands of £5000)	(bands of £5000)	(bands of £2500)	(bands of £5000)
Sir R Naylor Chief Executive	265-270	-	(10-7.5)	255-260
N Griffiths Deputy Chief Executive From 2 June 2014	155-160	-	2.5-5	160-165
R Alexander Director of Finance To 28 June 2015	185-190	-	17.5-20	205-210
G Bellingan Medical Director	250-255	-	(10-7.5)	245-250
J Fielden Medical Director	220-225	-	(62.5-60)	160-165
G Gaskin Medical Director	200-205	-	17.5-20	220-225
A Mundy Medical Director	150-155	-	-	150-155
K Fenton Chief Nurse To 31 March 2015	95-100	-	-	95-100

* **Note:** all salary paid in the year is reflected in the first column. The table also shows the notional increase / (decrease) in pension-related benefits (see note below). Therefore the final column should not be interpreted as the total salary paid in the year.

Pension-related benefits are intended to show the notional increase or decrease in the value of directors' pensions, assuming the pension is drawn for 20 years after retirement. It is calculated as 20 x annual pension increase + lump sum increase, less any employees' pension contributions paid in the year. These increases are then adjusted for inflation to show the "real" increase in pension-related benefits – this may be negative where the inflation adjustment is greater than the underlying increase. Medical director salaries include payment for both their director role and their NHS clinical work.

Senior managers are not paid any taxable benefits, annual performance-related bonuses or long-term performance-related bonuses.

Table 7: Senior Manager Total Pension Entitlement

	Real increase/ (decrease) in pension and related lump sum at age 60	Total accrued lump sum at age 60 at 31 March 2016	Total accrued pension at 31 March 2016	Cash equivalent transfer value (CETV) at 31 March 2015	Cash equivalent transfer value (CETV) at 31 March 201	Real increase/ (decrease) in cash equivalent value
	(bands of £2500)	(bands of £5000)	(bands of £5000)			
Name and title	£000	£000	£000	£000	£000	£000
Sir R Naylor Chief Executive	0-2.5	440-445	145-150	0	0	0
R Alexander Director of Finance To 28 June 2015	0-2.5	65-70	20-25	325	410	28
G Bellingan Medical Director	(2.5-0)	185-190	60-65	1563	1461	(19)
N Griffiths Deputy Chief Executive	0-2.5	60-65	20-25	400	411	6
G Gaskin Medical Director	0-2.5	70-75	20-25	435	508	67
J Fielden Medical Director	0-2.5	195-200	65-70	1187	1240	38
T Jaggard Director of Finance (Interim) From 29 June 2015	5-7.5	50-55	20-25	151	226	74
Flo Panel-Coates Chief Nurse	2.5-5	95-100	30-35	463	512	43

The information above is based on that provided by the NHS Pension Agency. CETVs are stated as actual values, with the increase / (decrease) figure adjusted for inflation. CETVs are shown as zero for directors aged over 60 at the end of the year, as these directors are not permitted to transfer their pensions.

Real increase / (decrease) in pension and related lump sum is the increase / (decrease) in annual pension compared to 31 March 2015, adjusted for inflation.

Total accrued pension at 31 March 2016 is the annual pension that each director has accrued, including any purchase of added years and transferred-in benefits from other employments. No additional benefit is payable in the event that a director retires early and no director is a member of a separate pension scheme in relation to this employment.

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0 per cent to 2.8 per cent. This rate affects the calculation of CETV figures in this report.

Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

Table 8: Lord Hutton report – fair pay multiple

	2015-16	2014-15
Band of the Highest Paid Director's Total Remuneration (£000)	265-270	265-270
Median Pay Remuneration (£)	37,651	37,408
	7.1	7.2

Note. 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 remuneration of the highest-paid director in UCLH in the financial year 2015/16 was in the band £265k-£270k (2014/15, £265k-£270k). This was 7.1 times (2014/15, 7.2) the median remuneration of the workforce, which was £37,615 (2014/15, £37,408).

In 2015/16, no employee (2014/15, none) received remuneration in excess of the highest-paid director.

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

2.3 Staff report

Key achievements

Reducing nursing and midwifery vacancies

Our overall nursing vacancy rate of 16 per cent at the outset of the year was close to the London average (of 17 per cent). As one of our top ten objectives, we committed to reduce our nursing and midwifery vacancy rate to 7.5 per cent by the end of March.

Insufficient commissioning of education places resulted in a shortfall of UK-trained nurses seeking employment in the NHS, compromising our ability to ensure safe staffing levels while reducing expenditure on costly agency staff. Therefore we continued work on our strategy for recruitment and retention in order to help us find and keep the best staff in a competitive market. We developed and delivered this strategy in partnership with clinical staff.

Some of this year's initiatives included:

- Becoming the first NHS employer to be a Living Wage and Good Jobs employer
- Proactive media engagement (e.g. with BBC re: immigration controls)
- Introducing a careers clinic with learning passports, competency assessment tools designed to make the application process easier for band 5 nurses hoping to move up to band 6

These initiatives have had the following results:

- Since April 2015 we have filled more than 1,000 nursing and midwifery vacancies and welcomed 750 such staff to UCLH (a 60 per cent increase on the previous year)
- Our agency pay bill reduced by just under £1m for nursing and midwifery staff
- We are on the verge of a zero per cent vacancy position for nursing assistant posts
- Thirty-three staff members stayed at UCLH in a new role after using the careers clinic
- Our overall vacancy rate for all staff is at lowest level for two years and is still falling month-on-month

Organisational Development

This year, Organisational Development (OD) has concentrated on understanding UCLH's strategic focus

and setting up appropriate support to help drive forward the delivery of our goals. We have focused largely on UCLH's top 400 leaders, covering three main areas of work:

1. **uclh future:** working in partnership with the transformation steering group, chaired by the deputy CEO, to design and build the overall transformation programme. We have also worked directly with programme leads to diagnose and design their change management plans.
2. **Leader capability:** we undertook significant work to understand UCLH leaders' capability needs and as a result developed a new leadership model. We also designed and delivered a two-day leadership development programme which has been attended by more than 80 leaders to date.
3. **Change capability:** we developed an additional programme to help leaders to support and enable change via their teams. We launched this programme in July and to date more than 60 leaders have participated.

Education and the uclh Institute

The uclh Institute is the new home of learning at UCLH, bring together all staff development and learning with a focus on the following areas:

Induction and mandatory training

UCLH provides an induction for all new starters comprising a welcome and introduction to UCLH, as well as the opportunity to complete any training that is mandated for their new role. The aim is to ensure that all new starters are safe to work, have patient safety and experience as their top priority, and understand the UCLH values. UCLH staff have worked hard in the last year to achieve an organisation-wide completion rate of 95 per cent for mandatory training.

Staff development

Our clinical education portfolio continues to expand to fully use the excellent facilities of our simulation hospital. We are increasing our use of simulation to enhance staff training, which enables us to improve patient pathways by testing elements of care in the hospital without risk to our patients.

We have increased our number of apprentices with a target of teaching 75 placements by the end of March 2016. Related to this, we are collaborating with Citizens UK and local education providers to improve our links with the local community to offer apprentice recruitment in the future.

We now offer training for the Care Certificate to all band 1 to 4 clinical staff and are expanding our

training and development opportunities to all staff, both clinical and administrative.

Commissioned education programmes

UCLH continues to provide placements for undergraduate and postgraduate nursing, medical and allied health professional students and trainees. We are commissioned to provide these placements by Health Education North Central and East London. Feedback from inspection visits and surveys suggests that we provide excellent training which is improving year-on-year. Many students who have trained at UCLH return to work here.

A network of clinical supervisors, mentors and preceptors supports our students and trainees.

Improvement

Quality improvement is a key factor in providing better-quality patient care. The uclh Institute improvement team is responsible for the design and delivery of improvement skills training and ongoing support for staff. So far, we have trained 28 staff in quality improvement methodology.

Staff experience

This year we introduced our staff suggestion scheme, which enables staff to help us improve the staff experience. It has received more than 120 suggestions to date.

Suggestions submitted to the scheme have resulted in the following new initiatives being introduced:

- Free hot drinks for all ward staff on all of our sites, reserved seating in the University College Hospital canteen for staff and food boxes for night staff
- A partnership with London Capital Credit Union to help staff to access affordable savings and loans through a socially responsible provider
- A staff lottery where staff have the opportunity to win cash prizes every month

We also set up a dedicated confidential helpline following staff feedback highlighting concerns about bullying and harassment.

Celebrating Excellence awards

More than 300 staff members attended our Celebrating Excellence awards, which were funded by the UCLH Charity. The event was held at the Landmark Hotel and was hosted by Frank Dobson, the former Secretary of State for Health and former MP for Holborn and St Pancras.

Almost 1,000 nominations were received, including for two new awards categories that were introduced in response to staff feedback – Junior Doctor of the Year and Outstanding Corporate Contribution.

A wide range of staff including midwives, nurses, housekeepers, surgeons, a security manager, researchers and volunteers were among those recognised for their superb work.

Staff partnership

Our partnership with unions and representative bodies is important to us. UCLH's management and staff representatives met monthly to review policy and staff experience during the year.

We reviewed some of our employment policies to make them simpler to use. Our new Starting at UCLH policy now provides for a common recruitment and selection policy for most neighbouring NHS trusts in North and Central London.

Our joint partnership forum has used our active staff suggestion scheme to design and introduce new staff initiatives. Initiatives introduced in 2015/16 included a credit union for staff to save and loan small sums through a non-profit facility, our accreditation as a London Living Wage employer, and new initiatives to help improve retention including improved career support for our staff to move between professional roles more easily. We have also explored the needs of BME staff and regularly reviewed progress towards the workforce race equality standard.

Our joint partnership forum worked with the pan-London NHS Social Partnership Group to discuss recruitment and retention challenges forecasted for the next decade, with particular reference to London, and also briefed all of London's mayoral candidates.

Table 9: Analysis of staff numbers

	Average staff numbers 2015/16	Average staff numbers 2014/15
Medical and dental	1209	1222
Administration and estates	1633	1622
Healthcare assistants and other support staff	1236	1177
Nursing, midwifery and health visiting staff	2515	2533
Scientific, therapeutic and technical staff	185	184
Healthcare science staff	467	710
	7246	7448
Agency and contract staff	136	202
Bank staff	799	755
	8181	8405

NB: UCLH does not employ ambulance staff or social care staff

Table 10: Gender analysis

	Male	Female	Total (headcount)
Directors	10	4	15
Other senior managers	35	36	71
Other staff	2274	5733	8007

Table 11: Sickness absence data

The data below is the latest available. In practice, our 12-month rolling sickness data shows very little fluctuation; it has been flat at around 3.3 per cent for the past three reporting periods.

	Sickness absence %
Medical and dental	0.48
Administration and estates	3.5
Healthcare assistants and other support staff	5.5
Nursing, midwifery and health visiting staff/learners	4.16
Scientific, therapeutic and technical staff	2.26
Healthcare science staff	2.68
Total	3.28

Policies

UCLH is committed to the principles of diversity, equality and human rights in every aspect of its employment policies and delivery of patient care. Our Diversity, Equality and Human Rights Policy specifies our commitment to equality and fairness for all our staff and patients and to not discriminating against any protected characteristic including age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex or sexual orientation.

Our Diversity and Equality Steering Group oversees UCLH's diversity and equality policies. The group is headed up by the director of workforce, who reports to the Executive Board and the Board of Directors.

UCLH has a comprehensive set of staff policies which have all been assessed for equality impact against the protected characteristics set out in the Equality Act 2010.

Disabled employees

The Starting at UCLH policy sets out how UCLH gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities, and includes the process for agreeing reasonable adjustments. UCLH is a two ticks employer and so guarantees that suitable disabled applicants will be interviewed. Data on applications for employment, shortlisting and appointment are analysed regularly, reviewed by the Diversity and Equality Steering Group and included in the Annual Equality Report for 2015.

The Managing Disability policy is applied to staff who have become disabled during the course of their employment or those about to start work and sets out how reasonable adjustments and appropriate training are provided to this group of staff.

The Training, Development and Study Leave policy ensures that disabled staff are provided with the same opportunities for training, career development and promotion opportunities as all other staff. Data on access to non-mandatory training are analysed regularly, reviewed by the Diversity and Equality Steering Group and are included in the Annual Equality Report for 2015.

Providing information to employees and engagement in performance

We ensure that our staff are well-informed about news and developments through a variety of different communications channels. Our staff survey and staff suggestion scheme enable two-way communication between staff, their colleagues and UCLH leaders.

UCLH-wide communications include:

- Team briefing: the chief executive's monthly core briefing
- Inside Story: UCLH's monthly staff magazine
- Insight: our intranet, updated daily with stories
- Annual chief executive roadshow: open to all staff and run at each UCLH site
- Daily news emails
- Annual report summary: released each July
- Team meetings: where staff are kept informed about matters at local level
- Financial performance roadshows: led by our finance director, these keep staff engaged with our cost improvement programme

Health and safety and occupational health

UCLH's Health and Safety Committee meets bi-monthly to receive and review information on incidents or injuries. Incidents involving exposure to blood-borne viruses (i.e. sharps injuries and splashes) are reviewed by the UCLH Infection Control Committee, which meets quarterly.

The health and safety team reviews all health and safety-related incidents that have been recorded and ensures that lessons are learned and disseminated across the organisation. Key health and safety policies have been reviewed and revised during 2015. The Health and Safety Committee also reviews all RIDDORs (incidents occurring under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reported to the health and safety executive.

There has been a sixth audit of the organisation's risk assessment process, including staff and visitor slips, trips and falls, manual handling, violence and aggression, control of substances hazardous to health (COSHH), lone working and stress. The audit checked whether divisions had up-to-date risk assessments in place, audited the quality of the risk assessments and whether risk assessments had been risk rated and placed on the appropriate risk register.

To drive improvement, each division is provided with detailed feedback on the quality of their risk assessments. The Health and Safety Committee

continues to focus on physical assaults against staff to ensure that this type of incident is avoided wherever possible. Proactive support is offered to all staff involved in a physical assault by the occupational health team.

Policies and procedures with respect to countering fraud and corruption

UCLH takes a zero-tolerance stance towards fraud. Our counter fraud team works constantly to investigate, prevent and deter fraud. The team also gives advice to staff on how to be on the alert for fraud and how to report suspected fraud or corruption as quickly as possible; it follows up every referral. It is UCLH policy to prosecute wherever possible when a fraud has been committed.

Table 12a: Staff survey results

	2014		2015		UCLH increase/ decrease
	UCLH	National average	UCLH	National average	
Response rate	39.9%	41.6%	35.8%	38.0%	4.1% decrease

Table 12b: Staff survey results

Top four ranking scores	2014		2015		UCLH increase/ decrease
	UCLH	National average	UCLH	National average	
% experiencing physical violence from patients, relatives or the public in the last 12 months (the lower the better)	11%	14%	12%	14%	1% decrease
New key finding with newly calculated 2014 comparison* % of staff/colleagues reporting most recent experience of violence (the higher the better)	56%	-	61%	53%	5% increase
Recommendation of the organisation as a place to work or receive treatment (the higher the better)	3.97	3.67	3.91	3.76	Negligible reduction compared to 2014
updated KF not directly comparable with newly calculated 2014 comparison* Effective use of patient / service user feedback (the higher the better)	-	-	3.79	3.70	No comparable data for 2014

Table 12c: Staff survey results

Bottom four ranking scores	2014		2015		UCLH increase/ decrease
	UCLH	National average	UCLH	National average	
% working extra hours (the lower the better)	77%	71%	80%	72%	3% decrease
% believing UCLH provides equal opportunities for career progression or promotion (the higher the better)	79%	87%	78%	87%	1% decrease
% experiencing discrimination at work in last 12 months (the lower the better)	18%	11%	17%	10%	1% increase
% experiencing harassment, bullying or abuse from staff in last 12 months (the lower the better)	30%	23%	31%	26%	1% decrease

Our work to address areas of concern

The results of the online 2015 NHS staff survey revealed that UCLH remains a place that the majority of staff would recommend as a place to work or be treated. We achieved good scores in 'a vote of confidence in UCLH' (82 per cent), 'satisfied with care we give to our patients' (83 per cent), 'staff engagement' (72 per cent) and 'raising concerns' (73 per cent).

The majority of our results showed no significant change from last year, but around 20 per cent of the responses to key findings show a decline from 2014. We intend to prioritise action that addresses the risk of bullying and harassment, perceptions of equal opportunities and working extra hours. These have been our areas of greatest concern for the last two years and remain a significant challenge for the NHS as a whole.

The 2014 staff survey results have helped us to understand the many challenges facing our staff. Following these results and subsequent discussions with staff and their representatives, we have

instigated new support mechanisms for our staff (see page 43 for details). Later this year we will launch a guardian scheme to enable staff to raise concerns securely to an independent advocate. Many of our staff now provide care for patients who are more vulnerable and that in turn leads to the prospect of greater incidence of aggression, harassment and violence. During 2015/16 we took steps to bolster support for any such staff so we can offer them swift care to safeguard their wellbeing.

We have also begun tackling issues related to discrimination and bullying through a new innovative model called the What is Discrimination? project. This is run in partnership with the Royal College of Nursing and our local staff partners. It was launched last autumn and followed by workshops for all staff groups to explore unconscious bias and how we can use difference in a positive way to improve staff and patient experience.

We continue to work closely with staff and staff partners to identify priorities and ideas for support, and we will monitor our progress by gathering feedback, for example via the staff FFT.



Consultancy expenditure, off payroll engagements and exit packages

High paid off-payroll arrangements

UCLH is compliant with the guidance set out by the Department of Health when engaging staff under “off-payroll” agreements. Guidance was originally issued 20 August 2012 (gateway reference 17993) and was updated on 23 September 2015 following the withdrawal of HMRC’s “business entity” test. The current engagements are listed in the tables below.

Table 13: For all off-payroll engagements as of 31 March 2016, for more than £220 per day and that last for longer than six months

Number of existing engagements as of 31 March 2016 – of which:	2
Number that have existed for less than one year at the time of reporting	2
Number that have existed for between one and two years at the time of reporting	0
Number that have existed for between two and three years at the time of reporting	0
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	0

Table 14: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016, for more than £220 per day and that last for longer than six months

Number of existing engagements as of 31 March 2016 – of which:	2
Number that have existed for less than one year at the time of reporting	2
Number that have existed for between one and two years at the time of reporting	0
Number that have existed for between two and three years at the time of reporting	0
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	0

Table 15: During the year UCLH agreed non-compulsory redundancies and other exit packages within the cost bands shown below:

	2015/16 Other agreed packages:	2014/15 Other agreed packages:
Under £10,000	8	5
£10,000-£25,000	19	28
£25,001-£50,000	5	0
£50,001-£100,000	3	0
£100,00-£150,000	2	
Total number	37	33
Total cost £000	973	716

Research and development

Biomedical Research Centre

The National Institute for Health Research University College London Hospitals BRC is nearing the end of its £100m five-year funding period. On the back of BRC funded infrastructure, an additional £500m investment in UCLH/UCL research has been awarded from other funding sources, such as medical research charities, research councils and industry. This equates to £8 investment per £1 of BRC spending.

This year's highlights include a further investment of £500,000 into cancer research and more than £1m funding into neurodegenerative disease. Our training programme for researchers on active involvement of the public received an award by Health Education North Central and East London (HENCEL) for its contribution to patient-centred education, together with a bursary of £10,000 to further develop this work. We also received a further £48,000 from the Wellcome Trust to repeat the programme.

Recruitment to trials

In 2015-16 255 new research studies were approved to begin recruitment at UCLH. These include clinical trials of medicinal products and service and patient satisfaction studies. There are currently 1,489 studies involving UCLH patients that are open to recruitment or follow-up. Of these, around 58 per cent of studies are adopted onto the NIHR portfolio of research. There were 12,704 participants recruited to research studies at UCLH between April 2015 and February 2016.

Data, genomic data and health informatics for research

UCLH leads on the critical care, prostate cancer and lung cancer themes of the NIHR Health Informatics Collaborative. Our research and informatics departments have also been working closely together to plan for the transformation of capacity of e-health records and their use for research. UCLH continues to be an active partner of the North Thames Genomics Medicine Centre and has recruited 240 rare diseases patients so far and is the lead trust for cancer.

Research Patient Flag

Launched in September, the Research Patient Flag allows clinicians to flag electronic notes when a patient is participating in a research project. More than 120 UCLH staff have been trained on using the system to log studies and patients and more than 60 new studies have been added to the research flag function.

Supporting UCLH staff to develop innovation

The UCLH Innovation Office helps UCLH staff develop innovative products, inventions or services. Ideas brought forward by UCLH staff include new components to improve walking aids and software to facilitate better active patient self-management for heart failure patients. The office also helps staff with intellectual property queries, including how to answer questions from funders.

Public engagement for research

We held our second research open day in 2015, with 40 interactive stalls, tours by 50 local school students and thousands of visitors including staff from the Department of Health (DH) and NIHR. We also expanded our database of UCLH patients and members of the local community interested in becoming involved in research.

Nurse-led research

The Centre for Nurse and Midwife-led Research appointed a new director in August 2015. The Centre continues to provide one-to-one support for UCLH nurses and midwives with research grant applications, ethics applications and NIHR and Collaborations for Leadership in Applied Health Research and Care (CLAHRCs) applications for studentships, internships and fellowships to support clinical academic career pathways.

Governance and membership

Our membership

Being a member gives people interested in UCLH the opportunity to get involved and support the services it provides.

Members of UCLH

We have three membership constituencies and anyone aged 14 or over can become a member of UCLH. The constituencies are patient, public and staff and are defined below.

The public membership includes individuals living in one of the 32 London boroughs or the City of London.

The patient membership is divided into three groups. Patients living in one of the 32 London boroughs or the City of London (London)) and patients from elsewhere in England or further afield (non-London). There is also a carer group which is open to individuals who are unpaid carers of patients of UCLH. Anyone who joins as a patient or carer member must have attended a UCLH hospital in the last three years.

The staff membership comprises individuals who have a contract to work with UCLH for more than 12 months. This includes employees of UCLH, employees of UCL or contractors who provide services to UCLH. There are four staff groups: clinical support, doctors and dentists, non-clinical support, and nurses and midwives. When staff join UCLH they become members unless they choose to opt out. This right is explained to staff. Two members of staff have opted out. Staff cannot be members of the public or patient constituencies.

Chart 4: Membership figures 2014/15

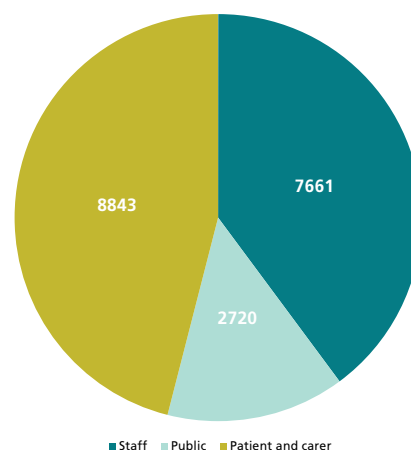
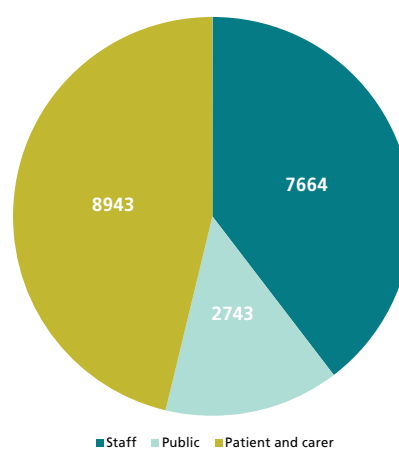


Chart 5: Membership figures 2015/16



Our membership

At 31 March 2016, UCLH had 19,350 members compared to 19,244 in 2015.

Membership engagement and strategy

One of the key responsibilities of the membership manager is to lead on recruitment and engagement with members; this is done with the support of the governors. Some the activities undertaken during 2015 include:

Recruitment

- Redesign of the UCLH membership card
- Bespoke recruitment posters for each hospital using a member of staff from that location
- Recruitment sessions with governors and promoting recruitment at each community and members' event

Engagement

Governors chaired six MembersMeet health seminars on a range of topics chosen by members, including research matters and looking after your physical and mental health. There was also a session on the annual forward plan.

Maintaining relationships with the local community through events offers opportunities for governors to talk to the community about their role. Events this year have included a talk about dementia at Camden Age UK and a discussion with Camden's Chinese community about A&E services.

These engagement sessions give an opportunity for members to talk about what's on their mind and for governors to meet with members, follow up concerns and communicate any issues to the Board.

Strategy

A group of governors and members met in 2015 to review our 2012-2015 membership strategy. The group reviewed the strategy's objectives and took the view that the strategy had been delivered.

Our council of governors

UCLH is accountable to the communities it serves through the council of governors (council) who represent the views of patients, public members of UCLH and its staff. The council works closely with UCLH to help shape and support its future strategy and ensure that we focus on issues that benefit patients. With the support of the governors on the council, UCLH can take into account the views of members and stakeholders in the wider local public and health community as it develops and delivers its strategy.

Who are the council?

The council is made up of 33 governors; 23 elected governors who represent the public, patients, carers and staff; and 10 appointed stakeholder and partner governors. As at 31 March there were 31 seats occupied. The table on page 53 gives details of the governors, their terms in office during 2015/16 and attendance at council meetings. Governors normally hold office for three years and are eligible for re-election or re-appointment at the end of their first term. Governors may not hold office for more than six consecutive years. The council also elects one of its members to be the lead governor. Fiona McKenzie has held the position since September 2011.

Table 16: Governors on the council

Name of governor	Constituency	Current term	Term end	Meetings attended (out of a total of 4 unless otherwise stated)
Fazlul Chowdhury	Public	first	31 August 2016	3
David Coulter	Public	second	31 August 2017	2
Frances Lefford	Public	first	31 August 2018	2/2
Diana Scarrott	Public	second	31 August 2017	4
Veronica Beechey	Patient– London	first	31 August 2016	4
*John Bird	Patient– London	second	31 August 2018	4
Emma Dalton	Patient– London	first	31 August 2016	3
Adam Elliot	Patient– London	first	31 August 2018	1/2
John Green	Patient– London	first	31 August 2017	4
*John Knight	Patient– London	second	31 August 2018	3
Christine Mackenzie	Patient– London	first	31 August 2017	3
Fiona McKenzie	Patient– London	second	31 August 2016	4
Andrew Todd-Pokropek	Patient– London	first	31 August 2016	3
Leslie Brantingham	Patient – non-London	first	31 August 2018	2/2
Annabel Kanabus	Patient – non-London	first	31 August 2017	4
Stuart Shurlock	Patient – non-London	second	31 August 2016	4
Rosalind Jacobs	Patient– Carer	second	31 August 2017	2
Kathryn Harley	Staff	first	31 August 2018	1/2
Fiona Henderson	Staff	first	31 August 2016	2
Tom Hughes	Staff	second	31 August 2016	4
Stephen Rowley	Staff	first	31 August 2016	1
Wayne Sexton	Staff	first	31 August 2018	2/2
Danny Beales	Camden Council	first	31 August 2018	3
Claudia Webbe	Islington Council	first	15 May 2016	1
Warren Turner	London South Bank University	first	14 October 2017	3
Mike Hanna	University College London	first	6 August 2016	1

Name of governor	Constituency	Current term	Term end	Meetings attended (out of a total of 4 unless otherwise stated)
Claire Williams	Friends of UCLH	first	29 June 2018	3/3
Philip Brading	UCLH Charities Committee	second	14 October 2017	3
James Mountford	UCLPartners	second	11 October 2017	3
Ammara Hughes	GP Commissioning Consortia	first	1 October 2018	0/1
Vacant	NHSE (London)	-	-	-
Vacant	Camden/Islington CCGs	-	-	-

* re-elected for a second term of three years

Table 17: Governors who stood down in 2015/16

Name of governor	Constituency	Current term	Term end	Meetings attended (out of a total of 4 unless otherwise stated)
Andrei Morgan	Staff	first	31 August 2015	0
Sheila Hinton	Staff	first	31 August 2015	2/2
Darren Barnes	Staff	first	17 April 2015	0/0
Dan Whitaker	Public	first	31 August 2015	1/2
Dee Carter	Patient - London	second	31 August 2015	2/2
Joan Bell	Patient– non-London	second	31 August 2015	0/2
Mary Clegg	Camden/Islington CCGs	first	10 January 2016	2/3
Denise Bavin	GP Commissioning Consortia	second	30 September 2015	0/2
Janet Kitchen	Friends of UCLH	first	30 June 2015	0/1

Role of the council

The council has a number of statutory responsibilities, which include but are not limited to: holding the non-executive directors to account for the performance of the Board, appointing or removing the chairman and non-executive directors, deciding the remuneration of non-executive directors and appointing or removing UCLH's auditors. The council also has the final decision on significant transactions, receives the annual report, quality report, accounts and auditors report; approves changes to the constitution; and gives its views on the development of our forward plan.

How the council works

The chairman of the Board of directors is also the chairman of the council. This establishes an important link between the two bodies and helps the governors to fulfil their statutory responsibilities. Other Board members, both executive and non-executive, also attend meetings. Board members' attendance at council meetings can be found on page 62.

The council receives regular reports from the Board on clinical and financial performance and service strategy and are presented with a report from the chair of the audit committee annually. It also receives reports from governors who contribute to our sub-committees: arts and heritage, nursing and midwifery, patient experience and quality and safety. It considers reports from the council's nomination and remuneration committee and a governors' group with a focus on high-quality patient care. The chairman and the lead governor also seek the views of governors when preparing the agendas for meetings and during the year the council had presentations on specific topics, including uclh future.

The link between the Board and the governors is further strengthened through a series of seminars to support governors in their role. In 2015/16 seven were held. Sessions included accountable care and integration and UCLH's forward plan.

The lead governor also holds regular meetings with governors to keep in touch with opinion and further enhance communication between the council and Board members, and governors meet separately with the non-executives to hear first-hand how they have sought assurance from the executive on areas of performance and for the non-executives to hear the views of governors. During this year the areas were safe care and financial performance.

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

Training

Governors are supported to carry out their duties. On joining UCLH each governor receives an induction and attends externally facilitated core skills training. Governors also meet with the chairman and the lead governor respectively

Specific training is also offered to support governors to understand their responsibilities. This year, governors attended GovernWell training on membership involvement, accountability, and finance and business skills. These sessions are held jointly with Camden and Islington NHS Foundation Trust.

Governor expenses

Governors can claim reasonable expenses for carrying out their duties. For the year 2015/16 the total amount claimed by 11 governors was £10,400.45.

Register of interests

Governors sign a code of conduct and declare any interests that are relevant and material. The register of governors' interests is published annually and can be found on our website on our council of governors' page or by emailing foundation.trust@uclh.nhs.uk or calling 0203 447 9290.

Committees of the council

The council of governors has responsibility for approving the reappointment or appointment of non-executive directors as recommended by the nomination and remuneration committee or a non-executive appointment panel.

Non-executive directors are appointed by the council for an initial period of three years; this may be extended for a further three years. In exceptional circumstances a non-executive director can serve for a further year. The council may also remove the chairman or another non-executive director; this requires the approval of at least three-quarters of the members of the council.

Nomination and remuneration committee

The nomination and remuneration committee is chaired by David Coulter, who is a public governor. The committee comprises nine governors (including the committee chair). It is responsible for reviewing the remuneration of non-executive directors and assessing the appraisal of the chairman. It also acts as the appointment committee for the non-executive director nominated by UCL and for those non-executive directors seeking reappointment.

The committee met three times during the year, including a meeting in July to consider the appointment of the UCL nominee. The chairman attended two meetings. The council unanimously approved the recommendation that Professor David Lomas be appointed to the Board from 1 September 2015.

In March 2015 the committee met to consider the reappointment of the chairman for one further year. The Council unanimously agreed the recommendation at its meeting in April.

Membership of the committee is reviewed each year in October. Members and attendance at the committee is set out below: meeting dates were 19 May 2015, 1 July 2015, and 30 March 2016.

Table 18

Member	Attendance
David Coulter (Chair)	2/3
John Bird	2/3
Philip Brading	1/3
Emma Dalton	2/3
John Green	3/3
John Knight	2/3
James Mountford	1/3
Wayne Sexton	1/1
Claire Williams	0/1
Sheila Hinton*	2/2

* Term ended August 2015

Non-executive appointment panel

In February, a non-executive appointment panel was established to appoint to a vacant position. Membership of the panel comprised the chairman, three governors and two non-executive directors. External advisors from Green Park supported the process. The panel met on two occasions; all panel members attended the meetings. The panel recommended to the council that Althea Efunshile be appointed.

Contacting the governors

The UCLH membership office is the point of contact for members, patients and the public who wish to contact governors. Email: foundation.trust@uclh.nhs.uk
Post: Membership Office, University College London Hospitals NHS Foundation Trust, 2nd Floor Central, 250 Euston Road, London NW1 2PG Phone: 0203 447 9290.

The leadership team

Our Board of Directors

The Board, led by the chairman, sets the vision and values, and the strategic direction of UCLH. The Board works collectively for the organisation and is responsible for its decision and performance, working to ensure that UCLH delivers a high-quality, safe and efficient service.

To carry out its responsibilities, the Board holds meetings and seminars. Board meeting papers are published on the UCLH website and shared with governors. Governors also receive the monthly Board performance report and a summary from the chairman of issues discussed at confidential meetings. The Board met on 12 occasions during the year. The chairman also meets routinely throughout the year with the non-executive directors without the executive present.

The Board comprises eight non-executives, including the chairman, and eight executives, including the chief executive. The director of workforce and director of strategic development regularly attend Board meetings but have no voting rights. Page 62 shows details of Board members' attendance at the Board during the year.

There is a division of responsibilities between the chairman and the chief executive. In summary:

- The chairman leads the Board and ensures its effectiveness
- The chief executive is accountable to the Board for running all aspects of the operational business.

The Board members

Directors' details, together with their committee membership, are detailed below. Board members are required to declare their interests annually as well as to confirm that they meet the fit and proper person condition as set out in Regulation 5 of the Health and Social Care Act 2008 (Regulated Activities) Regulation 2014.

The register of directors' interests is published annually. It can be found on our website on the Board of Directors' pages or can be obtained from the UCLH secretary. Contact details can be found at the end of the report.

Non-executive directors

Committee key – member of

AC - audit committee

FCC – finance and contracting committee

IC – investment committee

PC – performance committee

RC – remuneration committee

QSC – quality and safety committee

Richard Murley – Chairman

FCC/IC/PC/QSC/RC (chair)

Richard was appointed as chairman in July 2010 having previously served as a non-executive director from November 2008. He was reappointed in November 2012 for a further three years commencing in July 2013. In April 2015 his term of office was extended by the council for a further year to the end of June 2017. Richard is a qualified solicitor and has worked in the City of London for more than 30 years. He is a vice-chairman of Rothschild where he has worked since 2006. Between 2003 and 2005, he was director general of the Panel on Takeovers and Mergers, regulating the conduct of takeovers of public companies in the UK.

Dr Harry Bush CB – Vice-chairman

AC/FCC (chair)/IC/PC/RC

Harry was appointed to the Board in February 2012; he was reappointed in February 2015 for a further three years. He has extensive senior management experience at HM Treasury and in the economic regulation of the aviation industry. He was most recently a member of the Civil Aviation Authority Board with executive responsibility for the Authority's economic output. Prior to that, he held a number of senior posts at HM Treasury during a long career there. Harry was appointed vice-chair in March 2013.

Professor David Lomas – QSC (chair)/RC

David was appointed to the Board in September 2015. He is UCL vice-provost (Health), head of the UCL School of Life and Medical Sciences, head of UCL Medical School and works as a respiratory physician at UCLH. He received his medical degree from the University of Nottingham and undertook his PhD at Trinity College, Cambridge. He was an MRC clinician scientist, university lecturer and professor of respiratory biology in Cambridge before moving to UCL in 2013 to be chair of Medicine and dean of the Faculty of Medical Sciences. He is chair of the Population and Systems Medicine Board at the Medical Research Council and previously

chaired the Respiratory Therapy Area Unit Board at GlaxoSmithKline. He is also an NIHR Senior Investigator. David's research interests are the pathobiology of alpha1-antitrypsin deficiency, the serpinopathies and COPD.

Dr Rima Makarem – AC (chair) /PC/QSC (chair until July, member until November)/RC

Rima joined the Board in July 2013 and was appointed as chair of the audit committee on 1 January 2014. She has extensive experience in healthcare and the pharmaceutical industry. She currently runs her own interim management and consultancy business and holds a portfolio of non-executive positions. These include: trustee of UCLH Charity; board director at Anchor Trust; and associate board member/chair of the Risk Assurance Committee at Health Education South London. She was until recently the audit chair at NHS London and at NHS Haringey before that. Previously, Rima was director of competitive excellence at GlaxoSmithKline and prior to that, a management consultant. Rima holds a PhD in Biochemistry and an MBA from INSEAD business school.

Kieran Murphy – AC/FCC/IC (chair) /PC/RC

Kieran joined the Board in January 2014. He graduated from Cambridge University and began his career as a civil servant at HM Treasury. Subsequently he joined Kleinwort Benson where he spent 15 years as a senior corporate finance adviser, culminating in leadership of the worldwide industrial sector investment banking business.

Kieran joined the corporate finance advisory firm Gleacher Shacklock as a partner in 2004 and subsequently became a senior advisor prior to his retirement from the firm in December 2015. He has been a Board member at City University, London, and this summer he joins the Board of the University of London.

Dr Diana Walford CBE – AC/PC (chair) /QSC/RC

Diana joined the Board in December 2011; she was reappointed for a further three years from December 2014. She has a distinguished record at the highest level in the civil service, NHS and higher education. During her career she served the NHS as deputy chief medical officer for England, director of healthcare for the NHS Management Executive, director of the Public Health Laboratory Service and non-executive director of the NHS Blood and Transplant Authority. Diana is also a qualified haematologist and epidemiologist and was an honorary consultant haematologist at the Central Middlesex Hospital. Most recently, she was the principal of Mansfield College, Oxford University. She is currently deputy chair of the Council of the London School of Hygiene and Tropical Medicine and chair of the board of trustees of Regent's University.

Caspar Woolley – FCC/IC/PC/RC

Caspar was appointed to the Board for an initial three year period commencing January 2015. Caspar is a Cambridge graduate who started his career as a design engineer.

He founded and is a board member of Hailo Network Limited, the taxi app. He also served as the chief executive officer of E-Courier (UK) Ltd and led the eCourier.co.uk management team. He was also vice president for Fleet at Avis. Previously, he served as the head of business development for The John Lewis Partnership. He served as vice president of operations at buy.com (UK) Ltd. He has been an independent non-executive director of GAME Digital PLC since May 2014. He has also been a governor at a foundation trust.

Executive directors

Executive directors are appointed by the remuneration committee of the Board on permanent contracts.

Sir Robert Naylor – Chief executive FCC/IC/PC

Robert Naylor has been chief executive at UCLH since November 2000. He led the development of one of the largest building projects in the NHS to create the world-class University College Hospital, which was handed over to UCLH in two phases in 2005 and 2008. In April 2012 UCLH opened the third phase of development – the new University College Hospital Macmillan Cancer Centre. Robert was awarded a knighthood for services to healthcare by Her Majesty the Queen in the New Year Honours List 2008. He has been a chairman of a number of national and regional committees and was awarded an honorary doctorate by Greenwich University in 2009.

Dr Geoff Bellingan – Medical director, surgery and cancer FCC/PC/QSC

Geoff Bellingan was appointed as medical director in September 2009. He trained as a chest physician and then in intensive care in which he has been a consultant at UCLH since 1997. He obtained his PhD studying inflammatory cell biology as a Medical Research Council training fellow at the University of Edinburgh and received a clinician scientist award to continue his research at UCL. He was appointed as a professor in intensive care medicine at UCL in 2015 and leads on several multinational clinical trials in acute respiratory distress syndrome and critical care. Geoff has a strong interest in medical leadership. He became divisional clinical director for theatres and anaesthesia in 2006 and from 2008-09 he was divisional clinical director for emergency services. As medical director for surgery and cancer, Geoff has a particular interest in the strategic plans for cancer care across north and east London, working closely with London Cancer, Macmillan and a number of other major partners, that led to the successful UCLH cancer vanguard application and the award of a National Cancer Vanguard in partnership with Manchester cancer (the Christie

Hospital), Royal Marsden and partners and UCLH cancer (spanning North Central and North East London and West Essex). Geoff is also the senior responsible officer for the new Phase 4 project which incorporates one of the UK's first two NHS Proton Beam Therapy units, expansion of theatres and a new cancer hospital. He was recently appointed to the council of the London Senate.

