NHS
University College London Hospitals
NHS Foundation Trust

uclh

# Annual report and accounts 2017/18

**Outstanding people from more than 100 nations provide top quality care to our patients**

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

University College London Hospitals NHS Foundation Trust Annual Report and Accounts 2017/18

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

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# 1 Performance report

## 1.1 Overview of performance

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

### 1.1.1 Chairman and Chief Executive's overview

Welcome to UCLH's 2017/18 annual report.

As the NHS prepares to mark the 70th year of its birth this summer, we have much to be proud of and to celebrate. However, the challenges currently facing one of the country's most popular institutions are very different from those it faced at its inception.

UCLH, along with health and social care providers across the system, needs to innovate and evolve to address some very big questions: How do we take advantage of the extraordinary advances in medicine, genomics and data science to benefit our patients? How do we join up health and social care to meet the needs of the populations we serve? How can we intervene earlier to maintain good health rather than treating ill health? How do we care for an ageing population and the growing numbers of people living with chronic conditions? How do we invest in new and complex treatments and technologies in a climate of constrained public spending?

Without a doubt, health and social care leaders will need to make bold decisions to ensure patients continue to get the very best healthcare available.

Against this background of great scientific and demographic change, UCLH continues to provide care to more than a million patients a year and, in the majority of cases, our patients are happy with their care. In the 2017 Picker National Inpatient Survey, 90 per cent of respondents rated their overall experience at UCLH as seven out of 10 or better. This puts us among the best performers of our peers and is testament to the dedication and compassion of our amazing staff.

Overall, staff remain very positive about working at UCLH. We continue to be in the top 20 per cent of acute trusts for staff engagement and the majority of our staff say they would be happy for a friend or relative to be treated here, and would recommend it as a place to work. There is no doubt that happy, well-motivated staff provide better care for patients.

However, we know there are some areas where we need to improve the daily working lives of our staff. In particular, bullying and harassment remains a concern. In response we have launched a number of initiatives, including a Trustwide campaign called *Where do you draw the line?* to tackle workplace conflict and promote the UCLH values of safety, kindness, teamwork and improving. We know we also need to do more to help our staff feel safe and supported in services which report higher levels of bullying and harassment from patients.

We finished the 2017/18 financial year with an underlying surplus of £7.8m before asset sales and associated funding. This was £2m behind plan but nevertheless a very good achievement in a tough year for the NHS. We owe our staff a huge thank you for all their efforts to improve productivity which contributed to our underlying financial performance.

However we must not underestimate the scale of the challenge that lies ahead. The 2018/19 financial year will be much tougher, particularly as some of our funding sources are being significantly cut. We will need to make £45m of savings – our largest target to date. We must focus on those areas where we know we can become more efficient and we will use the data in Lord Carter's productivity review to help us do this. We firmly believe that improving productivity and our processes will also bring tangible benefits to our patients and our staff.

In common with other trusts we have experienced significant challenges in managing the demands on our Emergency Department (ED). We did not achieve the standard that 95 per cent of patients should spend less than four hours in ED. We have taken a number of steps to improve performance. We expect major projects such as the £21.7m redevelopment of the department and the launch of our digital Coordination Centre to alleviate pressures in our ED.

Our performance against national waiting time targets for cancer has improved. We met the standard that patients who are referred to us with suspected cancer should have their first appointment within 14 days. We missed the target that all cancer patients should begin treatment within 62 days of GP referral. However, as a result of our action plan, we began to see improvements in this area by the end of the year.

Finding solutions to some of the big questions posed at the beginning of this foreword lie in working ever more closely with our partners in health and social care. This year we have collaborated with our colleagues in North London Partners in Health and Care to deliver a number of projects to improve patient care. These projects included the Discharge to Assess programme and the Camden Integrated Musculoskeletal Service, which are described later in the annual report.

The UCLH Cancer Collaborative, which brings together healthcare organisations across north central London, north east London and west Essex also continues to develop. We are leading on large research and screening projects focusing particularly on lung and colorectal cancers.

Despite the challenges, and sometimes even because of them, the year ahead promises to be an exciting one: we will be transforming our digital capacity and developing our ambitious research agenda.

The design of our new electronic health record system (EHRS) is well underway. This will be very challenging to deliver so we ask our patients and staff to bear with us as we implement such a major change. When the system goes live in 2019, it will have the potential to improve significantly the quality of care we provide to our patients and the experience of our staff.

UCLH is already one of the most research active hospital trusts in the UK and we are very proud of our academic partnership with UCL (University College London). Our vision is to strengthen our research capabilities even further and to become a world-class academic research hospital. This means embedding clinical research across all of our services and disciplines so that more of our patients have the opportunity to take part in clinical trials and benefit from earlier diagnosis and more personalised medicine.

We are both new to this fantastic organisation having joined in January 2017 (Marcel) and January 2018 (David) and are looking forward to this exciting new chapter in UCLH's history.

**David Prior (Lord Prior of Brampton)**
**Chairman**

**Professor Marcel Levi**
**Chief Executive**

**24 May 2018**

### 1.1.2 About UCLH

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

UCLH comprises:

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

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

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

The senior directors' team is chaired by Chief Executive Professor Marcel Levi and includes our medical and corporate directors. We have three clinical boards (Medicine Board, Specialist Hospitals Board and Surgery and Cancer Board) led by Medical Directors Dr Charles House, Dr Gill Gaskin and Professor Geoff Bellingan, respectively. Our Corporate Clinical Directorate is led by Medical Director Professor Tony Mundy. Our Chief Nurse, Flo Panel-Coates, oversees nursing and midwifery and delivery of care at UCLH in general. We also have a number of corporate directorates.

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

We provide acute and specialist services to 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 population.

UCLH is part of North London Partners in Health and Care, which is made up of clinical commissioning groups, local authorities and NHS providers in Camden, Islington, Haringey, Barnet and Enfield to deliver the North Central London Sustainability and Transformation Plan (STP).

We are proud of our close partnership with UCL (University College London) which is consistently reported as one of the best performing universities in the world, especially for

biomedical science. UCL's facilities are embedded across much of our hospital campus and the partnership is linked through a large number of joint clinical and academic appointments.

We are one of England's 20 Biomedical Research Centres (BRCs) and we are a founding partner of UCLPartners, one of the UK's first Academic Health Science Centres (AHSCs).

### 1.1.3 Strategic developments

2017/18 was an exciting but challenging year for UCLH. A detailed description of the operational challenges we have faced and how we have attempted to address these is provided in section 1.2.3.

Despite the challenges, we have continued to invest in our services and infrastructure to ensure that we develop as an organisation. This section outlines some of the key strategic projects which are underway to ensure that we continue to provide modern healthcare into the future.

**New clinical facilities**

We are undertaking an ambitious programme to enhance and expand our estate. Our major building projects include:

- Redevelopment of our Emergency Department
- Refurbishment and redevelopment of the National Hospital for Neurology and Neurosurgery at Queen Square
- Construction of a new centre for proton beam therapy, haematology, and short-stay surgery services
- A new home for the Royal National Throat Nose and Ear Hospital and Eastman Dental Hospital

These projects are predominantly funded through asset disposals (for example, the sale of the current Eastman Dental Hospital site to UCL) and a significant amount of loan finance provided through the Department of Health.

**Emergency Department**

During 2017, significant building work took place to join the existing Emergency Department (ED) in University College Hospital to the Elizabeth Garrett Anderson Wing, creating one interconnected ED.

We have a new walk-in entrance on Gower Street with a waiting area and reception. Other improvements include a new Urgent Treatment Centre, new ambulance entrance and reconfigured space to improve flow within the department.

This work is part of a £21.7m investment to redevelop and improve our ED, which was originally built to see 65,000 attendances a year but now sees 138,000 attendances a year.

For information about ED performance see section 1.2.3 Detailed review of our performance 2017/18.

**National Hospital for Neurology and Neurosurgery**

We are investing £23m to redevelop the National Hospital for Neurology and Neurosurgery. During 2017, we built two new theatres and started refurbishing four existing theatres. We also completed the build of three new wards, which will allow us to open more beds and expand critical care facilities in 2018.

**Cancer and surgery**

Work on our new clinical facility for cancer and surgery on the corner of Huntley Street and Grafton Way is progressing well. The facility will be home to one of only two NHS proton beam therapy (PBT) centres in the country. It will also be Europe's largest centre for the treatment of blood disorders and will include a short-stay surgery service. It will open in 2020.

In April 2017 we agreed a contract with Proton International to develop a private proton beam therapy service within this new facility, at no additional cost to the tax payer. Proton International's extensive experience in delivering PBT, coupled with UCLH's expertise in radiotherapy and cancer care, means this new service will offer high quality care to patients from around the world. It will also generate income for UCLH which will be reinvested in NHS care.

**A new home for the Royal National Throat Nose and Ear Hospital and Eastman Dental Hospital**

Our new facility on Huntley Street, which will be the home for the Royal National Throat Nose and Ear Hospital (RNTNEH) and the Eastman Dental Hospital (EDH), is on track to open in 2019.

To secure funds to contribute to the cost of the new facility, UCLH has entered into an agreement to sell the current EDH site on Gray's Inn Road to UCL. The first tranche of the site was sold in 2017/18. UCL will take possession of the site when it is vacated in 2019.

As part of the same agreement, UCLH has agreed to acquire a majority interest in Queen Square House (QSH) when it is vacated. This will give UCLH the opportunity to provide additional capacity in the space-constrained Queen Square site when the UCL team moves from QSH to EDH.