Dr Jonathan Fielden – Medical director, medicine FCC/PC/QSC

Jonathan joined UCLH in July 2012 from The Royal Berkshire NHS Foundation Trust where he was medical director from 2009–12, care group director, Urgent Care (2011-12) and director of medical education and development (2008–10). He is also a consultant in intensive care, having been appointed as a consultant in anaesthesia and intensive care medicine in Reading in 1998. He trained in Bristol, Sydney, and Portsmouth and Southampton and has developed a strong interest in medical leadership, health policy and models of care designed around and for patients promoting integration and enhancing value. He also sits on a number of national committees advising in the area. Jonathan has held national positions within the Royal College of Anaesthetists and the BMA (where he was deputy chairman, 2004-06 and chairman, 2006-09, of the Central Consultants and Specialists Committee). He has worked with the Department of Health, ministers and secretaries of state on the Payment by Results initiative, medical leadership, quality as part of the NHS Future Forum, the national stakeholder group and the NHS Top Leaders programme.

Jonathan has recently been appointed Director of Specialised Commissioning and Deputy National Medical Director at NHS England, and left UCLH in March 2016.

Dr Gill Gaskin – Medical director for specialist hospitals FCC/PC/QSC

Gill Gaskin was appointed medical director of the Specialist Hospitals Board in January 2010, leading clinical services at the NHNN, the HH (prior to the transfer of cardiovascular services to Barts Health), the EDH, the RNTNEH and in women's health and paediatric and adolescents. Gill graduated from Cambridge and trained in renal and general medicine at Hammersmith Hospital and the Royal Postgraduate Medical School, completing a PhD on the biology of systemic vasculitis. Between 1995 and 2010 she held consultant-level posts at Imperial College, Hammersmith Hospitals and Imperial College Healthcare Trusts, with additional responsibilities as director of postgraduate medical education and professional development, clinical director and latterly director for the medicine clinical programme group. She was renal training programme director for North London for four years and was also a member of the London Workforce Advisory Forum. Gill is a member of the Faculty of Medical Leadership and Management and is a participant in the NHS Top Leaders Programme.

Neil Griffiths – Deputy chief executive FCC/PC

Neil Griffiths was appointed deputy chief executive in June 2014. Neil has over 20 years hospital management and leadership experience having joined the NHS from Bristol University in 1992. He has held operational, commercial and strategic roles in a number of different hospitals, including Lewisham, St Mary's (now part of Imperial), East Kent, and the Royal National Orthopaedic. Neil also previously worked at UCLH between 2003-08. In addition to his NHS hospital experience Neil has spent the last six years working in the private healthcare sector and most recently as a member of the healthcare management consultancy team at McKinsey & Company. Neil helped develop the McKinsey Hospital Institute in the UK which was created to support NHS hospitals identify improvement opportunities and with the delivery of change and productivity programmes. As well as a number of functional leadership responsibilities, an important component of the role of deputy CEO is the development of the uclh future programme.

Tim Jaggard – Interim finance director FCC/IC

Tim was appointed as Interim Finance Director at UCLH in July 2015, following a five year period as our deputy finance director. He joined UCLH from the Whittington where he was deputy finance director for two years. Prior to this Tim held senior finance positions in the areas of service line reporting, patient level costing, commissioning and financial management following graduation from the NHS graduate training scheme in 2006. He has a degree in Psychology from Cambridge which was followed by further study at the Judge Business School.

Professor Tony Mundy – Medical director, corporate QSC

Tony Mundy has been a medical director since 2001. Since November 2006 he has been the corporate medical director with UCLH-wide responsibility for quality and safety and for research and development. He is the UCLH responsible officer for the revalidation of doctors under the GMC registration regulations. He was previously clinical director of urology and nephrology and then medical director for medicine and surgery from 2001 to 2006. Tony is a professor of urology in the University of London and director of the Institute of Urology.

Flo Panel-Coates – Chief nurse QSC/PC

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

Board members who stood down during the year

Richard Alexander – Finance director FCC/IC

Richard Alexander joined UCLH in April 2007 from Oracle Corporation, one of the world's largest software companies. Richard has a mathematics degree from the University of Oxford and is a chartered management accountant. Richard left UCLH to become finance director at Imperial College Hospital NHS Trust in August 2015.

Professor Sir Alasdair Breckenridge – Non-executive director FCC/PC/QSC/RC

Alasdair Breckenridge joined the Board in November 2012 and stood down in December 2015. Before taking the role he had been chairman of the Medicines and Healthcare Products Regulatory Agency from 2003 until the end of December 2012, and was previously Professor of Clinical Pharmacology at the University of Liverpool. Between 1987 and 1999 he was a member, or chairman, of local and regional health authorities in the north west of England, including chairman of the North West Regional Office.

Professor Katherine Fenton OBE – Chief nurse

Katherine Fenton was appointed as chief nurse in January 2011. Previously she was director of clinical standards and workforce/chief nurse at South Central Strategic Health Authority. Katherine retired in January 2014 but continued to cover the chief nurse role on a part time basis until April 2015. She attended one Board meeting while still in post.

Professor Sir John Tooke – Non-executive director

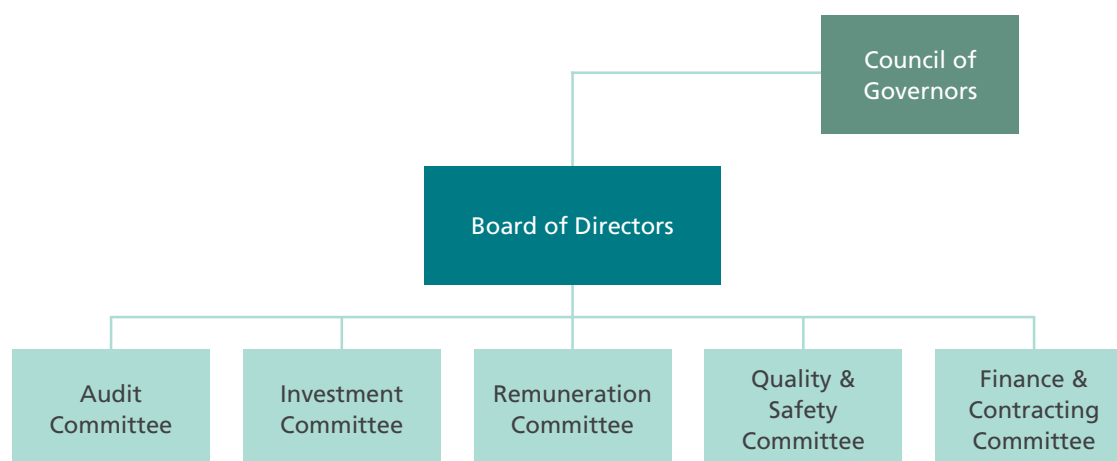
John Tooke joined the Board in February 2010 and was reappointed for a second three-year term in 2013. He was vice-provost (Health) at UCL and head of the UCL School of Life and Medical Sciences. John was a past chair of the Medical Schools Council and the UK Healthcare Education Advisory Committee. In 2011 he was elected president of the Academy of Medical Sciences. John stood down from the Board in August 2015 on his retirement as UCL vice-provost (Health).

Board meetings and committees

The Board agenda is set by the chairman. The agenda includes reports from the standing committees of the Board. During the year it also received presentations focusing on safety including sepsis and management of pressure ulcers. Patient stories were also presented to the Board. Both help to assure the Board that the organisation is focused on the key objectives to improve safety, outcomes, and experience.

The Board committee structure is set out below. Terms of reference set out the responsibilities of each committee and this structure monitors and provides assurance to the Board on the delivery of our objectives and other key priorities.

Figure 2: Board Committee Structure



*UCLH has a Treasury Group that meets as required

Table 19: Director attendance at the Board and the council

Non-executive Director	Board	Council	Executive	Board	Council
Richard Murley	12/12	4/4	Robert Naylor	12/12	4/4
Alasdair Breckenridge	6/9	1/2	Richard Alexander	4/4	1/1
Harry Bush	12/12	2/4	Geoff Bellingan	12/12	3/4
David Lomas	4/6	1/2	Jonathan Fielden	12/12	4/4
Rima Makarem	12/12	0/4	Gill Gaskin	12/12	1/4
Kieran Murphy *	11/12	1/4	Neil Griffiths	12/12	2/4
John Tooke	2/6	0/2	Tim Jaggard	8/8	3/3
Diana Walford	9/12	1/4	Tony Mundy	6/12	1/4
Diana Walford	9/12	1/4	Tony Mundy	6/12	1/4
Caspar Woolley	12/12	4/4	Flo Panel-Coates	11/11	2/4

*Contributed to discussion by telephone in the confidential part of the Board meeting which he did not attend in person.

Audit committee

Membership comprises four independent non-executive directors (including the committee chair) selected for their skills and experience. The audit chair has significant audit committee experience. Two members have substantial financial expertise and one is a distinguished medical expert.

External auditors, Deloitte LLP; Baker Tilly, the counter-fraud specialists; and the finance director; deputy chief executive; and trust secretary are in attendance at all meetings. TIAA Ltd was appointed as internal auditors from 2015/16 replacing Baker Tilly; their representatives also attend the meetings. Other executive directors and senior managers are invited to attend when necessary and the chief executive attends annually when the committee reviews the financial statements

The committee met seven times per year to discharge its duties. It reviews the adequacy and effectiveness of the systems of integrated governance – corporate, clinical and financial; and of internal control and risk management in place to support the achievement of the UCLH objectives. Its responsibilities are set out in its terms of reference; these can be found on our website.

Table 20: Members' attendance at Audit Committee

Member	Attendance
Rima Makarem	7 of 7
Harry Bush	7 of 7
Kieran Murphy	6 of 7
Diana Walford	7 of 7

The committee is well-placed to fulfil its assurance role. Members are familiar with the work of other Board committees: finance and contracting; investment and quality and safety. This broad coverage of knowledge strengthens its effectiveness.

During the year the committee approved an internal audit plan and received reports from TIAA on risk and assurance; temporary staffing; financial awareness; financial systems; financial control; data quality and compliance issues, for example management of DNAs. It reviewed the appropriateness and implementation of management's response to the findings.

The head of internal audit opinion has given a reasonable assurance there is adequate and effective management and internal control processes to manage the achievement of the organisation's objectives.

Deloitte LLP presented quarterly reports on the financial statements and additionally the committee reviewed key areas of judgement in both financial and non-financial reports including revenue recognition and related bad debt provisions, capital expenditure, valuation of land and buildings, financial performance including going concern and value for money areas including quality indicator breaches, operational reconfiguration and pathology joint venture performance. [The committee received Deloitte's conclusions from its audits of the 2015/16 quality report and annual accounts and considered the annual report and annual governance statement before submission to the Board for approval.]

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

The committee held two workshops to gain a deeper understanding of cyber security and nursing recruitment issues respectively and held an annual risk session jointly with Board members to discuss the strategic risks facing the UCLH.

The external and internal audit partners and the local counter-fraud specialist have direct access to the committee; the committee members held private meetings with both the external audit partner and the head of internal audit during the year.

External auditors

Deloitte LLP have been our external auditors since 2011/12. UCLH retendered its service during 2015/16 utilising a cost effective procurement framework. The Council appointed Deloitte LLP for a three year term commencing with the 2016/17 audit with an option to extend for a further two years.

The auditor's opinion and report on the financial statements is on page 152. It is also in the quality report.

Deloitte may also provide non-audit services with the agreement of the committee and the council of governors; they did not provide any other services during 2015/16.

The total cost of the external audit of the financial statements and quality report for the year was £153,600 (£170,000 in 2014/15).

Remuneration committee

The Remuneration Committee (RC) sets pay and employment policy for the executive directors and other senior staff designated by the Board, and considers the performance of the executive directors. The RC sets remuneration with due regard to benchmarking information and survey data of other comparative senior posts within the NHS sector. All non-executive directors listed under Board of Directors (see page 57) are members of the RC and the committee is chaired by Richard Murley, chairman of the Board. The RC met on two occasions in 2015/16, on 10 June 2015 and 13 January 2016, to consider recommendations on remuneration.

Richard Murley, Harry Bush, Kieran Murphy and Diana Walford attended both meetings. Rima Makarem, and Casper Woolley attended the meeting in June. David Lomas attended the meeting in January. Ben Morrin, the workforce director, attended both meetings and Sir Robert Naylor, the chief executive, attended one meeting in an advisory capacity. Details of salary and pension entitlements for the directors of UCLH are set out in the remuneration report section on page 34.

Finance and contracting committee

The finance and contracting committee provides oversight and scrutiny of all aspects of financial management and assurance to the Board on the management of financial risk. To achieve its aims, the committee examines financial performance and reviews costing and benchmarking work. It also oversees UCLH's approach to contracting and considers longer-term financial performance and planning issues.

The FCC met 10 times in 2015/16.

Investment committee

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

The committee met eight times during the year.

Quality and safety committee

The quality and safety committee (QSC) is responsible for ensuring that effective arrangements are in place for the oversight and monitoring of all aspects of clinical quality and safety, including identifying potential risks to the quality of clinical care. The Board relies on the committee to provide advice on clinical quality, patient safety and risk and for assurance on areas of clinical governance and audit. It focuses on promoting a culture of openness and organisational learning. On behalf of the Board, it reviews compliance and receives assurance in meeting regulatory standards set by the CQC.

The QSC met 11 times in 2015/16.

Board, committee and directors' evaluation

The Board considers that it has the sufficient knowledge and experience to fulfil its statutory duties. Each director's expertise demonstrates the balance of skills on the Board as appropriate to the requirements of UCLH. To help the Board assure itself in this regard it undertakes a self-assessment of its governance practices. During 2015 it completed this review in line with Monitor's well-led framework.

In November 2015, an external advisory firm completed an independent evaluation of the Board and its committees in line with the Monitor 'well-led framework'. The evaluation indicates that the Board is generally performing well, with good interaction between Board members.

All directors have an annual appraisal. The council's nomination and remuneration committee is in the process of conducting the chairman's appraisal. This is conducted jointly by a governor and the vice-chair of the Board following consultation with governors and Board members. The outcome will be presented to the council at its meeting in July 2016.

The chairman assesses the performance of the non-executive directors and will report the outcome to the nomination and remuneration committee in June.

The chief executive reviews the performance of the executive directors and, following discussion with the non-executive directors, the chief executive is appraised by the chairman. The outcome of these appraisals is reported to the Board's remuneration committee.

Director expenses

For 2015/16 the total amount of expenses claimed by eight directors was £12,765.45.

Contacting the Board

To contact the Board there is a dedicated email address, directors@uclh.nhs.uk, as well as a telephone and postal address; details are published on the UCLH website.

Statement of compliance with the code of governance

The NHS Foundation Trust Code of Governance (most recently revised in July 2014) contains recommendations to assist trusts in improving their governance practices. It covers matters relating to directors, governors, audit, effectiveness and relationships.

UCLH has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. Our approach to how we meet the code is described throughout the report and a summary of where the detail can be found of those issues we are required to disclose is listed in table 21 on page 66. Where any explanation is required this is set after the table with the reason specified.

The disclosures set out in the NHS Foundation Trust Code of Governance

Table 21 (refers to statement of compliance with the code of governance)

Code reference	Section	Page/s
A.1.1.	Set out in the leadership team, role of the council and A.4.1 below	57 and 55
A.1.2	Set out in the board members and board meetings and committees	57 and 62
A.5.3	Set out in who are the council	52
Additional requirement	Set out in tables 16, 17 and 18	53, 54 and 56
B.1.1	Set out in the Board members	57
B.1.4	Set out in the Board members	57
B.2.8	Set out in nomination and remuneration committee and non-executive appointment panel	56
B.2.10	Set out in nomination and remuneration committee and remuneration committee	56 and 64
B.3.1	Set out in Richard Murley, chairman	57
B.5.6	Set out in our membership	51
B.6.1/6.2	Set out in Board, committee and directors' evaluation	65
C.1.1	Set out in statement of directors' responsibility	25
C.2.1	Set out in key strategic risks to delivery of our priorities and in the annual governance statement	26 and 70
C.2.2	Set out in audit committee	63
C.3.5	Not applicable, the council accepted the audit committee recommendation	
C.3.9	Set out in audit committee and external auditors	63 and 64
D.1.3	Set out in remuneration report	34
E.1.4	Set out in contacting the governors and contacting the Board	56 and 55
E.1.6	Set out in how the council works	55
E.1.8	Set out in our membership and our membership development strategy	51 and 52
Additional requirement	Set out in members of UCLH	51
Additional requirement	Set out in our council of governors, register of interests (available on UCLH website)	52 and 55

A 4.1 The Board has not appointed a SID. It considers it has effective processes in place to raise issues of concern other than through the normal route of chairman or chief executive. UCLH has a vice-chairman and an elected lead governor to act with 'independence of mind', both of whom provide a channel through which directors and governors would be able to express concerns. The lead governor also acts as the main point of contact between Monitor and the other governors for any communication that might, in very specific circumstances, be necessary.

B1.2 The Board considers all its non-executive directors to be independent in both character and judgement, with the exception of Professor David Lomas, vice provost of UCL, who holds an honorary contract with UCLH. Despite this, we believe that Professor Lomas can bring an objective opinion to matters relating to UCLH business.

B.6.3 See Section A.3.3 above, the Board has not appointed a SID. The Chairman's annual evaluation is undertaken jointly by a governor (chair of the council's nomination and remuneration committee) and the vice chairman (a non-executive director).

B.5.6 Governors have canvassed the opinion of the members and stakeholders on the forward plan through its publications and have held a members meeting and have engaged with the community on key strategic developments. A slide pack on the forward plan is on the UCLH website.

UCLH partially meets the provision in D.2.3 relating to the market-testing of remuneration levels for non-executive directors and the chairman. UCLH participates in NHS Providers remuneration surveys and other industry benchmarking exercises. However, it would approach advisors were it to consider a material change to remuneration.

Regulatory ratings

In 2015/16 our governance rating was assessed as green (no governance concern) for Q1. At Q2 the rating was changed to “under review – requesting further information” and we retained that rating in quarter three and four. This rating was driven by our performance against a number of cancer targets across 2015/16. In Q3 Monitor also cited our performance against the A&E standard as a reason for placing us under review. These issues are set out in more detail on page 17 in this report. We have detailed action plans in place to recover our A&E and cancer performance.

As part of our 2015/16 planning, we declared expected risks against a number of cancer standards for Q1 and Q2 against one of the RTT standards (the admitted completed pathways standard) in Q1. We projected achievement of all other standards. We were correct that the risk on RTT performance was contained to a single standard in Q1. We did however underperform against cancer standards across the full year and did not meet the A&E four-hour target in Q1, Q3 and Q4.

Table 22a

2015/16	Q1	Q2	Q3	Q4
Continuity of service rating	3			
Financial sustainability risk rating		2	2	
Governance rating	Green	Under review-requesting further information	Under review-requesting further information	[to follow, but update not usually available until May. Likely to be “under review” still]

Table 22b

2014/15	Q1	Q2	Q3	Q4
Continuity of service rating	3			
Governance risk rating	Green	Green	Under review	No evident concerns

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

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

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

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

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;

- prepare the financial statements on a going concern basis; and
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance

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

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



Sir Robert Naylor
Chief Executive

25 May 2016

2.4 Annual governance statement 2015/16

Scope of responsibility

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

The Board of Directors (Board) is accountable for internal control. I have overall accountability for risk management in the UCLH. The control of risk is defined in the management roles of the Executive Directors, particularly the corporate medical director who leads on clinical risk and the medical directors of the medicine, surgery and cancer, and specialist hospitals boards, who have responsibility for the delivery of operational services. Levels of accountability and responsibility are set out in the UCLH risk management strategy and risk management policy and procedure. The risk register and risk process is overseen by the risk coordination board (RCB), an executive subcommittee chaired by the deputy chief executive, reporting to the Executive Board (EB).

To ensure that risk management is not seen only as an issue to be addressed within UCLH, working arrangements are in place with stakeholders and partner organisations, including with clinical commissioning groups (CCGs) and NHS England (together our commissioners for specialist services), University College London (UCL) and other key partner organisations to provide a comprehensive range of clinical and non-clinical support services. These cover both operational and strategic issues such as service planning, performance management, research, education and clinical governance. The risk management strategy and risk management policy/procedure define the process for capturing risks both locally and strategically. UCLH's risk appetite is defined in the strategy.

A board assurance framework (BAF) has been used in UCLH for eight years. The central purpose is to set out our strategic themes for the year, identify

principal risks against them, the controls and any gaps in control, the assurances and gaps in assurances, and the action plans to remedy such gaps. The BAF is reviewed quarterly by the RCB, EB and the Board.

Processes for auditing and monitoring clinical activity are in place in all the clinical divisions. Clinical processes are updated when national guidance is published or in response to adverse events and national safety notices, the latter via the central alerting system (CAS), which is monitored via the patient safety and risk steering group. Subcommittees of the quality and safety committee (QSC) monitor implementation of NICE guidance and recommendations by the National Confidential Enquiry into Patient Outcome and Death (NCEPOD) and the corporate audit programme. Standard clinical data sets are established, including areas of performance such as readmissions. These are assessed on a monthly basis by the QSC to provide assurance on clinical outcomes and to identify any emerging risks for further investigation and action.

The audit committee reviews risk and control-related disclosure statements prior to endorsement by the Board, and the effectiveness of the management of the principal strategic risks identified by UCLH.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of UCLH, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in UCLH for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

The system of internal control is based upon a number of individual controls, for example policies and procedures covering important business activities, how staff are appointed and managed, the standing orders, standing financial instructions and scheme of delegation that are used to govern UCLH. In addition there are checks and balances inherent in internal and external audit reviews, EB and Board oversight.

Capacity to handle risk

The Executive Board brings together the corporate, financial, workforce, clinical, information and research governance risk agendas. The BAF ensures

that there is clarity over the risks that may impact UCLH's ability to deliver its strategic themes together with any gaps in control or assurance.

There are internal processes to ensure that incidents which fit the national criteria for serious incidents are reported on the Department of Health Strategic Executive Information System (STEIS). The QSC has oversight of serious incidents. A quarterly report on serious incidents is provided to the Board and a monthly update and quarterly report to commissioners.

The deputy chief executive is the operational executive lead for risk management and chairs the RCB. The RCB enables clinical risk management and corporate risk issues to be brought together to be considered and reported jointly. The process of identification, assessment, analysis and management of risks and incidents is the responsibility of all staff across UCLH and particularly of all managers. Their roles and responsibilities are clearly detailed in UCLH's risk management policy and procedure.

Board members receive training in risk management and an overview of the risk systems. Staff receive online training in risk at induction. The risk manager also provides one-to-one and group training as required. Guidance on risk management is available on the UCLH's intranet. Good practice is shared through the RCB.

The risk and control framework

The risk management strategy and risk management policy and procedure are available to all staff on the UCLH intranet. UCLH uses Datix risk management software as a repository for risks. Datix assists in the production of risk reports and helps staff manage local risk registers. Risk reports, including the top risks, are reviewed quarterly by the RCB and EB with oversight from the audit committee.

UCLH reviews the most significant risks and the associated risk management plans based on the highest-graded risks on the risk register. The RCB reports to the EB after each meeting. The audit committee and the Board consider a risk report and a BAF report on a quarterly basis.

The Audit Committee oversees and monitors the performance of the risk management system. Internal audit (TIAA) and external audit (Deloitte) work closely with this committee and undertake reviews and provide assurances on the systems of control operating within UCLH. Internal audit has confirmed that UCLH has had a well-functioning assurance framework in place throughout 2015/16 and that there has been suitable management and committee scrutiny of the BAF and the risks, controls

and assurances contained within it.

The risk procedures define what risks need to be escalated to the next management level as well as defining the level of risk which must be referred to the RCB and the Board. Risks are classified as low, moderate, high and very high, based on a consequence and likelihood matrix approved by the Board. Our risk appetite is such that any very high risks are managed at clinical board level or by the Board and high risks are managed at divisional level. All risks with a major or catastrophic potential impact are reviewed and are central to the reports considered by the RCB, the EB and the Board.

The QSC is responsible for ensuring that effective arrangements are in place for the oversight and monitoring of all aspects of clinical quality and safety and UCLH's top priorities, including identifying potential risks to the quality of clinical care. The Board relies on the QSC to provide advice on clinical quality and risk and for assurance on areas of clinical governance and audit. The QSC focuses on promoting a culture of openness and organisational learning from incidents, complaints and patient feedback, and ensures that feedback from patients and other stakeholders is used to inform policy and practice.

In compliance with the regulations of the Health and Social Care Act, UCLH has registered 11 locations and nine registerable activities, approved by the Board.

Internal audit and counter fraud activities

The results of internal audit reviews are reported to the audit committee, which takes a close interest in ensuring system weaknesses are addressed. Improved procedures are in place to monitor the implementation of control improvements and to undertake follow up reviews where systems were deemed less than adequate. An internal audit tracking system is in place which records progress in implementing the recommendations by management. Management's progress in implementing corrective action is reported to the audit committee and the Executive Board also receives regular reports on outstanding high and medium issues. The counter fraud programme is led by the finance director and monitored by the audit committee.

Information governance

UCLH has an information governance group (IGG) which is chaired by the Caldicott Guardian. This group reports to the information and communications technology strategy board (ICT SB). The ICT SB reports to the Executive Board and is chaired by the deputy chief executive, who is the senior information

risk officer (SIRO) for UCLH. The IGG and ICT SB oversee our information governance toolkit annual assessment and action plan. Through this governance structure, UCLH's information governance statement of compliance (IGSoC) is assessed on an ongoing and annual basis. UCLH is compliant with the IGSoC control requirements.

The toolkit includes a requirement to undertake an annual "data mapping" exercise to assess all routine data flows within UCLH and between ourselves and any third party. The output of this exercise was fed into our risk management framework. We are making good progress in determining its IG toolkit attainment levels and collating the relevant documentation and evidence to support its attainment levels. The IG toolkit overall assessment score for version 13 is 77 per cent (compliant).

Data security risks are managed via an information governance framework, which comprises an information governance policy, related policies and guidance and the IGG. In particular, the information risk policy sets out a structured approach to information risk management which is integrated with our broader risk management arrangements. This includes the appointment of the SIRO, information asset owners and information asset administrators. The IGG developed a draft information risk management strategy. This sets out specific pieces of work that we will complete over the next two years, including; implementing secure email, developing a mechanism for capturing patient's consent/decisions electronically and implementing a robust patient engagement communications campaign.

Information risk identification is supported by the maintenance of an information asset register and regular information mapping exercises. Any significant risks identified from these processes are included in UCLH's risk register and will be subject to formal management attention.

UCLH operates in a complex environment and exchanges data with a number of organisations. We therefore continue to prioritise activities to reduce the risk of data loss or accidental disclosure of personal data. The information governance policy and guidance are continually reviewed and training and awareness raising programmes target all UCLH staff. Information governance training includes an assessment of understanding of key aspects of policy and assessment scores indicate the success of awareness raising activities. Strengthened technical controls will result in a reduction of risk of specific types of data loss, for example preventing the use of unencrypted memory sticks. There have been six Level 2 serious incidents reported through the

information governance incident reporting tool 2015/16. Of those reported, five have been considered by the Information Commissioner's Office (ICO) and a decision made to take no further action. At the end of the financial year one report is awaiting ICO review.

Major risks

UCLH has described the principal strategic and operational risks that it faces in the annual report. The principal current strategic risks relate predominantly to financial risks – in particular the risk that unachievable efficiency targets are imposed on UCLH and are greater than those assumed in the trust's financial model (or are greater than can be achieved through our uclh future and cost improvement programmes), together with the risk that the trust will not be paid appropriately for the complex, specialist work that is undertaken, and the risk of non-payment for activity by commissioners.

With regard to operational risks the principal current risk is identified as follows:

- Emergency Department flow - risk of insufficient capacity (in terms of beds, theatres, outpatient and diagnostic resources) to meet the four-hour Accident and Emergency target. Despite the pressures, UCLH has performed well, but this will continue to be an area that is closely monitored.

All the above are current risks to UCLH, but are also expected to continue into the future. The risks associated with financial pressures in the NHS are expected to increase, and in particular there is a risk that planned developments, including new hospital buildings and investment in a new electronic health records system to support UCLH's plan to improve efficiency, are not able to deliver benefits as planned.

Foundation trust governance requirements

The Board sets the strategic direction of UCLH and is responsible for overseeing its performance. It has governance structures and procedures in place to manage the organisation including oversight committees and an Executive Board. The Board agrees its strategy and objectives annually, which are set out in the annual report. The council of governors has received a regular update on clinical and financial performance and reports relating to service delivery. Governors also input to the annual plan and met with the non-executive directors during the year. This enables the governors to discharge their duties.

The Board is collectively responsible for the performance of UCLH. Its focus is on patient safety, outcomes and experience, operational performance and financial probity, strategic direction, corporate and clinical governance and internal control. It has five oversight committees: audit, finance and contracting, investment, quality and safety and remuneration, each chaired by a non-executive director, and it receives reports from each of these committees. More detailed information on the coverage of these oversight committees and the attendance records of members of each can be found on page 62 of the annual report. The Board also reviews the risk register and BAF (previously described above) and receives a report from EB. This oversees delivery of the operational service and reviews performance against financial, workforce and clinical indicators monthly.

UCLH has a clinical leadership model delivered through four medical directors and its chief nurse. Three of the medical directors manage the operational service through three clinical boards and 17 divisions supported by corporate functions such as finance and workforce.

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

Each of the key issues (governance measures, quality, activity levels and efficiency) are discussed at specific sub-board meetings and form sections within the Board performance report. Quality, waiting times and data quality are all reviewed at the performance board, membership of which includes senior leaders from all clinical boards, nursing and midwifery, workforce, quality and safety and performance.

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

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

The Board can self-certify the validity of its corporate governance statement. The process for reviewing the effectiveness of the system of internal control has been reviewed by:

- The Board, who have considered the risk report and the management of risks to the delivery of the objectives set out in the BAF
- The audit committee, which has reviewed governance and risk management policy

and monitored the implementation of these arrangements

- The QSC which has reviewed compliance against the CQC standards, reviewed clinical audit and clinical governance arrangements
- A number of compliance self-assessments including from the finance director which provide assurance on financial performance and the opinions and reports of both internal and external audit.

Stakeholder involvement in risk management

UCLH also engages with a wide a diverse public and stakeholder community in a number of ways including:

- **Governors:** the council receives Board minutes, the BAF and Board performance report and each of the following Trust committees (Patient Experience Committee, Nursing and Midwifery Board, QSC and Clinical quality review group (CQRG)) has a governor representative. They also participate in governor walkrounds.
- **Public/Patients:** council and annual members' meetings; MembersMeets; community events; local overview and scrutiny committees; national and local patient surveys; patient forums and patient focus groups; exhibitions and mail outs; patient advisory liaison service and UCLH News (members' magazine)
- **Staff:** annual staff survey; CEO roadshow; joint staff forum; team brief; executive and non-executive walkrounds; and Inside Story (staff magazine)
- **Health Partners:** CQRG; integrated care board; GP practice relationship visits and GP newsletter; GP engagement events, quarterly stakeholder bulletin; joint strategic planning meetings; and cancer service planning groups.

Stakeholders attend meetings and are involved in UCLH, which gives them opportunities to raise issues relating to risks that impact upon them. In addition, we actively works with external stakeholders and partner organisation, for example with UCLPartners, other health providers (such as Barts Health in relation to the transfer of cardiac services from UCLH to Barts Health), and our joint venture partners. Risk management is a key part of these partnerships, and the Trust actively engages in the identification and management of risks in relation to each.

UCLH also engages with a diverse community in a number of ways, including:

- **Governors:** The council receives Board minutes, the BAF and Board performance reports and each of the following committees (patient experience committee, nursing and midwifery board, QSC and clinical quality review group (CQRG)) has a governor representative; they also participate in governor walkrounds.
- **Public/patients:** Council and Annual Members' Meetings; MembersMeets; community events; local overview and scrutiny committees; national and local patient surveys; patient forums and patient focus groups; exhibitions and mailouts; patient advisory liaison service and UCLH News (members' magazine)
- **Staff:** annual staff survey; CEO roadshow; joint staff forum; team brief; executive and non-executive walkrounds; and Inside Story (staff magazine)
- **Health partners:** CQRG; integrated care board; GP practice relationship visits and GP newsletter; GP engagement events, quarterly stakeholder bulletin; joint strategic planning meetings; and cancer service planning groups.

Other control measures

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 UCLH's obligations under equality, diversity and human rights legislation are complied with. Equality impact assessments are carried out for all new service developments and when reviewing policies.

Risk assessments are undertaken and carbon reduction delivery plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the adaptation reporting requirements are complied with.

Economy, efficiency and effectiveness of the use of resources

Monthly finance and performance reports are presented to the finance and contracting committee, Executive Board and to the Board. UCLH has reported a financial position adverse to its original 2015/16 plan but within the forecast presented to Monitor from Q1 onwards.

Internal audit reports consider value for money and Deloitte are required as part of their annual audit to satisfy themselves that UCLH has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if in their opinion UCLH has not.

Quality report

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

There are a number of assurances and controls in place to ensure the quality of data within the quality report, including:

- Clearly defined corporate indicators for data quality
- Data quality indicators and reports monitored, validated and provided to clinical divisions
- Guidance on data quality in the data capture policy and access policy
- Performance is monitored at Executive Board and QSC
- Clinical boards monitor and manage performance
- Clinical and quality data is reported to the Board and scrutinised and challenged at Board subcommittees, including an annual review of controls and assurances for CEO performance report metrics. UCLH has strengthened its annual data quality assurance report to the Audit Committee with the addition of a kite mark dial assessment for each performance indicator, and will be developing a data quality programme plan for 2016/17
- Data quality is audited internally and externally
- Data quality is scrutinised routinely by commissioners
- External assurance statements on the quality report are provided by our local commissioners, OSC and our local Healthwatch as required by quality account regulations.

UCLH has implemented a comprehensive range of steps to improve elective waiting time data in 2015/16, and has positively responded to the internal audit and Deloitte's recommendations of the referral to treatment (RTT) data quality audit of the quality report for 2014/15. These addressed points in the following areas:

Enhanced patient target list report and functionality: RTT administrative leads are identified in each divisional area as subject matter experts, and validators are located centrally and in clinical divisions to pick up and correct RTT data quality errors. A suite of new RTT data quality indicators are also now embedded within weekly RTT reporting, and these are in the process of being further embedded through the regular RTT PTL meetings and also within the Board performance pack

- More standardised patient target list operational meetings: a key focus in the year has been on improving the recording of, and performance against, RTT targets. RTT performance reports are routinely provided to divisions, the RTT Steering Group and the Board. UCLH also recruited an elective access manager in December 2015. Currently there is both an internal and an external audit on RTT patient pathways underway with audit findings expected in Q1 2016/17. UCLH has also benefited from the review and recommendations of the national intensive support team on RTT, who provided assurance on our RTT logic and reporting processes. A final report from the intensive support team is expected in Q1 2016/17
- A more comprehensive suite of RTT data quality reports, including identification of where errors occurred, to support more helpful end-user feedback and inform re-training: data quality reports are also provided to divisions, together with a validations database to report patient pathways and track data quality tasks and corrections. Data quality indicators will also feature in the Board performance pack. Clinical risk has also been addressed via a specific programme that investigated if any clinical harm has been caused by these data quality errors. No clinical harm was found
- Improved training courses: RTT guidance and training materials were developed for staff to help improve controls in this highly complex area. Workshops have been held with clinical division staff with a particular focus on data quality reports. There is also a detailed plan to embed and extend RTT training for key staff.

We undertake extensive validation work on the data underpinning our performance reporting for RTT, six-week diagnostics and A&E access standards. Along with the rest of the NHS, we need to carry out this validation to ensure that data collected by a wide range of clinical and non-clinical staff is put on to our systems accurately and then processed in line with rules that are sometimes complex to follow.

As a result of this validation work and the quality report external audit review we are aware that our reported RTT performance figures in particular will not include all pathways that fall within the remit of the policy, and that the figures also include patient pathways where the patient was no longer waiting for treatment. A quality assurance process carried out by NHS England's intensive support team across 2015/16 has demonstrated that we have made significant progress in tightening our data processing such that we are not systematically excluding or including pathways in error. An internal audit in 2016 and a range of other RTT and 6 week diagnostic waiting times data quality assessments have confirmed that both clinical and administrative data entry errors remain in the management of these pathways. To address these points we continue to develop the following:

- a set of operational reports, implemented across 2014/15 and developed further in 2015/16, which help clinical teams closely manage waiting lists
- operational meetings at all levels of the organisation to ensure that waiting lists are scrutinised at least weekly
- a suite of data quality reports, including identification of where errors occurred, to help operational teams pinpoint issues
- introduction during 2016/17 of checks of electronic records against paper records to identify any common sources of error
- provision of training for staff to avoid the data quality issues that we find
- support for clinicians in providing the information needed to manage patients along their RTT, diagnostic and emergency pathways
- continuing to improve the information that trusts give us about the early stages of pathways for the patients they refer to us for care.

In addition, we need to carry out a rapid investigation into the findings of the quality report external audit on A&E waiting times. This audit has identified inconsistencies between electronic systems and paper records for the timestamps of A&E pathway milestones used to calculate waiting times, and we will establish if these inconsistencies have an

impact on the accuracy of our reporting of pathways against the A&E four hour standard. We will also investigate how we might retain a more robust audit trail of how we validate reported breaches of the A&E 4 hour standard.

The Board has regularly reviewed the Trust's performance on RTT, diagnostics, A&E and cancer access standards. It has also discussed the findings of previous internal and external audit reports and the Trust's plans in response to them. The Audit Committee reviews, on behalf of the Board, data quality issues to give the Board assurance that performance can be understood and managed, whilst recognising the need for data and its sources to be constantly reviewed and ongoing improvements needed, for example those set out above.

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

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed primarily by those managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework, supplemented by the work of the internal auditors and clinical audit. I have drawn on the content of the quality report attached to this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. The Board, the audit committee and QSC review plans to address weaknesses and ensure continuous improvement of the system is in place.

UCLH reviews its effectiveness of the system of internal control through Executive Directors and managers within the organisation, who have responsibility for the development and maintenance of the system of internal control and the Board Assurance Framework. The responsibility for compliance with the Care Quality Commission standards is allocated to lead Executive Directors who are responsible for maintaining evidence of compliance. The assessment of compliance and the work of internal audit through the year have assisted UCLH in gaining assurance on its system of internal control. The results of external audit's work on our annual accounts and quality account are a key assurance together with the results of patient and staff surveys. I have been advised on effectiveness of the system of internal control through reports produced for the QSC, corporate medical director and

the audit committee, and plans to address weaknesses and ensure continuous improvement of the system are in place.

UCLH, in common with most providers across the NHS, faces an unprecedented financial challenge over the coming years, particularly in relation to the level of reimbursement for specialist services in the light of growing demand for healthcare. We have started a major transformation project to help us meet these financial challenges whilst improving the patient care we provide.

The Board has played a key role in reviewing risks to the delivery of our performance objectives through monthly monitoring and discussion of the performance dashboard, which reports performance in the key areas of finance, activity, national targets, patient safety and quality and workforce. This enables EB and the Board to focus on key issues as they arise and address them. The Board request specific in-depth reports on areas of under-performance as required.

The audit committee has overseen the effectiveness of our risk management arrangements and has taken part in a review of its role and responsibilities.

The audit committee is supported in this oversight role by the work of the QSC and the clinical audit and quality improvement committee which reports to the QSC.

The head of internal audit opinion has given a reasonable assurance there are adequate and effective management and internal control processes to manage the achievement of the organisation's objectives.

Some concerns were raised by internal audit in 2015/16 on a limited number of audits which they undertook. These findings were in relation to management of and information held in respect of DNAs, discharges, readmissions and the 18-week RTT target.

Action plans are being developed for each of these reviews and the recommendations are included within the action tracker which is regularly updated and reported back to each meeting of the audit committee

A&E four-hour waits

UCLH started the year with very strong performance in A&E, although this has been more challenged from August onwards. Final performance for the year was 92.4 per cent against the 95 per cent standard, which compares to a London and England average of just under 88 per cent.

There is an action plan in place which is monitored at the system resilience group and includes both A&E, wider organisation and wider system actions. High levels of attendances and bed capacity pressures continue to be the main drivers of delays.