**uclh future**

Our transformation programme, uclh future, was launched three years ago to improve both patient and staff experience. Its purpose is to introduce new working practices and a change in culture which supports continuous improvement and innovation. This major programme has a number of significant projects including:

- Electronic health record system (EHRS)
- Coordination Centre
- Exemplar Ward
- Access and Patient Administration
- New information technology partner

**Electronic health record system (EHRS)**

In July 2017, UCLH confirmed a partnership with Epic to design and build our new electronic health record system (EHRS). Epic is a market leader in developing and implementing integrated health record technology, including the world's most used patient portal.

An EHRS is a single, integrated, and comprehensive health record that is kept up-to-date in real time and can be accessed by anyone in a patient's care team. This will improve information sharing with patients, staff, and external healthcare partners, such as GPs and other hospitals.

Our EHRS will replace many of our current systems, allowing staff to have access to a complete patient record in one place. It will also remove the need to link with many unrelated and sometimes unreliable systems.

As part of the system, we will also implement a new patient portal, which patients can access through a customised app on a mobile phone, tablet or computer. Over the coming months we will be working with patients and clinicians to determine exactly what information and services will be available through the portal. For example, access to information about the patient's condition, prescriptions, and appointments, and the option to book or reschedule appointments.

All of this will empower patients, allowing them to better manage their conditions and communicate more effectively with their clinical teams.

Having data recorded electronically in a structured format will make it much easier for clinicians to identify patients who are eligible and willing to take part in research studies. This, in turn, will enable promising treatments to be tested and brought into practice more quickly.

EHRS is a major step towards UCLH becoming fully interoperable with our NHS partners, supporting data sharing with North London Partners in Health and Care (North Central London's Sustainability and Transformation Partnership).

In 2017/18, we set up a strong team and structure to support our EHRS programme. Most of the team are UCLH clinical and administrative staff on secondment. They will be designing and building the system in 2018 to meet the needs of staff, our patients and healthcare partners. We have created three new clinical leadership roles as part of the programme:

- Chief Medical Information Officer (Dr Stephen Cone, Consultant Anaesthetist)
- Chief Nursing Information Officer (Dr Natasha Phillips, Assistant Chief Nurse)
- Chief Research Information Officer (Dr Wai Keong Wong, Consultant Haematologist).

They will work with our Director of Innovation, Dr Rishi Das-Gupta, to help UCLH design and implement our new EHRS and patient portal.

We are working closely with NHS Digital, and other healthcare providers abroad and within the NHS that have either already implemented an Epic EHRS (Cambridge University Hospitals), or are currently introducing the system (Great Ormond Street Hospital for Children). These partnerships will ensure we learn from a wide range of experience locally, nationally and internationally.

Our EHRS will be thoroughly tested towards the end of 2018 and all staff will be trained on the new system early in 2019, ready to go-live on 31 March 2019.

**Coordination Centre**

Our new Coordination Centre gives us vital information, in real time, about which beds are available so we can manage capacity more efficiently. Using advanced software technology,

we can now better co-ordinate the care of our patients from the time they are admitted to the point they leave. It also enables us to oversee the booking of porters and to track our medical equipment.

The system went live in December 2017 in University College Hospital, the Elizabeth Garrett Anderson Wing and the National Hospital for Neurology and Neurosurgery. Patients at these locations are now asked to wear a wristband. When a patient's wristband is removed on discharge and dropped into an electronic box, the cleaning team is automatically alerted so the bed can be prepared for the next patient. Over the coming year, we will introduce other features of the system.

**Exemplar Ward**

The Exemplar Ward programme continues to be highly successful and has led to significant improvements in processes and patient care in wards across UCLH. An important part of this programme is the Exemplar Ward Accreditation Scheme. This was created to assess ward performance, recognise ward teams that have provided exceptional care (exemplars) and that have provided support to other wards to help improve standards.

Also as part of the Exemplar Ward programme, UCLH organised a conference to share best practice in training and developing nursing assistants to look after our most vulnerable patients. We are among the first foundation trusts to ensure nursing assistants have the skills to care for people who may need extra help. "Specialing", as it is known, supports patients with eating, walking, looking after themselves and communication. It focuses on those patients who have, for example, mental health problems, dementia, or a learning disability, in addition to their immediate medical needs.

**Access and Patient Administration**

Our administrative staff play a vital, valuable but often less visible role, in a patient's progress through hospital. They also provide an important link between patients and our clinical teams.

As part of uclh future we have reviewed the roles of administrative teams across UCLH. We are providing training and improving processes. The aims are to make sure that the appointment booking process is reliable and timely, and that patients can communicate with the Trust easily.

In response to patient feedback, we have introduced new systems to create a more standardised approach to the way we communicate with patients by telephone or letter. We have also begun a training programme for our 800 patient-facing administrative staff. There is a lot of work left to do, and our new EHRS will help us to make further improvements.

**New information technology partner**

Improving our digital and information technology (IT) infrastructure is critical to many of our improvement projects. We began a new IT contract with Atos, a leading IT services company, to be our digital transformation partner over the next decade. This should assist us to have a secure, reliable, up-to-date infrastructure from which to provide world-class patient care and research for the future. Atos will provide us with a more stable IT environment and replace hardware throughout the organisation in the next year. It will also provide the infrastructure on which our new EHRS will work.

**Partnership working**

For information about the North Central London Sustainability and Transformation Partnership (STP) and partnerships with other trusts see section 2.1.8 Stakeholder relations.

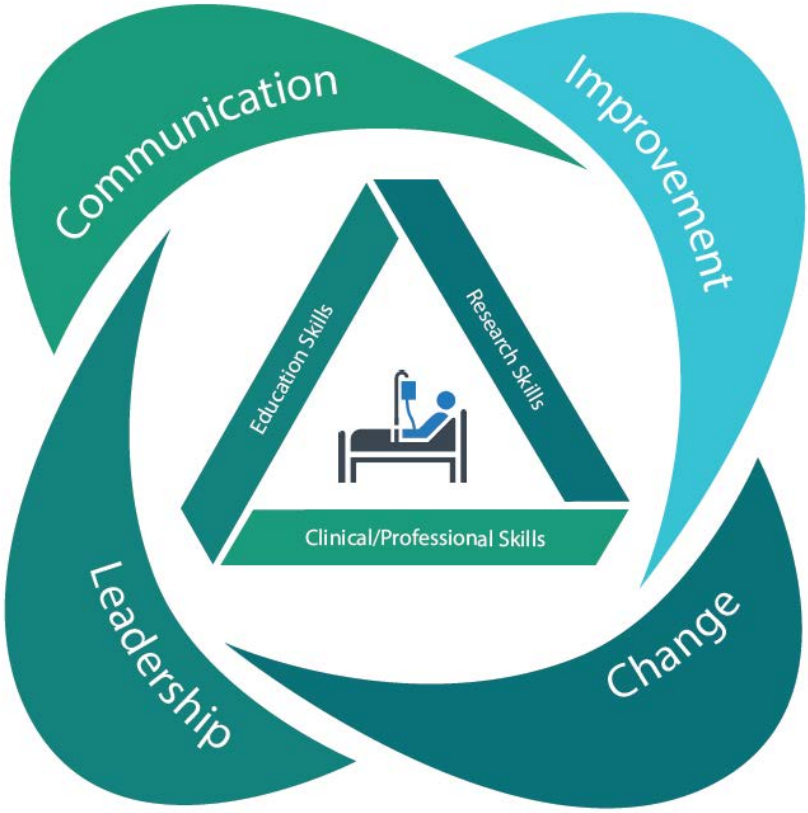
### 1.1.4 Education and training

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

The uclh Institute oversees education at UCLH and provides a wide range of training to all staff, starting with a comprehensive induction when they first join.

Each year, we provide postgraduate training to around 700 doctors and dentists, and placements for more than 400 undergraduate medical students. We train around 480 student nurses and midwives, as well as allied health professionals on placements. We aim to recruit as many of them as possible once they have completed their training.

This year, the uclh Institute has developed the following learning framework which is centred on UCLH's vision and will help us to develop training to meet the needs of all staff groups:




**Induction**: In 2017/18, more than 2,500 staff attended our corporate induction programme. We continue to deliver an informative welcome on a weekly basis, focusing on quality improvement, safety, and patient and staff experience.

**Mandatory training**: On 31 March 2018, 90 per cent of staff had completed their mandatory training – one of the highest rates in London. This has been achieved by keeping staff fully informed about their progress with their training. Staff are sent automated reminders and have access to a personalised dashboard with up-to-date training information. We have

introduced e-assessment packages for staff to complete. However, we are always seeking to improve our rate further.

**Appraisals**: 96.6 per cent of staff completed their appraisal discussion. This was our highest rate to date and above the average for acute trusts as reported in the NHS Staff Survey. Appraisals have been re-designed to encourage meaningful dialogue and support coaching-style discussions. Our 2017 Staff Survey results show that the process is offering greater value to staff across the organisation.

**Coaching and mentoring**: A coaching and mentoring service is available to all staff. It includes a programme to nurture our clinical leaders of the future and support new consultants to develop their leadership and management skills. More than 50 applicants have also enrolled on training programmes to become coaches or mentors.

**UCLH Education Centre**: We continue to expand our portfolio of training and we are the first hospital in London to become a Royal College of Surgeons accredited training centre. We have delivered 30 surgical training programmes this year. The accreditation process involved an assessment of the quality of our education and the expertise of our faculty.