UCLH introduced a new A&E front door screening model in mid-February, which was coupled with an increase in ambulatory care capacity in the department. This has not recovered performance, but it has ensured that performance did not dip as much as it could have given the high volumes of attendances and bed capacity pressures experienced in the month.

A&E is working with Camden CCG to introduce a GP redirection service. This would allow appropriate patients to be booked into GP appointments taking some pressure off the department. This requires UCLH to have access to GP booking systems. UCLH has also secured funding from the Better Care Fund to increase step down bed capacity at St Pancras Hospital from 10-17 beds. This will support flow out of the tower although it is dependent on successful recruitment of staff.

A&E has also been working on plans to develop a coordination centre within the University College Hospital Tower. This should improve oversight of capacity and support improved flow. This is due to be operational in October 2016.

62-day cancer wait

UCLH did not achieve the 62-day wait for cancer treatment following GP referral in any quarter. The majority of the breaches related to late referral, patient choice and medical complexity issues. There were, however, some breaches due to capacity or administrative delays.

In response, UCLH agreed a full recovery plan with commissioners and Monitor which tackles all issues that are having an impact on performance. A key risk remains the relative dependence on the performance of other providers in sending referrals to UCLH in a timescale that enables it to treat patients within the 62-day standard.

Actions in the improvement plan include:

Improved management of cancer waits including a medical director led meeting to review waiting lists and tackle issues causing delays

Introduction of timed pathways in all tumour sites to provide early escalation when a pathway starts to veer from agreed timescales. All tumour sites have been asked to review timed pathways and shorten them to 50 days in order to give more time to manage the more complex patients on those pathways

Use of a new breach root cause analysis process that provides much fuller analysis of breaches, allowing the Trust to better understand all delaying factors on the pathway, not just the primary breach reason. The learning from this is crucial to improving the position

Development of a sector-wide referral protocol that mandates weekly phone calls with all referring trusts

and early sight of all patients likely to breach. Part of this will also monitor the volume of late referrals.

Urology has successfully tackled capacity pressures on the robotic surgery pathway and is now compliant with the 31-day standard for these patients. However, UCLH continues to see some capacity pressures for other urological treatments (HIFU and cryotherapy). These should be resolved this year with the appointment of an additional surgeon.

Plans are in place to bring down waits for first outpatient for suspected cancer referrals to seven days. These are based upon pathway demand and capacity modelling.


Never events

During the year, five serious incidents occurred under the definition set in the never event policy framework (2012) by the Department of Health. One incident involved a retained drill bit (used to guide screws to fix a surgical plate), one involved the epidural line being connected to an intravenous cannula, one involved the wrong site for spinal surgery, one involved the wrong site anaesthetic block, and one involved beginning to drill the wrong tooth. One patient had to undergo additional surgery to remove the retained drill bit but there was no patient harm as a result of the other incidents. Immediate actions have been put in place for all never events to reduce the risk of recurrence and comprehensive investigations have been or are being undertaken.

UCLH takes all such incidents extremely seriously. Each serious incident is individually and carefully reviewed to establish what has happened and if/how controls failed to prevent them occurring. Immediate actions are taken where needed and lessons to be learnt are established and circulated to strengthen controls in future. Learning is shared across UCLH.

Conclusion

No significant internal control issues other than those mentioned above were identified in the year.



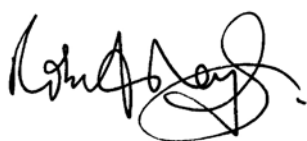
Sir Robert Naylor
Chief Executive

25 May 2016

Statement on the accountability report signed by the chief executive

This accountability report brings together information on our directors, workforce, governance and membership, as well as reports on our work in equality and sustainability.

UCLH has done its best to ensure that, to my knowledge, the information in these sections is true and accurate.



Sir Robert Naylor
Chief Executive

25 May 2016

3 Equality Report

Providing excellent care to all our patients is at the centre of all we do and we are proud that we do this with such a diverse workforce. To recognise the vital interdependencies between the experience of our staff and patients, this year we have chosen to publish our equality report for patients and staff as one integrated document. Our diversity, equality and inclusion agenda has made good progress over the past year and underpins our objective of ensuring excellent patient and staff experience across UCLH.

We always strive to improve and have identified areas to prioritise over the next twelve months to ensure that we reduce discrimination; improve the experience of our patients and staff with protected characteristics; are transparent in our decision-making; identify the impact of our policies and service changes for patients, our staff and the communities we serve; and complete the evaluation of our progress against the Equality Delivery System 2 grading and objective setting process.

The introduction of the Workforce Race Equality Standard (WRES) in 2015 provides a helpful opportunity to focus on what we can do to ensure that our black and minority ethnic (BME) staff are treated as favourably as all other staff so that UCLH can capitalise on the best available talent, draw on the innovation we know diverse teams can bring and keep us connected to the diverse needs of the communities we serve. We know that managing staff with respect and compassion correlates with improved patient satisfaction, better patient outcomes and higher levels of patient safety.

The report sets out the UCLH approach to equality, diversity and inclusion and meets our public sector legal duties outlined in the Equality Act (2010) in meeting the nine protected characteristics:

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

In 2015 we published our first Workforce Race Equality Standard report and developed an action plan to address the areas where black and minority ethnic staff are treated less favourably than white staff. Securing tangible improvements against the Standard is important to us and we thus intend to publicly report against it every six months to transparently outline our progress and priorities for improvement.

We continue to review our staff and patient-focused policies, undertaking an equality analysis assessment in line with guidance from the Equality and Human Rights Commission, updating them accordingly.

In 2015, we aimed to deliver better and more effective patient care that is inclusive, accessible and fair and some of these initiatives are described in this report. We work with different communities to achieve this, focusing on areas where our patients are keen to work with us to enhance care and treatment for people living in vulnerable circumstances: in sheltered and supported accommodation; the homeless and local people and patients with learning, physical, mental and social difficulties disabilities. We have further enhanced targeted specialist services, including our African Women's Clinic and a wide range of services for children and young people. We have created a robust action plan to further improve services for patients with a protected characteristic in line with the Equality Act (2010).

Having a clear profile of our patients and staff helps to advance equality of opportunity and meet the needs of our patients and staff in designing our services and the workplace. Our organisational culture, based on the UCLH values of safety, kindness, teamwork and improving, fosters good relations between different groups that result in more efficient and effective patient care and improved services for the public in a workplace welcomed by staff.

The characteristics of our workforce are broadly consistent with the populations of our local boroughs in London in terms of religion and ethnicity. We have stronger representation of females and staff from a black and minority ethnic background in our workforce than in the local population. This is, in part, due to the nature of the work we undertake and the impact of international recruitment campaigns to recruit new joiners into occupations for which there is a national shortage. The rich mix of our staffing helps us to better identify the needs of our staff and patients.

It is important that senior leadership and management at UCLH is representative of the wider workforce and the local community. There is work to do to encourage, support and develop women and individuals from BME communities so that they are in a position to put themselves forward for more senior roles. Yet we are making progress. Of four director roles recruited to in the last 24 months, two successful candidates are from ethnic minority communities and have since brought valuable experience from beyond the NHS and the UK.

Recording of ethnicity data on the Electronic Staff Record (ESR) has improved but, in order to prepare for the likely introduction of a Workforce Disability Equality Standard in 2017, we shall investigate why we currently have a discrepancy between disability data recorded on the ESR and that self-reported during the annual staff survey. We will look to NHS England for clearer definitions of disability to support that endeavour.

We have made little progress in improving the need to capture data relating to and actions to support transgender individuals and that too shall be a priority. However, the data quality of employee demographics for new starters is now much improved and to assess any remain need, we shall seek its audit in 2016.

The publication of the Workforce Race Equality Standard (WRES) in July 2015 highlighted the need to improve accessibility of senior and leadership positions for staff from a BME background. Listening sessions with BME staff are being held and mentoring and coaching places have been identified for BME staff.

The EDS2 is NHS England's tool to ensure that the legal obligations of the NHS are met under the Equality Act of 2010. Implementation of EDS2 is based on achieving 18 outcomes grouped within four goals, namely:

- Goal 1 – better health outcomes
- Goal 2 – improved patient access and experience
- Goal 3 - a representative and supportive workforce
- Goal 4 - inclusive leadership

The provisional grading of these goals has been undertaken by the Diversity and Equality Steering Group and endorsed by the Executive Board. The Diversity and Equality Steering Group is gathering evidence to support each of the provisional grades in preparation for a governor/stakeholder event in the spring. This will provide an opportunity to discuss and confirm the grades. A detailed action plan is under development and shall be finalised with our partners in April 2016.

Priorities for 2016

We have identified a number of priorities for 2016. These will be defined within the setting of UCLH business plans. The EDS2 and the equality and diversity action plan will be monitored by the Diversity and Equality Steering Group, which will make a regular progress report to the Executive Board.

Patient priorities

- Ensure that data can be collected on all protected characteristics for patients and that multiple disabilities can be recorded
- Develop a video describing a patient's personal journey and experience of treatment within the teenage and young adult ambulatory care setting (residing in a local hotel rather than in hospital while undergoing acute treatment)
- Further develop the teenage and young adult page on the UCLH website, including establishing a closed Facebook page
- Improve access and information for disabled patients to UCLH by completing a disabled access scoping exercise across our main sites (funded by the trustees and conducted by a non-profit making company, DisabledGo). The provision of this access information will not only assist disabled people, but also older people, carers and people with young children. Equally, the information will be of value to people with a temporary illness or mobility issue, who will need to know more about the provision available, and to non-English speakers who can access information in their own language. Work will also to improve access to parking for disabled patients
- Expand Muslim prayer facilities within the chaplaincy area and review access to chaplaincy/prayer facilities for patients and staff on all sites
- Further rollout of a dementia-friendly environment across UCLH
- Ensure that UCLH has a system in place to meet the needs of patients with specific communication requirements by July 2016 to meet the requirements of the NHS England Accessible Information Legislation
- Complete a series of films showing ways to access our services for patients with learning disabilities, and develop work on the care of patients with learning disabilities within both the pain and nutrition teams to improve this aspect of care
- Improve the elective admission pathway for patients with learning disabilities, and develop an e-learning module to widen the numbers of staff receiving training
- Launch the deaf and sensory loss champions in 2016 following a training day workshop, which will see patients and staff learning alongside each other with the same common goal in mind - improving patient experience and access to services at UCLH; further roll out deaf awareness training across UCLH
- Introduce self-booking-in kiosks in maternity to reduce queue wait times
- Develop the maternity internet portal to include links to information leaflets for pregnant women whose first language is not English, so as to ensure equal access of information for all

Workforce priorities

- Complete the EDS2 grading exercise with our stakeholders and develop a comprehensive action plan
- Review the equality and diversity objectives and set out new objectives for the period 2017 to 2020
- Publish the WRES twice each year with a subsequent report to the Board
- Reduce discrimination across all protected characteristics and roll out the “What is discrimination?” programme to areas identified as hot spots
- Identify initiatives to reduce levels of bullying and harassment experienced by staff from all protected characteristics
- Undertake a detailed analysis of formal cases investigated by Employee Relations to understand why staff in lower bands are more likely to go through a formal process
- Review the equality impact assessment process and documentation for policies and service reviews
- Improve the recording of staff demographics relating to disability, sexual orientation, transgender and religion/belief; audit staff demographics recorded on the ESR and implement any actions arising from the audit
- Implement a range of initiatives to improve the experience of staff with specific protected characteristics:

Improve the experience of our BME staff as evidenced in the WRES and staff survey, to include:

- Undertaking market research amongst BME staff at UCLH to better understand why there is a higher incidence of reporting that UCLH does not provide equal opportunities for career progression/promotion amongst this group; and considering what further action can be taken to address this from a policy and/or training perspective, including mentoring and coaching support staff with protected characteristics to enhance their opportunities for promotion including to director-level positions
- Undertaking further analysis of recruitment data to understand whether there are specific areas, bands or staff groups within which a BME candidate is less likely to be appointed at interview and implement actions to address this
- Evaluating our training offering to hiring managers in relation to recruitment and exploring the further development of interview skills training, with a view to improving the proportion of BME staff who are offered a post compared to white applicants
- Undertaking a review of a sample of interview panels to understand whether BME staff are well-represented as hirers and consider whether the policy should be more prescriptive in this respect
- Improve the experience of our disabled staff, who report a significantly worse experience at work via the staff survey in most key findings and developing a detailed action plan for this work
- Improve the experience of our lesbian, gay, bisexual and transsexual staff with a view to entry into the Stonewall Top 100 Employers Index by 2017/18

4 Quality Report

4.1 Statement on quality from the Chief Executive

The provision of the highest quality patient care remains the top priority at University College London Hospitals NHS Foundation Trust (UCLH). This is reflected every year in our annual objectives and in our values of safety, kindness, teamwork and improving.

I am proud of our achievements and the commitment and dedication of our staff who strive constantly to provide high quality, cost effective and compassionate care.

This quality report demonstrates some of these achievements and our priorities for next year. We describe the areas of concern from the pilot Care Quality Commission (CQC) inspection in November 2013 and how we have addressed these and the other areas that we focused on in preparation for the inspection of our core services in March 2016. We have shown significant improvement in many areas and we will work hard in 2016/17 to sustain this improvement and to continue to address significant areas affecting overall quality of care.

The year has been demanding – we have continued to have challenges in achieving the 62 day cancer target. We have made some improvements to reduce the number of delays in waiting times, putting in increased capacity where required and looking at how the pathways for patients can be improved. Along with most other trusts nationally, we have not consistently met the operational standard that 95 per cent of patients in our emergency department be seen within four hours. However, we have performed better than average for London and nationally, particularly in the early part of the year. We have now achieved the referral to treatment target that 92 per cent of patients still waiting for treatment at month end should have waited for less than 18 weeks.

We have seen some important changes as The Heart Hospital became Westmoreland Street following the move of cardiac services to the new Barts Heart Centre. The hospital has been redesigned to accommodate urology and thoracic services pending the development of additional space in Phase 4 on the main UCH site. In December 2015, UCLH became the specialist treatment centre for a number of complex cancers and this will be further developed in 2016.

The uclh future programme aims to rapidly achieve a huge improvement for patients and staff in four key areas: learning, via the UCLH Institute; improving quality and the patient experience; technology and informatics and organisational development.

In December 2015, all regions in England were asked to prepare Sustainability and Transformation Plans (STPs) to show how local healthcare systems, working together could reorganise services to improve public health, transform healthcare (especially of long term conditions) and achieve financial balance. UCLH will be an important contributor to the North Central London STP and a number of our clinicians are already making an important contribution to the provision of more integrated care, working closely with community and mental health providers, with local GPs and with social services.

Financial and service pressures will continue next year as we continue to face very high demand for our services but I am confident that we will maintain our unrelenting focus on the three strands of quality: safety, effectiveness (clinical outcomes) and patient experience.

This quality report contains information on our performance in relation to quality, which by its nature is less precise than financial information and there are acceptable differences in the way in which this type of information is measured. In addition it has had less internal and external scrutiny than the financial information presented in our annual report and accounts.

With this in mind UCLH has done its best to ensure that, to my knowledge, the information in the document is accurate (with the exception of the matters identified in the report including in respect of the 18 weeks referral to treatment incomplete pathway indicator and the A&E Clinical Quality – Total Time in A&E under 4 hours indicator as described on page 118).



Sir Robert Naylor
Chief Executive

25 May 2016

4.2 Introduction

Our quality improvements over the years

Safety

We have implemented a wide range of safety initiatives over the years with a focus on pressure ulcers and falls, risk assessments to help prevent patients getting blood clots, and measures to reduce the risk of acquiring infections while in hospital. In the last year we have signed up to the national campaign to save 100,000 lives (Sign up to Safety: see page 109) and our priorities have been safer surgery, identifying patients who are deteriorating and sepsis. For the last two years we have had an additional focus on learning, especially from serious incidents.

Effectiveness

We have been looking at developing clinical outcome measures specific to each specialty and then publishing them on our website. This has not been as successful as we had hoped. We eventually decided not to continue with this as a priority – see page 104. We have also set ourselves a regular target of maintaining our position in the top 10% of trusts for low mortality, (deaths - see page 105).

Patient experience

We have focused on the national measures of patient experience using local real time surveys to monitor progress during the year.

We have chosen areas to focus on where we have not done as well as we would have liked such as for inpatients, patients being involved in decisions about care and treatment, and how long it took for call bells to be answered. We have looked at communication, for example, giving patients an explanation about how they would expect to feel after an operation and staff contradicting each other.

In outpatients we have focused on improving the overall care ratings and waiting times and in cancer services we have focused on selected areas such as patients being given information and enough emotional support.

We have also addressed improving our end of life care, the care of patients with dementia and pain relief.

For further information on progress with our 2015/16 objectives see Section 4.3. For further information on priorities for 2016/17 see Section 4.4.

Quality highlights of 2015/16 and where we need to improve

Care Quality Commission (CQC) inspection of our core services

In preparation for the planned Care Quality Commission (CQC) inspection of our core services in March 2016, UCLH reconvened the CQC executive steering group (CQCESG). The group is chaired by the corporate medical director and includes a wide range of senior membership such as the Chief Nurse team, the medical directors, and the directors for workforce, education, communications, facilities, and performance. The CQC inspection assesses against 5 questions - are we safe, effective, caring, responsive and well led?

Firstly, we looked at the four compliance actions arising from the pilot inspection in November 2013.

Where we have done well

Compliance with the WHO Surgical Safety Checklist (see glossary) - considerable work has been undertaken to improve the safety culture in our operating theatres and interventional areas using trained facilitators, observations and real time feedback. The focus was on making surgery safer by following the *Five Steps to Safer Surgery* - 5SSS (see glossary) and improving communication, collaboration and processes. We have done this through an innovative use of coaching, observation and story telling. For this approach UCLH received a 'Highly Commended' in the Clinical Human Factors Group (CHFG) Recognition Award at an NHS LA shared learning event in March 2016.

Quality of patient assessment and treatment records on the acute medical wards - a review of nursing documentation in 2012 showed a large variety of forms and charts in use and variance of documentation across UCLH. SOAPIER (see glossary) was introduced as a UCLH-wide model that standardises documentation to promote forward planning of care that involves the patient, encourages contemporaneous documentation and that allows good governance. The quality of nursing documentation is regularly audited using the 13 point checklist based on the Nursing and Midwifery Council's Record Keeping guidelines. The quality of nursing documentation and creating plans of care with the patient has got better; however there are still improvements required in a small number of areas. This includes dating and timing of entries and ensuring all non registered entries are countersigned.

Work continues on these aspects of documentation.

Security of medical records - following a trust wide campaign to improve the security of confidential information we have seen a significant improvement in awareness about information governance and in the security of medical records in wards, clinics and departments.

Improvements in relation to the environment in the accident and emergency department - UCLH accelerated its plans to expand and improve the emergency department following the findings of the inspection. Capacity for patients requiring 'major' intervention was rapidly increased by creating space in the clinical research facility in the Elizabeth Garrett Anderson Wing. Further work to improve patient pathways and streaming was completed in February 2016. The full reconfiguration is scheduled to be complete in 2017. While not able to demonstrate an improvement in the last few months, the friends and family test (FFT) results show that we are consistently highly rated with the latest performance (April 2015 to March 2016) showing that 94.7% of patients would recommend us to family and friends (see page 109 for further information on FFT). The national average is 89% (this figure is calculated by the Trust using the nationally available data).

Preparing for the 2016 inspection – some other areas we looked at

- Improved learning from serious incidents - divisions now receive a monthly round up of all serious incidents called 'Look and Learn'
- Medicine security – we enabled compliance with safe and secure storage of high risk medicines such as insulin by buying drug fridges that lock on closing, thus removing the need to remember to lock the door
- Mandatory training now stands at 95.6 per cent compliance overall against a compliance rate of 90 per cent for 2015/16. We need to work on the individual areas not achieving our compliance rate which is 95 per cent for 2016/17
- Patient experience in outpatient waiting areas - examples of initiatives include better patient information, rescheduling of clinics, improved signage and regular updates on delays
- Improvements for staff and patients in the environment of the UCH atrium
- Nursing staff vacancies, now the lowest in London
- Shared, agreed, common understanding of the main risks for UCLH
- Removing clutter and creating increased storage space for equipment

- Ensuring nursing staff know who to escalate staffing issues to.

Other areas for improvement

Staff survey – we still need to do more so that staff report less bullying and harassment – see Staff Survey 2015 below

WHO Surgical Safety Checklist – despite the work undertaken we still had four surgical never events (see glossary) – one patient had to undergo additional surgery but there was no other patient harm. This is discussed later on page 99.

Outpatients waiting times – this remains challenging – see page 93.

Integrated care - In March 2015, the UCLH Board of Directors approved a strategy to strengthen partnership working and deliver more patient centred care to the local community. The strategy has a particular focus on emergency care, a number of long term conditions, care for frail patients and women's and paediatric services.

Across Camden, UCLH has led development of new ways of working to care for patients with chronic obstructive pulmonary disease (COPD). In Camden, the new model of care was co-produced with patients and other providers, on behalf of Camden Clinical Commissioning Group (CCG). As part of the next phase, UCLH will work to support implementing some of the recommendations, using ideas such as a home oxygen service to Camden patients. In Islington, working with Islington CCG, UCLH has helped develop and implement Locality Networks - groups of health and social care professionals serving defined geographical areas and aiming to bring about defined improvements in health outcome. The Locality teams consist of GP partners, a community matron, social worker, mental health team, patient navigator and a secondary care representative.

Improved working across organisational boundaries requires better integration of IT systems. UCLH will continue to participate in a number of projects started in 2014/15 with Camden and Islington CCGs, allowing UCLH IT systems to communicate effectively with local systems. Digital exchange of information with GPs and other service providers will lead to better coordinated care for our patients.

How we are implementing duty of candour

The duty of candour is important legislation that requires us to be open with patients and to investigate and share the findings when things have gone wrong (in cases where the harm is moderate or greater). This builds on our current policy of being open.

We have worked hard to ensure that our staff are aware of their obligations under the duty of candour and have provided support to enable them to do this. We carry out regular monitoring to see how we are doing. We provide extensive training and there is a medical duty of candour lead in each division that staff can go to for advice.

Our duty of candour policy outlines the steps that staff should take and the internal website provides resources and advice. We launched a leaflet to explain duty of candour to patients at our Christmas Trust Open Event where we had a stand specifically aimed at informing staff and patients about duty of candour. Recently, we have agreed that duty of candour training is to be mandatory for certain groups of staff and the online training will be launched early next year.

We measure our success by regularly checking that duty of candour is being undertaken for relevant incidents using completion of the relevant fields on our risk management system Datix. This is part of a weekly report that is also included in our monthly and quarterly performance reports. We have also undertaken audits of patient records. Our monitoring shows that we have made significant progress in the last year with compliance as measured by Datix. Recording the initial apology has risen from 23% (measured in April 2015) to 81% (measured in March 2016) and compliance with sharing the investigation findings has risen from 9% to 56% for the same periods.

Staff survey 2015

The national staff survey is an important yardstick for us. Our top four results (below) place us in the highest 20% when ranked against all acute trusts:

- 82% of staff would be happy for a friend or relative to be treated here, which puts us in the top 20% in comparison to all acute trusts (national average: 70%)
- 66% of staff would recommend UCLH as a place to work (national average: 61%)
- 80% of staff agree that care of patients remains UCLH's top priority (national average: 75%)
- 72% of staff say they feel able to contribute to improvements at work and feel motivated and engaged with their work (national average: 69%)

Our overall staff engagement score (see glossary) for 2015 was 3.84 out of 5 compared to 3.86 in 2014. We have the second highest staff engagement score when ranked against comparator London trusts according to our own analysis of staff engagement scores in London trusts using the publicly available data published by Picker. 21 of UCLH's 30 divisions reported on for the 2015 staff survey (70%) rank above the national average on staff engagement.

The survey did not show improvement within UCLH, however. For the majority of our responses, there was no significant change between 2014 and 2015 but there was a decline in around 20% and with concerning trends in relation to bullying and harassment, discrimination, perceptions of equal opportunities and working extra hours. These have been areas of concern for UCLH over the last two years and they remain a significant challenge for the NHS as a whole as well as for UCLH.



There are two key areas where we now want to see improvement:

- 31 per cent of our staff said they experienced harassment, bullying or abuse from other staff in 2015 – about the same as in 2014 but above the national average for acute trusts (26%)
- 78 per cent of our staff said they believed that UCLH provides equal opportunities for career progression or promotion – about the same as in 2014 but below the national average for acute trusts (87%)

We began tackling issues related to discrimination and bullying last year through an innovative model, the What is Discrimination? Project, run in partnership with the Royal College of Nursing and our local staff partners. It was launched in the autumn of 2015, followed by workshops for all staff groups to explore unconscious bias and how we can use difference in a positive way to improve staff and patient experience. Listening events with BME staff are also under way now. The sessions have been well attended and the

feedback has been good. In addition this year we will introduce a new and more systematic approach to tackling bullying and harassment based on the latest evidence and research. This will include early support for teams where bullying and harassment is highlighted and action to build the confidence of managers to improve working relationships.

We also need to make sure that our recruitment processes are inclusive and that career opportunities are provided consistently and equally. In our annual equality report we have committed to take a number of steps to better understand the issues underlying the different experiences of individuals seeking employment or career progression at UCLH. We will be taking a number of actions this year including reviewing and developing the training we offer to our managers in order to drive improvement. Our other actions will be informed by our learning as we explore these issues further.



4.3 Progress against 2015/16 priorities

Action plans and measures were developed for each of the priorities last year and performance has been monitored through the year by clinical teams and UCLH committees.

Priority 1: Patient Experience

Increasing overall patient satisfaction as measured by local and national surveys

1.1 Inpatient surveys

We use three survey sources to measure patient experience. The Care Quality Commission's annual National Inpatient Survey shows how we compare to all other NHS trusts. The Picker Institute carries out the patient survey programmes on behalf of the Care Quality Commission for some trusts. The annual Picker survey lets us compare ourselves with other trusts using Picker surveys (81 trusts surveyed for 2015/16). We also have an internal patient feedback system, currently Meridian, which helps us track our performance continuously through the year.

In 2015/16, our aims were to improve our overall patient experience rating and also to improve in three specific areas: staff contradicting each other, staff taking more than 5 minutes to answer the call button and patients not always getting enough help from staff to eat their meals. Tables 1-3 show these performance measures using Picker and Meridian data respectively. The CQC national inpatient survey results will not be available until 8th June.

The results from the national inpatient Picker survey and the targets are as follows:

Table Q1: National survey results (Picker) – lower scores are better

National inpatient survey results (CQC) - higher scores are better	2014 result*	2015 result*	2015 target*	Performance+
Overall experience rating (scored less than 7/10)	13%	10%	12%	↑
Care: Staff contradict each other	37%	29%	30%	↑
Care: More than 5 mins to answer call button	20%	15%	14%	↑
Hospital: did not always get enough help from staff to eat meals	41%	35%	37%	↑

* problem scores - lower scores are better. See glossary for more information on how these are calculated.

+ Direction of arrows indicates performance compared with previous year.

We are very pleased to see there has been improvement on all questions in 2015 and we have exceeded the target in 3 of the 4 questions. Although we are 1% below the target for answering the call button, we have improved against our own score from 2014, are better than the national average (17%) and have shown similar performance to our peers.

We know from experience that by including these questions in our real time patient experience survey, performance will improve as ward teams are able to try ways to improve patients' experience in specific areas and see quickly whether there is an impact.

We have improved in the question about staff contradicting each other. The 'Home for Lunch' programme brings together a multidisciplinary team to ensure a coordinated approach to preparing patients to leave. We had anticipated that this would help effective communication between multidisciplinary team members and make it less likely that staff would contradict each other.

For call button responses, the experience of patients has improved. During the year we continued to share the results, particularly sharing information with those wards where performance was less good in order to identify the specific actions for each area. A more detailed look at the data was presented to the Nursing and Midwifery Board in January 2016 and, following discussion, further work to observe responses to call buttons is now being carried out on the wards by volunteers.

For patients who need help with meals, a number of actions have been taken this year such as sharing best practice, reinforcing nurse led mealtimes, raising this at Matrons meetings and monitoring in ward quality huddles. In addition to this, we sought help from our volunteers who are now being trained by Speech and Language Therapists on safe assistance with feeding and new volunteers are actively being recruited.

Last year's national inpatient survey results and the target for 2015 are as follows: **(2015 results not available until 8th June 2016.)**

Table Q2: Performance measures from the CQC's National Inpatient Survey

National inpatient survey results (CQC) - higher scores are better	2014 result*	2015 target*
Overall experience rating (1)	8.1	8.4
Care: Staff contradict each other (2)	7.7	8.2
Care: More than 5 mins to answer call button (2)	6.0	6.2
Hospital: did not always get enough help from staff to eat meals (2)	6.5	7.9

* Individual responses are converted into scores on a scale from 0-10, with 10 representing the best possible score and 0 the worst (see glossary for further information). (1) Maintain the target from last year. (2) Target is last year's score

Overall, there have been significant improvements in the Picker results from 2014. While similar improvements have not always been shown in the local surveys we will be implementing a number of improvements to the way we collect local real-time feedback in 2016/17 to better monitor our performance throughout the year.



1.2 Outpatient survey

Our progress against the targets set comes from our local Meridian outpatient survey as there is no recent National Outpatient survey. The Meridian data is detailed in the table below showing results against our focus on overall experience and waiting times.

Table Q3: Internal 'Meridian' performance measures for outpatients

Meridian outpatient survey results	2014 result	2015 result	2015 Target	Performance+
a) Overall how would you rate the care you received (1)	89%	91%	91%	↑
b) How long after the stated appointment time did the appointment start? (2)	69%	71%	74%	↑

(1) Percentage of patients who rated the care as good or better

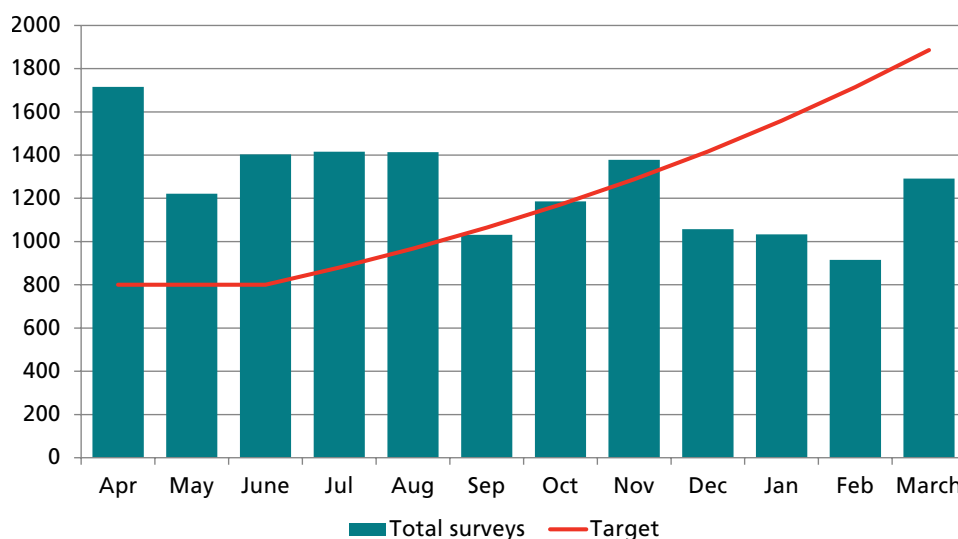
(2) Percentage of patients who waited 30 minutes or less for their appointment to start

+ Direction of arrows indicates performance compared with previous year.

We have met the target for overall care and have shown improvement in patients being seen on time, however we did not meet the target and we need to continue to improve.

We also recognised last year that the survey numbers were low and so this year we will be focusing on increasing the number of patients that respond to the survey, driven by an improved feedback system. This will provide a more representative idea of how we are doing.

Chart Q1: Number of survey responses for all outpatients by month for 2015/16



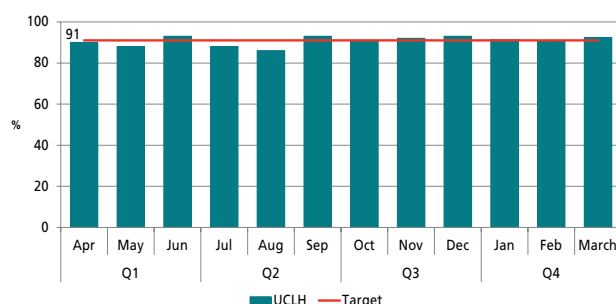
We set a target of a 10% month on month improvement from June 2015; however responses have continued to fluctuate and have not met the targets at any time during the last quarter.

We have worked closely with outpatient areas to communicate response targets and support them in improving their collection of feedback. However, a new system to collect feedback is needed, with collection not dependant on staff manually inputting the surveys, before responses can continue to grow without these constraints.

Meridian Outpatient Survey results

Whilst we did not meet our collection target, we did demonstrate a good performance.

Chart Q2: Results from outpatient survey (Meridian) on care received



This measures the percentage of patients who rated the care as good or better than good. The scores have remained relatively stable during the year, with the target of 91% being met or exceeded since September in all but one month.

Chart Q3 Results from outpatient survey (Meridian) on patients waiting time for appointment

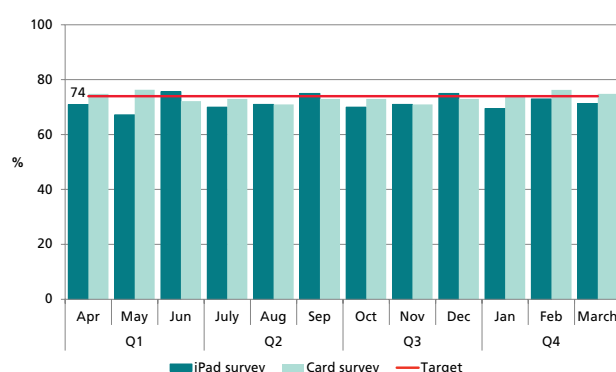


Chart Q3 shows iPad and card survey results. The score shows the percentage of patients who waited 30mins or less for their appointment to start.

Work to continue this improvement has been undertaken in the following areas:

The patient experience team have continued to work with selected outpatient departments during 2015/16 using the Disney customer experience principles. The aim is to improve overall experience of patients in each area, which includes the waiting experience. We are currently auditing waiting times through our Outpatient scheduler and presenting back to specialities where there are late running clinics for individual teams to address. Monthly meetings to discuss performance will be reviewed to ensure we are addressing issues on an on-going basis and listening to patient feedback. We are also looking to improve our communication around late running clinics. Currently this information is displayed on white boards in clinic and clinic receptionist/nursing teams should be communicating delays to patients on arrival. We will remind staff of the importance of this. We also have funding for plasma screens to be placed in our outpatient clinics which will display information on waiting times and hopefully will increase the visibility of these messages to patients.

Although the roll out of kiosks throughout UCLH was completed in early 2015, we are aware that not all outpatient areas are making full use of this system. The Patient Experience Team have been working with the local team in the main outpatient area at the National Hospital for Neurology and Neurosurgery to make better use of the kiosk system to improve patients' experience of waiting in that department as well as improving efficiency particularly for reception teams.

Cancer survey

We set our targets based on the results of the National Cancer Patient Experience Survey (NCPES) as follows:

Table Q4: Cancer survey results

Cancer survey results	NCPES 2014 result	UCLH Bespoke CPES results 2015	2015 target	Performance+
a) Overall how would you rate the care you received*	88%**	86%	91%	↓
b) How easy is it for you to contact your Clinical Nurse Specialist (CNS)*?	65%**	63%	74%	↓
c) While you were in hospital did the doctors and nurses ask you what name you prefer to be called by?*	54%	59%	60%	↑
d) If your family or someone else close to you wanted to talk to a doctor, did they have enough opportunity to do so?*	65%	69%	68%	↑

* The NCPES is administered by Quality Health. In that survey the questions have been summarised as the percentage of patients who reported a positive experience. For example, the percentage of patients who said they were given enough information about their condition. Higher scores are better.

** This was incorrectly reported last year as 89% and 69% respectively

+ Direction of arrows indicates performance compared with previous year

There was no NCPES planned in 2015, so we commissioned an interim survey to ensure we had an updated position as well as continuing to monitor our local real-time patient feedback. We have improved on the questions about preferred name and the opportunity for families to talk to a doctor, although we did not quite reach the target set to improve the preferred name. We are disappointed that patients have reported a decline in their experience of overall care and in finding it easy to contact their CNS. While there has been work carried out with CNSs this year it is clear that much more improvement is needed.

During the year we have discussed the response to this question with clinicians and patients to better understand our performance and we have compared our performance against similar Trusts. A working group of Cancer CNSs continues to look at solutions, including the possibility of a central contact point system.

Similarly, in other outpatient areas the response rate for Cancer Outpatients is low, so we set ourselves a target to improve our response rate. In 2014 we collected a total of 1209 surveys in the Macmillan Cancer Centre. We are disappointed that this year we have not increased the responses, collecting only 692 in 2015/16.

We continued to survey patients in the Macmillan Cancer Centre using volunteers to collect the data electronically. Following the recruitment of a new Matron and volunteer manager for the Cancer Centre we began to collect feedback using a paper survey in March. However, a new system to collect feedback will be introduced in June 2016, with collection and input not dependant on staff, in order to increase the number of responses collected.

Summary

In setting the 2014/15 patient experience priorities we set challenging targets. We have significantly improved in many of these for our inpatients, outpatients and cancer patients. We will continue to monitor the overall experience of our patients and the areas that still require improvement; waiting times in outpatients and ease of contacting your CNS for cancer patients.

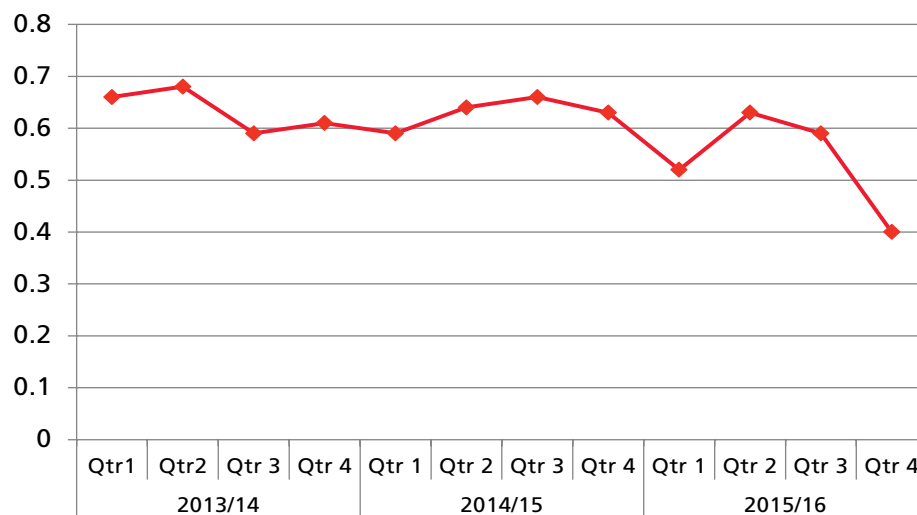


Complaints

UCLH asks complainants how they want their complaint to be handled. A formal complaint is one in which the complainant asks for an investigation and written response. Individual divisions work closely with the complaints team to resolve issues which do not require a full investigation.

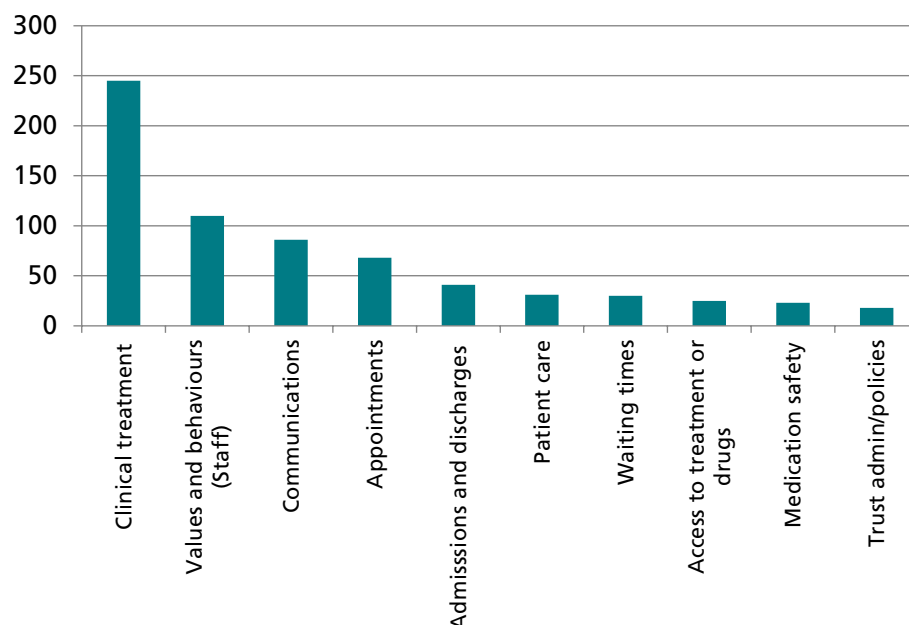
We received 712 formal complaints in 2015/16 compared to 833 in the previous year, making a reduction of 15 per cent. When activity is considered it can be seen that the formal complaint rate also fell from 0.63 per 1000 patient contacts in 2014/15 to 0.53 in 2015/16 (see Chart Q4).

Chart Q4: Complaints per 1,000 patient contacts



A new classification was introduced nationally in 2015/16. The 10 main subjects and the numbers of complaints for each one for 2015/16 are shown in chart Q5

Chart Q5: 10 main subjects for complaints



Some specific examples of learning from complaints are featured below:

A patient complained about waiting too long in an outpatient clinic

The manager met with the outpatient team and asked them to reflect on how they would feel if they were waiting for an appointment with no updates. The team agreed that the clinic board would be updated for any waits of 30 minutes or more, administrative staff would tell patients on registration about any waits and direct patients to the location of the nearest drinks. Buzzers that were introduced for hearing impaired patients would be used to notify patients of their appointment time if they go for a drink. Complaints for this area have reduced and best practice tips were included in a Quality and Safety newsletter.

A patient complained that they had waited too long when their epidural stopped working (pain control)

The ward sister apologised to the patient and agreed that this was not satisfactory. She realised that some staff were inexperienced in the use of epidurals. She used the complaint as a topic for her ward safety briefings at handovers, arranged for specific training for the nursing team from the pain team and provided one to one support for nurses who were not familiar with the use of epidurals. The complaint was shared with the trust pain leads. There have not been any further complaints about pain control for this area.

After investigation, of the 728 complaints closed in the year 232 were upheld (32 per cent), 306 were partially upheld (42 per cent) and 184 (26 per cent) were not upheld. This is based on whether the main issue and majority of the complaint had been upheld. In 2014/15 67 per cent were upheld and 33 per cent were not upheld

If patients are not satisfied by our investigation, a complaint can be reinvestigated by the Parliamentary and Health Service Ombudsman (PHSO).

In 2015/ 16 there were 91 contacts from patients/ relatives to the PHSO about UCLH, most of these were considered premature by the PHSO; the complainant had either not made a complaint to us or their concerns were still under investigation. This is an increase of 36% on the previous year. Of the 91 contacts received by the PHSO, 24 proceeded to investigation, compared to 22 in the previous year (a 9% increase)

During 2015/16, six investigations by the PHSO were partially upheld, with the outcome being an apology, an action plan to rectify the failures that were identified and in some cases a financial settlement. However of note is that the most recent care for these six cases dates from early 2014, with four dating to 2013 or earlier. The care issues identified during the complaint investigation had already been addressed, and the actions were largely to update the complainant about this. Eleven cases remain open from 2015/16 and two from 2014/15 at the time of this report.

PHSO case study – long wait between referral and treatment.

The PHSO reviewer upheld a complaint about delays on a pathway from referral to outpatient review, imaging and subsequent treatment.

The patient was seen nearly two years ago. Since then, a number of steps have been taken to reduce delays:

- Strengthening the pathway co-ordinator role with additional staff
- Establishing a one-stop clinic for GP referrals
- Improving the triage process using medical review
- Tracking outcomes for all multi-disciplinary team meetings
- Increasing MRI capacity with more consultant radiology posts
- Weekly monitoring of patients on a cancer pathway by senior specialist managers

Better website and leaflet information is also planned, to cut the number of routine enquiries to coordinators.

PHSO case study – significant side effects after surgery

The PHSO asked an external clinical reviewer to examine the case files, including relevant clinical guidelines in place four years earlier when the surgery was undertaken.

The review concluded that the pre-assessment process had been robust, with a good explanation of the surgery's objectives and likely outcome during the consent process. The surgery was carried out by a highly experienced consultant. More than one procedure was necessary, but with ongoing monitoring in line with plan. A number of side effects arose but the medical team were found to have made appropriate referrals to minimise their impact. The reviewer's opinion was that the patient would have died if the surgery had not been undertaken. The complaint was not upheld.

A number of existing and new actions will be undertaken in 2016/17 in order to improve the quality of complaint responses and to meet our deadlines. The central complaints team will continue to provide training to divisional staff with responsibility for investigating and compiling responses with a greater focus within the divisions on individual complaint responses and the achievement of targets.

How we are working to improve the patient experience

This year, we introduced a patient experience quarterly report using data from complaints, Patient Advice and Liaison Service (PALS), feedback, surveys and friends and family tests (FFTs). Monthly figures on complaints are shared and monitored via the performance pack and a complaint monitoring group which also looks at PALS and patient experience data. We produce an annual complaints report along with six monthly detailed reports about complaints, all of which are discussed at the appropriate committees.

We have also revised our governance structures around patient experience which includes a new committee structure and simplified reporting to support reviewing feedback at site and Trust level on a regular basis. The Patient Experience Committee (PEC) was reviewed and now meets quarterly with a revised membership and will be chaired by a non-executive director from 2016/17. PEC has a new structure reporting into it, including a new Improving Experience Group and site-specific sub groups. This means sites can look at, and take action, on local patient experience feedback that is specific to their environment and processes. Other experiences that may occur in a number of areas or across UCLH can be looked at collectively. This then can inform the new report described above.



Priority 2: Patient Safety: Continue our focus on reducing avoidable harm

2.1 Reduce surgery related harm

Our aim is to make surgery safer through better use of *5 Steps to Safer Surgery (5SSS)*, a checking process which reduces risk by improving teamwork and communication. It incorporates use of the WHO Surgical Safety Checklist. Surgical teams need a safety culture which helps staff deal with issues as a team, so that even junior members feel confident to speak up and raise concerns when incidents arise. We also wanted to see a higher rate of reporting of incidents and near misses to help teams learn when things go wrong and prevent repeats. This priority is part of our Sign up to Safety commitment. During the past year there was work in the following key areas:

- A new Surgical Safety Policy: Adopted in October 2015 this sets out the good surgical practice that we expect of staff. It incorporates National Safety Standards for Invasive Procedure (NatSSIPs), which is new guidance from NHS England. A review of all WHO Surgical Safety checklists in use across UCLH has been started and will continue during 2016-17.
- Surgical Safety Clinical Leads: We have now appointed consultant medical staff leads for most sites to give safety initiatives stronger local ownership and sustainability. All sites will have a lead by the summer. The safety lead's role is to champion safety projects, share learning and direct improvement work at each site.
- Better measurement: In addition to measuring checklist compliance, we also now use observational audits to show how well the 5SSS is being used. Our theatre management system, OPERA, measures checklist compliance electronically which frees up time and gives staff quicker feedback. OPERA also captures the number of Team Briefs taking place but it is not able to show whether de-briefs occurred. We are looking into alternative ways of capturing de-brief data.

The new observational audits focus on the quality of the conversations within theatre teams when using the 5SSS, looking, for example, at how staff intervene when there is a safety problem, and how they self-regulate when there are distractions and interruptions. From May 2015 to March 2016 we tested the audit process across our hospitals to be sure it would give us useful information to inform improvement. From May 2016 snapshot audits will take place regularly in all theatre and procedure areas with results and learning reported to staff and to the Quality and Safety Committee and the Executive Board.

- Better targeted in situ coaching: The new observational audits have enabled coaches to provide real time feedback to teams on what they do well and what could make surgery safer. As at February 16, 20 staff from across UCLH had been trained as surgical safety coaches and they have worked with at least 15 theatre teams in the last year, with at least one team from each UCLH site.
- New Surgical Safety bulletins: Since December 2015 a monthly bulletin has gone to all staff working in theatres and procedural areas, to share key messages from best practice, good catches, near misses and incidents. The bulletin was named *At The Sharp End* following a staff competition.
- A new culture monitoring tool: In December 2015 we carried out a safety culture survey amongst staff involved in invasive procedures, using a 2 minute survey adapted from the more comprehensive Agency for Healthcare Research and Quality (AHRQ) Hospital Survey on Patient Safety. 119 responses were received, 80% were from targeted attendees at both the Theatres and Anaesthetics division and Endoscopy audit days and the remaining 20% were received in response to an email to all relevant staff. Although the general response rate was low, the results provide us with valuable feedback on our staff's perceptions of safety in their areas. Interestingly this varied even between teams, so there is still much to be learnt about how surgical safety is seen by staff. This is the first round of surveys that will be repeated every 6 months during the project. Higher response rates will be expected in future following increased trust-wide engagement since December 2015. The 2015 findings will provide a baseline for future comparison.
- More safety focused education: The Reducing Surgical Harm project team have presented their work at divisional audit days and provide training on what a good team brief and debrief look like, as well as the importance of using the WHO Surgical Safety Checklist.

Progress against our targets for last year is as follows:

- 10% increase in reporting surgical incidents in theatres

We have reviewed the Datix search criteria for 'surgical incidents' that we are measuring ourselves against (our aim is to reduce surgical harm by 50% by 2017) to make sure we are measuring our progress against incidents that could have been avoided through following the 5SSS, not all reported incidents in theatres. For definitions of harm and the specific selection of incident classification please see glossary.

We have seen a 32% increase in reporting incidents within our definition relating to the intervention between 2014/15 and 2015/16 - see charts Q6 and Q7.

- 10% increase in near misses being reported (within the 10% increase)

Taking account of the 32% increase in incident reporting, we have seen a 68% increase in reporting of near misses within the same group of incidents, between 2014/15 and 2015/16.

- 50% reduction in incidents leading to harm

We have seen an 18% decrease in the number of incidents leading to harm even with a 32% increase in all reported incidents - see charts Q6 and Q7.

Chart Q6: Total incidents, incidents leading to harm and near misses (as defined above) reported in theatres per month 2014/15

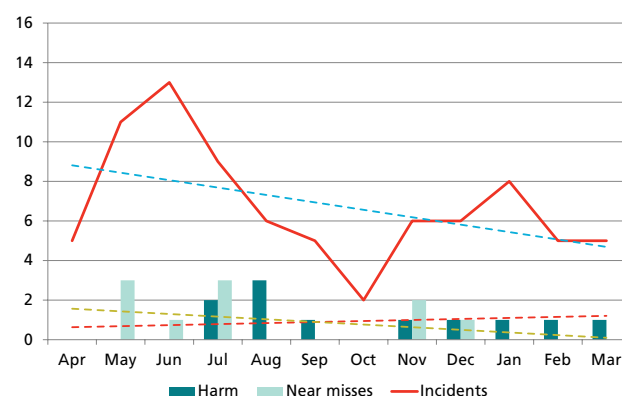
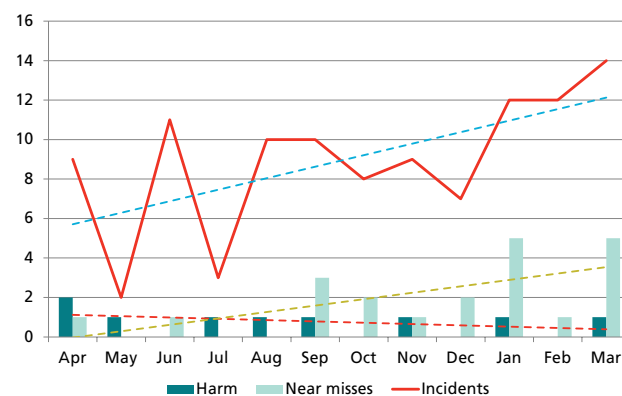


Chart Q7: Total incidents, incidents leading to harm and near misses (as defined above) reported in theatres per month 2015/16



Reducing surgical harm remains a safety priority for 2016-17, as part of our Sign up to Safety Campaign commitment. We will continue to work towards a culture of safety by improving our use of The Five Steps, widening its scope in 2016/17 to include all invasive procedures, not just surgery. This will take in procedures such as endoscopy, dentistry, pain management and interventional radiology, following NatSSIPs guidance published in September 2015. For more information see page 109.

2.2 Reduce the harm from unrecognised deterioration

Our aim was to improve the identification, escalation and management of deteriorating patients across UCLH. This is also a Sign Up to Safety commitment, with a Deteriorating Patients Steering Group set up to take the work forward. Five safety practices have been targeted for improvement:

- **Safety huddles:** These ensure that all ward staff, whatever their professional group, have a collective understanding of the patients at risk of deterioration and the management plan if deterioration occurs.
- **NEWS scoring:** More accurate recording and use of National Early Warning Scores allow better identification of patients who have started to deteriorate or may be about to deteriorate.
- **Escalation:** Staff must have the confidence and knowledge to escalate a deteriorating patient, doing it in a timely way and to the right person or team.
- **SBAR:** The SBAR tool - Situation, Background, Awareness, Recommendations - ensures that escalations are made with the correct information and carried out in a timely, structured way that encourages a quick response.
- **Efficient handovers:** Handovers should always take place, with the appropriate information handed over in a robust, consistent way.

Three pilot wards were identified in February 2016 and a short survey distributed to staff to better understand current practice in relation to these 5 safety practices. The results of the surveys have been shared with the teams and will be used to create a plan for improvement. The pilot wards will be undertaking focus groups and trialling simulation training on the 5 safety practices that require improvement, and will begin to implement and measure their progress. A roll out plan will take place over the next two years of the Sign up to Safety Campaign.

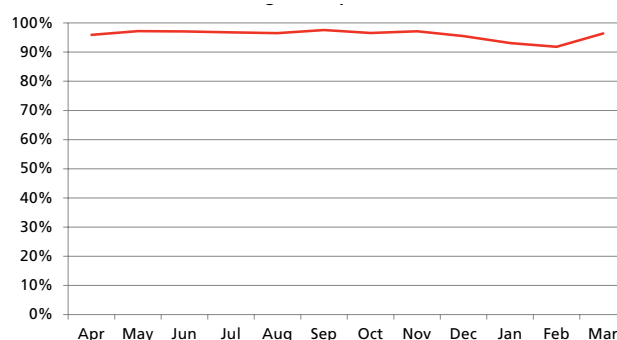
Progress against our targets shows that we still have work to do and all three targets are being carried through into 2016/17:

- 96% of vital signs completed

Our UCLH-wide monthly audit, based on a sample of 10 patients per ward per month, shows that we are not yet meeting this target. Average compliance in 2015/16 was 86.7%, approximately the same as in 2014/15 – see Chart Q8.

The chart below shows the trend of results from April 2015 to March 2016. Data is not available before May 2014.

Chart Q8: Percentage of vital signs completed for patients UCLH-wide (sample of 10 patients per ward per month)



- 90% of patients escalated to the Patient Emergency Response and Resuscitation Team (PERRT) using SBAR (Situation- Background-Assessment-Recommendation)

During 2015/16 there were over 3000 referrals to PERRT. Of those referrals where it has been recorded 61% used SBAR the communication tool now adopted for general use in our hospitals. However data was not available for 69% of referrals and part of our work next year will be to improve the data collection. Improvement in this area is a core component of the deteriorating patient improvement project in the coming year.

- 20% reduction in the mean number of incidents (leading to harm) due to unrecognised patient deterioration reported per month

Following publication of the 2014/15 quality report, the definition of incidents with harm caused by unrecognised patient deterioration was broadened (see glossary for more information), raising the baseline incident rate for 2014/15 from an initial value of 1.3 per month to an adjusted value of 5.3 per month.

Chart Q9: Incidents with harm resulting from unrecognised patient deterioration April 2014 – March 2016

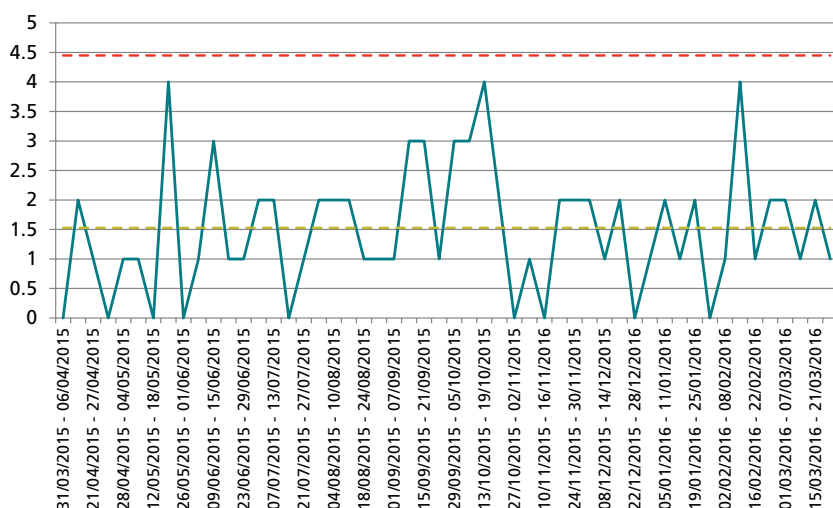


Chart Q9 is a Statistical Process Control (SPC) chart. This includes the average (mean) in yellow and upper control limit in red, which is calculated as three times the standard deviation above the mean. The lower control limit is less than zero and therefore is not on the chart. This chart shows that the variation is natural and is therefore not significant. In the next quality report we would expect an improvement following the creation and implementation of improvement plans, specifically within the wards of focus.

Reducing harm from unrecognised deterioration remains a safety priority for 2016/17, as part of our commitment to the Sign up to Safety Campaign (see page 111). We will continue with this project to improve safety practices and improve timely recognition, escalation and management of deteriorating patients over the next 2 years of the campaign.

2.3 Reducing harm from sepsis

Our aim was to reduce harm from sepsis, as our third safety improvement initiative under UCLH's three year commitment to the Sign up to Safety Campaign. Sepsis is a life-threatening illness caused by the body's response to an infection. Your immune system protects you from many illnesses and infections, but it's also possible for it to go into overdrive in response to an infection. Symptoms of sepsis are often mistaken for flu as they are so similar. However, if not treated quickly sepsis can lead to multiple organ failure and death.

From late 2015 we have been working on the planning phase of the sepsis improvement project. The following steps were taken to prepare for implementation in 2016/17 with the aim of ensuring more timely identification and treatment of patients with sepsis:

- **Sepsis guidelines:** we have developed new clinical guidelines which follow new international recommendations and are based on the latest evidence; defining how antibiotics, fluids, oxygen checks, taking blood samples and kidney function monitoring should be used.
- **Care bundle:** Over the last year we have been looking at the evidence and developing a new bundle of care to help us to more easily identify and treat patients with suspected sepsis. This new bundle replaces the 'sepsis six' (see glossary) and is based on the Third International Consensus Definitions for sepsis published in February 2016. UCLH will be one of the first trusts to implement these new criteria, which focuses on those patients most likely to benefit from intensive goal-directed therapy. The new bundle has been locally agreed and is being incorporated into the clinical guidelines. Next year we will focus on implementation in different areas and measuring our compliance with the bundle.
- **Collaborative action:** UCLH has joined the University College London Partners (UCLP) Sepsis Collaborative, part of the UCLP Patient Safety Programme. This is bringing 13 trusts together to share learning and improve sepsis care. Like many trusts, we do not have a clear enough understanding of the number of patients harmed by sepsis, as coding for this condition is difficult. One of the aims of the collaborative has been to create a common measurement strategy, which all participating trusts have now adopted.
- **Training:** It is important to make sure all staff know how to recognise and quickly treat sepsis, so a training programme on identification and treatment of sepsis has been developed to support implementation of the clinical guidelines. We have not yet agreed a target for training staff but this will be a priority for 16/17.

2.4 Continue UCLH-wide learning from serious incidents

Improving patient safety by learning from serious incidents, and especially from 'never events' (see glossary), has been a priority at UCLH for the last two years. We want all staff to know about recent serious incidents and learn from actions even if they do not work in areas directly affected. Developments in 2015/16 included:

Wider dissemination of analyses and reports

Quarterly analyses of serious incidents show trust and divisional trends for front line staff. In addition, summaries of serious incident investigations are now sent to the divisions and put on Insight, UCLH's internal website. We are also considering how learning from incidents might be published on our website.

UCLH-wide learning

Significant learning was gained from a serious incident relating to a blood transfusion using the wrong blood type for that patient. We now require independent double-checking of blood products by two trained staff instead of just one. The Safe Blood Transfusion e-learning module has been amended and the recording of competencies-based training improved. Yellow magnets denoting patients with same or similar name on wards have been introduced and the patient record system now prevents staff logging onto another patient's record in error. In addition the staff appraisal process confirms that staff are up-to-date with their mandatory training.

Learning from Never Events

Very disappointingly, five 'Never Events' occurred in 2015/16, in May 2015 (retained drill bit), June 2015 (wrong route administration), November 2015 (wrong site spinal surgery), February 2016 (wrong site block) and March 2016 (wrong tooth drilled). Further information on the never events is below:

Retained drill bit (May 2015)

A patient underwent an "open reduction and internal fixation" operation under general anaesthetic. The WHO surgical safety checklist was completed and the fixation plate was placed, using the supplied pegs as drill guides, and fixed into place using screws. After the operation, the operating surgeon saw that the post-operation x-rays showed one of the pegs used as a guide had been left in-situ in the patient's wrist. The patient was informed and was taken back to theatre on the same day, where the peg was removed.

The question on the surgical checklist 'was the instruments, swabs, sharps, counts correct?' was asked. However, it was not clear that the drill bit had pegs (used only for guidance) that also needed to be included in this count. As a result the count card (included as part of the theatre kit) has now been modified to specifically include the pegs that need to be removed. A contributory factor was the inexperience of the bank staff. Therefore we have created a training and competence assessment programme for bank/agency theatre practitioners.

Wrong route administration (June 2015)

The patient was receiving an epidural (infusion into the epidural space of the spine cord) for post-operative analgesia. During a night shift the catheter of the epidural disconnected. On discovery, this was then incorrectly connected to an IV cannula by the agency nurse looking after the patient. The error was noted and it was disconnected immediately. There was no harm caused to the patient.

Actions following this incident included strengthening the local induction to ensure that agency staff are aware of the UCLH policy on administration of intravenous drugs and work within their scope of practice. More 'epidural only' stickers for attachment to the giving sets will be used in future, located in 2-3 different places along the line. This will allow epidural and intravenous lines to be distinguished. Explicit "line and epidural checks" are to be included in UCLH epidural guidelines and Patient Controlled Analgesia (PCA) and epidural checklists to reinforce the importance of these during handover.

Wrong site spinal surgery (November 2015)

A patient was referred with symptoms of right-sided sciatica with disc protrusion on the right side. He was admitted and consented for surgery on the right side. However, retrospectively, it has been discovered that the surgery was performed on the left side. Pre-surgical documentation and pre-operative marking was on the right side. Post-surgical notes including the WHO "sign-out" sheet describe left-sided surgery. The patient has had follow-up appointments for persisting symptoms and imaging has confirmed left-sided surgery. As this was only recently retrospectively identified as an incident, an investigation has just begun. Key learning has been communicated immediately within the relevant teams and the focus of the April edition of 'At the Sharp End' surgical safety bulletin is on the importance of marking and checking the correct side and site.

Wrong site block (February 2016)

The patient was undergoing a repair of a fractured hip joint. Following induction of anaesthesia but prior to an anaesthetic block, numerous distractions occurred in theatre and the block was inadvertently carried out on the wrong side. This was noted prior to surgery commencing and a block was then undertaken on the correct side.

This incident is still being investigated. The "Stop Before You Block" process is similar to the surgical pause done in theatre and minimises the risk of a wrong sided block. We have ensured that all staff involved in local anaesthetic blocks (anaesthetists and those assisting) are reminded of this safeguard.

Wrong tooth drilled (March 2016)

During cavity preparation for a dental procedure, the wrong baby tooth was drilled. This was quickly realised and the correct tooth was drilled.

This incident is still being investigated. Assurance was sought that the WHO surgery safety checklist is being used for all invasive procedures at the Eastman Dental Hospital. This is being supported by direct observation audits as described in the preventing surgical harm priority. Details of the specific interventional procedures that the WHO surgical safety checklist requires has been cascaded to clinicians.

Expanded Quality & Safety Bulletins:

Monthly bulletins have been published for a number of years, to disseminate learning points from incidents, complaints and claims. Bulletins now include a focused quarterly in-depth look at specific areas such as implementing the duty of candour and recognising the top trust-wide clinical risks. 'Good catch' stories (where incidents have been avoided by being spotted by staff) have also been included.

Quality forums

We aimed to hold at least two quality forums during 2015/16 with a focus on safety, and held three, in June, October and February. These were attended by over 300 staff, including clinical divisional directors, managers, consultants, matrons and ward sisters, and other clinicians and covered topics such as the Five Steps to Safer Surgery, Do not Attempt Cardiopulmonary Resuscitation (DNACPR), the Duty of Candour, consent, mental capacity, trust-wide risks and NatSSIPs.

After action reviews (AARs) (see glossary)

During 2015-16, the Education Service AAR facilitators were integrated into the UCLH Institute Improvement Team, where they continue to work on encouraging the use of AARs and developing a repository of AAR themes and stories. The team has developed an expanded, one hour induction presentation on AAR and quality improvement for all Trust new starters, which will go live in April 2016.

In addition to AARs linked to events, they have also undertaken a series of AARs on the impact of electronic prescribing (EPMA – electronic prescribing medication administration). AARs were run over five clinical areas involved in the roll out, with more than 50 staff attending 15 minute corridor AAR. The exercise was well received as a demonstration of the routine use of AAR in clinical improvement. The exercise generated 59 learning points that were fed back to the implementation team, dealing with issues such as a possible infection risk arising from wheeling laptops into and out of side rooms containing vulnerable patients and leading to real time revisions to roll out plans.

Improving Care Walkrounds

In 2015-16 Improving Care Walkrounds (ICRs) took place. These are observations of clinical areas by multidisciplinary teams from elsewhere in UCLH. The idea is to look at services with fresh eyes and help staff identify areas for improvement. After each visit there is a debrief with an action plan which is monitored by the relevant clinical board.

Investigation targets

We reported 58 serious incidents in 2015/16 of which 9 were subsequently not considered serious after investigation. All but 8 that were due to be completed were completed within the new 60 day target set in national guidelines. (Serious Incident Framework Supporting learning to prevent recurrence April 2015). This means we achieved 86% of reports being submitted within 60 days.

Priority 3: Clinical Outcomes

3.1 To publish 10 specialty specific clinical outcome measures per quarter

Above all, we want good outcomes for our patients. In addition, we should if possible make it simple for patients to access information about our outcomes. For 2015/16 we set ourselves a target of publishing 40 specialty-specific clinical outcome measures on our website.

This proved to be harder to do than we anticipated, with only 17 measures published by the end of 2015/16. We noticed that other trusts also had difficulty populating the outcomes section of their website. The relevance of outcome data for patients is undeniable but we have concluded that a more flexible approach to publication is necessary. Discussion with clinicians showed that many were making outcome data available to patients but based on information which they feel is useful. Patients need to see information about similar patients, rather than specialty averages.

We will continue to encourage our clinical teams to publish appropriate outcome data but we recognise that the format will vary. For the time being, we are taking outcome measure publication off our priority list but we will continue to monitor it.

3.2 To maintain our position in the top 10 per cent of hospitals nationally for mortality rates as measured by the Summary Hospital Level Mortality Indicator (SHMI)

We said we would monitor our performance against the SHMI (Summary hospital-level mortality indicator) which is the ratio between the actual number of patients who die following hospitalisation at UCLH and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated here. It includes deaths which occur in hospital and deaths which occur outside of hospital within 30 days (inclusive) of discharge. The Health and Social Care Information Centre (HSCIC) release the SHMI every quarter but there is a six month time lag. The latest SHMI data released in March 2016 was for the period July 15 to September 2015. A review of the SHMI analysis for the period covering September 2013 to September 2015 is shown below.

We remained within the best-performing 10 per cent of hospitals nationally for mortality rates as measured by the Summary Hospital Level Mortality Indicator (SHMI) UCLH has the 4th lowest SHMI nationally.

Chart Q10 below displays UCLH performance over the past two years up to the latest figures available in March 16.

Clinical review findings

Where there have been areas with a higher than expected SHMI a clinical review has been undertaken. During the year such variances were identified and reviewed in April 2015. Reviews of the particular areas of concern concluded that there was no evidence of avoidable deaths and consequently that there was no cause for concern for UCLH regarding the quality of treatment given to these patients.

Chart Q10: UCLH External SHMI performance September 13 to September 15



4.4 Priorities for improvement 2016/17

Deciding our quality priorities for 2016/17

In order to determine our priorities we have consulted with a number of stakeholders including our Trust Quality and Safety Committee (QSC), clinical boards, our commissioners and GP representatives through our Clinical Quality Review Group, and our governors. The QSC on behalf of the board approved the priorities and there will be regular reports on progress to the QSC throughout the year.

We have ensured that our quality priorities are aligned with this year's Trust top ten objectives for patient safety, experience and clinical outcomes and we have taken into account our progress throughout the year against last year's priorities to help decide which priorities need an ongoing focus within this year's quality report. The following have been agreed:

Patient Experience

We will improve overall patient experience as measured by the Friends and Family Test question.

We will improve patient experience in priority areas as measured by local and national surveys in selected inpatient, outpatient and cancer areas.

Patient Safety

We will continue to focus on our 'Sign up to Safety' pledges: (see glossary)

- To reduce surgery related harm
- To reduce harm from unrecognised deterioration
- To reduce harm from sepsis
- To continually learn – continue to focus on improving Trust wide learning from serious incidents.

Clinical Outcomes

We will continue to improve clinical outcomes and this year we have agreed to focus on preventable deaths.

We will set up a mortality surveillance group and a mortality governance structure. We will continue to measure the mortality indicator SHMI (Summary Hospital-level Mortality Indicator) as one of our measures of success



Priority 1: Patient Experience

1.1 Maintain our overall patient experience scores as measured by the Friends and Family Test (FFT) questions

Why we have chosen this priority

We know that good patient experience has a positive effect on recovery and clinical outcomes. To continue to improve that experience we need to listen to patients and respond to their feedback and in our view this is central to caring for our patients. Through our real time patient feedback, this test asks patients whether they would be happy to recommend UCLH to friends and family if they needed similar treatment.

We have chosen to focus on FFT as it is a national requirement and allows us to benchmark nationally and against other London trusts.

What we are trying to achieve

We aim to maintain our high performance in our inpatients (including day-case), outpatients, transport and A&E responses.

What success will look like

As below, we want to achieve at least the same high performance as in 2015/16.

Table Q5 Friends and Family Test targets

Friends and Family Test area	Patients recommending 2015/16	Target for 2016/17
Inpatients and day-case patients	97%	97%
Outpatients	92%	92%
Transport	94%	94%
A&E	95%	95%

1.2 Improve patient experience in priority areas as measured by local and national surveys

Why we have chosen this priority

In addition to keeping an eye on our patients overall experience, each year we target specific areas where patients have told us that experience could be

improved. These are chosen based on performance in the national survey or as measured in real-time feedback from our patients.

Inpatient experience

What we are trying to improve

A national inpatient survey is conducted each year and published on the CQC website. The survey results are benchmarked against all NHS trusts and therefore allow national comparison. Our aim is to improve the experience of patients in those areas where patients continue to experience poorer standards than we would like, or where a particular decline in experience is noted. Some of these priorities have continued from last year so we can ensure the improvements are embedded.

What success will look like

The national inpatient survey results have yet to be published so we have selected five questions based on the Picker survey. These priorities are:

Table Q6: Results from National Inpatient Survey Questions

National Inpatient Survey Questions	National survey results (Picker) lower scores are better*	
	2015 result	2016 target
a) Bothered by noise at night from hospital staff	20%	17%
b) Rating the hospital food as fair or poor	40%	36%
c) Not always getting enough help from staff to eat meals	35%	30%
d) Not given any written/printed information about what they should or should not do after leaving hospital	32%	29%
e) Hospital staff did not discuss need for further health or social care services after leaving hospital	19%	14%

* problem scores - lower scores are better. See glossary for more information on how these are calculated.

The targets chosen are based on scores achieved by similar Trusts (in the same survey).

We will report progress against our performance in the national survey next year.

Outpatient experience

What we are trying to improve

Last year patients attended 1,025,000 outpatient appointments and it is important to us that this should be a positive experience. We are continuing to work on initiatives that will make the waiting time shorter and each waiting area is being reviewed to ensure that when waits are unavoidable, patients are made as comfortable as possible and kept informed.

What success will look like

We did not meet the 74% target for the time patients waited last year; however, this is consistent with previous performance. This remains a priority for us and as we still want to do better we have set a 5% improvement target.

There is no national survey planned this year, and the last data is from 2011 so local real-time feedback surveys will be used to measure how we are doing.

Table Q7: Results from Meridian survey on waiting time

Question – higher scores are better	2015 result (Meridian)*	2016 Target (Meridian)*
How long after the stated appointment time did the appointment start?	71%	76%

* Percentage of patients who waited 30 minutes or less than for appointment to start

Cancer patient experience

What we are trying to improve

We continue to work to improve the cancer patient experience and are pleased to note the improvements in key areas. We recognise that patients who find it easy to contact their named Clinical Nurse Specialist (CNS) report a better experience overall. While there has been work carried out with CNSs this year, it is clear that much more improvement is needed.

What success will look like

Last year we set our target of 74% based on the national average from the last available NCPES results (2014). On reflection this was a difficult target as most results in London hospitals for the cancer survey are less good than nationally. This year we have set the target based on the best performance in a London hospital for this question.

Table Q8: Results from Cancer Patient Experience Survey for contacting CNS

Question – higher scores are better	2015 UCLH result*	2016 Target*
How easy is it for you to contact your Clinical Nurse Specialist (CNS)?	63%	68%

* Percentage of patients who said they found it easy to contact their CNS.

There was no NCPES planned in 2015, so we commissioned an interim survey to ensure we had an updated position and the 2015 result is in table Q8.

During the year we have discussed the response to this question with clinicians and patients to better understand our performance and compared our performance against similar Trusts. A working group of cancer clinical nurse specialists continues to look at solutions including the possibility of a central contact point system.

How we will monitor progress for our patient experience priorities

As national surveys are published yearly or less we measure our performance during the year using our real time patient feedback system. This provides monthly feedback which is shared with all the clinical teams. At a UCLH level this data is reviewed at the Cancer Clinical Steering Group, the Improving Experience Group, Patient Experience Committee as well as the Quality and Safety Committee.

We will report progress against our performance in the national survey next year.

Responsible Director for priority 1: Flo Panel-Coates
Chief Nurse

Priority 2: Patient Safety

Sign up To Safety Campaign at UCLH

The NHS England 'Sign up to Safety' Campaign has invited healthcare organisations to make a public commitment to play their part in reducing avoidable harm in the NHS by 50 per cent and saving 6,000 lives. Sign up to Safety aims to deliver harm free care for every patient, every time, everywhere. It champions openness and honesty and supports everyone in improving the safety of patients.

UCLH joined the campaign in October 2014 and has committed to: listen to patients, carers and staff, learn from what they say when things go wrong and take action to improve patients' safety. We have created and shared a Safety Improvement Plan that shows how we intend to reduce harm for patients over the three years. Our Safety Improvement Plan builds on existing quality improvement work and has informed the quality priorities for the 2015 -2016 quality report.

As part of the Sign up to Safety campaign UCLH has made the following commitments under the 5 pledges:

Put safety first: Commit to reduce by half avoidable harm in the NHS and make public the goals and plans developed locally.

Safety is one of the core values at UCLH and we work hard to continuously improve safety and reduce harm. Three safety improvement priorities were identified at UCLH under the campaign:

- Reducing surgical harm
- Reducing harm from unrecognised deterioration
- Reducing harm from sepsis

Each has been made the subject of a trust-wide improvement project. Progress on these projects is described within the Priority 2: Patient Safety section of this quality report.

We have also launched 'Call for Concern', a hotline for patients or carers to raise a safety concern directly with the Senior Site Manager 24/7.

Continually learn: Make the organisations more resilient to risks, by acting on the feedback from patients and by constantly measuring and monitoring how safe our services are

Safe organisations are ones that actively learn from incidents and errors and support their staff to learn when things go wrong. We are seeking to strengthen our feedback systems from both patients and staff to better learn and improve.

Specifically we are:

- Improving how we use information from patient surveys and complaints
- Learning from incidents, near misses and good catches
- Circulating information from Divisional Improvement Walk rounds so that all Divisions can learn lessons

The patient and staff experience structure has been reviewed in the last year. A monthly improving experience group was established in October 2015 with membership from all sites and areas. The group's role is to review and act on patient and staff feedback at a local level whilst maintaining a coordinated approach across all sites. An Experience Report is submitted to the Patient Experience Committee on a quarterly basis. Further progress on our pledge to 'continually learn' is described within the Priority 2: Patient Safety section of this quality report.

Honesty: Be transparent with people about our progress to tackle patient safety issues and support staff to be candid with patients and their families if something goes wrong

UCLH aims to be open and candid with our patients, their families and the public on issues of patient safety and in our management of incidents.

Building on our existing commitment to being open when something goes wrong, we have implemented the new statutory duty of candour including educating our clinical staff to build their skills and confidence in disclosure and having open discussions with patients or carers.

Trained Surgical Safety Coaches are providing real-time feedback to teams on how they are using the 5 Steps to Safer Surgery, and helping support staff to embrace the new culture of safety and transparency.

Quarterly incident analysis reports are ensuring that information is disseminated to the front line about Trust level and divisional incident types and trends.

A safety culture survey was distributed to all UCLH staff working in theatres and invasive procedures during December 2015. Results have been disseminated to frontline staff and are being used to inform further improvements.

Collaborate: Take a leading role in supporting local collaborative learning, so that improvements are made across all of the local services that patients use

UCLH are taking a leading role across UCLP in the work to improve rapid assessment and treatment of Sepsis and Acute Kidney Injury (AKI), sharing our approach and learning across the UCLP network. UCLH is a key member of the UCLP Patient Safety Collaborative and UCLH staff participate in shared learning activities within this Collaborative.

Safety Improvement Project teams regularly collaborate with other NHS trusts undertaking similar initiatives such as the Royal Free NHS Foundation Trust and Newcastle Upon Tyne NHS Foundation Trust to share approaches and learn from each other to make improvements more quickly and effectively.

Support: Help people understand why things go wrong and how to put them right. Give staff the time and support to improve and celebrate the progress

At UCLH our core values include teamwork and improving and we endeavour to support our staff to continuously improve themselves and the processes they work with.

Schwartz Centre Rounds provide monthly one hour sessions for staff to discuss difficult emotional or social issues arising from patient care. They have been running at UCLH since April 2014 and funding has been secured for another 2 years. Over 600 members of staff have attended the Rounds which have taken place on a number of sites and covered a range of topics. 96% of attendees would recommend Schwartz Centre Rounds to colleagues.

Through our three safety improvement initiatives and the UCLH Future transformation activities we are increasing our focus on leadership, teamwork, communication and improvement, as well as recognising and rewarding staff for their efforts in making care safer.

2.1 Reduce surgery related harm

Why we have chosen this priority

This priority is part of the three year Sign up to Safety Campaign as described above. We have described what we have achieved in year one of our three year campaign in priority 2.1 on page 99, 'reduce surgery related harm'.

What we are trying to improve

This year we will continue to work on increasing our overall incident reporting rate and in particular the reporting of near misses. We will also:

- Continue coaching interventions to help teams to improve safe practice
- Roll out observational audits of the 5 Steps to Safer Surgery to all surgical and procedural areas across UCLH and take action in areas shown to require improvement
- Repeat the Safety Culture Survey in theatres and procedures and compare against the 2015 baseline
- Continue to provide regular surgical safety bulletins for staff, sharing learning across UCLH
- Complete an interactive e-learning module to provide training for all relevant staff on what 'good' looks like

What success will look like

Success will see an increase in the number of incidents and near misses reported. This is one indicator of a safe culture, where staff feel able to report. Whilst we want to see an increase in reporting, we want to see a reduction in incidents leading to harm.

Building on the work last year, our targets over the next 2 years as part of our safety plan are:

- 10% increase in reporting surgical incidents in theatres
- 10% increase in near misses being reported (within the 10% increase)
- 50% reduction in incidents leading to harm
- Observational audits of checklist use which over time identify improvement in the use of the checklist and associated behaviour in all our theatres.