We continue to use hi-fidelity simulation techniques and a state-of-the-art mannequin to teach about the importance of communication and teamwork, using examples of medical emergencies.

Our Education Centre replicates the working environment of our hospitals but we have taken this a step further and are increasingly taking the equipment into clinical areas, so that teams can train together during the normal working day.

**Conferences and workshops**: Our Education Centre took 6,972 room bookings in 2017/18 for internal training, programmes for external candidates, and room and equipment hire by external organisations. This generates income to support the training and development of UCLH staff.

**Clinical education**: We are proactively working to uncover latent safety issues before patients could potentially be harmed. Using simulation techniques, our Clinical Education team is working with other teams across UCLH to look at systems, processes and pathways to identify and manage potential threats. This work can be included in service redesigns to improve safety.

**Technology in training**: We have designed 28 new e-learning packages so that staff can complete training at a time and place that is convenient to them. Training is web-based and can be accessed remotely.

**Quality Improvement**: The Institute's Improvement team has worked with the Exemplar Ward programme to support improvement projects on 40 inpatient wards and clinics. It also continues to promote a range of other initiatives as part of its Quality Improvement and After Action Review (AAR) programmes.

The team has strengthened its collaboration with NHS Improvement (NHSI) and has retained its accreditation to deliver the Quality, Service Improvement and Redesign (QSIR) programme. The team delivers national teaching programmes to support other trusts to improve and redesign services, as part of QSIR.

**Enhanced apprenticeships**: We continue to develop our apprenticeship programmes for new and existing employees. In 2017/18, 51 staff were enrolled onto a range of apprenticeship programmes. We have launched a programme for existing members of staff

of all ages to study for qualifications using apprenticeship standards. For example, we have used a level 5 standard in Leadership and Management to support our deputy ward sisters to develop their leadership skills.

**Leadership and change management**: We have developed a Management Disciplines programme for senior leaders covering a range of skills including workforce planning, finance planning and performance, in addition to our senior leader development programmes. A Leading Teams programme includes leader development, change management and quality improvement components. Each participant is expected to complete a quality improvement project after attending the programme.

**Cancer Academy**

Our Cancer Academy, launched in 2015, is continuing to develop to provide education to patients and staff of all disciplines. The Academy comprises four schools, focusing on improving the effectiveness of multi-disciplinary teams, experimental research, education for cancer professionals and education for people with cancer.

### 1.1.5 Research and development

**NIHR Biomedical Research Centre**

UCLH in partnership with UCL continues to be a leading centre for research. The National Institute for Health Research (NIHR) awarded our Biomedical Research Centre (BRC) £111.5m in 2016 to take forward our groundbreaking work until 2022. An additional £3m was awarded in 2017/18 to strengthen our research further in areas such as dementia and rare diseases. A major strategic aim of the current BRC term is to place even greater emphasis on translating scientific breakthroughs into treatments and therapies which directly impact upon patient care.

**Health data research**

Health data is becoming increasingly important for research activity, spurred on by the emergence of advanced analytical methods such as artificial intelligence and machine learning. As UCLH develops its electronic health record system (EHRS), the BRC has established a Clinical Research Information Unit to enhance our ability to access and use clinical data for patient care and research.

We have introduced the AboutMe project for patients to highlight the huge potential benefits of linking health data with genomic data to improve our understanding of diseases and create new research opportunities. It is expected that genetic information will help clinicians offer treatments tailored to individual patients' needs and will make a major contribution to the research and development of new drugs and precision medicine.

**Huntington's disease breakthrough**

UCLH researchers supported by the BRC successfully trialled the first drug targeting the fatal brain disorder, Huntington's disease. The drug (IONIS-HTTRx) lowers the level of the harmful Huntington protein in the nervous system which is responsible for damaging neurons.

The pioneering trial, which gained widespread media coverage, builds on a previous research breakthrough by UCLH researchers who developed the first blood test to predict the onset of Huntington's disease and track its progress. The test measures a protein

released from damaged brain cells, which has been linked to other neurodegenerative diseases.

The research was led by Professor Sarah Tabrizi, a consultant at the National Hospital for Neurology and Neurosurgery.

**Statins: potential treatment for multiple sclerosis (MS)**

A major trial in its third phase, led by UCLH consultant and researcher Dr Jeremy Chataway, began this year to see whether statins can be used to treat MS.

The trial is testing simvastatin, a cheap cholesterol-lowering drug, in people with the secondary progressive form of MS. There are currently no licensed treatments that can slow or stop this type of MS. This trial is another example of how support from the BRC is facilitating new ways of treating disease.

**First UK study to prevent Alzheimer's disease**

A landmark study is underway at UCLH to test whether two immunotherapy drugs can prevent the onset of symptoms in patients at high risk of developing Alzheimer's disease. These patients have a 50 per cent chance of carrying a rare genetic mutation which would see them develop dementia in their 30s or 40s.

The UK arm of the international study is being led by Dr Cath Mummery, a consultant neurologist at the National Hospital for Neurology and Neurosurgery and head of clinical trials at the Dementia Research Centre.

Researchers at the Leonard Wolfson Experimental Neurology Centre, part of the UCLH's Clinical Research Facility, closely monitor participants in the study for early signs of Alzheimer's. They track changes in images of the brain, cognitive performance and spinal fluid.

**Blood test to detect early breast cancer**

BRC-supported research led by UCLH clinicians has identified a new blood test to detect breast cancer up to a year earlier than current methods, and with greater accuracy.

For the first time, DNA changes can be used to detect and diagnose breast cancer much earlier.

Researchers hope the sensitive test, which could revolutionise the diagnosis and treatment of breast cancer, will be able to predict the onset of the disease before it can be detected by a breast X-ray (mammogram).

**Revolutionary T-cell cancer treatment**

The BRC-supported UCL spinout company Autolus has secured £59m of extra investment to develop T-cell therapies for cancer.

These innovative treatments enable the patient's immune cells (T-cells) to be extracted and genetically modified so that they are programmed to attack tumour cells when they are re-infused back into the patient.

This treatment therefore enables the patient's own immune system to fight the primary cancer. It could help the body fight secondary cancers too. If successful, the approach would open up a new of era of cancer therapies.

The new funds will enable the Autolus research team, led by UCLH consultant haematologist Dr Martin Pule, to trial the latest T-cell therapies in a wider range of haematological cancers.

Autolus has attracted more than £129m of investment since its launch in January 2015.

**Neck implant for high blood pressure patients**

A device implanted in one of the major vessels in the neck has been shown to significantly lower dangerously high blood pressure in a trial group of patients.

UCLH Director of Research Professor Bryan Williams, who was part of the research team for the original first-in-human studies, is now leading the pivotal global study of this new technology. We are recruiting patients at UCLH.

The device is a small, four-sided stent-like implant, which is inserted on a guide wire using a sheath through an artery in the groin. It is then positioned in the carotid artery in the neck. The device has been engineered to apply a small amount of strain to the wall of the carotid artery to amplify the nerve signals to the brain that regulate blood pressure.

Preliminary data suggests that this may be a very effective way of lowering blood pressure in patients whose condition cannot be controlled by drug therapy.

Results of the first 30 patients implanted with the device in Europe, published in the Lancet in September 2017, were promising. The majority saw their blood pressure reduced towards normal levels in just a few months.

**Hundreds visit open day**

Researchers demonstrated the latest technology and techniques tackling conditions such as cancer, neurological diseases and diabetes at our fourth annual research open day in July 2017.

Hundreds of visitors, including more than 40 students from local secondary schools, attended the event which included 50 interactive display stands across University College Hospital.

**Recruiting patients for research trials**

UCLH is one the most research active hospital trusts in the UK.

This year 294 new research studies were approved to begin recruitment at UCLH. These range from clinical trials which often involve complex and novel treatments, to patient satisfaction studies.

There are currently 1,734 studies involving UCLH patients that are open to recruitment or follow-up. Of these, 64 per cent are adopted onto the National Institute for Health Research Clinical Research Network (NIHR CRN) portfolio of research.

We recruited 13,909 participants to research studies at UCLH this year. We want to offer even more patients the opportunity to participate in research and we have created an online research gateway to provide information about ongoing studies in specific disease areas.

The introduction of our electronic health record system (EHRS) should enable us to become even smarter at identifying opportunities for our patients to participate in research at UCLH.

**Research fellowships**

We have created a new fellowship programme for junior doctors to enable them to have dedicated time to undertake research projects for up to a year. This scheme is especially focused on increasing the visibility of research undertaken in our hospitals. The first wave of these new fellowships were appointed in 2017 and a new round of applications is in progress. UCLH Charity funds the junior doctor fellowships.

The Centre for Non-Medical Professional-Led Research (CNMR) brings together UCLH and UCL to support nurses, midwives, allied health professionals and pharmacists (NMAHPPs) to undertake research.

In the past year the CNMR has offered eight fellowships to NMAHPPs. It has also developed seminar meetings to provide peer support for NMAHPPs undertaking research and launched Connect, a UCLH/CNMR quarterly journal linking research and practice. The CNMR holds an annual Research in Clinical Practice Conference.

The CNMR is funded by NIHR Research Capability Funding. The fellowships and journal are funded through UCLH Charity.