How we will monitor progress

Performance will be measured and monitored by the WHO Surgical Safety Steering Group and reported to the Quality and Safety Committee.

2.2 Reduce the harm from unrecognised deterioration

Why we have chosen this priority

Reducing harm from unrecognised deterioration remains a safety priority for 2016/17, as part of our commitment to the Sign up to Safety Campaign (see priority 2.2 'reduce the harm from unrecognised deterioration' on page 101).

What we are trying to improve

We want to improve early recognition of patients at risk of deterioration and so reduce patient harm. We will continue with this project to improve safety practices and also timely recognition, escalation and management of deteriorating patients. We will make sure that vital signs are being reliably recorded, that ward staff are aware of which patients are at risk of deteriorating, and that escalation to medical and senior nursing staff is prompt and effective so that urgent action can be taken when needed.

This year we will:

- Engage more wards in undertaking safety improvements regarding deterioration
- Assist ward teams to learn from one another to improve practice trust wide
- Provide training for staff to better support safe practice

In addition we are looking into the possibility of rolling out and further testing an electronic approach to patient monitoring and alerting for deterioration with an external company.

What success will look like

We want to see an overall reduction in the frequency of incidents leading to harm from unrecognised patient deterioration. We also want to continue to measure that the vital signs charts are being completed correctly.

Building on the work last year, our targets over the next 2 years as part of our safety plan are:

- 96% vital signs completed per patient / per ward, based on a sample of 10 per ward per month.
- 90% patients escalated to the Patient Emergency Response and Resuscitation Team (PERTT) using an agreed communication tool (now agreed to be SBAR)
- 20% reduction in the mean number of incidents reported per month leading to harm.

How we will monitor progress

Performance will be measured and monitored by clinical boards and the Deteriorating Patient Steering Group, and reported to the Quality and Safety Committee.

2.3 Reducing harm from sepsis

Why we have chosen this priority

Sepsis is a common and potentially life-threatening condition triggered by infection. If not treated quickly, sepsis can lead to multiple organ failure and death. Successful management of sepsis requires early recognition and treatment. Reducing harm from sepsis remains a safety priority for 2016-17, as part of our commitment to the Sign up to Safety Campaign (see priority 2.3, 'reducing harm from sepsis', on page 103). We will continue to implement this project over the next 2 years of the campaign.

What we are trying to improve

We are trying to improve outcomes for adult patients with sepsis through more rapid treatment, improved knowledge, and more accurate measurement. We have three elements to our sepsis improvement project:

Implementation

- Creation of new UCLH sepsis guidelines.
- Inclusion of a screening tool for sepsis in the Emergency Department.
- Stickers in patient notes to identify patients for whom the guidelines should be followed.
- Communication activities to engage staff in new sepsis processes.

Education

- Regular multidisciplinary training for staff on how to identify and treat sepsis.
- Creation of posters and cards to remind staff and guide them in best practice.

Measurement

- Monthly audit of adherence to guidelines for patients with sepsis.
- More accurate identification of all patients on the 'sepsis pathway'.
- Measuring outcomes of patients on the 'sepsis pathway'.
- Counts of recorded incidents with harm from sepsis.

What success will look like

Our targets for the next year are:

- To have implemented the three elements (implementation, education and measurement) in the Emergency Department at UCH.
- To have rolled out the project to the Acute Medical Unit (AMU), maternity, wards and outreach services to ensure all patients receive the best, most timely care for optimum outcomes.
- To have created an e-learning module for all clinical staff in the correct way to identify and treat sepsis, and to agree and achieve our training target for staff.
- To have created a patient information leaflet for patients with sepsis to keep patients and families better informed. Patients have told us that they can't remember anything about what they were told and what happened to them in hospital so it is useful for them to know what happened and why.
- To have created maternity specific clinical guidelines for sepsis.
- To undertake monthly audits to see how we are doing, with the intention of achieving 95% compliance with the bundle of care by the end of 2018.
- To consider and plan for how we are going to address sepsis in paediatrics.

How we will monitor progress

Performance will be measured and monitored via clinical boards and by the Sepsis Steering Group, and reported to the Quality and Safety Committee.

2.4 Continue Trust wide learning from serious incidents

Why we have chosen this priority

We have improved learning from serious incidents but still believe there is more to be done, in particular learning across divisions and across UCLH.

What we are trying to improve

We are trying to improve the learning and subsequent changes in practice from serious incident investigations, in particular across UCLH and not just in one area. For example this year there was trust wide learning following a serious blood transfusion incident (see priority 2.4, 'Continue Trust wide learning from serious incidents', on page 104). We will continue to focus on timeliness of serious incident reports following an incident investigation to ensure that learning can be shared as soon as possible. We will also continue to follow up actions from incidents in a more systematic way.

What success will look like

- Monthly quality and safety bulletins to continue and to include a 'good catch' story every month to encourage learning from near misses.
- Publication of learning from serious incidents on our website.
- At least two quality forums per year focusing on safety.
- Education services will support teams in sharing their learning from After Action Reviews more widely. At least two stories based on one or more AARs to be published in the Quality and Safety Bulletin.
- Achieve the national guidelines for investigation reports being completed following a serious incident (60 working days).
- Have no further 'never events' reported.
- Consider using rate of recurrence of similar serious incidents (or root causes and contributory factors) as an indication of learning
- Continue with improving care rounds and the focus on learning building on the experience of the CQC Inspection in March 2016.

How we will monitor progress

Performance will be measured and monitored via the Quality and Safety Team and reported to the Quality and Safety Committee.

Responsible Director for priority 2: Professor Tony Mundy, Corporate Medical Director.

Priority 3: Clinical Outcomes

To set up a mortality surveillance group and a mortality governance structure

Why we have chosen this priority

'Mortality governance' is being promoted by NHS England in order to take a common systematic approach to potentially avoidable deaths. Although we have a low mortality indicator (Summary Hospital Level Mortality Indicator) we would like to ensure that we are learning as much as possible from deaths in order to improve safety and care.

What we are trying to improve

We would like to ensure that there is a high quality systematic review of deaths in all specialities including accurate coding.

What success will look like

We will set up a mortality surveillance group (MSG) with multidisciplinary and multi-professional membership chaired by the Corporate Medical Director. This group will review data on patient deaths and agree strategies to ensure the highest possible standards of care are applied in order to reduce avoidable deaths. We will introduce reviews of patient records to understand the standard of care being delivered to those who die. There will be regular reports on deaths to the Board in the public part of the meeting. We will continue to measure the mortality indicator SHMI (Summary Hospital-level Mortality Indicator) as one of our measures of success and aim to maintain our position in the top 10% of hospitals nationally for mortality rates as measured by this indicator.

How we will monitor progress

We will monitor this via the Mortality Surveillance Group and report to the Quality and Safety Committee.

Responsible Director for priority 3: Professor Tony Mundy, Corporate Medical Director.

4.5 Review of quality performance

The following table provides information against a number of national priorities and measures that, in conjunction with our stakeholders, we have chosen to focus on and which forms part of our continuous Trust review and reporting. These measures cover patient safety, experience and clinical outcomes. Where possible we have included historical performance and, where available, we have included national benchmarks or targets so that progress over time can be seen as well as performance compared to other providers.

In the following table the benchmark used is the comparison with the national average or comparable trust or local target.

Table Q9

We have chosen to measure our performance against the following metrics:	2013/14	2014/15	2015/16	2015/16 benchmark	What this means
Safety measures reported					
Falls per 1000 bed days (1) # +	3.4	3.4	4.2	6.63	Benchmark is from the Royal College of Physicians reporting on falls rates across most hospitals in England in the calendar year 2014. Lower scores are better
Inpatient falls with moderate harm, severe harm and death per 1000 bed days (1) #	0.11	0.11	0.08	0.19	As above
Cardiac arrests (2) #	71	59	42	No local target	Lower numbers are better
Surgical site infections +	8.30%	6.88%	5.5%	0.0%	Number of Surgical Site Infections/ Number of SSI Operations. Ideally there should be no infections. Lower scores are better.
Clinical outcome measures reported					
External Summary Hospital-level Mortality Indicator (SHMI) – Rolling one year period, six months in arrears+	0.75	0.79	0.75 Oct 14- Sep 15	1	Lower scores are better. See page 107 for explanation of indicator (this was incorrectly expressed as a whole number last year)
Stroke mortality rates (Based on diagnoses 161x, 164x, P101, P524) (3)	9.29%	7.87%	6.82%	No local target	Lower scores are better.
Percentage of elective operations cancelled at the last minute (on the day) for non clinical reasons +	0.71	0.52	0.57	0.93	Benchmark is NHS England data for 14/15. Lower scores are better.
Percentage of last minute cancellations operations readmitted within 28 days + #	91.1	97.7	97.2	93.77	Benchmark is NHS England data for 14/15 Lower scores are better.
28 day Emergency Readmission rate + (readmissions to UCLH)	3.0%	3.0%	3.2%	6.7% (CHKS national peer group average)	Lower numbers are better. The data is slightly different from last year's figure in the quality report as it was not updated

We have chosen to measure our performance against the following metrics:	2013/14	2014/15	2015/16	2015/16 benchmark	What this means
Studies approved (NHS permission) UCLH by calendar year and Study type (4) #	324 (98 clinical trials + 226 other studies)	272 (94 clinical trials + 178 other studies)	326 (131 clinical trials + 195 other studies)	307	Benchmark is the average of the last 3 years. Higher numbers are better.
Number of trial participants (5)	9384	21,363	12,704	14,500	Benchmark is the average of the last 3 years. Higher numbers are better.
Academic papers which acknowledge NIHR (6) #	606	693	754	685	Benchmark is the average of the last 3 years. Higher numbers are better.
% patients on Diagnostic waiting list seen within 6 weeks + #	97.7%	93.6%	95.2%	99%	Higher numbers are better. The benchmark is the national target.
Patient Experience – national inpatient survey - 2015/16 data or a current benchmark not available until 8th June 2016					
Overall satisfaction rating + (7)	8.3	8.1			Higher numbers are better
How many minutes after you used the call button did it usually take before you got the help you needed? + # (8)	6.2	6.0			Higher numbers are better
Beforehand, did a member of staff explain the risks and benefits of the operation or procedure in a way you could understand? + # (9)	9.0	8.9			Higher numbers are better
After the operation or procedure, did a member of staff explain how the operation or procedure has gone in a way you could understand? + # (10)	8.0	7.7			Higher numbers are better
Staff Experience Measures – national staff surveys					
Appraisal + (11)	93%	93%	89%	86%	Higher numbers are better. Benchmark is the national average
Staff would recommend the Trust as a place to work + (12)	4.05	3.97	3.91	3.76	Higher numbers are better. The score is the average out of 5. Benchmark is the national average
If a friend or relative needed treatment, I would be happy with the standard of care provided by this Trust + (13)	83%	83%	82%	70%	Higher numbers are better. Benchmark is the national average
Staff engagement + # (14)	3.91	3.87	3.84	3.79	Higher numbers are better. The score is the average out of 5. Benchmark is the national average.

Table notes

+ These indicators use nationally agreed definitions in their construction. Otherwise indicators are necessarily locally defined.

indicates those that are new to this section of the report and which have been added to reflect the feedback from our stakeholders.

1. The methodology for counting falls changed in 2014-15, with unwitnessed falls now being included. Inpatient falls with harm has become per 1000 bed days
2. Only includes cardiac arrests as per the criteria for a deteriorating patient group by UCLP and excludes those in critical care areas, theatres, A&E and catheter labs.
3. This indicator looks at the number of patients with these codes who died in UCLH in that time period compared with the total number of patients discharged with the same codes. The numbers of deaths for this indicator are relatively few and confidence limits for this indicator can be provided on request
4. The number of new clinical research studies approved to take place at UCLH categorised by the type of study
5. The number of subjects (usually patients) consented to take part in clinical trials at UCLH - it is important for UCLH to have many studies and good recruitment of patients to studies because they are indicators of the level of engagement with research across UCLH, for how research active UCLH is and for how integral research is within UCLH's clinical departments
6. The number of research papers published in journals and the number of times that the papers have been cited in other journal articles (citations are a measure of the importance of the paper amongst the academic community - this is important as a measure of the quality of our research and therefore affects our reputation and the likelihood of further research opportunities. NIHR is the National Institute for Health Research.
7. Weighted aggregated score based on a rating scale of 0-10 where 0 is the lowest score.
8. Score based on an aggregate of the following responses:
 - 0 minutes/straight away
 - 1-2 minutes
 - 3-5 minutes
 - More than 5 minutes
 - I never got help when I used the call button
 - I never used the call button
9. Score based on an aggregate of the following responses:
 - Yes, completely
 - Yes, to some extent
 - No
 - I did not want an explanation
 - Not applicable
10. Score based on an aggregate of the following responses:
 - Yes, completely
 - Yes, to some extent
 - No
11. Per cent of staff reporting that an appraisal has taken place in the last 12 months.
12. This question allows respondents to strongly disagree, disagree, neither agree nor disagree, agree or strongly agree

-
13. Per cent of staff who 'strongly agree' with the statement.
 14. The overall score is calculated by using the scores for the following key findings:
Staff members' perceived ability to contribute to improvements at work (key finding 7), their willingness to recommend UCLHs as a place to work or receive treatment (key finding 1), and the extent to which they feel motivated and engaged with their work (key finding 4).

Following consultation with our stakeholders these local indicators have been revised. The following have been removed and the reason noted:

- Patients with MRSA infection/10,00 bed days – low rate
- Patients with *Clostridium difficile* infection/10,000 bed days – indicator measured elsewhere in the report
- Medication incidents – no rate and therefore limited value
- CVC line care – a process measure
- Safe surgery intervention (time out using WHO Surgical safety checklist) – replaced by safety priority
- Vital signs audit (Harm from deterioration) – replaced by cardiac arrests (outcome measure)
- Deaths – addressed through measuring the SHMI
- Complications following surgery – no rate and therefore limited value
- Respect and dignity – replaced by alternative indicators for patient experience
- Involvement in decisions – replaced by alternative indicators for patient experience
- Worries and fears – replaced by alternative indicators for patient experience
- Re-validation rates - appraisal rates only now measured
- Care of patents is my Trust's top priority - replaced by friends and family measure
- Staff job satisfaction – no longer measured. Replaced by engagement

New indicators have been added to reflect areas of interest expressed by our stakeholders and some have been amended for clarity.

In addition our stakeholders have expressed an interest in measuring and monitoring discharge summaries, the quality of the data is being improved and we will include in the quality report next year.

Table Q10: Progress against Monitor's Risk Assessment Framework**Access targets and Outcome indicators**

Monitor uses a limited set of national measures of access and outcome objectives as part of the assessment of governance at NHS foundation trusts. It is a Monitor requirement to include these in the UCLH quality report. The table below sets out the measures, thresholds and quarterly performance.

Indicator	Threshold	Q1	Q2	Q3	Q4	2015-16 actual
Access						
Referral to treatment time, 18 weeks in aggregate, incomplete pathways*	92%	95.1%	93.8%	93.9%	95.9	94.2%
A&E Clinical Quality- Total Time in A&E under 4 hours	95%	97.7%	95.0%	90.5%	86.9%	92.4%
Cancer 62 Day Waits for first treatment (from urgent GP referral)	85%	72.6%	67.6%	65.1%	63.4%	67.2%
Cancer 62 Day Waits for first treatment (from NHS Cancer Screening Service referral) -	90%	70.0%	89.7%	70.6%	86.4%	79.6%
Cancer 31 day wait for second or subsequent treatment - surgery	94%	87.6%	91.2%	96.7%	97.7%	93.5%
Cancer 31 day wait for second or subsequent treatment - drug treatments	98%	99.7%	99.7%	99.9%	100%	99.8%
Cancer 31 day wait for second or subsequent treatment - radiotherapy	94%	99.4%	98.4%	99.7%	99.7%	99.3%
Cancer 31 day wait from diagnosis to first treatment	96%	90.5%	89.9%	95.7%	95.6%	92.9%
Cancer 2 week (all cancers)	93%	92.9%	91.0%	83.9%	82.4%	87.5%
Cancer 2 week (breast symptoms)	93%	95.7%	87.3%	17.3%	23.8%	57.7%
Outcomes						
<i>Clostridium difficile</i> due to lapses in care	72.75	4	12	19	25	25
Total <i>Clostridium difficile</i> (including: cases deemed not to be due to lapse in care and cases under review)		32	52	53	90	90
of which <i>Clostridium difficile</i> cases under review		25	25	34	31	31

We undertake extensive validation work on the data underpinning our performance reporting for RTT, 6 week diagnostics and A&E access standards. Along with the rest of the NHS, we need to carry out this validation to ensure that data collected by a wide range of clinical and non-clinical staff is put on to our systems accurately and then processed in line with rules that are sometimes complex to follow.

As a result of this validation work and the quality report external audit review we are aware that our reported RTT performance figures in particular will not include all pathways that fall within the remit of the policy, and that the figures also

include patient pathways where the patient was no longer waiting for treatment. A quality assurance process carried out by NHS England's intensive support team across 2015/16 has demonstrated that we have made significant progress in tightening our data processing such that we are not systematically excluding or including pathways in error. An internal audit in 2016 and a range of other RTT and 6 week diagnostic waiting times data quality assessments have confirmed that both clinical and administrative data entry errors remain in the management of these pathways. To address these points we continue to develop the following:

- a set of operational reports, implemented across 2014/15 and developed further in 2015/16, which help clinical teams closely manage waiting lists
- operational meetings at all levels of the organisation to ensure that waiting lists are scrutinised at least weekly
- a suite of data quality reports, including identification of where errors occurred, to help operational teams pinpoint issues
- introduction during 2016/17 of checks of electronic records against paper records to identify any common sources of error
- provision of training for staff to avoid the data quality issues that we find
- support for clinicians in providing the information needed to manage patients along their RTT, diagnostic and emergency pathways
- continuing to improve the information that trusts give us about the early stages of pathways for the patients they refer to us for care

In addition, we need to carry out a rapid investigation into the findings of the external audit on A&E waiting times as reported in the quality report. This audit has identified inconsistencies between electronic systems and paper records for the timestamps of A&E pathway milestones used to calculate waiting times, and we will establish if these inconsistencies have an impact on the accuracy of our reporting of pathways against the A&E four hour standard. We will also investigate how we might retain a more robust audit trail of how we validate reported breaches of the A&E 4 hour standard.

Core indicators for 2015/16

Amended regulations from the Department of Health require trusts to report performance against a core set of indicators using data made available to UCLH by the Health and Social Care Information Centre (HSCIC). These mandated indicators are set out below and are as at the time of this report and may not reflect the current position. Where the required data is made available by the HSCIC, a comparison has been made with the national average results and the highest and lowest trusts' results.

Summary hospital level mortality indicator and patient deaths with palliative care

UCLH NHS Foundation Trust considers that this data is as described for the following reasons: UCLH has a robust process for clinical coding and review of mortality data so is confident that the data is accurate.

Table Q11

	UCLH Performance Oct-13 to Sept 14	UCLH Performance Apr-14 to Mar-15	UCLH Performance Oct-14 to Sep-15	National AVG Oct-14 to Sep-15	Highest Performing Trust Oct-14 to Sep-15	Lowest Performing Trust Oct-14 to Sep-15
a) The value and banding of the summary hospital – level mortality indicator ('SHMI') for the trust for the reporting period	79.5	77.92 (Band 3)	74.8 (Band 3)	100	65.2 (Band 3)	117.7 (Band 1)
b) The percentage of patient deaths with palliative care coded at either diagnostic or speciality level for the trust for the reporting period.	31.5%	34.2%	34.1%	26.6%	0.2%	53.5%

UCLH NHS Foundation Trust has taken the following action to improve this percentage and so the quality of its services by:

- Monthly review of specialty level mortality at local and Trust level.
- Patient level clinical and coding review of any specialty or conditions which show as mortality outliers when compared with national data.
- Presenting a monthly report to the Quality and Safety Committee detailing the percentage of patient deaths with palliative care coding. UCLH has also set a local target to monitor its rate of palliative care coding and any large variances are investigated by the clinical coding team.

Table Q12: Patient Reported Outcome Measures

UCLH NHS Foundation Trust considers that this data is as described for the following reasons: the Trust has processes in place to ensure that relevant patients are given questionnaires to complete. However, it has no control over their completion and return.

Adjusted Average Health Gain (EQ-5D)	UCLH Performance 2012/13 (final)	UCLH Performance 2013/14 (final)	UCLH Performance 2014/15	National Average 2014/15	Lowest Performing Trust 2014/15	Highest Performing Trust 2014/15
Groin Hernia surgery	0.04	0.06	*	0.08	0.00	0.15
Hip surgery -Primary	0.44	0.42	0.46	0.44	0.33	0.52
Hip surgery -Revision	*	*	*	0.28	0.19	0.38
Knee surgery - Primary	0.31	0.24	0.27	0.31	0.20	0.42
Knee surgery - Revision	*	*	*	0.26	0.18	0.33
Varicose Vein surgery	0.07	0.09	0.09	0.09	0.00	0.15

* denotes less than 5 patients so data not available

UCLH NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services by:

- Monitoring performance and agreeing actions with appropriate specialties through the PROMs Steering Group, chaired by a consultant lead and with consultant representatives from all relevant specialties
- Undertaking a more detailed review of the PROMs total knee arthroplasty (TKA) data due to UCLH having a lower than average score, to understand the reasons for the low scores. This showed that the majority of patients with poor scores at 6 months have two or more significant co-morbidities and that comorbidities at UCLH are under reported. This impacts on the risk adjusted predicted score against which the outcomes are benchmarked, leading to apparent worse performance. Another issue was the importance of pre-operative physiotherapy and this is to be considered as well as routine patient follow up for all patients

Table Q13: 28 Day Emergency Readmission Rate

UCLH NHS Foundation Trust considers that this data is as described for the following reasons: UCLH has a robust process for clinical coding so is confident that the data is accurate.

The percentage of patients aged:	UCLH Performance 2009/2010	UCLH Performance 2010/2011	UCLH Performance 2011/12	National Average Amongst our Peers 2011/12*	Lowest Performing Trust 2011/12	Highest Performing Trust 2011/12
(i) 0 to 15	6.69	8.12	6.32	9.49	14.94	3.75
(ii) 16 or over	10.65	10.73	11.72	11.31	17.15	6.48

readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the trust during the reporting period

*National Average taken against all acute trusts. Trusts with zero readmissions have been excluded from the table.

The Health and Social Care Information Centre (HSCIC) has informed us that the publication for emergency readmissions to hospital within 28 days of discharge indicators has been delayed while they bring their production in-house from an external contractor. They are currently reviewing the methodology and specifications which will have an impact on when they will actually be published. We can't therefore provide a more up to date figure than 2011/12.

UCLH NHS Foundation Trust has taken the following actions to improve this percentage and so the quality of its services by:

- Collaborative working with primary care and other secondary care providers across patient pathways
- Providing physicians for community clinics
- Increasing specialist nurse discharge support to 7 day working
- Admissions avoidance – providing a team in the Emergency Department and Acute Medical Unit for the avoidance of preventable or inappropriate admission of patients to hospital
- Enhanced social work provision
- Strengthening joined up care
- Improved information management - It is envisaged that better information across community, social, primary and secondary care will support the prevention of unnecessary re admissions.
- Specialist nurse discharge support – UCLH will continue to enhance the skills of its established discharge and admission avoidance team to optimise patient care across organisational boundaries.

Table Q14: Responsiveness to Personal Needs of Patients*

UCLH NHS Foundation Trust considers that this data is as described for the following reasons: undertaken independently as part of the annual national inpatient survey.

	UCLH Performance 2013/14	UCLH Performance 2014/15	National Average 2014/15	Lowest Performing Trust 2014/15	Highest Performing Trust 14/15
The trust's responsiveness to the personal needs of its patients during the reporting period	68.9	67.7	68.9	59.1	68.9

* Responsiveness to personal needs of patients is a composite score from five CQC National Inpatient Survey questions. The five questions are:

- Were you as involved as you wanted to be in decisions about your care and treatment?
- Did you find someone on the hospital staff to talk to about worries and fears?
- Were you given enough privacy when discussing your condition or treatment?
- Did a member of staff tell you about medication side effects to watch for when you went home?
- Did hospital staff tell you who to contact if you were worried about your condition or treatment after you left hospital?

UCLH NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services by:

- Monitoring performance on Meridian in real-time through regular discussion at quality huddles and agreeing local action plans
- Introduced a 'call for concern' sticker by each patient bed to raise awareness of the range of staff who are available to raise concerns or queries with
- Improving discharge processes through our 'Home for Lunch' programme which has included better information for patients. This work is still ongoing.

Table Q15: Staff recommendation of UCLH as a provider of care to their family or friends

UCLH NHS Foundation Trust considers that this data is as described for the following reasons: survey undertaken independently as part of the annual national staff survey.

	UCLH Perfor- mance 2014/15	UCLH Perfor- mance 2015/16	National Average of Acute Trusts 2015/16	Lowest Perfor-ming Acute Trust 2015/16	Highest Perfor-ming Acute Trust 2015/16
The percentage of staff employed by, or undercontract to, the trust during the reporting period who would recommend the trust as a provider of care to their family or friends.	83.5%	81.7%	69.2%	45.7%	93.1%

UCLH NHS Foundation Trust has taken the following actions to improve this percentage and so the quality of its services by :

- Committing to being a London Living Wage employer
- Launching of a credit union to enable staff to gain financial advice and support
- Providing free food and drink pilots for staff working in our most pressured clinical areas,
- Piloting a Guardian Scheme to enable staff to raise concerns securely and increasing security in the most vulnerable areas.
- Launching a staff lottery and holding a health and wellbeing event in response to ideas raised through the staff suggestion scheme.
- Tackling issues related to discrimination and bullying through a new innovative model: the 'What is Discrimination?' project - run in partnership with the Royal College of Nursing and our local staff partners. It was launched in the autumn of 2015, followed by workshops for all staff groups to explore unconscious bias and how we can use difference in a positive way to improve staff and patient experience. Listening events with BME staff have also taken place and have been truly thought-provoking.

Other areas are as described in the patient experience priority.

Table Q16: Friends and family test for A and E

UCLH NHS Foundation Trust considers that this data is as described for the following reasons: data collection is undertaken independently.

	UCLH Performance Apr 14 - Feb 15	UCLH Performance April 15- Feb 16	National Av Jan 16	Lowest Performing Trust Jan 16	Highest Performing Trust Jan 16
Friends & Family Test (A&E survey)	90.2%	94.7%	85.9%	52.5%	100.0%

The above percentages are the % of patients asked who said they would recommend the service

UCLH NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services by:

- Increasing the size of the department to include a Clinical Decision Unit (CDU) with 13 patient spaces (an increase of 9 patient spaces)
- Introducing an Emergency Day Unit (EDU) where GP expected medical patients go directly and includes increased capacity for Ambulatory Emergency Care Unit (AECU)
- Providing an increased GP service at the A&E front door and Urgent Treatment Centre (UTC) (which generally receives positive feedback)
- Adding fast track pharmacy payment kiosks in A&E
- Adding mobile phone charging stations in A&E
- Refurbishing a number of majors cubicles as per Phase 5 of the A&E redevelopment
- Completing a training needs analysis for the A&E reception team in the first quarter. Recruitment of new receptionists includes values based questions including role play around dealing with difficult/sensitive situations. Our A&E redevelopment has meant we now provide better facilities including more storage and better organisation of patient information and leaflets to support patient journeys

Table Q17: Rate of admissions assessed for VTE

UCLH NHS Foundation Trust considers that this data is as described for the following reasons: UCLH has a robust process for measuring VTE risk assessment of patients and this is also part of the monthly Safety Thermometer audit.

	UCLH Performance Oct 2014 to Dec 2014	UCLH Performance Oct 2015 to Dec 2015	National Average Oct 2015 to Dec 2015	Lowest Performing Trust Oct 2015 to Dec 2015	Highest Performing Trust Oct 2015 to Dec 2015
Percentage of admitted patients risk assessed for Venous thromboembolism during the reporting period.	93.3%	95.1%	95.5%	61.5%	100.0%

UCLH NHS Foundation Trust has taken the following actions to improve this percentage and so the quality of its services by:

- Monitoring as part of the key performance indicators from ward up to board level
- Identifying and taking action in low performing areas

Table Q18: *Clostridium difficile* Rate

UCLH NHS Foundation Trust considers that this data is as described for the following reasons: the data has been sourced from the Health and Social Care Information Centre and compared to internal Trust data and data hosted by Public health England.

	UCLH Performance 2013/14	UCLH Performance 2014/15	National Average 2014/15	Lowest Performing Trust 2014/15	Highest Performing Trust 2014/15
The rate per 100,000 bed days of cases of <i>Clostridium difficile</i> infection amongst patients aged 2 or over during the reporting period.	37.1	40.5	15.1	62.2	0

This refers to all Trust attributable *Clostridium difficile* infections including those subsequently appealed and under review.

UCLH NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services by:

- Ensuring a multidisciplinary review of all cases of toxin positive *Clostridium difficile* is undertaken (root cause analysis - RCA)
- Ensuring a detailed action plan is in place and monitored regularly which is based on learning from the RCAs
- Ensuring there is a constant focus on ensuring the basics of infection prevention are communicated and understood
- Completing deep cleaning of patient areas in UCLH
- Continuing focus on antibiotic stewardship to optimise practice and patient outcome.

Table Q19: Incident Reporting

UCLH NHS Foundation Trust considers that this data is as described for the following reasons: data has been submitted to the National Reporting and Learning System (NRLS) in accordance with national reporting requirements.

	UCLH Performance October 2013 - March 2014	UCLH Performance October 2014 - March 2015	National Average October 2014 - March 2015	Lowest Performing Trust October 2014 - March 2015	Highest Performing Trust October 2014 - March 2015
Number of patient safety incidents reported within the trust during the reporting period	3785	4439	4539	443	12784
The rate of patient safety incidents reported within the trust during the reporting period*	4.7	32.81	36.24	3.57	82.21
The number of such patient safety incidents that resulted in severe harm or death	14	14	22.5	128	1
The percentage of such patient safety incidents that resulted in severe harm or death	0.4%	0.3%	0.5%	5.20%	0%

The incident reporting rate for 2013/14 is per 100 admissions. In 2014/15 it is per 1000 bed days. This makes year on year comparison difficult.

UCLH NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services by:

- Encouraging incident reporting through the monthly Quality and Safety bulletin which shares learning on reporting from incidents, and encourages the reporting of near misses.
- Sharing the quarterly report on incident trends and learning widely shared and commending high reporters.
- Amending Datix reporting to make it easier to report.
- Introducing a focus on actions and learning from serious incidents in serious incident summaries on Insight and in QS bulletin
- Creating dashboards for wards to allow review of their incidents at local level
- Introducing 72 hour review form which includes a focus on staff support

4.6 Statements of Assurance from the Board

All providers of NHS services are required to produce an annual quality account (report) and certain elements within it are mandatory. This section contains the mandatory information along with an explanation of our quality governance arrangements.

The quality governance arrangements within UCLH ensure that key quality indicators and reports are regularly reviewed by clinical teams and by committees up to and including the Board of Directors. There are a number of committees and executive groups with specific responsibilities for aspects of the quality agenda, which report to the UCLH Quality and Safety Committee. This is the key committee for monitoring quality and some examples of areas monitored frequently until improvement has been demonstrated include trauma care, MRSA and *Clostridium difficile* infection rates and the provision of nutrition and hydration. The Audit Committee is responsible on behalf of the Board for independently reviewing the systems of governance, control, risk management and assurance. The Board of Directors receives a regular corporate performance report (available on the UCLH website as part of the published Board papers) that includes a range of quality indicators across the three domains of patient safety, experience and clinical effectiveness (outcomes). In addition the Board receives quarterly reports in areas such as serious incidents, and quarterly and annual reports in areas such as child safeguarding and complaints. The Board is further assured by reviews undertaken by internal audit which this year has included CQC governance – looking at how UCLH ensures compliance with the CQC standards; a review of learning from incidents – how learning is put into practice; a review of how the Central Alerting System (CAS) alerts are disseminated and acted upon and a review of how well the risk register is used.

In addition, board members including the chairman and chief executive, medical directors, chief nurse, and non executive directors, regularly undertake walkabouts around UCLH talking to staff and patients. They focus on the CQC essential standards of safe, effective, caring, responsive and well led. These visits and what is learnt provides additional assurances on services. There are other visits - matrons undertake 'quality rounds' and the

governors visit clinical areas. Our improving care walk rounds are described on page 106.

A review of our services

During 2015/16 University College London Hospitals NHS Foundation Trust provided and/or subcontracted 60 relevant health services. University College London Hospitals NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these relevant health services. The income generated by the relevant health services reviewed in 2015/16 represents 100% of the total income generated from the provision of relevant health services by University College London Hospitals NHS Foundation Trust for 2015/16.

Participation in clinical audit

Clinical audit is an evaluation of the quality of care provided against agreed standards and is a key component of quality improvement. Its aim is to provide assurance and to identify improvement opportunities. UCLH NHS Foundation Trust has a yearly programme of clinical audits which includes 3 types of audit:

- National clinical audit, where UCLH aims to participate in all applicable audits. The full list of these and University College London Hospital NHS Foundation Trust participation is shown in the table below.
- Corporate clinical audit, where we set a list of clinical audits that all specialties should carry out based on Trust priorities.
- Local clinical audit, that is determined by clinical teams and specialties and which reflect their local priorities and interests.

Audit findings are reviewed by clinical teams in their quality and safety (governance) meetings, as a basis for peer review and for targeting or tracking improvements. A Clinical Audit and Quality Improvement Committee oversees the corporate clinical audit programme and activity, and reports directly to the Quality and Safety Committee.

National Clinical Audit

During 2015/16, 33 national clinical audits (NCA) and eight national confidential enquiries (NCE) covered relevant services that University College London Hospitals NHS Foundation Trust provides. During that period, that University College London Hospitals NHS Foundation Trust participated in 91% of the national clinical audits and 100% of national confidential enquiries which it was eligible to participate in. Of the three audits where data was not submitted, two (National Diabetes Audit (Adult) and the National Prostate Cancer Audit) were related to internal IT systems and work is ongoing to resolve this for next year. For the third audit (National Complicated Diverticulitis Audit) resources were not identified to complete the audit in a timely way.

The national clinical audits and national confidential enquiries that University College London Hospitals NHS Foundation Trust was eligible to participate in during 2015/16 and the national clinical audits and national confidential enquiries that University College London Hospitals NHS Foundation Trust participated in, and for which data collection was completed during 2015/16 are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Table Q20

	Audit	UCLH eligible	UCLH participation	Cases submitted	Percentage of cases required
1	National Prostate Cancer Audit	✓	Yes	54 (cases being submitted)	100%
2	Lung Cancer (NLCA)	✓	Yes	78	100%
3	National bowel cancer audit programme (NBOCAP)	✓	Yes	117	90%
4	Oesophago-gastric cancer audit	✓	Yes	161	89%
5	Inflammatory bowel disease (IBD) Includes: Paediatric Inflammatory Bowel Disease Services	✓	No data collection requested during 2015/16		
6	National Complicated Diverticulitis Audit (CAD)	✓	No		
7	Elective Surgery (National PROMs Programme:- Hernia, Varicose Veins, Knee Replacements, -Hip Replacements	✓	Yes	Groin hernia PROM: 119. Hip Replacement PROM: 180. Knee Replacement PROM: 177. Varicose vein PROM: 165. (April to Dec 2015)	Groin hernia 69.2%. Hip Replacement 78.3%. Knee Replacement 87.2%. Varicose vein 61.8%. (April to Dec 2015)
8	National Emergency Laparotomy audit (NELA)	✓	Yes	92	>80%
9	National Vascular Registry (elements include NCIA, peripheral vascular surgery, VSGBI Vascular Surgery Database, NVD)	✓	Yes	70	100%

	Audit	UCLH eligible	UCLH participation	Cases submitted	Percentage of cases required
10	National joint registry (NJR)	✓	Yes	479 (April to Dec 2015)	100%
11	National Hip Fracture Database (part of Falls and Fragility Fractures Audit Programme (FFFAP))	✓	Yes	110 (April to Dec 2015)	100%
12	National audit of Inpatient falls (PILOT) part of Falls and Fragility Fractures Audit Programme (FFFAP)	✓	Yes	30	100%
	Ophthalmology Audit	No	N/A		
	Adult cardiac surgery audit (CABG & valvular surgery)	No	N/A		
	Congenital heart disease	No	N/A		
	Coronary angioplasty / PCI audit	No	N/A		
13	Heart failure audit	✓	Yes	150	100%
	Cardiac Rhythm Management (previously: Cardiac arrhythmia audit (HRM))	No	N/A		
14	Acute coronary syndrome or Acute myocardial infarction (MINAP)	✓	Yes	126	100%
	Pulmonary Hypertension	No	N/A		
15	Sentinel Stroke National Audit Project (SSNAP) including SINAP	✓	Yes	783 (April - December 2015)	89%
16	UK Parkinson's Audit Audit	✓	Yes	47	100%
	Prescribing for mental health (POMH)	No	N/A		
17	National neonatal audit programme (NNAP)	✓	Yes	915	100%
18	National Paediatric Asthma Audit	✓	Yes	9	100%
19	National Paediatric Pneumonia Audit	✓	No data collection requested during 2015/16		
20	National Paediatric Diabetes audit (NPDA)	✓	Yes	483	96%
	Paediatric Intensive Care (PICANet)	No	N/A		

	Audit	UCLH eligible	UCLH participation	Cases submitted	Percentage of cases required
21	ICNARC Case Mix Programme (Critical Care)	✓	Yes	538 (April to June 2015)	100%
22	Severe Trauma (TARN)	✓	Yes	87 (April to November 2015)	74%
23	Vital Signs in Children (care in emergency departments)	✓	Yes	50	100%
24	VTE Risk in Lower Limb Immobilisation in Plaster Cast	✓	Yes	50	100%
25	Procedural Sedation in Adults (care in emergency departments)	✓	Yes	56	100%
26	National Adult Asthma Audit	✓	No data collection requested during 2015/16		
27	National Emergency Oxygen Audit	✓	Yes	33 patients were prescribed oxygen out of 236	100%
	UK Cystic Fibrosis Registry (Paediatric and Adults)	No	N/A		
28	National Diabetes Audit (Adult) NDA(A)	✓	No		
29	National Diabetes Inpatient Audit (NaDIA)	✓	Yes	NaDIA: 80. Foot: 10	NaDIA: 80%. Foot: 100%
30	Rheumatoid & early inflammatory arthritis	✓	Yes	33	44%
	National Chronic Kidney Disease audit	No	N/A		
	Renal Replacement Therapy	No	N/A		
31	Non-invasive Ventilation	✓	No data collection requested during 2015/16		
	COPD	No	N/A		
	National Audit of Intermediate Care	No	N/A		
32	National Comparative Audit of Blood Transfusion	✓	Yes	Audit of Patient Blood Management in Scheduled Surgery: 9. Audit of the use of blood in Haematology: data collection in progress	20%. Data collection in progress
33	National Cardiac Arrest Audit	✓	Yes	42 (between April and December 2015)	100%

Table Q21: National Confidential Enquiries

National Confidential Enquiry	UCLH eligible	UCLH participation	Cases submitted	Cases required
National confidential enquiry into patient outcome and death (NCEPOD)	✓	Yes	Sepsis: 5	Sepsis: 8
	✓	Yes	Acute Pancreatitis: 5	Acute Pancreatitis: 5
	✓	Yes	Care of Patients with Mental Health Problems in Acute General Hospitals (study still open): 8	Care of Patients with Mental Health Problems in Acute General Hospitals (study still open): 11
	✓	Yes	Young person's mental health (study in progress)	To be confirmed by NCEPOD
	✓	Yes	Chronic neurodisability, focussing on cerebral palsy (study in progress)	To be confirmed by NCEPOD
	✓	Yes	Non-invasive ventilation. (study in progress)	To be confirmed by NCEPOD
Mothers and babies: reducing risk through audits and confidential enquires across the UK (MBRRACE-UK)	✓	Yes	Neonatal deaths: 23. Over 22/40 weeks pregnancy losses: 44. Maternal deaths: 2. Cases meet MBRRACE-UK reporting criteria from January 2015 up to and including December 2015.	100%
Learning Disabilities Mortality Review (LeDeR) Programme	✓	Yes	Reviews of the deaths of people with learning disabilities (programme to be rolled out from 2016/17)	To be confirmed by LeDeR

The reports of six national clinical audits and 18 local clinical audits were reviewed by UCLH at corporate level in 2015/16. Examples of actions University College London Hospitals NHS Foundation Trust intends to take to improve the quality of healthcare provided are shown below.

National Clinical Audit examples of improvement resulting from audit of:

1. Respiratory Medicine – Adult Community Acquired Pneumonia (CAP)

This annual national audit, designed to measure the standard of care in the UK for patients with Community Acquired Pneumonia (CAP), show that UCLH has a lower number of inpatient deaths, a shorter length of stay and lower readmission rate, compared to the national average.

Following arrival in the Emergency Department, 92% of patients had a chest X-ray and confirmation of pneumonia within four hours compared to the national average of 77%. Sixty seven per cent of our patients had antibiotics administered within four hours, compared to 59% nationally. A mortality prediction score (called CURB65), which establishes the severity of the infection and suggests treatment was calculated for 62% of patients, which is below the national average. As a result of the audit the multidisciplinary team have developed a care bundle for CAP which, in line with national guidance, sets out the patient pathway (see glossary) from arrival in the Emergency Department to discharge.

2) Gastrointestinal - Inflammatory Bowel Disease (IBD) Audit

The UK IBD audit programme aims to improve the quality and safety of care for people with inflammatory bowel disease throughout the UK by assessing individual patient care and the provision and organisation of specialist IBD service resources.

The data shows that UCLH provides rapid access to specialist advice for patients suffering a relapse, by providing an appointment within seven days. It also shows close working with Great Ormond Street Hospital in the transition from paediatric services there to adolescent services at UCLH, and from adolescent services to adult at UCLH.

3) Theatres and Anaesthesia and General Surgery - National Emergency Laparotomy Audit

A laparotomy is a surgical operation undertaken to establish the cause of and to treat patients who have undiagnosed and severe abdominal pain. An audit was established to review the variation in patient outcomes across the country.

Results of the first round of the audit identified areas for improvement. One of these was that the data collection and entry into the audit was not fully complete and accurate. We have since made improvements in the way we collect and review the data by the introduction of a notes sticker to highlight relevant patients, an icon added to the desktop of all computers in order to make data entry easier and a generic login and password has been arranged which allows all relevant staff to enter timely and accurate data. Continual accurate data helps us to respond quickly to results to improve patient care. Other improvements include the production of a risk tool which is used to inform individual patient care and the development of guidelines to ensure all patients receive the optimum level of intravenous fluids.

Continual audit over the last three months shows:

- Documentation of risk has increased to 80% and above
- Both consultants (surgeon and anaesthetist) are present in theatre approximately 80% of the time, the national average is 65%
- Direct admission to Critical Care has dropped from 100% to 40% in the last month of data

4) Queen Square Division - Sentinel Stroke National Audit Programme (SSNAP)

The Sentinel Stroke National Audit Programme (SSNAP) aims to improve the quality of stroke care by auditing stroke services against evidence based standards, and national and local benchmarks.

UCLH performance shows thrombolysis rates are in the top 20% nationally and that mortality rates are low. Two issues the audit highlighted for improvement are timely consultant review and that admission to the specialist Stroke Unit, (HASU) can be a challenge.

The stroke service has implemented StrokePad. StrokePad is an innovative real time, point of care digital clinical record encompassing the entire patient pathway and utilising hand-held tablets. It has been developed by UCLH with a technology solution partner. We hope this will revolutionise audit compliance and improve all areas of stroke care at UCLH by allowing us quick and easy access to information on how we are doing so that we can improve.

The Sentinel Stroke National Audit Programme (SSNAP) aims to improve the quality of stroke care by auditing stroke services against evidence-based standards, and national and local benchmarks.

5) Medicine for the Elderly – National Audit of Dementia (Pilot)

Following two national audits (2010 and 2012) further pilot work was undertaken at six hospitals, one of which was UCH. There were several elements to the audit, an organisational study, retrospective patient records review, staff survey and a carers/ family survey.

Results indicate UCLH was successful in many areas. A patient pathway is already in place that can be adapted for use in various settings such as acute care, palliative care and end of life. Assessments to identify delirium (which ensures patients are diagnosed and treated quickly) are carried out in 100% of cases. Systems are in place across UCLH to establish information needed to care for a person with dementia which ensures staff from other areas are aware of a patient's dementia whenever the patient accesses other treatment areas.

Corporate Clinical Audit

The aim of the corporate clinical audit programme is to support University College London Hospitals NHS Foundation Trust's top ten objectives, provide assurance to commissioners, demonstrate compliance with recommendations from the National Institute for Health and Care Excellence (NICE) and help manage risk. A summary of the programme is below. Although they are not clinical audits per se, patient surveys are included because they are an important part of quality improvement and the best indicator of patient experience.

Table Q22

Objective	Quality Priorities	Supporting Corporate Audit Activity
Improve Patient Safety	<ul style="list-style-type: none"> ● Achieve hospital acquired infection targets ● Deliver "Sign up to Safety" campaign ● Deliver progress towards 24 / 7 working 	<ul style="list-style-type: none"> ● Hand Hygiene ● Surgical wound infection surveillance ● MRSA Bacteraemia ● Adherence to surgical prophylaxis guidance ● Antimicrobial Prescribing ● Saving Lives Care Bundle ● <i>Clostridium difficile</i> Infections ● NHS Safety Thermometer (pressure ulcers, falls & urinary tract infection in patients with a catheter) ● VTE Risk Assessments ● VTE Administrations of prophylaxis ● Medication Safety ● Dose Omissions ● Quality and timeliness of GP communications following appointments ● Standards of Record Keeping ● Nutrition Screening ● Vital Signs ● Resuscitation trolley and equipment ● Cardiac arrest & PERRT team calls audit ● World Health Organisation (WHO) Surgical safety Checklist ● Safeguarding ● NG Tubes ● Tracheostomy ● Non Delegated Consent ● IV Catheter Care
Deliver Excellent Clinical Outcomes	<ul style="list-style-type: none"> ● Maintain upper decile Standard Hospital Mortality Indicator results ● Agree an integration strategy with CCGs ● Avoid increase in levels of emergency admissions 	<ul style="list-style-type: none"> ● Outcome and safety of new interventional procedures ● Readmissions reported monthly via the Performance Pack
Deliver high quality patient experience and customer service excellence	<ul style="list-style-type: none"> ● Maintain patient survey satisfaction ratings ● Reduce the number of outpatient cancellations ● Avoid increase in the number of inpatient cancellations 	<ul style="list-style-type: none"> ● Patient Surveys: <ul style="list-style-type: none"> • Inpatients • Outpatients • Cancer • Maternity ● Pre and post-operative patient reported outcomes ● End of Life Care ● Audit of Care Given to patients with Learning Disabilities ● Duty of Candour

Local Clinical Audit

Local clinical audits are developed by teams and specialties in response to issues identified at a local level. They may be related to a specific procedure or equipment, patient pathway, or service. Some examples are given below.

Examples of improvement resulting from local clinical audit

1) Emergency Services - UCLH Emergency Department (ED) (also referred to as Accident and Emergency Department (A&E)) GP Discharge Summary Audit

This multi-centre audit was completed, in collaboration with five Central London Clinical Commissioning Group (CCG) GP surgeries, to assess compliance with agreed standards of Emergency Department (ED) discharge summaries and to establish if there is variation between GP and ED expectation.

Thirty discharge summaries were reviewed by each GP practice, totalling 126 cases. Each case was also reviewed by an ED consultant to provide two sets of results in order to compare interpretation (between GPs and ED medical staff) and expectation.

Key results show there was variation in the interpretation of 'not applicable' (N/A) reported in the audit by the ED consultant and the GPs. For example, "Has this summary provided enough information about procedures that took place?" N/A was recorded by the ED Consultant in 16% of cases and in 73% of cases by GPs. In addition it was difficult for GPs to appreciate if they were informed of all investigations and tests during the ED visit but from an ED perspective it was clear.

As a result of this audit the ED wrote a Standard operating procedure (SOP): "UCLH Emergency Department GP Discharge Summary (EPR/ Carecast) SOP". The SOP set out minimum requirements including access to EPR – the electronic patient record – and the requirement to state a clear patient follow up, e.g. rather than simply writing 'fracture clinic' on the summary the statement 'referred to fracture clinic' is to be used. Re-audit is planned with an expectation of 75% compliance with the standards.

2) RNTNEH - Audit of Mindfulness Based Cognitive Therapy Group Treatments for tinnitus patients

'Mindfulness' is now being used in managing tinnitus, a condition hearing sounds that come from inside your body, rather than from an outside source). For patients with no specific health problem causing their tinnitus, the focus of current treatment is to move patients towards 'acceptance' of their tinnitus rather than attempting to ignore, mask, 'fix' or cure it. With the 'mindfulness' approach 89% of patients reported some improvement following the course compared to 55% of patients having acceptance based therapy and 20% of patients having Tinnitus Retraining Therapy (TRT). The attendance rate for 'mindfulness' treatment was very good with high satisfaction, with a rating of 9.2 for usefulness (0-10 scale) and 9.5 for relevance. One patient attending the course reported: "I find I am more accepting of my tinnitus and so it is less intrusive".

3) Trauma and Orthopaedics - Re-audit of Perioperative AMTS (Abbreviated Mental Test Score) Assessment in Hip Fracture Pathway

Patients with hip fractures can have higher rates of cognitive disturbance, when a person has trouble remembering, learning new things, concentrating, or making decisions that affect their everyday life, which are associated with poorer outcomes. Pre-operative and post-operative assessment of cognitive ability is important to determine a patient's baseline ability prior to surgery and then in identifying and managing any subsequent disturbance. The aim of this audit was to measure compliance with carrying out evaluations of patients pre and post-operatively.

When this audit was first conducted in March to May 2015, results were disappointing, pre-operative assessments were carried out in 62% of cases and in 41% of cases post-operatively. Improvements made included the recruitment of a clinical trauma nurse specialist and the requirement for junior doctors to attend joint orthopaedic / care of the elderly multidisciplinary team meetings and ward rounds to raise awareness. Following implementation of these improvements the number of assessments were re-audited. Findings for August – October 2015 showed significant improvement with 97% compliance for both pre and post-operative assessments.

4) Cancer - Re-audit of endoscopy wait times in patients with Gastrointestinal (GI) Cancer - Evidence that there was scope for improvement

A significant number of inpatients admitted under the GI oncology team at UCLH require an upper GI endoscopy (OGD), a nonsurgical procedure used to examine a person's digestive tract. Common symptoms are dysphagia (difficulty in swallowing) and bleeding.

An audit carried out in 2010-11 analysed the time between a request by the treating clinician for an endoscopy, and the procedure being carried out. Changes to improve practice included the introduction of a clinical nurse specialist to act as formal coordinator between the teams involved - GI oncology, gastroenterology and endoscopy; the creation of an endoscopy pathway and the clinical review of any patient on whom an endoscopy had been requested within 24 hours of the request being made. A re-audit undertaken in 2015 shows a significant reduction in the time to endoscopy: 58.5% of patients had their urgent endoscopy (for all indications except a GI bleed) within the audit standard of 48 hours, an increase from 38.1% in the previous audit; and 87.5% of patients with upper GI bleeds had their endoscopy within 24hrs compared with 44% in the initial audit. The re-audit also showed better compliance with NICE guidelines and a reduction in costs of nearly £10,000 due to reduced wait times for endoscopy.

Participation in clinical research

A key focus for the National Institute for Health Research is the development and delivery of quality, relevant, patient focused research within the NHS. UCLH continues to embrace this aim, remaining at the forefront of research activity, creating and supporting research infrastructures, providing expert and prompt support in research and regulatory approvals, and promoting key academic and commercial collaborations.

UCLH continues to develop the active involvement of patients and the public in research design and process through training and other resources, to ensure those studies which take place at UCLH are relevant and inclusive of patients. UCLH will also be focusing its efforts on improving patient and public access to information about research to improve patient choice and experience.

In 2015-16 a total of 255 new research studies were approved to begin recruitment at UCLH. These range from Clinical Trials of Medicinal Products and Device studies, through to service and patient satisfaction studies. There are currently 1489 studies involving UCLH patients that are open to recruitment or follow-up. Of these, around 58 per cent of studies are adopted onto the National Institute of Health Research Clinical Research Network (NIHR CRN) portfolio of research.

The number of patients receiving relevant health services provided or sub-contracted by University College London Hospitals NHS Foundation Trust in 2015/16 that were recruited during that period to participate in research approved by a research ethics committee was 14,500.

UCLH NHS Foundation Trust is recognised as one of 11 leading centres for experimental medicine in England. In partnership with University College London UCLH has National Institute of Health Research Biomedical Research Centre status. The Biomedical Research Centre has a focus on our 4 broad areas of world class strength for innovative, early phase research in Cancer, Neuroscience, Cardiometabolic diseases and Infection, Immunity and Inflammation.

UCLH's commitment to research is further evidenced by the fact that it is part of UCL Partners, one of five Academic Health Science Partnerships. UCLP itself has a director of quality committed to sharing best practice across the partnership. UCLH is one of 4 Centres pioneering a UCLP initiative to streamline the approval and successful recruitment to commercially sponsored clinical trials across North Thames.

CQUIN payment framework

Commissioning for Quality and Innovation (CQUIN) is a payment framework that allows commissioners to agree payments to hospitals based on agreed quality improvement and innovation work.

University College London Hospitals income in 2015/16 was not conditional on achieving quality improvement and innovation goals through the Commissioning for Quality and Innovation framework because all trusts were offered an option to select one of two versions of the national contract. One of the options excluded the CQUIN payment framework but required a move to a lower tariff, the other included the CQUIN payment framework but required a move to a lower tariff. University College London Hospitals opted for the option which excluded CQUIN because it was felt to be more favourable.

The associated payment in 2014/15 was £13,936,806 (this figure is still provisional).

Details of the agreed goals for 2016/17 are available on request from: Performance Department 2nd Floor Central, 250 Euston Road London, NW1 2PG Email: directors@uclh.nhs.uk Phone: 020 344 79974

Care Quality Commission (CQC) registration and compliance

University College Hospitals NHS Foundation Trusts is required to register with the Care Quality Commission (CQC) and its current registration status is that all Trust locations are fully registered with the CQC, without conditions.

The Care Quality Commission has not taken enforcement action against University College Hospitals NHS Foundation Trust during 2015/16.

University College Hospitals NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

The CQC undertook a routine inspection in early March and we are awaiting the report

Data Quality

Clinicians and managers need ready access to accurate and comprehensive data to support the delivery of high quality care. Improving the quality and reliability of information is therefore a fundamental component of quality improvement. At University College Hospitals NHS Foundation Trust we monitor the accuracy of data in a number of ways including a monthly data quality review group, coding improvement and medical records improvement groups.

NHS number and General Medical Practice Code Validity

University College Hospitals NHS Foundation Trust submitted records during 2015/16 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data*:
- which included the patient's valid NHS number was:

- 97.1% per cent for admitted patient care
- 98.0% per cent for outpatient care
- 78.1% per cent for accident and emergency care - which included the patient's valid General Medical

Practice Code was:

- 96.1% per cent for admitted patient care
- 97.3% per cent for outpatient care
- 80.6% per cent for accident and emergency care

* data for the current financial year is not available until May 2016. The figures above are based on February 2015 to February 2016 inclusive.

Information Governance Toolkit attainment levels

The Information Governance Toolkit (IGT) provides an overall measure of the quality of data systems, standards and processes. The score a Trust achieves is therefore indicative of how well they have followed guidance and good practice.

The University College London Hospitals NHS Foundation Trust Information Governance Assessment Report overall score for 2015/16 was 77% and was graded green.

Clinical coding error rate

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

Clinical coding is the process by which patient diagnosis and treatment is translated into standard, recognised codes that reflect the activity that happens to patients. The accuracy of this coding is a fundamental indicator of the accuracy of patient records.

University College Hospitals NHS Foundation Trust will be taking the following actions to improve data quality:

- The continuation of a systematic training and audit cycle that underpins high quality coding within the Coding Department.
- Ongoing engagement with clinicians and clinical divisions in the validation of coded activity ensuring accuracy between coding classifications and clinical care provided.
- Clinical Coding engagement programmes and roadshows to maintain coding awareness and support activity recording standards
- Peer comparative benchmarking to ensure coding quality continues to fall within the upper performance decile

Annex 1: Statement from Commissioners and Healthwatch

Statement from NHS Camden Clinical Commissioning Group

NHS Camden Clinical Commissioning Group (CCG) is responsible for the commissioning of health services from University College London Hospitals (UCLH) NHS Foundation Trust on behalf of the population of Camden and surrounding boroughs. NHS Camden CCG have worked closely with UCLH to ensure we have the right level of assurance in relation to these commissioned services and we have undertaken commissioner walk rounds in UCLH and formally review service quality at the Clinical Quality Review Groups.

NHS Camden Clinical Commissioning Group welcomes the opportunity to provide this statement on UCLH's Trust's Quality Accounts. We confirm that we have reviewed the information contained within the Account and checked this against data sources where this is available to us as part of existing contract/performance monitoring discussions and is accurate in relation to the services provided. We have taken particular account of the identified priorities for improvement for UCLH Trust and how this work will enable real focus on improving the quality and safety of health services for the population they serve.

We have reviewed the content of the Account and confirm that this complies with the prescribed information, form and content as set out by the Department of Health. We believe that the Account represents a fair, representative and balanced overview of the quality of care at UCLH. We have discussed the development of this Quality Account with UCLH over the year and have been able to contribute our views on consultation and content.

This Account has been shared with NHS Islington, NHS Central London CCGs, NHS Haringey, NHS Enfield and NHS Barnet Clinical Commissioning Groups, NHS England and by colleagues in NHS North and East London Commissioning Support Unit for their review and input.

We are pleased to see the UCLH's chosen priority areas for improvement and ambition to focus on quality and safety to be further embedded in 2016/17.

The emphasis for improvement in reducing surgical related harm is welcomed. We expect that this continued focus will result in organisational

learning from previous serious incidents and a further reduction in severe and moderate harm suffered by patients 2016/17.

As commissioners whilst we were pleased that UCLH focused on learning from Never Events in 2015/16, in 2016/17 we expect to see this process being strengthened to reduce the reoccurrence of similar incidents.

The continued work in reducing patient harm from Sepsis is supported by the commissioners in line with the national CQUIN and the collaborative work underway with University College London Partners.

UCLH have encompassed both staff engagement and patient experience into their priorities for the coming year. We acknowledge the work already started in UCLH in relation to the feedback from the NHS Staff Survey and continue to monitor the progress. UCLH have acknowledged that they need to improve patient experience in relation to waiting times. In 2016/17 we will expect to receive a progress report which illustrates improvement.

In 2015/16 UCLH committed to making improvements in other areas of patient experience in relation to cancer, maternity services, privacy and dignity of inpatients.

Overall this is a positive Quality Account and we welcome the vision described and agree on the priority areas. There are still areas for improvements to be made and as commissioners we will continue to work with UCLH. We expect UCLH to improve its resilience planning to ensure sustainable patient access and experience. We look forward to reviewing positive results in 2016/17 that reflect an improvement in the quality of services provided to patients with a focusing on ensuring services are well led, caring, responsive, safe and effective.

NHS Camden Clinical Commissioning Group

Statement from Healthwatch Camden and Camden Health and Adult Social Care Scrutiny Committee

UCLH are to be congratulated on their sustained focus on clinical quality and safety which is detailed through this report. Their progress has been won despite increasingly difficult financial and organisational turbulence across the NHS.

Some of our residents and local doctors however, tell us they are concerned that providing for the local community is no longer a priority for the hospital. The financial accounts demonstrate how local income as a percentage of the overall budget is reducing each year. We are concerned that other priorities are taking up the time of senior management. This is not good for the care of our residents and could put our residents at risk.

Progress with improving the patient experience remains slow, and the fall in number of responses through the Meridian survey system this year is disappointing. From the information available almost one in five of the over 1 million annual outpatient attendances involve waiting times of more than 30 minutes after the appointment time arranged, and it is not clear how this will be addressed.

Many patients also tell us of their frustration with the out-patient booking and communications processes which is not captured in the current reporting. We are pleased that patient experience remains a priority for next year.

Last year we commented that we believe that there is still room for improvement in the quality account in terms of tailoring the content and style of the report for a public readership and saying more about how it has engaged with the public, patients and governors in setting its priorities. This concern remains. This, for us, is another manifestation that serving the local community and being accountable to the local community is not a strong enough priority for the organisation.

Overall, we can say once again this year that this is a very encouraging report, representing a huge amount of work and effort by the staff. As always there is a lot left to do but the people of Camden who use this hospital should feel reassured. Being more community focused would make it even better for all.

Annex 2: Statement of Directors' Responsibilities

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

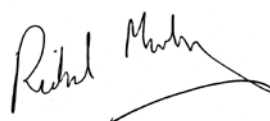
In preparing the quality report, directors are required to take steps to satisfy themselves that:

- the content of the quality report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 and supporting guidance
- the content of the quality report is not inconsistent with internal and external sources of information including:
 - Board minutes and papers for the period 1 April 2015 to 25 May 2016
 - Papers relating to Quality reported to the Board over the period 1 April 2015 to 25 May 2016
 - Feedback from the commissioners dated 4 May 2016
 - Feedback from the governors between 15 October 2015 and 4 May 2016
 - Feedback from Healthwatch Camden and Camden Health and Adult Social Care Scrutiny Committee dated 5 May 2016
 - UCLH's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 1 April 2014 to 31 March 2015
 - National patient survey dated January 2016
 - National staff survey dated 23 February 2016
 - The head of internal audit's opinion over UCLH's control environment dated 20 May 2016
 - Care Quality Commission intelligent monitoring dated May 2015

- the quality report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- the performance information reported in the quality report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the quality report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the quality report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and
- the quality report has been prepared in accordance with Monitor's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the quality report

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

By order of the Board



Richard Murley
Chairman
25 May 2016



Sir Robert Naylor
Chief Executive
25 May 2016

Annex 3: External audit limited assurance report

Independent auditor's report to the council of governors of University College London Hospitals NHS Foundation Trust on the quality report

We have been engaged by the council of governors of University College London Hospitals NHS Foundation Trust to perform an independent assurance engagement in respect of University College London Hospitals NHS Foundation Trust's quality report for the year ended 31 March 2016 (the 'quality report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of University College London Hospitals NHS Foundation Trust as a body, to assist the council of governors in reporting University College London Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2016, to enable the council of governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and University College London Hospitals NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2016 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways; and
- Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual' issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the Monitor 2015/16 Detailed guidance for external assurance on quality reports; and the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of the 'NHS foundation trust annual reporting manual', and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with

- Board minutes and papers for the period 1 April 2015 to 25 May 2016
- Papers relating to Quality reported to the Board over the period 1 April 2015 to 25 May 2016
- Feedback from the commissioners dated 4 May 2016
- Feedback from the governors between 15 October 2015 and 4 May 2016
- Feedback from Healthwatch Camden and Camden Health and Adult Social Care Scrutiny Committee dated 5 May 2016
- UCLH's complaints report published under regulation 18 of the Local Authority Social

Services and NHS Complaints Regulations 2009, dated 1 April 2014 to 31 March 2015

- National patient survey dated January 2016
- National staff survey dated 23 February 2016
- The head of internal audit's opinion over UCLH's control environment dated 20 May 2016
- Care Quality Commission intelligent monitoring dated May 2015

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the 'NHS foundation trust annual reporting manual' to the categories reported in the quality report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual'.

The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

Basis for qualified conclusion

As set out in the Review of Quality Performance section on page 118 of the Trust's quality report, the Trust identified a number of issues in the referral to treatment within 18 weeks for patients on incomplete pathways indicator and percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge indicator reporting during the year that was supported by our testing.

Issues identified for 18 week referral to treatment included:

- The published indicator incorrectly includes records which should be excluded from the calculation;
- Instances where supporting documentation was not available to substantiate the pathway start or stop date;
- The underlying data includes records where end dates of treatment were not captured, per the national guidelines and the Trust's access policy, affecting the calculation of the published indicator; and
- The calculation of the published indicator has been applied on an incorrect date.

As a result of the issues identified, we have concluded that there are errors in the calculation of the 18 week Referral-to-Treatment incomplete

pathway indicator. We are unable to quantify the effect of these errors on the reported indicator for the year ended 31 March 2016.

Issues identified for A&E 4 hour wait included:

- Our testing identified that the Trust does not retain an audit trail for adjustments made following validation of apparent breaches. Documentation is not available to evidence rationale for amending individual A&E attendance durations;
- Instances where supporting documentation was not available to substantiate the discharge date and time;
- Conflicting information between supporting documentation and Trust data; and
- The underlying data includes pathways which have remained open for extended periods.

As a result there is a limitation upon the scope of our procedures which means we are unable to determine whether the indicator has been prepared in accordance with the criteria for reporting A&E 4 hour waiting times for the year ended 31 March 2016. Furthermore, we are unable to quantify the effect of the errors identified on the reported indicator for the year ended 31 March 2016.

The section on page 119 of the Trust's quality report summarises the actions the Trust is taking post year end to address the issues identified in relation to the documentation of its validation processes.

Qualified Conclusion

Based on the results of our procedures, except for the effect of the matters set out in the basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2016:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the sources specified in 2.1 of the Monitor 2015/16 Detailed guidance for external assurance on quality reports; and
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual'.



Deloitte LLP
Chartered Accountants
St Albans
 25 May 2016

Annex 4: Glossary of terms and abbreviations

After action reviews (AARs) - An after action review (AAR) is a structured review or de-brief process for analysing what happened, why it happened, and how it can be done better by the participants and those responsible for the project or event.

Cancer survey – calculation of responses – the questions are summarised as the percentage of patients who reported a positive experience. Neutral responses, such as “Don’t Know” and ‘I did not need an explanation’ are not included in the denominator when computing the score. The higher the score the better UCLH’s performance.

Care bundles – consist of a group of precautionary steps which, when combined and executed reliably for a specific treatment, have proven to significantly reduce untoward outcomes.

Care Quality Commission (CQC) – the independent regulator of all health and social care services in England

CHKS - is a provider of healthcare intelligence and quality improvement services. It uses data submitted by SUS to enable trusts to review performance and to benchmark against other trusts and to understand the healthcare market.

CNS – clinical nurse specialist

Commissioners – the organisation, NHS North Central London, that commissions care for UCLH patients

Complaints classification - In 2015/16 there were revisions to the NHS Written Complaints Data Collection (KO41A) with the introduction of new subject areas and the collection of data is now submitted on a quarterly basis and not on a yearly basis.

CQC Inpatient Survey – Scoring - For each question in the survey, the individual (standardised) responses are converted into scores on a scale from 0 to 10. A score of 10 represents the best possible response and a score of zero the worst. The higher the score for each question, the better UCLH is performing.

CQUIN – Commissioning for Quality and Innovation – is a payment framework which allows commissioners to agree payments to hospitals based on agreed improvement work

CVC – central venous catheters. A catheter placed into a large vein in the neck, chest or groin.

Delirium - Delirium is a state of mental confusion that can happen if you become medically unwell. It is also known as an ‘acute confusional state’. Medical problems, surgery and medications can all cause delirium. It often starts suddenly and usually lifts when the condition causing it gets better. It can be frightening – not only for the person who is unwell, but also for those around him or her.

E- learning - the use of electronic educational technology in teaching and learning.

5 Steps to Safer Surgery – The 5 steps are:

Step one: Team Brief

Step two: Sign in

Step three: Time out

Step four: Sign out

Step five: Debrief

Governors – staff representatives on the Governing Body, which helps to shape the services UCLH provides and reflects the needs and priorities of patients, staff and local communities.

Harm definitions

No Harm: Incident reported but no harm was experienced by the person involved / affected.

Low harm: Person affected required extra observation or minor treatment as a result of the incident

Moderate harm: Person affected required a moderate increase in treatment; the incident caused significant but not permanent harm to the person. Moderate increase in treatment includes an unplanned return to surgery, an unplanned re-admission, a prolonged episode of care, extra time in hospital or as an outpatient, cancelling of treatment, or transfer to another treatment area (such as intensive care).

Prolonged psychological harm: Incident that appears to have resulted in psychological harm which a service user has experienced, or is likely to experience, for a continuous period of at least 28 days.

Severe harm: Incident that appears to have resulted in permanent harm to the person affected. This means a permanent lessening of bodily, sensory, motor, physiologic or intellectual functions, including removal of the wrong limb or organ or brain damage that is related directly to the incident and not related to the natural course of the person's illness or underlying condition.

Death: Incident that directly resulted in the death of the person affected rather than as a result of their underlying medical condition.

Improving Care Rounds - At UCLH we undertake 'Improving Care walk rounds' to help staff and management teams to prepare for regulatory inspections by the Care Quality Commission (CQC). According to the model recommended by Sir Bruce Keogh, the Medical Director of the National Health Service in England, the walk rounds are multidisciplinary. Our walk round team includes junior and senior medical staff, student nurses, senior nurses, managers, AHPs, patients by experience and specialists in medication safety, infection control and safeguarding. The purpose of the walk rounds is not to criticise, but to promote improvement in care, environment and services by coming into the area with 'fresh eyes'.

Incident classification for incidents counted under 'surgical incidents' for UCH theatres (see reduction of surgical harm priority)

- List order changed
- Consent form not signed by patient
- Anaesthetics – difficult/failed intubation
- Intra/post operatively – foreign body left in situ post procedure
- Intra/post operatively – incorrect surgical procedure
- Intra/post operatively – incorrect surgical site
- Intra/post operatively – swab/needle/instrument count issue
- Operation performed on incorrect patient
- Incorrect implant prosthesis
- Observations not acted upon
- Verbal communication – general poor communication
- Verbal communication – interpreter not available
- Verbal communication – within the MDT
- Written communication – incorrect information
- Written communication – procedure or process issue
- Equipment checks not completed

Incident classification for incidents with harm caused by unrecognised patient deterioration

- Observations not acted upon
- Failure to rescue
- In-hospital cardiac arrest
- Delay due to abnormal observations not acted upon
- Delay in resuscitation
- Unexpected outcome/deterioration/death

Insight – UCLH staff intranet

Matron quality rounds - UCLH Matrons perform weekly 'Matrons Rounds' – these are quality, environmental & patient/staff experience reviews by groups of UCLH Matrons, outside of their own clinical areas. The Rounds provide peer review, challenge and support to clinical areas across UCLH. Feedback is instant, via a 'huddle'. The Rounds have been well received by staff throughout UCLH and will continue to evolve in 2015/16.

Meridian Survey – calculation of scores Meridian starts scoring at question level and builds up an overall score from each response received from patients. Meridian calculates the score based on the following steps:

What is the **MAXIMUM POSSIBLE** score for this question?
What is the **ACTUAL** score for this question?
The **OVERALL** score is **ACTUAL / MAXIMUM**.

Never Event - 'Never events' are largely preventable patient safety incidents that have the potential for, or cause severe harm, and should not occur if relevant preventative measures have been put in place.

NHSLA – National Health Service Litigation Authority. Organisation responsible for assessing how effectively trusts manage risk.

Ombudsman – the Parliamentary and Health Services Ombudsman consider complaints that government departments, a range of other public bodies in the UK, and the NHS in England, have not acted properly or fairly or have provided a poor service.

Patient pathways - is the route that a patient will take from their first contact with an NHS member of staff (usually their GP), through referral, to the completion of their treatment. It also covers the period from entry into a hospital or a Treatment Centre, until the patient leaves.

Picker survey – calculation of response rates and explanation of problem scores. The problem score shows the percentage of patients for each question who, by their response, indicated that a particular aspect of their care could have been improved. Problem scores are calculated by combining response categories. Lower scores are better.

Proton-pump inhibitors - a group of drugs whose main action is a pronounced and long-lasting reduction of gastric acid production. They are the most potent inhibitors of acid secretion available.

Root Cause Analysis (RCA) - Root Cause Analysis investigation is a well-recognised way of identifying how and why patient safety incidents happen. Analysis is used to identify areas for change and to develop recommendations which deliver safer care for patients.

Sepsis Six - Sepsis Six is the name given to a bundle of medical therapies designed to reduce the mortality of patients with sepsis

Situation Background Assessment Recommendation (SBAR) - The SBAR process is used to improve communication and decision-making by ensuring staff provide relevant and up-to-date information about a patient's condition. When used for urgent referrals, it prompts staff to give details about the: Situation, including the patient's vital signs and main concern(s); but also the Background of how his/her condition has changed over time, what has or has not been done, and – if possible – an Assessment of important functions (airway, breathing, circulation, etc); and the Response that is needed, e.g. a request for PERT to see the patient within two hours – or immediately.

SOAPIER – documentation tool:

SUBJECTIVE- What does the patient (and family) report as their main problems or concerns?

OBJECTIVE - Observations – Record of relevant factual measurable data (e.g. vital signs, fluid balance charts, test results...)

ANALYSIS – Conclusions or diagnosis based on subjective and objective data including risk factors.

PLAN - What are the key care requirements or outstanding issues to be addressed? To be agreed with patient and/or relatives. Details to be taken from the care plan if required.

INTERVENTION/EVALUATION - What have you done for your patient? What was the outcome of your plan?

RE-PLAN - What are the key care requirements to hand over to the next shift?

SSI – surgical site infections

Staff engagement score- the overall staff engagement score represents staff members' perceived ability to contribute to improvements at work, their willingness to recommend the organisation as a place to work or receive treatment, and the extent to which they feel motivated and engaged with their work. It is a composite score based on the answers given by respondees to a number of questions throughout the survey. It is measured as an average out of five; one being the lowest and five being the highest.

Thromboprophylaxis – the use of blood thinning drugs and/or elastic stockings to prevent blood clots in those that are at risk of developing them

UCLH Trust values

Safety - we put your safety and well-being above everything

Kindness - we offer you the kindness we would want for a loved one

Teamwork - we achieve through teamwork

Improving - we strive to keep improving

UCLH Institute Improvement Team - The UCLH Institute improvement team aims to support UCLH future programme teams and other teams and individuals with improvement and learning, using After Action Review and quality improvement methodology to do so.

VTE – venous thromboembolism (blood clots)

Welcome Pack - all inpatients admitted to UCLH are given a welcome pack when they arrive on the ward. The contents of the pack and the welcome booklet have been developed to respond to patient feedback about what would make a hospital stay that bit better.

WHO Surgical Safety Checklist - The checklist identifies three phases of an operation, each corresponding to a specific period in the normal flow of work: Before the induction of anaesthesia ("sign in"), before the incision of the skin ("time out") and before the patient leaves the operating room ("sign out"). In each phase, a checklist coordinator must confirm that the surgery team has completed the listed tasks before it proceeds with the operation.

1. PERFORMANCE REPORT

2. ACCOUNTABILITY REPORT

3. EQUALITY REPORT

4. QUALITY REPORT


5. ANNUAL ACCOUNTS

5 Annual Accounts

University College London Hospitals NHS Foundation Trust
Foreword to the accounts

These accounts, for the 12 months ended 31 March 2016, have been prepared by the University College London Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

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



Sir Robert Naylor
Chief Executive

25 May 2016

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS AND BOARD OF DIRECTORS OF UNIVERSITY COLLEGE LONDON HOSPITALS NHS FOUNDATION TRUST

Opinion on financial statements of University College London Hospitals NHS Foundation Trust

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2016 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes 1 to 34. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and Code of Audit Practice.

Going concern

We have reviewed the Accounting Officer's statement on page 69 of the Annual Report and the Trust disclosure in Note 1 of the financial statements that the Trust is a going concern. We confirm that:

- we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the Trust's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the Trust and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risks and audit responses

Risk	How the scope of our audit responded to the risk
<p>NHS revenue and provisions</p> <p>As described in note 1, Accounting Policies and note 1.22, Critical Estimates and Judgements, there are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:</p> <ul style="list-style-type: none"> the complexity of the Payment by Results regime, in particular in determining the level of overperformance revenue to recognise; and the judgemental nature of provisions for disputes, including in respect of outstanding overperformance income for quarters 3 and 4. <p>Details of the Trust's income, including £745m of income from activities, are shown in note 3 to the financial statements. NHS receivables (including accrued income) total £95m, of this debt £26m has been provided against. Total receivables and related provisions are shown in note 18 to the financial statements.</p> <p>The Trust earns revenue from a wide range of commissioners and NHS England, increasing the complexity of agreeing a final year-end position.</p>	<p>We evaluated the design and implementation of controls over recognition of Payment by Results income, with IT specialists performing the testing of the systems controls.</p> <p>We performed detailed substantive testing on a sample basis of the recoverability of overperformance income through the year, and evaluated the results of the agreement of balances exercise.</p> <p>We reviewed the significant commissioner contracts for potential penalties and performance related income, tested the recognition of these balances and agreed baseline activities to signed contracts.</p> <p>We challenged key judgements around specific areas of dispute and actual or potential challenge from commissioners and the rationale for the accounting treatments adopted. In doing so, we considered the historical accuracy of provisions for disputes and reviewed correspondence with commissioners.</p> <p>We reviewed the key changes and any open areas in setting 2016-17 contracts, and considered whether, taken together with the settlement of current year disputes, there were any indicators of inappropriate adjustments in revenue recognised between periods.</p> <p>The Trust has recognised £25.3m of capital to revenue transfer funding from the Department of Health during the year. This was confirmed in February 2016 and we challenged management's assessment to recognise in full within the year ended 31 March 2016.</p>

Risks and responses table cont. overleaf

Risks and responses table cont.

Risk	How the scope of our audit responded to the risk
<p>Property valuations</p> <p>The Trust has property assets of £494m which are valued on the basis of a modern equivalent use. The valuations are, by nature, significant estimates which are based on specialist and management assumptions (including the floor areas for a modern equivalent asset, the basis for calculating build costs, the site where a modern equivalent asset would be constructed, the level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value.</p> <p>As detailed in note 11, the Trust has reassessed a number of valuation assumptions in the current year, including the change in assumption relating to an alternative site and, the change in assumption on the recoverability of VAT of the PFI assets decreasing the assumed cost of rebuild by 17%. The net valuation movement on the Trust's estate shown in note 14 is an impairment of £73m.</p>	<p>We evaluated the design and implementation of controls over property valuations, and tested the accuracy and completeness of data provided by the Trust to the valuer.</p> <p>We used Deloitte internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the Trust's properties, including through benchmarking against revaluations performed by other Trusts at 31 March 2016.</p> <p>We challenged the Trust's assumption that an alternative, lower value, site could be used in calculating a modern equivalent asset value by reviewing the Trust's Clinical Strategy, and critically evaluating whether the alternatives considered would be viable given the nature of the Trust's activities.</p> <p>We have reviewed the disclosures in notes 11 and 14 and evaluated whether these provide sufficient explanation of the basis of the valuation and the judgements made in preparing the valuation.</p> <p>We assessed whether the valuation and the accounting treatment of the impairment were compliant with the relevant accounting standards, and, in particular, whether impairments should be recognised in the Income Statement or in Other Comprehensive Income.</p>
<p>Accounting for capital expenditure</p> <p>Capital additions in the current year total £89.2m as detailed in note 11. The Trust plans to significantly increase its capital spend over the next 3 years and there is judgement as to whether costs should be capitalised in the accounting treatment of capital additions.</p> <p>Where existing properties are being modernised, the "modern equivalent use" valuation rules can lead to a "day one" impairment where the accumulated cost of the asset exceeds the cost of a newly built facility.</p>	<p>We have evaluated the design and implementation of controls around the capitalisation of costs.</p> <p>We performed detailed substantive testing of additions in the year to test whether they have been appropriately capitalised in accordance with the accounting requirements.</p> <p>We challenged management's assessment through our work, including physical verification, to determine whether any impairment arose in respect of capitalised expenditure being reclassified from Assets Under Construction.</p>

Risks and responses table cont.