### 1.1.6 Strategy development and corporate objectives 2018/19

**Refreshing our strategy**

In March 2018, our Board approved a revised strategy for UCLH to set out its core purpose, priorities and our ambitions for the future. We remain committed to our vision of delivering top quality patient care, excellent education and world-class research underpinned by our values of safety, kindness, teamwork and improving.

The main updates to the strategy are:

- Rather than focusing on just three specialist areas (neurology, cancer and women's health) we will invest across specialisms to provide world-leading specialist care to patients with complex conditions linked to our research expertise.

- We will explicitly increase our focus on improving the health of those who live locally in our role as a district general hospital.

- We will aim to become a research hospital, working closely with UCL and other academic partners, so research is embedded across all our services.

- We will improve our operational processes, supported by new technology and electronic health records, separating acute and elective care where possible.

The updated strategy was developed following staff surveys, consultation with our Board and discussions with stakeholders and governors. Experts from various fields including health systems, quality, safety, education and research were also asked for their comments.

**Corporate objectives 2018/19**

**Provide the highest quality of care within our resources and increase our focus on safety**

- Continue to reduce avoidable harm through our agreed safety priorities
- Improve how we learn from mortality and serious incidents
- Improve patient experience
- Work towards all contact and booking with patients and GPs being timely, accurate and professional
- Improve patient involvement in their care
- Achieve hospital-acquired infection targets

**Become a world-class academic research hospital embedding research throughout the organisation and all disciplines**

- Deliver the promises of the Biomedical Research Centre (BRC) bid
- Give as many of our patients as possible the opportunity to be part of a research trial
- Align medical and academic leadership at all levels in our organisation
- Develop operational research in the hospital with key partners
- Plan for using our electronic health record system (EHRS) informatics to drive research opportunities
- Draw up a plan for research into the health needs of our local population
- Develop and encourage research opportunities for junior doctors, nurses and other clinical staff across UCLH

**Operational excellence through our electronic health record system (EHRS) and optimised processes**

- Implement our electronic health record system (EHRS)
- Embed our Coordination Centre to improve how patients move through our services
- Improve our ability to interact with patients in a more customer-focused way
- Improve our patients' experience of waiting, from referral to diagnosis and treatment and while waiting in the building
- Improve the quality and timeliness of our IT services

**Improve patient pathways through innovation and collaboration with partners**

- Work with system partners to shorten waits for patients in our Emergency Department and avoid admission where possible
- Shorten waiting times at all stages of the pathways for cancer patients
- Deliver earlier diagnosis for cancer patients across the sector through the Cancer Vanguard
- Continue to develop our relationship with Whittington Health NHS Trust in support of population health and prevention
- Work with local and specialist sustainability and transformation partners (STPs) to develop new pathways and support preventative care for local patients
- Deliver phase 4, phase 5 and Emergency Department development milestones
- Develop regional and national specialist services, working with our specialist partners in UCLPartners

**Develop all our diverse staff to deliver their potential and foster talent**

- Promote equality and inclusion and demonstrate we are an employer of choice

- Improve staff experience
- Improve the quality of education and development
- Improve working conditions for junior doctors and other staff in training
- Develop our staff to achieve transformational change, particularly in research, productivity and digital programmes

**Improve financial sustainability of UCLH and the wider health economy**

- Achieve financial targets and deliver the cost improvement programme
- Deliver clinical and non-clinical productivity efficiencies in line with the Carter agenda
- Continue our leading role within the North Central London and specialist sustainability and transformation partnerships (STPs) to support financial objectives
- Improve management of commercial relationships
- Achieve value for money from our assets and estate
- Deliver more efficient use of non-pay resources

### 1.1.7 Key risks to delivering our strategic objectives 2018/19

The table below identifies some of the risks that could prevent us from achieving our strategic objectives and how we are seeking to reduce these risks.

| **Strategic objective**: **Provide the highest quality of care within our resources and increase our focus on safety** | |
|---|---|
| **Risk** | **Mitigation** |
| The quality of care we provide could deteriorate because we need to save money. | Our cost improvement plans (CIP) focus on improving patient experience by reducing waste and increasing efficiency so that quality and savings targets can be achieved together.<br><br>We carry out an assessment of each saving scheme to make sure we have understood and are able to manage any risks to quality before deciding to carry on with the scheme.<br><br>Medical Directors (and where appropriate, other senior clinical staff) scrutinise cost improvement plans before they are implemented.<br><br>We use the national Safer Nursing Care Tool to determine ward staffing levels. |

| | |
|---|---|
| Older parts of UCLH are in a state of disrepair which could impact on the quality of our services. | We undertake regular maintenance, focusing on preventative checks and repairing areas in need.<br><br>Our phase 5 development will replace large sections of older parts of our estate, namely the Royal National Throat Nose and Ear Hospital and Eastman Dental Hospital sites on Gray's Inn Road.<br><br>We conduct an annual survey to fully evaluate the condition of our buildings.<br><br>In 2017/18 we undertook a full review of the fire cladding system used across our estate. The review was submitted to NHSI and the Trust passed all the test requirements. |
| Insufficient capacity to deal with the number of patients referred to UCLH. This could result in missed access targets, financial penalties, lost income and activity, and could lead to regulatory or contractual interventions. | We work with commissioners to review the demand and capacity of UCLH services. We also work with commissioners to try to reduce the number of patients who need to come to hospital for treatment.<br><br>Our new building projects are designed to increase capacity. We continue to determine whether these new buildings have enough room to meet waiting time targets. We will plan for medium-term bed and theatre requirements.<br><br>Our planned new models of care, the uclh future programme and our Sustainability and Transformation Plan (STP) aim to improve pathways and reduce length of stay.<br><br>(For information on our STP see section 2.1.8 Stakeholder relations) |
| A cyber-attack could lead to some of our critical IT systems not being available. | We carry out extensive risk assessments of our ability to defend against cyber-attacks.<br><br>We have robust technical controls provided by our IT provider which include anti-virus, anti-malware, firewalls and data encryption.<br><br>We test these controls on a regular basis and have a good system for keeping up-to-date with the latest protections for computers and servers. |
| **Strategic objective: Become a world-class academic research hospital embedding research throughout the organisation and all disciplines** | |

| Risk | Mitigation |
|---|---|
| Some annual research funding streams will be constrained over time. | Our Biomedical Research Centre (BRC) and clinical research facility are working with the wider research community to ensure we achieve the standards needed to generate future income. |
| **Strategic objective: Operational excellence through an electronic health record system (EHRS) and optimised processes** | |
| **Risk** | **Mitigation** |
| UCLH fails to deliver benefits from technology change (due to lack of investment or implementation failures) leading to quality issues or financial loss. | We will be implementing an electronic health record system (EHRS) in April 2019 that will significantly improve patient care and also help us make financial savings.<br><br>We have a dedicated EHRS programme delivery team and governance structure, based on guidance from our supplier Epic which has implemented its system successfully across a wide range of healthcare organisations. Epic provides monthly assessments of our progress against our detailed project plan and we are commissioning independent audits of our implementation across the next 12 months.<br><br>Our new digital transformation partner, Atos, will help us deliver benefits from our investment in technology.<br><br>Our Digital Services Delivery Board is actively involved in North Central London (NCL) plans to improve the use of digital patient records across GP surgeries, hospitals and mental health trusts.<br><br>We participate in NHS England's (NHSE) regional and national digital programmes. We are aware of the latest standards and involved in national strategy. |

| | |
|---|---|
| We could fail to provide high quality care because of weaknesses in patient tracking. | We can track whether future bookings have been provided to patients marked as needing an appointment.<br><br>We need to make it easy for our administrative teams to check they always give a follow-up appointment to patients who need one.<br><br>Our Clinical Data Repository (CDR) has been updated and abnormal diagnostic test results are now automatically flagged up. This reduces the risk of missing important results requiring action. Work is underway to embed this change in working practice throughout the organisation.<br><br>Our new EHRS will provide much better functionality for tracking all the events that patients need on their pathways at UCLH. |
| **Strategic objective: Improve patient pathways through collaboration with partners** | |
| **Risk** | **Mitigation** |
| The redesign of services under the STP proposals may not be sufficient to accommodate the rise in demand. This could then impact on waiting times. | We have a number of governance arrangements to help develop our role in the local health economy, including an integrated care division, an urgent care steering group and a system redesign group. We will use these arrangements to identify those services where we might not have enough capacity or coverage. |
| **Strategic objective: Develop all our diverse staff to deliver their potential and foster talent** | |
| **Risk** | **Mitigation** |
| Brexit may make it more difficult to retain some staff and to fill certain vacancies | We constantly review our vacancy and turnover rates. We run international recruitment drives when appropriate.<br><br>We are working closely with government departments to influence policy in this area. |
| The lack of a long term organisational development plan could affect our continued effectiveness and viability. | We now have an organisational development plan and we will amend it to make sure that it helps us meet our strategic and annual objectives. The plan includes reviewing training for our future leaders and assessing our capability to deliver change. |

| | |
|---|---|
| Additional workload is being placed on our junior doctors because an estimated 10-15 per cent of junior doctor posts are vacant. This additional workload could impact upon their education and training. | We are considering centralising our recruitment for junior doctors to help us plan rotational appointments. We are also considering novel approaches such as mixed clinical, research, education and leadership posts, and sponsoring clinicians to gain additional academic qualifications in order to attract more candidates. |
| **Strategic objective: Improve financial sustainability of UCLH and the wider health economy** | |
| **Risk** | **Mitigation** |
| The STP fails to achieve the pathway and efficiency changes needed to deliver sector-wide sustainability. This would directly impact our financial position. | We are actively involved with the STP and our clinicians and managers are focusing on the projects likely to deliver the biggest benefits.<br><br>We will maintain a detailed understanding of the STP assumptions and related risks. |
| UCLH is unable to achieve efficiency targets. | Efficiency targets represent a considerable challenge. However, the two-year planning process for 2017/18 and 2018/19 has ensured earlier agreement of financial plans. This better enables us to develop and implement cost improvement plans.<br><br>We are working to maximise potential cost savings through the Carter productivity programme led by the Finance Director. This links closely with our cost improvement programme.<br><br>We have a programme management office to help us maximise savings in key areas and to support those clinical divisions with the greatest financial challenges. |
| We could lose income due to commissioner-driven changes in models of care and tariff structures. | We closely monitor the commissioning landscape to anticipate any changes to funding streams.<br><br>We have developed closer working relationships with commissioners and other local providers, including Whittington Health NHS Trust, to find more efficient ways of delivering care.<br><br>We have a commercial and contracts function at UCLH which will help design payment models that support improved patient care without passing too much risk to providers. |

| | |
|---|---|
| National and local tariffs for specialist work continue to underfund the cost of complex specialist treatment. | We have raised the issue with NHS Improvement (NHSI) and NHSE that the new tariff does not fully resolve the underlying issues that have resulted in financial challenges for trusts such as UCLH.<br><br>We will continue to work with NHSI and NHSE to ensure local prices are not reduced and that control totals are set fairly.<br><br>We participate in all relevant specialised commissioning programmes of work in London. |
| NHS-wide financial constraints result in non-payment for activity by commissioners. | We have a strong approach to cash management internally and will ensure close engagement with commissioners in relation to service developments and activity growth.<br><br>We are working with commissioners to help solve wider affordability issues. |
| 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 planning takes into account the changing value of London property. |
| Brexit will generate risks across a range of issues. For example, the impact of withdrawal from European Union (EU) regulation on medicines and procurement. Other examples include a potential reduction in funding for research, as well as wider economic changes such as potential changes in property values. | We will carefully track all potential risks arising from Brexit and add issues to our risk management frameworks as they emerge. |

### 1.1.8 Going concern disclosure

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

NHS Improvement (NHSI), the 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 challenging 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.

UCLH has sufficient cash to ensure its obligations are met over this time period given the potential mitigations identified for a downside scenario.

## 1.2 Performance analysis

### 1.2.1 Finance Director's report

**Introduction**

UCLH set a plan to achieve an underlying surplus of £9.8m in 2017/18, in order to achieve the financial target set by our regulator, NHS Improvement (NHSI). This represented a £21m improvement on the target that we were set for the previous financial year, and was therefore a significant challenge to deliver.

We reported an underlying surplus of £7.8m, which was around £2m worse than planned mainly due to the loss of £2.4m of sustainability funding linked to our achievement of the four hour Emergency Department (ED) target which has been a challenge throughout the year. This underlying surplus, which is the most appropriate measure of our financial performance, is calculated before the impact of exceptional items such as asset sales, one-off sustainability funding from NHSI, capital donations and reversal of impairments arising from the upward revaluation of land and buildings.

**Our financial performance**

UCLH was set, in common with all other NHS providers, a control total for our overall financial performance in 2017/18. This required us to deliver a £9.8m surplus, including a maximum £14.7m of sustainability funding available for achieving financial and ED targets. The control total approach restricts our ability as a foundation trust to set our own financial plan and potentially restricts us from taking decisions that improve our long term financial sustainability but have a shorter term investment cost.

Following a difficult start to the 2017/18 financial year, UCLH implemented a self-imposed financial turnaround programme focussing on improving productivity and efficiency across the Trust. Following this recovery action, we achieved an underlying surplus of £7.8m, including £12.3m of sustainability funding.

This was a pleasing result overall given the financial context of UCLH and the NHS more widely, and reflects the huge effort from staff across the Trust in delivering a further efficiency gain of nearly four per cent.

There were a number of exceptional transactions that were reported in the 2017/18 financial year, which contributed significantly to the overall reported surplus of £76.0m (before a technical adjustment reversing prior year impairments arising from estate revaluation). These are summarised in the table below:

| | **2017/18 plan £m** | **2017/18 actual £m** |
|---|---|---|
| **Underlying surplus** | 9.8 | 7.8 |
| Capital donations (less donated asset depreciation) | - | (0.5) |
| Net profit on disposal of assets | - | 30.6 |
| Additional unplanned sustainability funding from NHSI | - | 38.1 |
| **I&E surplus/(deficit) after exceptional items (before reversal of impairments)** | 9.8 | 76.0 |

There were two significant asset disposals during the year. Firstly, UCLH sold its stake in our radiology reporting joint venture (Radiology Reporting Online) for £6.1m, resulting in a £4.8m profit on disposal.

Secondly, as part of UCLH's strategic development we entered into an agreement to sell the current Eastman Dental Hospital (EDH) site to UCL (University College London). The disposal proceeds, to be received in three tranches, secure the necessary funds to contribute to the cost of a new facility that will provide services currently delivered at EDH and the Royal National Throat Nose and Ear Hospital (RNTNEH). The first tranche of the site was sold in 2017/18, resulting in a £25.7m profit on disposal. UCL will take possession of the site when it is vacated in 2019. Both of these transactions were driven by UCLH's long term financial strategy and not as a result of short term financial pressure.

The £22.5m reversal of impairment arises from the upward revaluation of our land and buildings in year – it is a non-cash, technical accounting change which has no implications for the fitness of our land or buildings to deliver patient care.

The additional unplanned sustainability funding from NHSI was received as part of a national scheme to reward NHS organisations that over-achieved their plan at the end of the year, even if this related to exceptional items such as asset sales. However, our underlying financial position continues to present a very significant challenge to the delivery of 2018/19 and future year financial targets.

Total income for UCLH grew by just over three per cent to £1,085m compared to £1,043m the previous year. Total non-NHS income represented 6.2 per cent of total operating income, significantly lower than the cap laid out in the Health and Social Care Act.

Operating expenditure excluding impairments grew by just over three per cent to £997m compared to £965m the previous year. Within this, pay costs increased by £18m (3.7 per cent). After taking into account the cost of the pay award to NHS staff (one per cent in most cases) this represented a marginal improvement in efficiency given the rise in activity, although the need to deploy staff more efficiently while also meeting the requirements of the increasing number of patients being treated at UCLH remains a priority.

We reduced agency costs further in 2017/18, to £7.9m down from £9.3m. This is a notable achievement in the context of local and national staff shortages in a number of areas, and remains one of the lowest figures as a proportion of total pay expenditure across the NHS. We expect this figure to increase in 2018/19 as a result of continued shortages in permanent staff caused by recruitment challenges, together with the additional temporary resource needed in preparation for our new electronic health record system (EHRS) which is planned to go live on 31 March 2019.

The Trust's cash balance has increased during the year, from an opening position of £75m to a closing balance of £147m at 31 March 2018. This is primarily as a result of the sale proceeds from the first tranche of the EDH, as described above, together with the additional sustainability funding we received in recognition of our 2016/17 financial performance.

However, our current gross borrowing of £402m (including the private finance initiative (PFI), which is a particularly expensive form of borrowing) remains relatively high and will increase further in the short to medium term as we complete the construction of two new hospital sites and manage the financial timing difference between capital expenditure and receipt of disposal proceeds from the existing hospital sites that will be vacated.

While UCLH has made progress on collecting outstanding debt we are owed, it is increasingly challenging to collect money from other NHS trusts who are themselves facing financial challenges.

**Better payment practice code**

UCLH aims to pay its suppliers within 30 days of receipt of goods or a valid invoice (whichever is later) in line with the Better Payment Practice code and monitors performance against this target. The majority of delays are due to the complexity of internal and external processes – for example receiving invoices late and processing invoices that do not have a purchase order number or sufficient supporting information to enable payment. We will work hard over the coming year to increase purchase order compliance, and use a new finance and procurement system to automate and streamline the approval and payment process to improve our performance in this area.

| | **Actual 2017/18 Number** | **Actual 2017/18 £'000** | **Actual 2016/17 Number** | **Actual 2016/17 £'000** |
|---|---|---|---|---|
| **Non NHS** | | | | |
| Total bills paid in the year | 143,180 | 813,367 | 140,191 | 785,020 |
| Total bills paid within target | 92,667 | 600,630 | 90,165 | 580,453 |
| Percentage of bills paid within target | **64.7%** | **73.8%** | **64.3%** | **73.9%** |
| **NHS** | | | | |
| Total bills paid in the year | 4,481 | 34,993 | 4,306 | 31,235 |
| Total bills paid within target | 1,311 | 16,763 | 806 | 13,651 |
| Percentage of bills paid within target | **29.3%** | **47.9%** | **18.7%** | **43.7%** |
| **Total** | | | | |
| Total bills paid in the year | **147,661** | **848,360** | **144,497** | **816,255** |
| Total bills paid within target | **93,978** | **617,393** | **90,971** | **594,104** |
| Percentage of bills paid within target | **63.6%** | **72.8%** | **63.0%** | **72.8%** |

**Improving productivity and efficiency**

UCLH is a strong supporter of the national work led by NHSI to help trusts benchmark against each other and identify opportunities to increase productivity and efficiency in ways that improve, or at the very least sustain, patient experience and the quality of care we offer. We have worked closely with NHSI in the development of the Model Hospital initiative to help identify and spread good practice.