Risk	How the scope of our audit responded to the risk
<p>Management override of controls</p> <p>We consider that in the current year there is a heightened risk across the NHS that management may override controls to fraudulently manipulate the financial statements or accounting judgements or estimates. This is due to the increasingly tight financial circumstances of the NHS and close scrutiny of the reported financial performance of individual organisations.</p> <p>All NHS Trusts and Foundation Trusts have been requested by NHS Improvement to consider a series of “technical” accounting areas and assess both whether their current accounting approach meets the requirements of International Financial Reporting Standards, and to remove “excess prudence” to support the overall NHS reported financial position. The areas of accounting estimate highlighted included accruals, deferred income, partially completed patient spells, bad debt provisions, property valuations, and useful economic lives of assets.</p> <p>Details of critical accounting judgements and key sources of estimation uncertainty are included in note 1.22.</p>	<p><i>Manipulation of accounting estimates</i></p> <p>Our work on accounting estimates included considering each of the areas of judgement identified by NHS Improvement. In testing each of the accounting estimates included in the NHS Improvement letter, we were directed to consider their findings in the context of the identified fraud risk. Where relevant, the recognition and valuation criteria used were compared to the specific requirements of IFRS.</p> <p>We tested accounting estimates (including in respect of NHS revenue and provisions and property valuations discussed above), focusing on the areas of greatest judgement and value. Our procedures included comparing amounts recorded or inputs to estimates to relevant supporting information from third party sources.</p> <p>We evaluated the rationale for recognising or not recognising balances in the financial statements and the estimation techniques used in calculations, and considered whether these were in accordance with accounting requirements and were appropriate in the circumstances of the Trust.</p> <p><i>Manipulation of journal entries</i></p> <p>We used data analytic techniques to select journals for testing with characteristics indicative of potential manipulation of reporting, focusing in particular upon manual journals.</p> <p>We traced the journals to supporting documentation, considered whether they had been appropriately approved, and evaluated the accounting rationale for the posting. We evaluated individually and in aggregate whether the journals tested were indicative of fraud or bias.</p>

Risks and responses table cont. overleaf

Risks and responses table cont.

Risk	How the scope of our audit responded to the risk
<p>Going concern</p> <p>We consider that in the current year, as a result of continued financial pressures across the NHS that there are considerable judgements in the application of the going concern assumption.</p> <p>The going concern assumption can be split into two areas. The first is the provision of services at the site. The second is the financial viability of the entity itself. This is assessed over a 12 month period subsequent to signing the 31 March 2016 financial statements and is based on cash flows over that period and the extent to which any cash downside risk can be mitigated.</p>	<p>We have evaluated the design and implementation of controls around the detailed forecasting process.</p> <p>We have considered whether there are indicators that would suggest service provision at the Trust will cease.</p> <p>We have reviewed the Trust's cash flow forecasts, challenged the key assumptions and applied sensitivities and considered the results of these in our assessment of the use of the going concern assumption.</p> <p>We have reviewed the adequacy of the Trust's disclosures in Note 1 and evaluated whether this provides sufficient explanation of the considerations in the use of the going concern assumption.</p>

The description of risks above, which in the current year include management override of controls and going concern, in addition to those described in 2014/15, should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 63.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Trust to be £7.3m (2014/15: £7.5m), which is below 1% of revenue and below 2% of equity (2014/15: below 1% of revenue and below 2% of equity). Revenue was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £146k (2014/15: £149k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work was performed at the Trust's head offices in London directly by the audit engagement team, led by the audit partner.

The audit team included integrated Deloitte specialists bringing specific skills and experience in property valuations, Information Technology systems and PFI accounting.

Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Annual Governance Statement, use of resources, and compilation of financial statements

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

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the NHS foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements;
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of the accounting officer and auditor

As explained more fully in the Accounting Officer's Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Code of Audit Practice and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of University College London Hospitals NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Craig Wisdom ACA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

St Albans, UK

25 May 2016

Statement of comprehensive income for the year ended 31 March 2016

		2015/16 Year Ended 31 March 2016	2014/15 Year Ended 31 March 2015
	Note	£000	£000
Operating Income from continuing operations	3	940,272	945,944
Operating Expenses of continuing operations	4	(955,566)	(895,756)
Operating (deficit) / surplus		(15,294)	50,188
Finance costs:			
Investment Revenue	9	206	269
Finance costs - financial liabilities	10	(33,346)	(33,441)
Share of profit/ (loss) of associates/ joint ventures	13	2,161	0
Public dividend capital dividends payable		(9,754)	(9,669)
SURPLUS / (DEFICIT) FOR THE YEAR		(56,027)	7,347
Other comprehensive income			
(Not reclassified to income and expenditure)			
Impairments	14	(49,208)	(2,791)
Revaluations	14	1,825	18,921
TOTAL COMPREHENSIVE INCOME/(EXPENDITURE) FOR THE YEAR		(103,410)	23,477

Note to Statement of Comprehensive Income

This note describes the primary view used by the Board of Directors to monitor UCLH's financial performance, which excludes the impact of estate revaluation and other exceptional items that are reported within the comprehensive income figure above but are non-operational in nature.

		£000	£000
Total comprehensive income/(expense) as above		(103,410)	23,477
Plus reserve movements in other comprehensive income	a	47,383	(16,130)
Total comprehensive income before reserve movements		(56,027)	7,347
Add back impairments and reversal of impairments included in surplus above	b	23,918	(4,874)
Donated asset impact	c	(770)	(97)
Loss/(Profit) on disposal of fixed assets	d	1,505	0
Other exceptional items	e	174	
NET SURPLUS/(DEFICIT) EXCLUDING ITEMS ABOVE	2	(31,200)	2,376

a This is the total of the two items shown in Other Comprehensive Income

b This is the total of impairments and impairment reversals charged to expenditure or credited to income as in Note 14

c This is the reversal of the positive impact on the deficit for the financial year, as a result of change in accounting policy for donated assets as adopted in 2011/12


d This is the reversal of the total impact of losses on the disposal of fixed assets

e This comprises an accounting adjustment of £25.5m made to the PFI Lifecycle prepayment to reflect a revised assessment of the value of the Trust's lifecycle contributions over the first 10 years of the contract. The Trust also received £25.3m from the Department of Health in February 2016 as part of the Department's "Capital to Revenue" transfers and was required to make a loan repayment of £25.3m at the same time. In accordance with the requirements of the Foundation Trust Annual Reporting Manual, the cash received has been treated as revenue and disclosed as "Additional Income for Delivery of Healthcare Services" in Note 3.

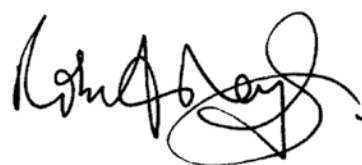
Table A3: Statement of financial position as at 31 March 2016

		31 March 2016	31 March 2015
	Note	£000	£000
Non-current assets			
Property, plant and equipment	11	650,418	660,596
Intangible assets	12	633	438
Investments in associates/joint ventures	13	8,980	2,590
Trade and other receivables	18	5,782	28,443
Total non-current assets		665,813	692,067
Current assets			
Inventories	17	17,348	20,760
Trade and other receivables	18	128,369	128,261
Cash and cash equivalents	19	68,570	92,816
Total current assets		214,287	241,837
Total assets		880,100	933,904
Current liabilities			
Trade and other payables	21	(146,228)	(131,648)
Borrowings	22	(6,089)	(7,053)
Provisions	27	(8,594)	(7,777)
Other liabilities	23	(15,602)	(13,622)
Net current assets		37,774	81,737
Total assets less current liabilities		703,587	773,804
Non-current liabilities			
Borrowings	22	(329,167)	(316,750)
Provisions	27	(1,735)	(1,710)
Other liabilities	23	(5,326)	(5,726)
Total assets employed		367,359	449,618
Financed by taxpayers' equity:			
Public dividend capital	SOCITE	229,242	208,091
Retained earnings	SOCITE	50,468	106,342
Revaluation reserve	SOCITE	83,576	131,112
Other reserves	SOCITE	4,073	4,073
Total Taxpayers' Equity		367,359	449,618

The financial statements on pages 157 to 201 were approved by the Board on 25 May 2016 and signed on its behalf by:



Tim Jaggard
Finance Director
25 May 2016



Sir Robert Naylor
Chief Executive
25 May 2016

Table A4: Statement of changes in taxpayers' equity

	Note	Public dividend capital (PDC)	Revaluation reserve	Other reserves	Retained earnings	Total
		£000	£000	£000	£000	£000
Taxpayers' Equity as at 1 April 2015		208,091	131,112	4,073	106,342	449,618
Changes in taxpayers' equity for 2015/16						
Surplus /(Deficit) for the year	SOCI	0	0	0	(56,027)	(56,027)
Impairments	14	0	(49,208)	0	0	(49,208)
Revaluations	14	0	1,825	0	0	1,825
Other reserve movements		0	(153)	0	153	0
Public Dividend Capital received		21,151	0	0	0	21,151
Balance at 31 March 2016		229,242	83,576	4,073	50,468	367,359

	Note	Public dividend capital (PDC)	Revaluation reserve	Other reserves	Retained earnings	Total
		£000	£000	£000	£000	£000
Taxpayers' Equity as at 1 April 2014		200,452	114,982	4,073	98,995	418,502
Changes in taxpayers' equity for 2014/15						
Surplus for the year	SOCI	0	0	0	7,347	7,347
Impairments	14	0	(2,791)	0	0	(2,791)
Revaluations	14	0	18,921	0	0	18,921
Asset disposals		0	0	0	0	0
Public Dividend Capital received		7,639	0	0	0	7,639
Other Reserve Movements		0	0	0	0	0
Balance at 31 March 2015		208,091	131,112	4,073	106,342	449,618

Table A5: Statement of cash flows for the year ended 31 March 2016

		2015/16 31 March	2014/15 31 March
	Note	£000	£000
Cash flows from operating activities			
Operating (deficit) / surplus from continuing operations		(15,294)	50,188
Operating surplus		(15,294)	50,188
Non-cash income and expenses:			
Depreciation and amortisation		26,701	23,750
Impairments	14	30,852	7,114
Reversals of impairments	14	(6,913)	(11,988)
Loss/(Gain) on disposals of Property, Plant and Equipment		1,505	0
Non-cash donations credited to income		(286)	(1,190)
(Increase)/Decrease in Trade and Other Receivables	18	25,842	(43,730)
(Increase) in Inventories	17	3,412	(1,100)
Increase/(Decrease) in Trade and Other Payables	21	5,200	5,851
Increase/(Decrease) in Other Liabilities	23	1,581	(115)
Increase/(Decrease) in Provisions	27	817	3,413
Other movements in operating cash flows		(952)	(20)
NET CASH GENERATED FROM OPERATIONS		72,465	32,173
Cash flows from investing activities			
Interest received		206	269
Purchase of intangible assets		(354)	(185)
Purchase of Property, Plant and Equipment		(79,483)	(37,309)
Receipt of Cash Donations to Purchase Capital Assets		286	1,190
Net cash (used in) investing activities		(79,345)	(36,035)
Cash flows from financing activities			
Public dividend capital received		21,151	7,639
Loans received from Independent Trust Financing Facility		43,800	11,500
Loans repaid to the Independent Trust Financing Facility		(28,101)	(2,801)
Capital element of Private Finance Initiative Obligations		(4,485)	(4,451)
Interest paid on Independent Trust Financing Facility		(2,561)	(2,334)
Interest element of Private Finance Initiative obligations		(30,760)	(31,067)
PDC Dividend paid		(12,159)	(9,492)
Cash flows from (used in) other financing activities (Joint Ventures)		(4,250)	(2,253)
Net cash (used in) financing activities		(17,366)	(33,259)
(Decrease)/Increase in cash and cash equivalents		(24,246)	(37,121)
Cash and Cash equivalents at 1 April		92,816	129,937
Cash and Cash equivalents at 31 March		68,570	92,816

NOTES TO THE ACCOUNTS

1. Accounting Policies and Other Information

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual (FT ARM) which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2015/16 NHS FT ARM issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Going Concern

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

- Monitor, the sector regulator for health services in England, states that anticipated continuation of the provision of a service in the future is sufficient evidence of going concern, on the assumption that upon any dissolution of a foundation trust the services will continue to be provided. The directors consider that there will be no material closure of NHS services currently run by UCLH in the next business period (considered to be 12 months) following publication of this report and accounts.

For this reason, the directors continue to adopt the going concern basis in preparing the accounts.

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

- In relation to UCLH as an entity, the directors have a reasonable expectation that UCLH has adequate resources to continue to service its debts and run operational activities for at least the next business period (considered to be 12 months) following publication of this report and accounts,

despite currently planning on the basis of a deficit in 2016/17. UCLH has sufficient cash to ensure its obligations are met over this time period given the potential mitigations identified for a downside scenario.

- There remains considerable uncertainty about the trust's financial sustainability over a longer time period than the 12 months considered here, particularly as a result of underfunding of specialist services. This and other funding issues will need resolution in order for the trust to be confident of remaining a going concern beyond the time period assessed here.

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.

1.2 Consolidation

Joint Control

Joint control is a contractually agreed sharing of control such that the strategic operational and financial decisions require the unanimous consent of all parties.

Other Subsidiaries

Subsidiary entities are those over which the trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year.

Where subsidiaries' accounting policies are not aligned with those of the trust (including where they report under UK GAAP) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

Associates

Associate entities are those over which University College Hospitals NHS Foundation Trust (UCLH) has the power to exercise a significant influence.

Associate entities are recognised in UCLH's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect UCLH's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution e.g. share dividends are received by UCLH from the associate. However, where UCLH's proportion of an Associates cumulative profits or losses at year end are less than £50,000, no adjustment is made to the cost of the investment on the basis of immateriality.

Associates which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less costs to sell'.

Joint Ventures

Joint ventures are separate entities over which UCLH has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. The meaning of control is the same as that for subsidiaries.

Joint ventures are accounted for using the equity method with any investment originally recognised at cost.

Joint ventures which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less costs to sell'.

Joint Operations

Joint operations are arrangements in which the trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The trust includes within its financial statements its share of the assets, liabilities, income and expenses.

1.3 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for UCLH is contracts with commissioners in respect of healthcare services. Revenue relating to patient care spells which are part-completed at the year-end is apportioned across the financial years on the basis of 50% of the expected spell price.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

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

the sale contract.

Additional contributions from central bodies (such as the Department of Health) designated as revenue contributions are recognised as revenue when received or receivable, and are disclosed, in accordance with the requirements of the FT ARM.

1.4 Expenditure on Employee Benefits

Short-Term Employee Benefits

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

Pension Costs

The NHS Pension scheme is an unfunded, defined benefit scheme that covers multiple NHS employers, allowed under the direction of the Secretary of State, in England and Wales. The scheme is 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, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Employers pension cost contributions are charged to operating expenses as and when they become due.

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

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.

1.6 Property, Plant and Equipment

Recognition

Property, plant and equipment is capitalised if:

- 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 will be supplied to, UCLH;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- 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 a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- 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 e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives. Assets classified as in use are depreciated from the beginning of the next month.

Valuation

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

All assets are measured subsequently at fair value.

Fair value is defined in IAS16 as 'the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction'. The valuation of each property is therefore on the basis of market value, on the assumption that the property is sold as part of the continuing enterprise in operation.

Specialised assets are valued using the Modern Equivalent Asset (MEA) approach. Both physical and functional obsolescence is applied to buildings, to reflect their actual characteristics and value.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Assets are revalued and

depreciation commences when they are brought into use. Borrowing costs are not capitalised.

Non specialised assets are held at market value which is measured on an existing use basis.

Surplus land and buildings are valued on the basis of fair value, taking into account alternative uses.

Subsequent Expenditure

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

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.

Depreciation

Items of Property, Plant and Equipment are depreciated on a straight line basis over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated. Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon 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 UCLH.

Revaluation Gains & Losses

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

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

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

Impairments

In accordance with the FT ARM, impairments that are due to a clear consumption of economic benefits or 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.

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

An impairment arising from a loss of economic benefit or 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 income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

De-recognition

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

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
- management are committed to a plan to sell the asset;
- an active programme has begun to find a buyer and complete the sale;
- the asset is being actively marketed at a reasonable price;
- the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale' ; and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged 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 economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated, Government Grant and other Grant-Funded Assets

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

1.7 Private Finance Initiative (PFI) Transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by UCLH. In accordance with IAS 17, the underlying assets are recognised as Property, Plant and Equipment at their fair value, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme.

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

Lifecycle Replacement

An amount is set aside from the unitary payment each year into a Lifecycle Replacement Prepayment to reflect the fact that UCLH is effectively pre-funding some elements of future lifecycle replacement by the operator.

When the operator replaces a capital asset, the fair value of this replacement item is recognised as property, plant and equipment.

Where the item was planned for replacement and therefore its value is being funded through the unitary payment, the lifecycle prepayment is reduced by the amount of the fair value.

The prepayment is reviewed periodically to ensure that its carrying amount will be realised through future lifecycle components to be provided by the operator. Any unrecoverable balance is written out of the prepayment and charged to operating expenses.

Where the lifecycle item was not planned for replacement during the contract it is effectively being provided free of charge to UCLH. A deferred income balance is therefore recognised instead and this is released to operating income over the remaining life of the contract.

Assets contributed by UCLH to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in UCLH's Statement of Financial Position.

Other Assets contributed by UCLH to the Operator

Assets contributed (e.g. cash payments, surplus property) by UCLH to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to UCLH, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.8 Intangible Assets

Recognition

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

Internally Generated Intangible Assets

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

Expenditure on research is not capitalised.

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

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- UCLH intends to complete the asset and sell or use it;
- UCLH has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits

e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;

- adequate financial, technical and other resources are available to UCLH to complete the development and sell or use the asset; and
- UCLH can measure reliably the expenses attributable to the asset during development.

Software

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

Measurement

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

Subsequently intangible assets are measured at fair value. Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Decreases in asset values and impairments 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'.

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

Amortisation

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

1.9 Revenue Grants – Government and Other

Government grants are grants from Government bodies other than income from commissioners or NHS trusts for the provision of services. Grants from the Department of Health, are accounted for as Government grants as are grants from the Big Lottery Fund. Where the 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 the grant is credited to income at the same time, unless the grantor imposes a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the grantor, in which case, the 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 grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.10 Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of inventories is measured using a weighted average cost basis recalculated monthly for Pharmacy stocks and annually for other consumables.

1.11 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.

1.12 Financial Instruments and Financial Liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with UCLH's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

All other financial assets and financial liabilities are recognised when UCLH becomes a party to the contractual provisions of the instrument.

De-recognition

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

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

Classification and Measurement

Financial assets are classified into the following categories: financial assets at fair value through Statement of Comprehensive Income; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities are classified as 'Fair value through Income and Expenditure' or as 'Other Financial liabilities'. Otherwise, financial liabilities are initially recognised at fair value.

Financial Assets and Financial Liabilities at 'Fair Value through Income and Expenditure'

Financial assets and financial liabilities at 'fair value through income and expenditure' are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not 'closely-related' to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. UCLH's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and 'other receivables'.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts

through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless UCLH intends to dispose of them within 12 months of the Statement of Financial Position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. When items classified as 'available-for-sale' are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in 'Finance Costs' in the Statement of Comprehensive Income.

Other Financial Liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of Financial Assets

At the Statement of Financial Position date, UCLH assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on

the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly.

1.13 Leases

UCLH as Lessee

Finance Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by UCLH, 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 inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

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

Operating Leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of Land and Buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease. When a lease includes both land and building elements, the Trust assesses the classification of each element as a finance or operating lease separately. In determining whether the land element is an operating or a finance lease, an important consideration is that land normally has an indefinite economic life.

UCLH as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of UCLH's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on UCLH's net investment outstanding in respect of the 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 on a straight-line basis over the lease term.

1.14 Provisions

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where UCLH has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when UCLH has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

Clinical Negligence Costs

The NHS Litigation Authority (NHS LA) operates a risk pooling scheme under which UCLH pays an annual

contribution to the NHS LA, which, in return, settles all clinical negligence claims. Although the NHS LA is administratively responsible for all clinical negligence cases, the legal liability remains with UCLH. The total value of clinical negligence provisions carried by the NHS LA on behalf of UCLH is disclosed at Note 27.

Non-Clinical Risk Pooling

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

1.15 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 28 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 28, 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.

1.16 Public Dividend Capital

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

A charge, reflecting the cost of capital utilised by UCLH, is payable as PDC dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of UCLH during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets and (ii) average daily cash balance held with the Government Banking Service and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.17 Value Added Tax

Most of the activities of UCLH are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.18 Corporation Tax

NHS Foundation Trusts can be subject to corporation tax in respect of certain commercial non-core health care activities they undertake in relation to the Income Tax Act 2007 and Corporation Tax Act 2010.

UCLH does not undertake any non-core health activities which are subject to corporation tax, therefore does not have a corporation tax liability.

1.19 Foreign Exchange

The functional and presentational currencies of UCLH are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where UCLH has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments

measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;

- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.20 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS foundation trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual. Details of third party assets are given in Note 32 to the accounts.

1.21 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

1.22 Critical Estimates and Judgements

In the application of UCLH's accounting policies, management is required to make judgements, estimates and assumptions about the carrying

amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are detailed below:

Valuation of Land and Buildings

UCLH's land and building assets are valued on the basis explained in Note 1.6 and Note 11 to the accounts.

In line with this policy specialised assets are valued using the Modern Equivalent Asset (MEA) approach. Both physical and functional obsolescence is applied to buildings, to reflect their actual characteristics and value. As part of this process management consider whether an alternative rebuild location could be appropriate.

The District Valuer (DV) provided UCLH with a valuation of land and building assets (estimated fair value and remaining useful life.)

The valuation, based on estimates provided by a suitably qualified professional in accordance with HM Treasury Guidance, leads to revaluation adjustments as described in Note 14 to the accounts. Future revaluations of UCLH's property may result in further changes to the carrying values of non-current assets.

Provisions

Provisions have been made for legal and constructive obligations of uncertain timing or amount as at the reporting date. These are based on estimates using relevant and reliable information as is available at the time the financial statements are prepared. These provisions are estimates of the actual costs of future cash flows and are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

The carrying amounts and basis of UCLH's provisions are detailed in Note 27 to the accounts.

Impairment of Receivables

UCLH impairs all receivables older than 3 months at rates determined by the age of the debt. Additionally specific receivables are impaired where UCLH deems it will not be able to collect the amounts due. Amounts impaired are disclosed in Note 18.2 to the accounts.

PFI Lifecycle Prepayment

An amount is set aside from the unitary payment each year into a Lifecycle Replacement Prepayment to reflect the fact that UCLH is effectively pre-funding some elements of future lifecycle replacement by the operator.

The prepayment is reviewed periodically to ensure that its carrying amount will be realised through future lifecycle components to be provided by the operator. Any unrecoverable balance is written out of the prepayment and charged to operating expenses.

1.23 Transfers of Functions from other NHS Bodies

For functions that have been transferred to UCLH from another NHS body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain or loss corresponding to the net assets or liabilities transferred is recognised within income or expenses, but not within operating activities.

For property plant and equipment assets and intangible assets, the Cost and Accumulated Depreciation / Amortisation balances from the transferring entity's accounts are preserved on recognition in UCLH's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, UCLH makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

1.24 Standards Issued but not yet adopted for Foundation Trusts

Change published	Published by IASB	Financial year for which the change first applies
IFRS 11 (amendment) – acquisition of an interest in a joint operation	May 2014	Not yet EU adopted. Expected to be effective from 2016/17.
IAS 16 (amendment) and IAS 38 (amendment) – depreciation and amortisation	May 2014	Not yet EU adopted. Expected to be effective from 2016/17.
IAS 16 (amendment) and IAS 41 (amendment) – bearer plants	June 2014	Not yet EU adopted. Expected to be effective from 2016/17.
IAS 27 (amendment) – equity method in separate financial statements	August 2014	Not yet EU adopted. Expected to be effective from 2016/17.
IFRS 10 (amendment) and IAS 28 (amendment) – sale or contribution of assets	September 2014	Not yet EU adopted. Expected to be effective from 2016/17.
IFRS 10 (amendment) and IAS 28 (amendment) – investment entities applying the consolidation exception	December 2014	Not yet EU adopted. Expected to be effective from 2016/17.
IAS 1 (amendment) – disclosure initiative	December 2014	Not yet EU adopted. Expected to be effective from 2016/17.
IFRS 15 Revenue from contracts with customers	May 2014	Not yet EU adopted. Expected to be effective from 2017/18.
Annual improvements to IFRS: 2012-15 cycle	September 2014	Not yet EU adopted. Expected to be effective from 2017/18.
IFRS 9 Financial Instruments	July 2014	Not yet EU adopted. Expected to be effective from 2018/19.

2. Operating Segments

The NHS foundation trust operates solely in the UK. Patients who do not live in the UK are treated via reciprocal arrangements or are required to pay for their own treatment. £2.2m (2014/15 £1.6m) came from overseas patients without reciprocal arrangements.

UCLH's activity is organised into three clinical boards, which provide healthcare services, R&D and Education segments and one corporate segment.

The Board of Directors receive financial reports that analyse the financial performance of UCLH in several ways. However, income and expenditure is reported against budget for each of three Clinical Boards, Research and Development, Education and Corporate segments.

These segments are run on a day to day basis by a separate clinical or executive board. The clinical segments are Medicine, Surgery & Cancer and Specialist Hospitals. The latter encompasses the Eastman Dental Hospital, Paediatrics and Adolescents, Women's Health, The National Hospital for Neurology and Neurosurgery, the Royal Hospital for Integrated Medicine and the Royal National Throat, Nose and Ear Hospital.

Income for the clinical boards is received via the contracts with commissioners (CCGs and NHS England). The contracts follow the requirements of the DH's payment by results guidance, and services are paid for on the basis of a national or local tariff for each treatment. The volume of treatments is agreed with our main commissioners.

All of UCLH's major customers are commissioners and transactions with them are summarised in Note 31.

The Chief Operating Decision Maker (CODM) of this Trust is the UCLH Board. It has been determined that this is the CODM as under our scheme of delegation the Board is required to approve the budget and all major operational decisions.

The monthly performance report to the CODM reports financial summary information in the format of the table below.

This financial information is the information reported to the May 2016 Board meeting for the year ended 31st March 2016.

2. Operating segments

	Medicine		Specialist Hospitals		Surgery & Cancer		Research & Development		Education		Corporate		TOTAL	
	15-16 £m	14-15 £m	15-16 £m	14-15 £m	15-16 £m	14-15 £m	15-16 £m	14-15 £m	15-16 £m	14-15 £m	15-16 £m	14-15 £m	15-16 £m	14-15 £m
Direct Income	160.2	148.9	369.6	423.0	262.5	242.2	40.4	39.3	35.1	35.4	36.2	44.9	904.0	933.6
Direct Costs	(173.1)	(156.4)	(284.9)	(312.1)	(229.9)	(205.7)	(32.9)	(31.8)	(43.2)	(43.0)	(107.5)	(117.8)	(871.6)	(866.9)
Internal Trading & Indirect Costs	10.6	6.4	(60.0)	(62.9)	(41.5)	(30.4)	(7.8)	(8.0)	-	-	98.7	94.8	-	-
CONTRIBUTION /EBITDA (at Trust level)	(2.3)	(1.1)	24.7	48.0	(8.9)	6.1	(0.3)	(0.5)	(8.2)	(7.7)	27.4	21.9	32.4	66.8
ITDA (before donation adjustments & exceptional items)		-		-		-		-		-	(63.6)	(64.4)	(63.6)	(64.4)
I&E (before donation adjustments & exceptional items)	(2.3)	(1.1)	24.7	48.0	(8.9)	6.1	(0.3)	(0.5)	(8.2)	(7.7)	(36.2)	(42.5)	(31.2)	2.4
Donation adjustments		-		-		-		-		-	0.8	0.1	0.8	0.1
I&E (after donation adjustments, pre-exceptionals)	(2.3)	(1.1)	24.7	48.0	(8.9)	6.1	(0.3)	(0.5)	(8.2)	(7.7)	(35.4)	(42.4)	(30.4)	2.5
Exceptional Items		-		-		-		-		-	(25.6)	4.9	(25.6)	4.8
Net Surplus/(Deficit)	(2.3)	(1.1)	24.7	48.0	(8.9)	6.1	(0.3)	(0.5)	(8.2)	(7.7)	(61.0)	(37.5)	(56.0)	7.3

Notes

- 1) At segmental level, positions are reported at the level of "Contribution". At Trust level this equates to "EBITDA".
- 2) "Donation adjustments" represent the accounting for donations in the year of receipt rather than matching with depreciation over the life of the donated asset
- 3) The I&E position before donation adjustments reflects the old (pre-2012/13) NHS accounting rules. The Trust reports under both the old accounting regime (as the best measure of underlying "financial performance as it is unaffected by the timing of charitable donations) and the new accounting regime, which accounts for charitable donations as income in the period in which they are received.
- 4) ITDA is the total of interest, taxation, depreciation and amortisation. EBITDA is earnings before interest, taxation, depreciation and amortisation.
- 5) Total assets and liabilities are not reported to the CODM by reportable segment.
- 6) Exceptional items consist of impairments and reversals of impairments before the effect of accounting policy adjustments
- 7) PFI costs including interest are allocated to and reported within the relevant segments, predominantly Medicine and Surgery & Cancer who occupy the majority of the PFI buildings.
- 8) The Trust received £25.3m from the Department of Health in February 2016 as part of the Department's "Capital to Revenue" transfers. A loan repayment of £25.3m was made at the same time. In accordance with the requirements of the Foundation Trust Annual Reporting Manual, the cash received has been treated as revenue and disclosed as "Additional Income for Delivery of Healthcare Services" in Note 3. An accounting adjustment of £25.5m was made to the PFI Lifecycle prepayment to reflect a revised assessment of the value of the Trust's lifecycle contributions over the first 10 years of the contract.

3. Operating Income by Classification

	2015/16 Year Ended 31 March 2016 £000	2014/15 Year Ended 31 March 2015 £000
Acute Trusts		
Elective income	182,364	182,619
Non elective income	93,532	102,229
Outpatient income	139,546	139,342
A & E income	17,281	16,923
Other NHS clinical income	264,353	315,488
Additional Income for delivery of Healthcare services**	25,300	0
Paying patient income (private and overseas chargeable to patient)	21,427	18,040
Other clinical income***	1,365	0
Total income from activities	745,168	774,641
Total other operating income (see note 3A)	195,104	171,303
Total Operating Income	940,272	945,944
Commissioner Requested Income	690,867	727,363
Non-Commissioner Requested Income	249,405	218,581
Total Income	940,272	945,944

**The Trust received £25.3m from the Department of Health in February 2016 as part of the Department's "Capital to Revenue" transfers. A loan repayment of £25.3m was made at the same time. In accordance with the requirements of the Foundation Trust Annual Reporting Manual, the cash received has been treated as revenue and disclosed as "Additional Income for Delivery of Healthcare Services" in Note 3.

***£4.877m has been reclassified to Other NHS Clinical Income (shown as Other Clinical Income in 2014-15)

3A: Operating Income by Type

	2015/16 Year Ended 31 March 2016 £000	2014/15 Year Ended 31 March 2015 £000
Income From Activities		
NHS Foundation Trusts	1,365	0
NHS Trusts	636	0
Clinical Commissioning Groups (CCG) and NHS England	690,867	727,363
Department of Health - other	0	23,306
NHS Other***	4,853	4,877
Non-NHS: Private Patients*	19,222	16,393
Non-NHS: Overseas patients (chargeable to patient)	2,164	1,647
NHS Injury scheme (previously RTA)	761	1,055
Additional Income for delivery of healthcare services**	25,300	0
Total Income From Activities	745,168	774,641
Other Operating Income		
Research and development	45,652	44,300
Education and training	46,374	46,128
Charitable and other contributions to expenditure	5,766	4,402
Non-patient care services to other bodies	38,889	17,888
Reversal of impairments of property, plant and equipment	6,913	11,923
Reversal of impairments of financial assets	0	65
Rental revenue from operating leases - minimum lease receipts	4,241	3,685
Staff costs recharged to other organisations	2,068	2,687
Pharmacy sales	29,266	28,353
Clinical Excellence Awards	6,484	7,204 **
Other	9,451	4,668
Total Other Operating Income	195,104	171,303
Total Operating Income	940,272	945,944

*Non-NHS: Private Patients income includes contributions of £11.4m from HCA in respect of lease income and other services (£9.4m in 2014-15)

**The Trust received £25.3m from the Department of Health in February 2016 as part of the Department's "Capital to Revenue" transfers and was required to make a loan repayment of £25.3m at the same time. In accordance with the requirements of the Foundation Trust Annual Reporting Manual, the cash received has been treated as revenue and disclosed as "Additional Income for Delivery of Healthcare Services" above.

***£4.877m has been reclassified to NHS Other (shown as Non-NHS Other in 2014-15)

3B: Overseas Visitors (relating to patients charged directly by the Foundation Trust)

	2015/16 Year Ended 31 March 2016	2014/15 Year Ended 31 March 2015
	£000	£000
Income recognised this year	2,164	1,647
Cash payments received in-year (relating to invoices raised in current and previous years)	1,716	1,429
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	100	218
Amounts written off in-year (relating to invoices raised in current and previous years) *	2,393	0

* Amounts written off includes items from previous financial years, bad debt provision was held for all amounts written off

4. Operating Expenses

	2015/16 Year Ended 31 March 2016	2014/15 Year Ended 31 March 2015
	£000	£000
Services from NHS Foundation Trusts	3,306	4,595
Services from NHS Trusts	1,649	239
Services from CCGs and NHS England	230	0
Purchase of healthcare from non NHS bodies	10,440	11,986
Employee Expenses - Executive directors	1,930	1,827
Employee Expenses - Non-executive directors	169	165
Employee Expenses - Staff	457,809	475,468
Drug costs	137,692	124,027
Supplies and services - clinical (excluding drug costs)	85,566	86,142
Supplies and services - general	9,885	10,246
Establishment	7,684	8,294
Research and development	18,488	17,237
Transport	7,427	8,178
Premises	86,040	64,474
Total increase in provision for impairment of receivables	1,560	3,708
Rentals under operating leases - minimum lease payments	13,171	22,377 **
Depreciation on property, plant and equipment	26,543	23,666
Amortisation on intangible assets	158	84
Impairments of property, plant and equipment	30,831	6,992
Impairment of Financial Assets	21	122
Audit fees- statutory audit *	131	134
Other auditors remuneration - further assurance services	23	59
Clinical negligence	12,302	8,075

	2015/16 Year Ended 31 March 2016 £000	2014/15 Year Ended 31 March 2015 £000
Clinical negligence - excesses payable and premiums due to alternative insurers	270	109
Loss on disposal of other property, plant and equipment	1,505	0
Legal fees	399	249
Consultancy costs	4,624	6,663
Internal Audit Costs	224	225
Training, courses and conferences	2,027	3,156
Patient Travel	2,815	1,963
Losses, ex gratia & special payments	19	26
Other **	30,628	5,270
Total operating Expenses	955,566	895,756

* The audit fee for the 2015-16 statutory audit was £153,600 (2014/15 £194,000), comprising £109,000 Regulatory reporting fee (2014/15: £110,000), £17,000 Quality Assurance reporting fee (2014/15: £29,500), £2,000 for WGA work, £0 for ad-hoc work (2014/15 £20,000) and irrecoverable VAT of £25,600 (2014/15: £32,500).

** Other Expenditure includes a PFI Lifecycle accounting adjustment of £25.5m to reflect a revised assessment of the value of the Trust's lifecycle contributions over the first 10 years of the contract. See also Note 18.

5. Operating leases

5.1 As lessee

UCLH has a number of property leases for both clinical and administrative buildings. These leases are of varying length of term between 1 and 77 years, with the average being 10 years. In addition, UCLH has a portfolio of equipment leases, typically with lease terms of between 5 to 7 years.

UCLH's operating lease contracts do not allow for the renewal of leases for a secondary period at substantially lower than market rates nor do they allow for UCLH to exercise beneficial purchase clauses allowing UCLH to acquire assets at other than market value.

Contingent rentals

The majority of UCLH rentals are fixed for any particular accounting period. Some of these leases include clauses that allow for an uplift of future rentals, typically on a five year basis, to prevailing market rates. Given the uncertainty of future rent reviews UCLH does not estimate such future uplifts.

Accordingly lease payments under operating leases exclude contingent rental amounts. Equipment leases are fixed for the period of the concession and accordingly contain no contingent rents.

All of the above leases have been assessed in accordance with IAS 17 and deemed to be classified as operating leases.

	2015/16 31 March £000	2014/15 31 March £000
Minimum lease payments	13,171	22,377
Minimum lease payments	13,171	22,377

The aggregate future minimum lease payments under non-cancellable operating leases are as follows :

	2015/16 31 March £000	2014/15 31 March £000
Not later than 1 year	11,257	11,367
Later than 1 year and no later than 5 years	32,735	31,601
Later than 5 years	24,321	30,890
Total	68,313	73,858

The operating lease expenditure shown is included under the headings of Transport, Premises and also Supplies and services - clinical within Note 4 Operating Expenses.

5.2 As lessor

UCLH is the lessor in a number of arrangements with other entities. The income by entity is listed below. UCLH includes this income within income derived from rental revenue from operating leases - minimum lease receipts (as reported in Note 3).

	2015/16 £000	2014/15 £000
Great Ormond Street Hospital for Children NHS Foundation Trust	154	141
Hays Specialist Recruitment Limited	504	203
The Doctors Laboratory Ltd	0	172
University College London	1,455	1,075
The Centre for Reproductive & Genetic Health Ltd	234	215
UCLH Charity	142	43
Other	1,752	1,836
Total	4,241	3,685

6. Employee costs

6.1 Employee costs

	2015/16 Year Ended 31 March £000	2014/15 Year Ended 31 March £000
Salaries and wages	381,956	391,732
Social Security Costs	29,534	30,606
Employer contributions to NHS Pension scheme	38,926	38,962
Pension Cost - other contributions	17	5
Total excluding Agency staff	450,433	461,305
Salary cost recharges	(3,339)	0
Agency staff	14,579	17,608
Total Employee Costs	461,673	478,913
 Less: Employee Costs Charged to Capital	 1,934	 1,618
Total Employee Costs as per Note 4	459,739	477,295

Average number of people employed and staff exit packages are included in the staff report on page 49

7. 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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full Actuarial (Funding) Valuation

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

Employer Contribution 2016/17

The employer contribution to the NHS Scheme for 2016/17 is forecast to be £38.9m based on the Trust pay budget for the financial year.

8. Retirements due to ill-health

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year.

During 2015/16 there were 4 retirements (2014/15: 10), at an additional cost of £383,000 (2014/15: £635,000). This information has been supplied by NHS Pensions.

This cost is not reported within the Trust's accounts.

9. Investment revenue

	2015/16 Year Ended 31 March £000	2014/15 Year Ended 31 March £000
Interest revenue:		
Bank accounts	206	269
Total	206	269

10. Finance Costs

	2014/15 Year Ended 31 March £000	2013/14 Year Ended 31 March £000
Interest on loans from Independent Trust Financing Facility	2,561	2,338
Interest on obligations under PFI contracts:		
- main finance cost	30,760	31,067
Unwinding of discount	25	36
Total	33,346	33,441

* Previously known as Foundation Trust Financing Facility

11. Property, plant and equipment

	Land	Buildings excluding dwellings	Assets under construct and poa	Plant and machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
2015/16:								
Valuation/Gross cost at 1 April 2015	150,696	404,876	27,154	85,287	169	35,386	30,240	733,808
Additions purchased	0	0	89,201	0	0	0	0	89,201
Additions - assets purchased from cash donations / grants	0	0	0	286	0	0	0	286
Impairments charged to revaluation reserve	(45,326)	(3,882)	0	0	0	0	0	(49,208)
Impairments recognised in operating expenses	(6,570)	(24,261)	0	0	0	0	0	(30,831)
Reversal of impairments recognised in operating income	0	6,913	0	0	0	0	0	6,913
Reclassifications	0	20,448	(40,218)	14,131	103	5,361	175	0
Revaluations	18	1,807	0	0	0	0	0	1,825
Disposals	0.00	0.00	0	(3,949)	0	(770)	(109)	(4,828)
Valuation/ Gross cost at 31 March 2016	98,818	405,901	76,137	95,755	272	39,977	30,306	747,166
Accumulated depreciation at 1 April 2015	0	0	0	44,087	8	12,035	17,082	73,212
Provided during the year *	0	10,868	0	8,694	31	4,842	2,107	26,542
Disposals	0	0	0	(2,417)	0	(528)	(62)	(3,007)
Depreciation at 31 March 2016	0	10,868	0	50,364	39	16,349	19,127	96,747
Net book value at 31 March 2016								
Owned	98,818	141,627	76,137	37,722	151	23,412	10,609	388,476
PFI	0	214,979	0	0	0	0	0	214,979
Donated	0	38,425	0	7,669	82	217	570	46,963
Total at 31 March 2016	98,818	395,031	76,137	45,391	233	23,629	11,179	650,418
Analysis of property, plant and equipment								
Protected Property	98,818	393,914	0	0	0	0	0	492,732
Unprotected Property	0	1,117	76,137	45,391	233	23,629	11,179	157,686
Total at 31 March 2016	98,818	395,031	76,137	45,391	233	23,629	11,179	650,418

* Buildings depreciation was eliminated on revaluation at 31 March 2016 through the entries in "Impairments charged to revaluation reserve", "Impairments recognised in operating expenses" and "Revaluation surpluses". The 1 April 2015 Buildings opening value is as per the net book value as advised by the District Valuer at 31 March 2015. Within the gross valuation of £747m at 31st March 2016 there have been two material movements: AUC has increased reflecting costs of the Phase 4 and PBT development, and additionally Land & Building assets have been impaired by £73m following valuation.