While there are some challenges with data quality and comparability across hospitals, most notably in relation to PFI costs and specialist drugs and patient devices, UCLH's overall level of efficiency is improving in absolute terms and relative to other hospitals. Our headline

productivity index improved significantly, bringing us to within seven per cent of national average (down from 10 per cent). Of this remaining seven per cent, around five per cent is specifically related to the cost of the PFI and the specialist drugs and devices issue described above.

We continue to focus on improving productivity in a sustainable way, working hard both internally to maximise the use of expensive resources such as theatres and externally with partners such as other hospitals.

**Outlook for 2018/19 and beyond**

UCLH has been set a control total of a £14.5m surplus by NHSI for 2018/19, including a maximum of £20.7m of sustainability funding if UCLH meets its financial and ED targets.

This represents a £50m required improvement in our underlying financial position from our 2015/16 reported deficit of £35.6m. In that period UCLH has also lost around £20m in transitional funding. We have also experienced a year-on-year reduction in real terms in what we are paid for each patient that we treat. Our PFI costs rise in line with the retail price index each year, which is well in excess of the inflation that we are funded for through the NHS tariff. This is becoming increasingly unaffordable without additional funding, or support for UCLH to terminate its PFI contract and bring back into the public sector.

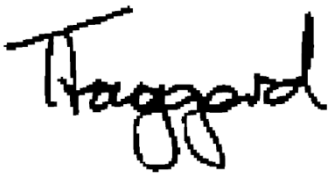
The overall impact of the higher control total, the loss of transitional funding, and the impact of the PFI, is an efficiency requirement of £45m for 2018/19, the highest ever annual target for UCLH. We will continue to ensure that the quality and safety of the care that we provide to our patients is protected as we take on this challenge.

UCLH is fully committed to working with our partner organisations within the North Central London Sustainability and Transformation Partnership (STP). As part of this commitment we have agreed to a marginal rate contract with local commissioners where we will not be paid the full tariff for growth in local activity. This will further encourage us to work across the local health economy to reduce the number of admissions to, and attendances at, acute hospitals. This will help both commissioners and providers to focus on delivery of schemes to look after patients in the most appropriate setting and improve the cost effectiveness of the NHS in our area of London.

Despite the continued short term focus of the NHS on in-year financial performance, the UCLH Board remains committed to taking a medium-term view of financial sustainability – for example, only disposing of assets that we feel are aligned with our strategy, and investing in areas such as technology which will ensure that UCLH is fit for purpose for the future. We will do this while maintaining an absolute focus on maintaining quality and safety, providing the necessary support to all areas of the Trust to meet the challenges ahead.

(continues on next page)

We continue to prepare for our new EHRS, which will bring significant medium to long term benefits to our patients, but which represents a significant financial investment with an adverse impact on our financial performance in the short to medium term. This, together with ongoing collaboration with partner organisations across health and social care within North Central London, will help UCLH to deliver world-class care to our patients, as well as continuously improving how efficiently we provide that care.



**Tim Jaggard**
**Finance Director**
**24 May 2018**

### 1.2.2 Overview of our performance 2017/18

The following table outlines our performance against our corporate objectives for 2017/18.

| Objectives | Deliverable | Good | Acceptable | Limited |
|---|---|---|---|---|
| **Provide the highest quality of care within our resources** | Align all clinical staff to work towards reducing avoidable harm | | ✓ | |
| | Improve how we learn from mortality, morbidity and serious incidents to sustain excellent outcomes | ✓ | | |
| | Improve patient experience | | ✓ | |
| | Ensure all contact with patients and GPs is timely, accurate and professional including a streamlined booking process | | ✓ | |
| | Start implementation of an electronic health record system (EHRS) and successfully implement pre-requisite systems | ✓ | | |
| | Achieve hospital-acquired infection targets | | ✓ | |
| **Improve patient pathways through collaboration with partners** | Work with system partners to shorten waits for patients in our Emergency Department and avoid admission where possible | | | ✓ |
| | Improve our patients' experience of waiting, both from referral to diagnosis and treatment, and waiting in the building | | | ✓ |
| | Shorten waiting times at all stages of the pathways for cancer patients | | ✓ | |
| | Deliver earlier diagnosis for cancer patients across the sector through the Cancer Vanguard | | ✓ | |
| | Deliver phase 4, phase 5, Emergency Department and Queen Square development milestones | ✓ | | |

| Objectives | Deliverable | Good | Acceptable | Limited |
|---|---|---|---|---|
| | Work with local and specialist sustainability and transformation programme (STP) partners to develop new pathways and support preventative care for our local patients | | ✓ | |
| **Support the development of staff to deliver their full potential** | Improve staff experience | | ✓ | |
| | Improve the quality of education and development | | ✓ | |
| | Demonstrate that we are an employer of choice | ✓ | | |
| | Improve working conditions for junior doctors and other staff in training | ✓ | | |
| | Collaborate with STP partners and others to design and develop the future health and care workforce | | ✓ | |
| | Develop our staff to achieve transformational change | ✓ | | |
| **Achieve financial sustainability** | Achieve financial targets and deliver the £42m cost improvement programme | | ✓ | |
| | Deliver clinical productivity efficiencies in line with the Carter agenda | | ✓ | |
| | Take a leading role within the North Central London (NCL) and specialist STPs to support financial objectives | | ✓ | |
| | Improve management of commercial relationships | ✓ | | |
| | Achieve value for money from our assets and estate | ✓ | | |
| | Deliver more efficient use of non-pay resources | ✓ | | |
| **Generate world- class** | Deliver the promises of the Biomedical Research Centre bid | ✓ | | |

| Objectives | Deliverable | Good | Acceptable | Limited |
|---|---|---|---|---|
| **clinical research** | Give as many of our patients as possible the opportunity to be part of research trials | | ✓ | |
| | Progress clinical academic appointments within UCL and other academic partners | ✓ | | |
| | Work with partners, including Health Services Laboratories (HSL), to develop academically-linked, advanced diagnostics and embed genome testing | | ✓ | |
| | Improve utilisation of our clinical research facilities | ✓ | | |
| | Develop and encourage research opportunities for junior doctors, nurses and all other staff across UCLH | ✓ | | |

### 1.2.3 Detailed review of our performance 2017/18

**National access standards**

During the past year we have experienced challenges in delivering key access targets, in particular the 18-week referral to treatment target (RTT), the 62-day and 31-day cancer targets, and the Emergency Department (ED) four-hour wait.

**Referral to Treatment (RTT)**

Between July 2017 and March 2018 we narrowly missed the standard that 92 per cent of our patients should wait less than 18 weeks for treatment following referral to UCLH. However, throughout the year our performance was better than the national average (NHS England data).

The following services have experienced challenges in meeting the RTT standard:

At the Royal National Throat Nose and Ear Hospital, the community ENT service received higher than expected volumes of referrals. Difficulties with both community referral processes and our booking process meant outpatient appointments were not prioritised effectively. The community ENT service has since addressed these issues and, although not yet compliant with the standard, the number of patients waiting longer than 18 weeks is reducing faster than forecasted in the recovery plan.

Our neurosurgery service is a national specialist centre and therefore receives complex tertiary referrals from across the country. This puts pressure on the waiting list size because patients are prioritised according to clinical need. In addition, the theatre redevelopment programme at Queen Square has reduced the service's ability to undertake additional sessions. The works are due to finish in June 2018.

We continue to experience waiting list pressure for our Eastman Dental Hospital (EDH) services. To address the challenges created by the closures of other paediatric dental units and national workforce challenges, we agreed a new community triage process with commissioners. However, the volume of paediatric referrals to the EDH has not reduced as expected and this is being investigated.

The restorative dentistry service is staffed by a postgraduate workforce. This means patients are allocated to the students in a way which meets their training requirements, rather than always in order of patients who have been waiting longest. We are addressing this through improved electronic booking processes so we can ensure the most appropriate patients are seen by the students in order of longest wait.

To improve our RTT performance we have:

- Established a weekly RTT improvement group to lead our recovery plan.
- Developed predictive reporting tools so managers can more promptly identify developing issues affecting waiting lists and take early action to address these.
- Developed new forms to accurately and quickly identify how long patients are waiting in our specialty level clinics.
- Implemented annual refresher electronic training across UCLH on all aspects of managing waiting times.

In 2017/18 there were 28 patients who waited more than 52 weeks for their treatment (20 patients in 2016/17). In most cases this was due to patients being wrongly recorded on our systems as having received treatment. As a result, and regrettably, we stopped tracking them towards a timely treatment date.

We investigate all cases of patients who wait longer than 52 weeks. In 2017/18 these investigations found no evidence of detrimental impact on clinical outcomes. We do not want any of our patients to experience such delays so we are working hard to improve our data quality through continued audit and improved staff training.

**Cancer waiting times**

Throughout the year, we met the standard that patients who are urgently referred with suspected cancer should have their first appointment within 14 days.

For six months of 2017/18, we achieved the standard that all cancer patients should receive treatment within 31 days of diagnosis. From May to September 2017 and in January 2018 we did not meet this standard. In these months non-compliance was largely due to a number of trusts that referred patients to us for specialist treatment at a later stage in their pathway.

We missed the standard that patients referred by a GP with suspected cancer should be treated within 62 days. Our performance has been consistently low compared to other trusts. However, it has been comparable with other specialist cancer treatment centres and towards the end of the year we began to improve in line with our recovery plan.

About half of patients on the 62-day pathway were referred to us for specialist treatment from other trusts, having had the early part of their care at their local hospital. Breaches often occur because patients are referred too late in their pathway for us to deliver treatment

within 62 days. We are working closely with referring trusts and their commissioners to co-design pathways so patients receive their treatment quickly.

To improve our performance as quickly as possible, we jointly commissioned a clinically-led external review of cancer performance with NHS Improvement (NHSI). We have updated our recovery plan as a result.

To improve performance we have:

- Introduced enhanced processes for tracking patients at UCLH and for those on shared pathways. We identify those patients who are unlikely to meet key treatment milestones and take action.

- Commissioned a second robot for prostatectomy surgery to reduce waiting times.

- Undertaken a review of areas facing particular challenges to identify demand and capacity shortfalls.

- We are developing a training programme for general managers and information specialists to develop skills to identify and respond to changes in demand and capacity.

- Improved access to diagnostics and shortened turnaround times for imaging, pathology and endoscopy.

- We agreed joint action plans with referring organisations in the North Central and East London sector to reduce waiting times for patients who receive care at several hospitals.

**Emergency Department (ED) four-hour wait**

In every month of 2017/18 we did not achieve the standard that 95 per cent of patients should spend less than four hours in our ED.

Lack of available beds, waits for specialty review, and delays within the ED have led to patients waiting longer than four hours.

To improve performance we have:

- Refreshed our action plan to improve ED performance which is monitored at our Emergency Care Recovery Board. The plan includes actions for ED, the Trust and the wider system to improve patient flow through our hospitals, to improve ED processes and support earlier discharge of patients.

- Launched a digital Coordination Centre to provide real-time information on patient movement through our hospitals.

- Implemented an electronic tool that provides clinical staff with information to identify and manage patients who are medically fit for discharge but have had their discharge delayed.

- Undertaken significant redevelopment work to improve our ED. We are able to use the new space to assess and treat more patients, reducing unnecessary admissions to hospital and easing overcrowding in busy periods.

- Worked with community providers, mental health and social care colleagues as part of Camden Clinical Commissioning Group's (CCG) efforts to address the system-wide factors affecting where patients receive their care. The aim of this work is to reduce unnecessary attendances in ED and to enable us to discharge patients who are medically fit but need support from social and community hospitals.

**Diagnostic waiting times**

For ten months of 2017/18, we met the standard that 99 per cent of our patients should wait less than six weeks for a diagnostic test. We narrowly missed compliance in June 2017 and March 2018.

To continue to meet the standard we have:

- Clear roles and responsibilities for managers and administrative teams to deliver short waiting times

- Classroom and electronic training on all aspects of managing waiting times

- Proactive management of waiting lists

- Made significant improvements to the way we report patient waiting times. In particular, we have much stronger patient tracking and tighter controls around validating information.

**Quality metrics**

This section outlines our performance against quality indicators which were prioritised through the 2017/18 corporate objectives and are reported through UCLH's performance framework.

**Healthcare associated infections**

There were 69 *Clostridium difficile* cases reported in 2017/18 (90 cases in 2016/17), against a threshold of less than 97 cases.

Each case is reviewed with the lead CCG to determine whether or not it was due to the care the patient received at UCLH.

Of the 69 cases, two were assessed to be a result of lapses in care at UCLH, 42 cases were agreed not to be the result of any lapse in care.

There are 25 cases currently under review, which means our worst case position is 27 cases.

Our plan to reduce *Clostridium difficile* aims for the highest standards of environmental cleanliness, ensuring staff follow infection control practice and that there are sufficient hand washing facilities available. We are also improving testing methods and treatment of cases.

There was one case of Trust-attributable Methicillin-resistant *Staphylococcus aureus* (MRSA) bacteraemia in 2017/18 (two cases in 2016/17). This is our lowest number of cases for the third consecutive year.

While this is above the national standard of zero, it is below the ceiling set by our regulator of no more than six cases by year end.

**Patient feedback**

We achieved good results in the Picker National Inpatient Survey. Ninety per cent of patients rated their overall care as seven out of 10 or better. This puts us among the top acute London teaching hospitals.

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

We have maintained our recommendation scores in Inpatients (94 per cent) and Outpatients (92 per cent). We have seen a drop in scores for ED from 95 per cent in 2016/17 to 83 per cent in 2017/18. We recorded our lowest FFT score for non-emergency patient transport (69 per cent). For further information about our performance in these areas see section 3.3.3.

In June 2017 we introduced a new way of collecting feedback via SMS and interactive voice message for patients who visited our ED, Outpatients, and Day Case areas. As a result, the number of responses we received increased from 37,419 in 2016/17 to 103,824 in 2017/18.

**Mortality**

UCLH ranked fourth in the Summary Hospital-level Mortality Indicator (SHMI) performance ratings (October 2016 – September 2017). The ratings are compiled by NHS Digital.

The *Mortality surveillance and learning from deaths policy - responding to deaths* was approved and has been published on the UCLH website in line with NHSI requirements. The policy describes what deaths we will review and how they are reviewed. It also describes how we will involve families and learn from deaths.

**Sepsis**

In 2017/18 we participated in the national sepsis CQUIN (Commissioning for Quality and Innovation) to measure whether screening for sepsis is happening and antibiotics are being given within one hour, and patients reviewed within 72 hours.

The target for screening for sepsis in ED was 90 per cent of patients and we achieved this in 93 per cent of cases. The target for screening for sepsis in inpatients was 90 per cent and we achieved this in 99 per cent of cases.

The target for giving antibiotics within an hour in ED was 72.5 per cent of patients with confirmed sepsis and we achieved 74 per cent of cases.

The target for giving antibiotics within an hour for inpatients with confirmed sepsis was 72.5 per cent and we achieved 58 per cent of cases across the year but this increased from an average of 50 per cent in quarter one to 77 per cent in quarter four.

The target for review of antibiotics within 24-72 hours was 90 per cent and we achieved 100 per cent.

These results are averages for the year unless otherwise stated.

**Hospital-acquired pressure ulcers**

In 2017/18 our pressure ulcer rates were among the best in the country as recorded in the National Patient Safety Thermometer. However, we did not meet the ambitious internal targets we set ourselves: we recorded 81 hospital-acquired pressure ulcers, against our target of 48 but we did see a reduction in the severity of cases. We are working hard to improve by continuing to assess every patient closely following admission, improving nutrition and hydration, and analysing each case to identify causes and solutions. Our staff continue to undergo robust training in this area.

**Patient falls**

For 2017/18, we set ourselves an ambitious target of no more than 260 falls with any level of harm. We missed the target and have recorded 274 falls with a level of harm, however we have seen a reduction in the severity of harm. Included in this total are patients on our specialist epilepsy ward who fell during a seizure. These types of falls cannot be predicted or prevented. To reduce the number of preventable falls across the Trust, we have created a new dedicated falls practitioner post to share learning quickly. We have also improved the physical environment on our medical wards to minimise the risk of harm, introduced a successful slipper exchange programme and increased the quality of training for our staff.

**Non-emergency patient transport**

Over the past year we have experienced significant difficulties with our non-emergency patient transport service, which is being delivered by our new provider, G4S. We acknowledge this has caused our patients and staff a lot of frustration.

In February we agreed an amended contract with G4S that includes a revised set of performance targets aligned to the principle that “every patient matters”. This means every patient should expect a high quality and efficient service. There are significant penalties under the terms of the new contract for every patient delay, to ensure G4S does all it can to provide a timely and responsive service.

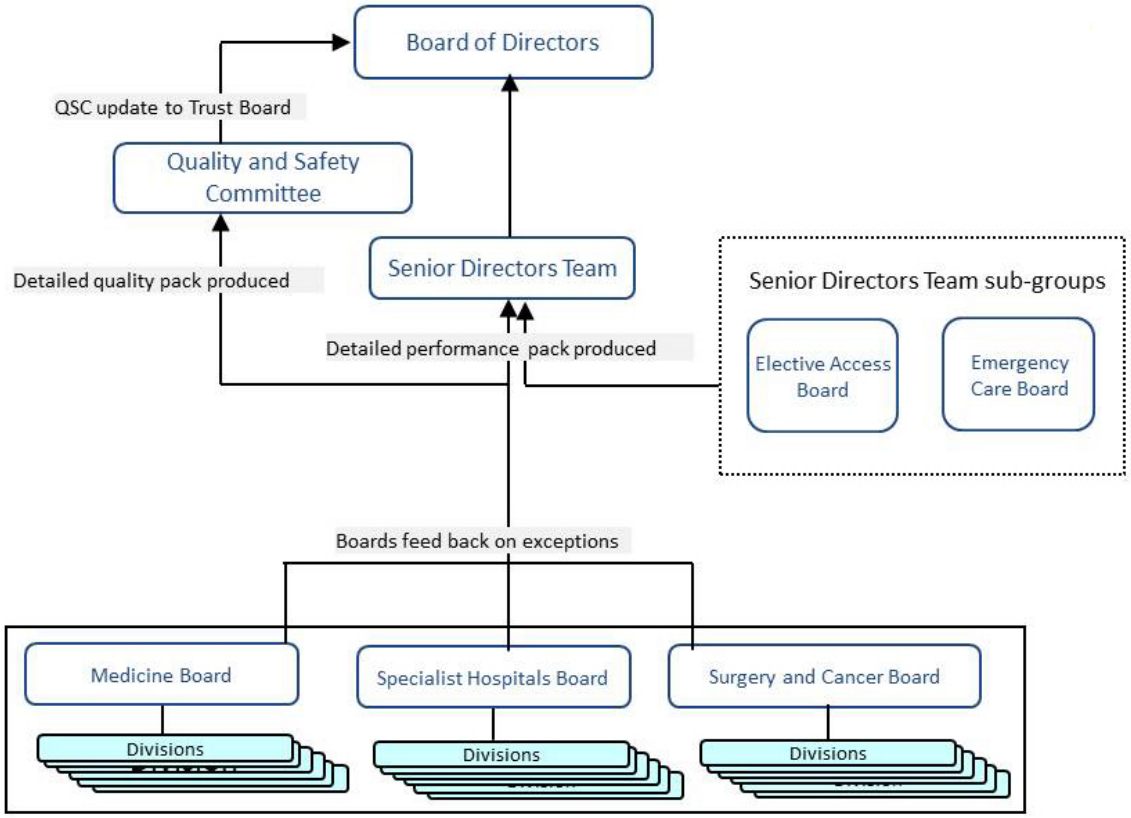
We have also made a number of changes to our internal processes to support G4S to deliver an improved service. These changes include ensuring staff book transport in a timely manner and introducing patient liaison officers at University College Hospital, the Macmillan Cancer Centre and the National Hospital for Neurology and Neurosurgery. These staff will work with wards and departments to get patients home, including helping to make transport arrangements.