Prior year:

	Land	Buildings excluding dwellings	Assets under construct and poa	Plant and machinery	Transport Equipment	Information technology	Furniture & fittings	Total
2014/15:	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/Gross cost at 1 April 2014*	140,354	385,982	27,749	75,934	0	22,935	29,828	682,782
Additions purchased	0	3,011	35,686	0	0	0	0	38,697
Additions purchased from Cash Donations / Grants	0	0	0	1,090	100	0	0	1,190
Impairments charged to revaluation reserve	(2,000)	(791)	0	0	0	0	0	(2,791)
Impairments recognised in operating expenses	0	(3,515)	(3,477)	0	0	0	0	(6,992)
Reversal of impairments recognised in operating income	619	11,304	0	0	0	0	0	11,923
Reclassifications	0	11,610	(32,804)	8,263	69	12,451	412	0
Revaluation surpluses	11,723	7,197	0	0	0	0	0	18,921
At 31 March 2015	150,696	414,798	27,154	85,287	169	35,386	30,240	743,730
Depreciation at 1 April 2014*	0	0	0	36,169	0	8,545	14,754	59,468
Provided during the year	0	9,922	0	7,918	8	3,490	2,328	23,666
Depreciation at 31 March 2015	0	9,922	0	44,087	8	12,035	17,082	83,134
Net book value at 31 March 2015								
Owned	150,696	127,701	27,154	31,855	64	23,087	12,409	372,966
PFI	0	238,715	0	0	0	0	0	238,715
Donated	0	38,460	0	9,345	97	264	749	48,915
Total at 31 March 2015	150,696	404,876	27,154	41,200	161	23,351	13,158	660,596
Analysis of property, plant and equipment								
Protected Property	150,696	403,823	0	0	0	0	0	554,519
Unprotected Property	0	1,053	27,154	41,200	161	23,351	13,158	106,077
Total at 31 March 2015	150,696	404,876	27,154	41,200	161	23,351	13,158	660,596

* Buildings depreciation was eliminated on revaluation at 31 March 2015 through the entries in "Impairments charged to revaluation reserve", "Impairments recognised in operating expenses" and "Revaluation surpluses". The 1 April 2014 Buildings opening value is as per the net book value as advised by the District Valuer at 31 March 2014.

End of Year Valuation

In the year ending 31st March 2016 a desktop valuation exercise was carried out on UCLH's properties by the District Valuer (DV). The purpose of this exercise was to determine a fair value for Trust land and buildings as at 31st March 2016.

The valuation exercise was carried out in February 2016 with the prospective valuation date of 31st March 2016. It resulted in a number of revaluation adjustments, both upwards and downwards, some of which related to assets with existing revaluation reserve balances and some of which related to assets with no revaluation reserve balance. See note 14 for further details.

The valuations were undertaken having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation Standards 6th Edition.

In 15/16 two changes were made to the basis of the valuation in respect of specialised assets, management have elected to use an alternative site basis for the valuation and have valued the PFI assets net of VAT.

Basis of Valuation

The valuation was conducted in accordance with the terms of the Royal Institution of Chartered Surveyors' Valuation Standards, 6th Edition, insofar as these terms are consistent with the requirements of HM Treasury, the National Health Service and the Department of Health.

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of land and buildings is usually determined from market-based evidence by appraisal undertaken by professionally qualified valuers.

The valuation of each property is on the basis of Market Value. The Market Value used in arriving at fair value for UCLH's operational assets is subject to the assumption that the property is sold as part of the continuing enterprise in occupation.

In the case of non-specialised operational assets, this equates in practice to Existing Use Value (EUV).

In the case of specialised operational assets, if there is no market-based evidence of fair value because of the specialised nature of the property and the item is rarely sold, except as part of a continuing business; fair value is estimated using a depreciated replacement cost approach subject to the assumption of continuing use.

Where depreciated replacement cost (DRC) has been used, it is confirmed that the valuer has had regard to the RICS Valuation Information Paper No. 10, "The Depreciated Replacement Cost (DRC) Method of Valuation for Financial Reporting", as supplemented by Treasury guidance.

Non-operational assets, including surplus land, are valued on the basis of Market Value, on the assumption that the property is no longer required for existing operations, which have ceased.

There is an assumption that properties valued will continue to be in the occupation of the NHS for the foreseeable future having regard to the prospect and viability of the continuance of that occupation.

a) Depreciated Replacement Cost

The basis used for the valuation of specialised operational property for financial accounting purposes is Depreciated Replacement Cost (DRC). The RICS Standards at Appendix 4.1, restating International Valuation Application 1 (IVA 1) provides the following definition:

"The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation."

Those buildings which qualify as specialised operational assets, and therefore fall to be assessed using the Depreciated Replacement Cost approach, have been valued on a modern equivalent asset basis. This method of valuation allows an alternative location for replacement to be used if this can be demonstrated to meet the requirements of the service. In 15/16 management have determined that the needs of the service could be met from locations away from the current sites and the valuation has been completed on this basis.

b) Existing Use Value (EUV)

The basis used for the valuation of non-specialised operational owner-occupied property for financial accounting purposes under IAS 16 is fair value, which is the market value subject to the assumption that the property is sold as part of the continuing enterprise in occupation. This can be equated with EUV, which is defined in the RICS Standards at UK PS1.3 as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential

alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost."

c) Market Value

Market Value is the basis of valuation adopted for the reporting of non-operational properties, including surplus land, for financial accounting purposes. The RICS Standards at PS3.2 define MV as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Variations to RICS Valuation Standards

In order to meet the underlying objectives established by HM Treasury and the Department of Health for capital accounting and the capital charges system, the following variations from the RICS Valuation Standards were required and agreed between UCLH and the DV.

For assets valued using depreciated replacement cost, the replacement cost figures include VAT and professional fees but exclude finance charges, with an "instant building" being assumed.

The valuation figures reflect physical obsolescence and have been reduced to reflect functional obsolescence.

Assets in the course of construction at the valuation date are included at the cost incurred to the valuation date in accordance with current capital charging arrangements. When stating the certified cost of work carried out (as at the valuation date), no deduction has been made for the risk of failure to complete the project.

As regards alternative use values, it is confirmed that unless otherwise indicated operational assets have been valued to Fair Value on the assumption that their market value reflects the property being sold as part of the continuing enterprise in occupation. The value ascribed to the operational assets does not reflect any potential alternative use value, which could be higher or lower than the stated Fair Value.

Assumptions Arising from use of a Prospective Valuation Date

The following assumptions were made in respect of giving a prospective valuation as at 31st March 2016, on valuations carried out in February 2016:

The age and remaining lives of buildings and their elements have been assessed as at the valuation date. The assumption is that building elements will continue to be maintained normally over the period from the date of inspection to the valuation date and that there will be no untoward changes.

With respect to non-specialised operational property valued to fair value assuming the continuance of occupation for the existing use, non-operational properties valued to Market Value and the land element of DRC properties, their valuations have been prepared having regard both to the market evidence available at the date of the report and to likely and foreseeable local and national market trends between the date of carrying out the valuation and the valuation date.

Interaction with Private Finance Initiative (PFI) Contracts

UCLH's PFI asset (the new hospital building) has been valued to fair value on the market value, subject to the assumption of continuance of the existing use, with the DRC approach being adopted because the asset is specialised. The value of the asset is now shown net of VAT after detailed consideration of the obligations of the PFI company within the contract. This has reduced the asset value by £43m.

12. Intangible assets

2015/16:	Computer software - purchased £000	Total £000
Gross cost or valuation at 1 April 2015	775	775
Additions purchased	353	353
Gross cost at 31 March 2016	1,128	1,129
Amortisation at 1 April 2015	337	337
Provided during the year	158	158
Amortisation at 31 March 2016	495	495
Net book value at 31 March 2016		
Purchased	633	633
Total at 31 March 2016	633	633
Prior year:		
2014/15:	Computer software - purchased £000	Total £000
Gross cost or valuation at 1 April 2014	590	590
Additions purchased	185	185
Gross cost at 31 March 2015	775	775
Amortisation at 1 April 2014	253	253
Provided during the year	84	84
Amortisation at 31 March 2015	337	337
Net book value at 31 March 2015		
Purchased	438	438
Total at 31 March 2015	438	438

Intangible fixed assets represents application software identified in IT projects.

13. Investment in Joint Venture

	Note	2014/15 £000	2013/14 £000
Opening investment in joint venture		2,590	394
Acquisitions in Year		4,250	2,253
Reversal of Impairment		0	65
Impairment	14	(21)	(122)
Share of Profit/Loss		2,161	0
Carrying value at 31st March		8,980	2,590

13. Investment in Joint Ventures

In April 2011 UCLH acquired a 50% stake in an arrangement with Imaging Partners Online Limited to operate a joint venture (Radiology Reporting Online (RRO)) delivering both an enhanced on-site and off-site imaging reporting service. UCLH has impaired its investment in the joint venture by 50% of the RRO's operating loss for the first two financial years, 2011/12 and 2012/13, which has been partially reversed in 2013/14, 2014/15 and 2015/16 by 50% of the value of the surplus (or projected surplus) for the year. A gain of £331k, including an impairment adjustment of £21k to reflect the finalised 2014/15 position was included in 2015-16.

UCLH has invested in a second joint venture, Health Services Laboratories LLP (HSL LLP) with partners The Doctors Laboratory (TDL) and the Royal Free London NHS Foundation Trust (RFL). UCLH has a 24.5% stake in this operation (TDL 51%, RFL 24.5%), with joint venture status agreed as a result of a series of significant decisions requiring unanimous agreement.

The go-live date for operational services provided by this JV was 1st April 2015. UCLH (and other members) made a payment of agreed start-up capital in March 2015 in readiness for go-live. UCLH's contribution was £2,253k, with additional capital contributions made during 2015-16 of £4,249k. This has been recorded as an investment under the equity method. UCLH has increased this investment by 24.5% of projected trading profit incurred by the JV during 2015-16 (£1,806k).

14. Impairments and Revaluations

Land and buildings were valued independently by the District Valuer as at 31 March 2016 in line with accounting policies. The valuation included positive and negative valuation movements. Revaluation gains were taken to the revaluation reserve, unless they related to a property which has previously been impaired through operating expenses, in which case the revaluation gain was taken to operating income. Revaluation losses were taken to the revaluation reserve to the extent that there was a revaluation surplus for that property. Any losses over and above the revaluation surplus were charged to operating expenses. The movement arising from the professional valuation can be summarised as follows:

Summary of 2014-15 impairments and revaluations:

	2015/16			2014/15		
	Income and expenditure	Reserves	Total	Income and expenditure	Reserves	Total
	£000	£000	£000	£000	£000	£000
Impairment reversals credited to operating income	6,913	0	6,913	11,988	0	11,988
Impairments charged to operating expenses	(30,852)	0	(30,852)	(7,114)	0	(7,114)
Impairments charged to revaluation reserve	0	(49,208)	(49,208)	0	(2,791)	(2,791)
Total impairment reversal/ (charge)	(23,939)	(49,208)	(73,147)	4,874	(2,791)	2,083
b) Revaluations						
Credited to revaluation reserve as above	0	1,825	1,825	0	18,921	18,921
Total revaluations	0	1,825	1,825	0	18,921	18,921

Notes

There was a net decrease in the carrying value of UCLH's property as a result of the valuation exercise described in note 11. Land and building values decreased significantly, partially offset by upward revaluations in respect of specific properties. Impairments in Income & Expenditure include £21k in respect of Joint Ventures (RRO)..

15. Property, Plant & Equipment Economic Lives

Property, plant and equipment is depreciated on current valuation over estimated useful life as follows:

	<i>Minimum</i>	<i>Maximum</i>
Buildings excluding dwellings	1	50
Plant & Machinery	5	15
Information Technology	2	8
Furniture & Fittings	5	7
Transport	7	7

16. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2016	31 March 2015
	£000	£000
Property, plant and equipment	204,474	8,727
Total	204,474	8,727

17. Inventories

17.1 Inventories

	31 March 2016	31 March 2015
	£000	£000
Drugs	8,860	8,171
Consumables	8,391	12,448
Energy	97	141
Total	17,348	20,760
Of which held at net realisable value:		3,237*

* Stock held at net realisable value was Cardiac specific stock sold to Barts Health NHS Trust as part of the transfer of cardiac services

17.2 Inventories recognised in expenses

	31 March 2016	31 March 2015
	£000	£000
Inventories recognised as an expense in the period	(205,717)	(196,233)
Total	(205,717)	(196,233)

18. Trade and other receivables

18.1 Trade and other receivables

	Current		Non-current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	£000	£000	£000	£000
NHS invoiced receivables	40,527	73,464	0	0
Provision for the impairment of receivables	(39,154)	(43,007)	0	0
VAT	4,675	3,060	0	0
Accrued income	67,148	59,955	0	0
Prepayments - PFI lifecycle replacements**	0	0	5,782	28,443
Prepayments other	28,141	7,211	0	0
Other receivables	22,226	26,061	0	0
PDC Dividend Receivable	1,781	0	0	0
Other receivables capital*	3,025	1,517	0	0
Total	128,369	128,261	5,782	28,443

* These items are considered non-operational and are excluded from the movement in receivables shown in the cash flow statement
 ** An accounting adjustment of £25.4m was made to the PFI Lifecycle prepayment to reflect a revised assessment of the value of the Trust's lifecycle contributions over the first 10 years of the contract. See also Note 26

18.2 Analysis of impaired receivables

Ageing of impaired receivables	31 March 2016	31 March 2015
	£000	£000
0 - 30 days	274	629
30 - 90 days	454	1,258
90 - 180 days	15,124	8,979
over 180 days	23,302	32,141
Total	<u>39,154</u>	<u>43,007</u>

The above analyses the 'Provision for impairment of receivables' by reference to the age of the underlying debt.

18.3 Analysis of non-impaired receivables

Ageing of non-impaired receivables	31 March 2016	31 March 2015
	£000	£000
0 - 30 days	61,768	71,346
30 - 90 days	1,544	38,474
90 - 180 days	25,099	9,528
over 180 days	11,817	1,702
Total	<u>100,228</u>	<u>121,050</u>

* This excludes Current and Non-Current Prepayment balances

All receivables over 3 months old are impaired at rates determined by the age of the debt.

In addition to the impairment of all receivables over 3 months old, specific provisions are made in respect of certain categories of debt which are less than 3 months old.

18.4 Provision for impairment of receivables

	31 March 2016	31 March 2015
	£000	£000
Balance at 1 April	43,007	33,050
Increase in provision	6,088	11,918
Amounts utilised	(9,941)	(1,961)
Unused amounts reversed	0	0
Balance at 31 March	<u>39,154</u>	<u>43,007</u>

UCLH has impaired receivables based on age and any specific details known. Figures above include impairment of NHS receivables which are accounted for as a reduction of income rather than as a charge to operating expenses.

19. Cash and cash equivalents

	31 March 2016	31 March 2015
	£000	£000
Balance at 1 April	92,816	129,937
Net change in year	(24,246)	(37,121)
Balance at 31 March	68,570	92,816
Made up of		
Cash with the Government Banking Service	68,546	92,574
Commercial banks and cash in hand	24	242
Cash and cash equivalents as in statement of financial position	68,570	92,816
Cash and cash equivalents as in statement of cash flows	68,570	92,816

20. Non-current assets held for sale

	31 March 2016	31 March 2015
	£000	£000
Balance brought forward 1st April	0	0
Plus assets classified as held for sale in the year	0	0
Less assets sold in year	0	0
Balance carried forward at 31 March 2016	0	0

21. Trade and other payables

	Current		Non-current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
NHS payables	8,547	8,077	0	0
Trade payables - capital*	13,163	3,159	0	0
Other trade payables - revenue	104	778	0	0
Taxes payable	14,437	14,682	0	0
Other payables	56,144	45,521	0	0
Accruals	53,833	58,807	0	0
PDC dividend payable*	0	624	0	0
Total	146,228	131,648	0	0

* these items are considered non-operational and are excluded from the movement in payables shown in the cash flow statement

22. Borrowings

	Current		Non-current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
Loans from Independent Trust Financing Facility	1,507	2,801	83,181	66,188
Obligations under Private Finance Initiative contracts	4,582	4,252	245,986	250,562
Total	6,089	7,053	329,167	316,750

The outstanding balances on the Trust's Independent Trust Financing Facility loans at 31st March 2016 totalled £84.7m (31st March 2015 £69.0m). The total loan facility has been used to part-fund the UCH Macmillan Cancer Centre, which opened in April 2012, and to fund work on the Phase 4 facility and Emergency Department works.

Cancer Centre: £65m loan, fully drawn down (interest 3.94%, 25 year loan, £28.1m repaid in year)

Phases 4 and 5 Short Term Loan Facility: £139m loan, £48m drawn down to date (interest 1.08%, 8 year loan)

Emergency Department: £19.6m loan, £7.3m drawn down to date (interest 1.85%, 25 year loan)

23. Other liabilities

	Current		Non-current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
Deferred Income	15,602	13,622	5,326	5,726
Total	15,602	13,622	5,326	5,726

24. Finance lease receivables (i.e. as lessor)

UCLH has an arrangement with PCHA (Paddington Church Housing Association), an organisation which rents four Trust properties. This arrangement falls under a finance lease arrangement, however UCLH receives no rent for these properties.

25. Finance lease commitments

UCLH has no finance lease commitments other than those included as Private Finance Initiative contracts (2014/15: £nil).

26. Private Finance Initiative contracts

26.1 PFI schemes OFF-STATEMENT OF FINANCIAL POSITION

Integrated Care Record Service

In September 2003, UCLH NHS FT signed a 10 year contract with IDX Systems UK Limited for the provision of an Integrated Care Record Service (ICRS), including delivery of a Managed Service, along with the implementation of a network infrastructure to the new hospital. The total value of the contract is £87m (including Value Added Tax) and has been funded through the Private Finance Initiative.

During 2006/07 UCLH NHS FT was approached by the ICRS partner who wished to transfer their obligations under the 10 year PFI contract. An agreement was reached whereby the main contractual aspects of the ICRS PFI contract were novated to Logica CMG, previously the main subcontractor under the original PFI contract.

In totality, the scheme was proposed to consume assets over its 10 year life of £17.4m. This contract has been assessed under IFRIC 4 to identify whether the arrangement contains a lease. Due to complexities with implementing the solution and the transfer of the contract in 2006/07 it has not been possible to accurately identify and estimate the capital value of any sole use assets. Accordingly, UCLH has not recognised any capital assets in UCLH Statement of Financial Position.

In order to facilitate the implementation of an improved data centre facility UCLH previously signed a variation to the ICRS agreement to extend the contract by 30 months. The contract ended in March 2016.

Total Future Off-SOFP PFI payment commitments:

	31 March 2016	31 March 2015
	£000	£000
Not later than one year	0	6,056
Later than one year, not later than five years	0	0
Total	0	6,056

26.2 PFI schemes ON-STATEMENT OF FINANCIAL POSITION

University College Hospital - Private Finance Initiative

A contract for the development of the hospital was signed on 12th July 2000, to build and run the hospital. The scheme is in conjunction with Health Management (UCLH) Plc (HMU), a consortium entity. The HMU consortium now consists of Semperian (part of Trillium group), Credit Suisse, Interserve PFI Holdings Ltd and Dalmore Capital.

The scheme is contracted to end on 1 June 2040, at which time the building will revert to the ownership of UCLH NHS FT.

The St Martin site, upon which the hospital has been constructed, was purchased in 2000/01 to provide the site for the hospital. A 40 year lease has been granted to the PFI partners, who contracted to build the hospital.

The new building was handed over in two phases, phase 1 on 19th April 2005 and phase 2 on 5th August

2008. Over the period, we, and our partners HMU Plc, invested £422m in building and equipping the new hospital. A number of existing UCLH NHS FT properties were sold and most of the income invested in the scheme.

UCLH NHS FT is committed to pay quarterly PFI unitary charge payments in advance which commenced with the opening of phase 1 of the development in 2005. This was initially at a reduced rate until phase 2 opened in 2008. After phase 2 was handed over to UCLH, UCLH NHS FT is committed to annual unitary charge building availability payments to the end of the contract in 2040, with the original per annum figure of £27.9m uplifted by the Retail Price Index each year since the opening of the PFI. The total availability fee payable in 2015/16 was £38.8m, of which £30.1m was charged as interest, £4.5m allocated to repayment of capital, and £2.8m payment into the lifecycle replacement fund, which at 31 March 2016 totals £5.8m and which is included in non-current trade and other receivables (2014/15: £28.4m). An accounting adjustment was made, at the end of 15/16, to the PFI Lifecycle prepayment to reflect a revised assessment of the value of the Trust's lifecycle contributions over the first 10 years of the contract. This was based on newly available information received from HMU. These costs will be transferred to Property, Plant and Equipment as and when the operator undertakes lifecycle modifications to the asset. This pre-payment was re-estimated in 2015-16 based on a new assessment of the required level of pre-payments required to cover future lifecycle expenditure under the contract.

The PFI agreement has been assessed under IFRIC 12 and the asset is deemed to be on Statement of Financial Position. The substance of the contract is that UCLH has a finance lease and payments comprise three elements – imputed finance lease charges, lifecycle fund and service charge.

Total finance lease obligations for on-statement of financial position PFI contracts due:

	31 March 2016 £000	31 March 2015 £000
Not later than one year	20,296	20,296
Later than one year, not later than five years	81,186	81,186
Later than five years	<u>385,638</u>	<u>405,929</u>
Gross PFI liabilities	487,120	507,411
Less: interest element	<u>(236,552)</u>	<u>(252,597)</u>
Net PFI obligation	250,568	254,814
- not later than one year	4,582	4,252
- later than one year and not later than five	30,262	25,874
- later than five years	<u>215,724</u>	<u>224,688</u>
	250,568	254,814

26.3 Charges to expenditure

Annual Unitary Payment	31 March 2016 £000	31 March 2015 £000
- Interest charge	16,073	16,343
- Repayment of finance lease liability	4,582	3,987
- Service element	20,605	19,805
- Capital lifecycle maintenance	2,813	3,763
- Contingent rent	<u>14,687</u>	<u>14,724</u>
Total	58,760	58,622

Total Future PFI Commitments	31 March 2016	31 March 2015
UCLH is committed to the following future annual payments in respect of the on-SoFP and off-SoFP PFI contracts*	£000	£000
PFI scheme expiry date:		
Not later than one year	63,408	61,681
Later than one year, not later than five years	271,891	264,485
Later than five years	1,916,756	1,987,569
Total	<u>2,252,055</u>	<u>2,313,735</u>

*This assumes an average RPI rate of 2.8% per year over the life of the PFI

27. Provisions

	Current		Non-current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
Pensions relating to other staff	309	305	1,735	1,710
Legal claims	873	337	0	0
Restructurings	1,644	1,095	0	0
Other	5,769	6,039	0	0
Total	<u>8,594</u>	<u>7,777</u>	<u>1,735</u>	<u>1,710</u>

	Pensions relating to other staff	Legal claims	Restructurings	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2015	2,015	337	1,095	6,040	9,487
Arising during the year	314	849	1,644	76	2,883
Utilised during the year	(311)	(293)	0	(37)	(641)
Reversed unused	0	(21)	(1,095)	(309)	(1,425)
Unwinding of discount	26	0	0	(1)	25
At 31 March 2016	<u>2,044</u>	<u>872</u>	<u>1,644</u>	<u>5,768</u>	<u>10,329</u>

Expected timing of cash flows:

- not later than one year;	309	872	1,644	5,769	8,594
- later than one year and not later than five years;	1,238	0	0	0	1,238
- later than five years.	497	(0)	0	0	497
Total	<u>2,044</u>	<u>872</u>	<u>1,644</u>	<u>5,769</u>	<u>10,329</u>

Staff pensions are calculated using a formula supplied by the NHS Pensions Agency. These pensions are the costs of early retirement of staff resulting from reorganisation.

Legal claims are estimates from UCLH legal advisors on employer and public liability claims. The risks are limited to the excess of the policy excesses with the NHS Litigation Authority.

Other provisions include provisions for S106 Obligations (£5.4m) and JV realignment costs (£1.1m)

£96.5m is included in the provisions of the NHS Litigation Authority at 31 Mar 2016 in respect of clinical negligence liabilities of UCLH (31 March 2015: £49.4m).

28. Contingencies

In order to obtain planning permission for the new hospital, UCLH NHS FT was contractually bound to deliver several obligations under the Town and Country Planning Act 1990 to provide facilities for the London Borough of Camden. Several obligations have been discharged. UCLH continues to work with the London Borough of Camden to satisfy its remaining Section 106 obligations. One such obligation relates to the provision of affordable housing on the Middlesex Annex site – this obligation contains a clause that under certain circumstances allows the London Borough of Camden to obtain the site for £1. As discussions are progressing, UCLH has assessed the risk of this clause being exercised as possible and as such is disclosing here as a contingent liability.

29. Financial Instruments

29.1 Financial assets

	At fair value through Income and Expenditure	Loans and receivables	Total
	£000	£000	£000
NHS Trade and other receivables excluding non financial assets (at 31 March 2016)	0	100,228	100,228
Other Investments (at 31 March 2016)	0	8,980	8,980
Cash and cash equivalents at bank and in hand (at 31 March 2016)	0	68,570	68,570
Total at 31 March 2016	0	177,778	177,778
NHS Trade and other receivables excluding non financial assets (at 31 March 2015)	0	121,050	121,050
Other Investments (at 31 March 2015)	0	2,589	2,589
Cash and cash equivalents at bank and in hand (at 31 March 2015)	0	92,816	92,816
Total at 31 March 2015	0	216,455	216,455

29.2 Financial liabilities

	At fair value through Income and Expenditure	Other	Total
	£000	£000	£000
Borrowings excluding Finance lease and PFI liabilities (at 31 March 2016)	0	84,688	84,688
Obligations under Private Finance Initiative contracts (at 31 March 2016)	0	250,568	250,568
NHS Trade and other payables excluding non financial assets (at 31 March 2016)	0	146,228	146,228
Provisions under Contract		10,329	10,329
Total at 31 March 2016	0	491,813	491,813
Borrowings excluding Finance lease and PFI liabilities (at 31 March 2015)	0	68,989	68,989
Obligations under Private Finance Initiative contracts (at 31 March 2015)	0	254,814	254,814
NHS Trade and other payables excluding non financial assets (at 31 March 2015)	0	131,648	131,648
Other financial liabilities	0	0	0
Provisions under Contract	0	9,487	9,487
Total at 31 March 2015	0	464,938	464,938

The fair value of financial assets and financial liabilities does not differ from carrying amount.

29.3 Financial Risk Management

UCLH's financial risk management operations are carried out by the Trust's treasury function, within parameters defined formally within the policies and procedures manual agreed by the Board of Directors. This activity is routinely reported and is subject to review by internal and external auditors.

UCLH's financial instruments comprise cash and liquid resources, borrowings and various items such as trade debtors and creditors that arise directly from its operations. UCLH does not undertake speculative treasury transactions.

Currency Risk and Interest Rate Risk

UCLH is principally a domestic organisation with the majority of transactions, assets and liabilities being in the UK and sterling based. As such, UCLH undertakes very few transactions in currencies other than sterling and is therefore not exposed to movements in exchange rates over time.

UCLH has no significant overseas operations.

UCLH has loans from the Independent Trust Financing Facility (previously known as the Foundation Trust Financing Facility) with fixed repayments and fixed interest rate. Therefore UCLH's exposure to interest rate fluctuations is minimal.

Market Price Risk of Financial Assets

UCLH has no investments in overseas banks. Surplus cash is invested in the Office of the Government Banking Service.

Credit Risk

Due to the fact that the majority of UCLH's income comes from legally binding contracts with other government departments and other NHS Bodies UCLH is not exposed to major concentrations of credit risk. UCLH's investments in money market funds and money market deposits does expose UCLH to credit risk. This is managed by Treasury Policies limiting the investments to highly rated institutions and spreading the investments to restrict exposure. In 2015/16 no significant deposits were placed outside of the Trust's Government Banking Service account.

Liquidity Risk

UCLH has only utilised external borrowings in year associated with its PFI investment and Independent Trust Financing Facility Loan.

UCLH currently has substantial cash balances and is not currently exposed to any liquidity risk associated with inability to pay creditors.

30. Financial Performance Targets

Monitor has revised its financial performance regime and the Prudential Borrowing Code and Financial Risk Rating have been replaced with a simpler Continuity of Services Risk Rating. In the 2015-16 financial year, UCLH was rated as a 2.

31. Related party transactions

University College London Hospitals NHS Foundation Trust is a body corporate established by the Secretary of State. The Independent Regulator of NHS Foundation Trusts ("Monitor") and other Foundation Trusts are considered related parties.

The Department of Health is regarded as a related party as it exerts influence over the number of transaction and operating policies of UCLH. During the year ended 31 March 2016 UCLH had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department of those entities.

During the year none of the Department of Health Ministers, trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with UCLH, where material is defined to be transactions above £2m.

UCLH had material transactions with the following entities:

Organisation	2015/16			
	Income £000	Expenditure £000	Receivables £000	Payables £000
NHS England	379,000	-	27,000	-
NHS Camden CCG	69,000	-	8,000	-
NHS Islington CCG	61,000	-	-	-
Department of Health	58,000	-	-	2,000
Health Education England	46,000	-	-	-
Central and North West London NHS Foundation Trust	25,000	3,000	2,000	-
NHS Barnet CCG	22,000	-	-	-
NHS Central London (Westminster) CCG	18,000	-	2,000	-
NHS Haringey CCG	17,000	-	-	-
NHS Enfield CCG	15,000	-	2,000	-
NHS City and Hackney CCG	13,000	-	-	-
NHS Herts Valleys CCG	9,000	-	-	-
NHS East and North Hertfordshire CCG	8,000	-	-	-
NHS Brent CCG	6,000	-	-	-
NHS Waltham Forest CCG	6,000	-	-	-
NHS Newham CCG	4,000	-	-	-
NHS Redbridge CCG	4,000	-	-	-
NHS Tower Hamlets CCG	4,000	-	-	-
NHS West Essex CCG	4,000	-	-	-
NHS West London (K&C & Qpp) CCG	4,000	-	-	-
Royal Free London NHS Foundation Trust	3,000	2,000	2,000	4,000
Barts Health NHS Trust	3,000	2,000	-	4,000
NHS Ealing CCG	3,000	-	-	-
NHS Harrow CCG	3,000	-	-	-
NHS Lambeth CCG	3,000	-	-	-
The Whittington Hospital NHS Trust	2,000	-	-	-
NHS Havering CCG	2,000	-	-	-
NHS Hillingdon CCG	2,000	-	-	-
NHS West Kent CCG	2,000	-	-	-
NHS Litigation Authority	-	12,000	-	-
Great Ormond Street Hospital for Children NHS Foundation Trust	-	-	-	6,000

Organisation	2014/15			
	Income £000	Expenditure £000	Receivables £000	Payables £000
NHS England	406,000	-	31,000	-
NHS Camden CCG	69,000	-	11,000	-
NHS Islington CCG	61,000	-	7,000	-
Health Education England	45,000	-	-	-
Department of Health	55,000	-	23,000	-
Central and North West London NHS Foundation Trust	26,000	3,000	9,000	-
NHS Barnet CCG	22,000	-	3,000	-
NHS Haringey CCG	18,000	-	2,000	-
NHS Central London (Westminster) CCG	16,000	-	-	-
NHS Enfield CCG	15,000	-	4,000	-
NHS City And Hackney CCG	13,000	-	3,000	-
NHS Herts Valleys CCG	8,000	-	-	-
NHS East And North Hertfordshire CCG	7,000	-	-	-
NHS Slough CCG	7,000	-	-	-
Barts Health NHS Trust	5,000	-	-	3,000
NHS Brent CCG	5,000	-	-	-
NHS Waltham Forest CCG	5,000	-	-	-
NHS West London (K&C & Qpp) CCG	4,000	-	-	-
NHS West Essex CCG	4,000	-	3,000	-
NHS Newham CCG	4,000	-	-	-
NHS Redbridge CCG	4,000	-	-	-
NHS Tower Hamlets CCG	3,000	-	-	-
NHS Harrow CCG	3,000	-	-	-
NHS Ealing CCG	3,000	-	-	-
Royal Free London NHS Foundation Trust	3,000	5,000	4,000	3,000
Great Ormond Street Hospital for Children NHS Foundation Trust	-	-	-	7,000
NHS Hillingdon CCG	2,000	-	-	-
The Whittington Hospital NHS Trust	2,000	-	-	-
NHS Havering CCG	2,000	-	-	-
NHS Lambeth CCG	2,000	-	-	-
NHS Litigation Authority	-	8,000	-	-

31. Related Parties – Continued

UCLH is a member of UCL Partners Limited (a company limited by guarantee) acquired by a guarantee of £1. The company's costs are funded by its partners who contribute to its running costs on an annual basis. During the year UCLH made payment to UCLP of £0.530m (2014/15: £0.314m) which was expensed to operating expenses.

As identified in Investment Note 13, UCLH has a 50% share in Radiology Reporting Online LLP (RRO LLP), a limited liability partnership.

During the year UCLH received services from RRO LLP of £1.398m (2014/15: £1.546m), which are recorded in operating expenses. Additionally, UCLH provided services to RRO of £0.098m (2014/15: £0.422m) which are recorded in other income.

Included within other creditors is the sum of £0.156m (2014/15: £0.124m) representing sums due to RRO LLP.

Included within other debtors is the sum of £0.049m (2014/15: £0.356m) representing sums due from RRO LLP.

As also noted in Note 13, UCLH now has a 24.5% share in HSL LLP, a pathology joint venture with The Doctors Laboratory (TDL) and Royal Free Foundation Trust.

During the year UCLH received services from HSL of £36.558m, which are recorded in operating expenses.

Included within other creditors is the sum of £6.930m representing sums due to HSL.

Included within other debtors is the sum of £0.309m representing sums due from HSL.

UCL is classed as a related party from 2015-16, with one Board Member directly employed by UCL. During the year UCLH received services from UCL of £34.093m, which are recorded in operating expenses. Additionally, UCLH provided services to UCL of £5.056m which are recorded in other income.

Included within other creditors is the sum of £19.541m representing sums due to UCL.

Included within other debtors is the sum of £6.377m representing sums due from UCL.

During the year UCLH made payments to HMRC in relation to the Income Tax deducted at source and Social Security costs as per Note 6, and relating to Value Added Tax payments / refunds.

Included within Trade and Other Debtors is a VAT debtor of £4.675m (2014/15: £3.060m)

Included within tax payable in Trade and Other Creditors is £8.811m owed to HMRC (2014/15: £9.028m)

During the year UCLH made payments to the NHS Pension Agency as per Note 6.

Included within tax payable in Trade and Other Creditors is £5.625m owed to NHS Pension Agency (2014/15: £5.655m.)

UCLH has a wholly owned subsidiary, MyUCLH, that was formed in 15/16. There are no material transactions during this year with MyUCLH.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions

32. Third Party Assets

UCLH held £18,419 cash and cash equivalents at 31 March 2016 (£18,348 at 31 March 2015) in relation to monies held on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

33. Losses and Special Payments

NHS Foundation Trusts are required to report to the Department of Health any losses or special payments, as the Department still retains responsibility for reporting on these to Parliament. By their very nature such payments ideally should not arise, and they are therefore subject to special control procedures compared to payments made in the normal course of business.

In the twelve months to 31 March 2016 the value of losses and special payments was £2.9m (2014/15: £71,000) relating to 831 cases (2014/15: 67 cases). This includes write-offs of Private and Overseas Patient debt.

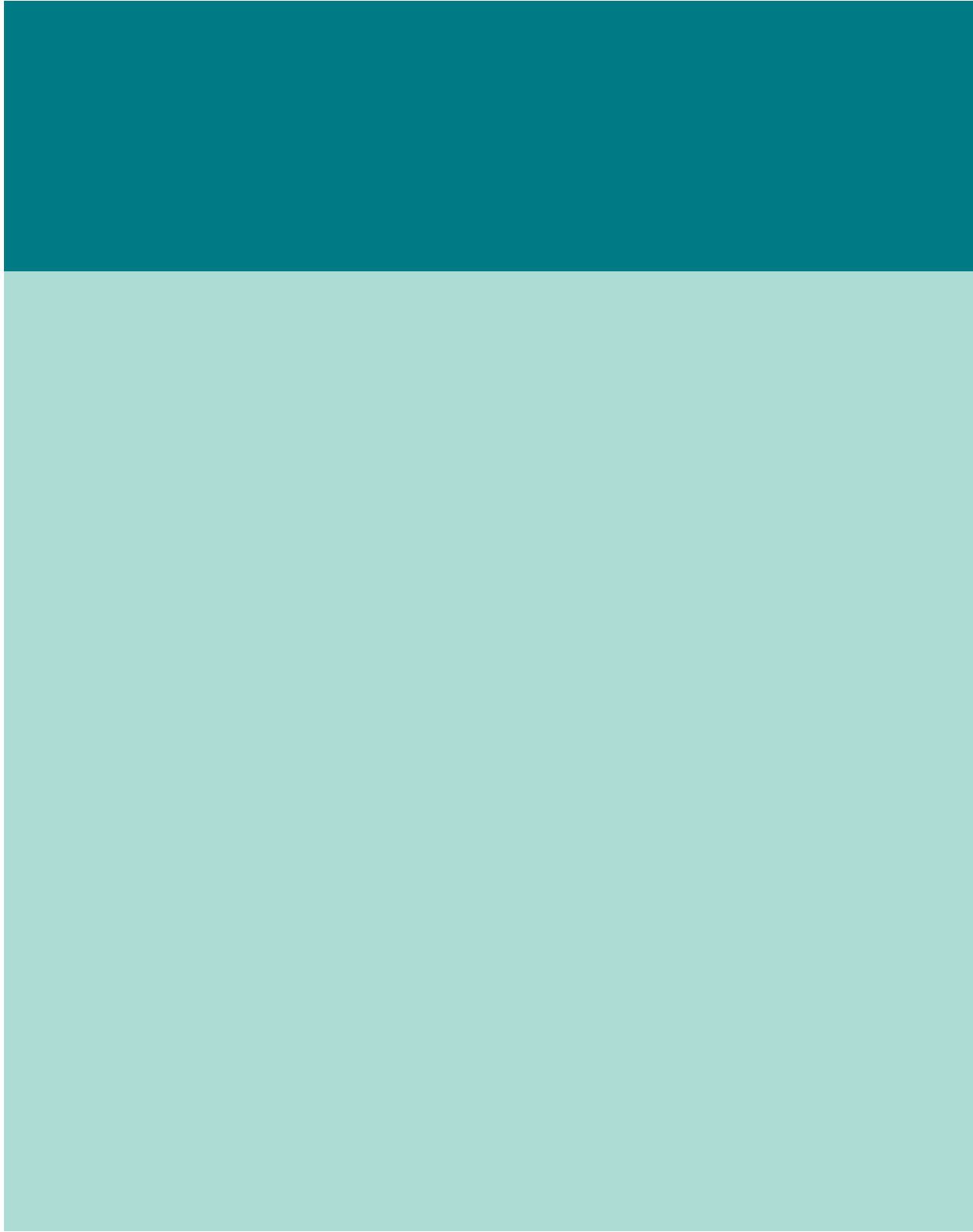
Losses and special payments are reported on an accruals basis, and exclude provisions for future losses.

Details are shown in the table below

	2015/16	2015/16	2014/15	2014/15
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Fruitless payments	43	8	28	6
Bad debts and claims abandoned	767	2,668	0	0
Special payments - extra statutory	3	7	14	31
Special payments - ex gratia	18	269	25	34
Total	831	2,952	67	71

34. Transfer by Absorption

There were no Transfers by Absorption during 2015/16 (2014/15: Nil).



uclh

We are committed to
delivering top-quality patient
care, excellent education
and world class research

Safety
Kindness
Teamwork
Improving