We believe these measures will significantly improve the service provided to patients and we will be monitoring the progress of the new contract, including patient satisfaction.

**Monitoring quality and performance**

We undertake a detailed review of performance against metrics and monitor the effect of recovery action plans. Results are presented to executive directors at the senior directors’ team (SDT) meeting, and to the quality and safety committee for assurance monitoring, and to Trust Board as part of detailed performance and quality packs. This enables monitoring of performance, and workforce and quality indicators.

Our reporting structure is shown in the following diagram:




### 1.2.4 Environmental matters and sustainability

We have retained our Carbon Trust Standard certifications for reducing carbon emissions, waste and water usage. UCLH is the first and only NHS trust to have been certified for all three standards. This is a mark of excellence, providing independent verification for our carbon footprint management.

Our sustainable development, carbon, and waste management policies, which include the latest requirements and guidance from the NHS Sustainable Development Unit, demonstrate our environment-friendly credentials.

All our tendering processes and business cases include an assessment on sustainability.

**Reducing carbon emissions**

Following a pilot project at UCLH, we are continuing to participate in the national Green Impact programme led by the National Union of Students. As part of the programme, five UCLH teams completed projects to reduce carbon and make cost savings by increasing recycling, saving electricity and using more environmentally-friendly items. In October 2017, our Chairman presented awards to the teams on behalf of the national programme – they achieved one commendation, two silver and two gold certificates.

We are reducing our carbon footprint by using transport resources more smartly. One supplier now collects our confidential waste for free after they deliver our stationery – reducing the number of journeys. Following a successful pilot, the service has been

introduced at several of our hospital sites and will be rolled out to the remainder in the coming year.

UCLH has pledged that all its new buildings will comply with standards of excellence laid down by BREEAM (Building Research Establishment Environmental Assessment Method). This is the world's leading sustainability assessment method.

**Reducing waste**

We have implemented the following schemes to reduce waste:

- Staff are encouraged to donate unwanted furniture and check what items are available for reuse before buying new ones. The scheme has saved the organisation £30,000 in 2017/18 and reduced the amount of waste we've sent to landfill.

- During a three-month pilot, nearly 350 items of furniture were collected from our sites and recycled by an external company for a nominal fee. This saved UCLH £3,000 and prevented 5.871 tonnes of waste going to landfill sites.

- Donated more than 300 crutches which we no longer needed to the charity Hand in Hand.

**Remaining sustainable**

UCLH has some challenging carbon reduction targets ahead. By 2050 we aim to reduce our carbon emissions by 78 per cent, with interim targets of 28 per cent by 2020 and 45 per cent by 2025.

The work of the UCLH Sustainability Steering Group is constantly evolving and remains responsive to new challenges. The group consists of senior managers and clinicians from pharmacy, radiography, procurement, information systems, and estates and facilities management.

We continue to work with colleagues across the NHS to reduce the impact and cost of energy, waste, water and transport. We are an advisory board member of the Camden Climate Change Alliance. As a member of the Shelford Group, we are collectively working towards sustainable procurement.

### 1.2.5 Social, community and human rights issues

We are committed to ensuring that our services meet the needs of people with protected characteristics under the Equality Act 2010:

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

This is also in accordance with our public sector equality duties under the NHS Constitution.

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

Our equalities objectives are to improve patient care, staff experience and reduce inequalities among staff and patients. We publish an annual equality report that sets out how UCLH meets specific employment duties and includes monitoring data, achievements and priorities for action.

We are committed to safeguarding all our patients, in particular the most vulnerable adults and children. We participate in our local multi-agency safeguarding boards and work with our partners to safeguard vulnerable adults and children. We react promptly to safeguarding issues and our trained safeguarding champions apply our policies and procedures around the clock. They are supported by a team of safeguarding child and adult leads who have expert knowledge. There are named executive leaders for child and adult safeguarding and a quarterly report is presented to the Board. Safeguarding training is given to all staff as part of mandatory training.

We provide a comprehensive patient information and language support service to meet the needs of our diverse population. A telephone interpreting service is available in most common languages and we provide core information leaflets in an easy read format.

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

We carry out assessments to confirm that our policies, functions and services are not discriminatory. We develop and implement action plans to address any shortcomings. Monitoring data is included in the Annual Equality Report.

For further information see section 2.1.9 Equality reporting (patients) and section 2.3.11 Equality reporting (staff).

For information about anti-bribery matters see section 2.3.4 Staff policies and actions.

### 1.2.6 Modern slavery and human trafficking statement

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

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

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

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

UCLH will:

- Comply with legislation and regulatory requirements in this area
- Make suppliers and service providers aware that we promote the requirements of this legislation
- Consider modern slavery factors when making procurement decisions
- Develop awareness of modern slavery issues throughout UCLH
- Use NHS Terms and Conditions for Goods and Services for specification and tender documents which require suppliers to comply with all relevant legislation and guidance, including modern slavery conditions
- Encourage suppliers and contractors to take their own actions and understand their obligations under this legislation
- Ensure that modern slavery is included in safeguarding work plans
- Ensure that all staff undertake mandatory safeguarding training, and training in equality, diversity and human rights
- Ensure that procurement staff also receive regular legal briefings so that they are aware of legislative requirements in this area

### 1.2.7 Important events after year end

Between 1 April 2018 and the date of this report, there were no important events affecting the organisation which need to be disclosed.

### 1.2.8 Overseas operations

There were no overseas operations in 2017/18.

Signature to the performance report:

**Professor Marcel Levi**
**Chief Executive**

**24 May 2018**

# 2 Accountability report

## 2.1 Directors' report

### 2.1.1 UCLH Board and committees

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

The Board meets six times a year in public, although part of these meetings is held in private to deal with confidential matters. In 2017/18, the Board held two additional meetings wholly in private which included a meeting to approve the annual report and financial statements.

The Board comprises seven non-executive directors, and seven executive directors.

The Chief Executive is accountable to the Board for running all aspects of the operational business of the Trust.

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

During the year, the Board also received various presentations including *Medication safety and learning from deaths,* to help assure the Board that the organisation is focused on the key objectives to improve safety, effectiveness and patient experience.

The Board held five seminars this year to discuss strategic issues facing UCLH. These included fostering talent, working in the Sustainability and Transformation Partnership (STP) environment, workforce strategy and how we are developing as a research hospital.

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

**Board members**

Directors' details, together with their committee membership, are given below. Board members declare their interests at the time of their appointment and annually. 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 Trust Secretary.

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

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

**Non-executive directors**

**David Prior (Lord Prior of Brampton)**

**Chairman**
*Chair of the remuneration committee*

David Prior joined UCLH on 1 January 2018 from the Department of Business, Energy and Industrial Strategy where he served as the Parliamentary Under Secretary of State.

During his career, David has held a number of senior roles in the health sector. In 2015, he was appointed Parliamentary Under Secretary of State for Health and created a Life Peer.

He has been Chairman of the Norfolk and Norwich University Hospitals NHS Foundation Trust and Chairman of the Care Quality Commission.

David's experience extends beyond healthcare and politics. In his early career he worked for investment banks Lehman Brothers and Lazard Frères in New York and subsequently British Steel.

**Dr Harry Bush CB**
**Vice Chairman**
*Chair of the finance and contracting committee, member of the audit, investment, and remuneration committees.*

Harry Bush joined the Board in February 2012 and was appointed Vice Chairman in March 2013. 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 its economic output. Prior to that, he held a number of senior posts at HM Treasury during a long career there.

**Althea Efunshile CBE**
*Chair of the patient experience committee, member of the audit, remuneration, and workforce committees. Attends the quality and safety committee quarterly when it focuses on patient experience.*

Althea Efunshile was appointed in May 2016. She has had a 30-year career in local and central government, during which she gained extensive senior management experience. She was Deputy Chief Executive of Arts Council England where she was responsible for the national investment strategy, corporate governance and operational delivery.

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

**Professor David Lomas**
*Chair of the quality and safety committee and member of the remuneration committee.*

David Lomas joined in September 2015. He is UCL Vice-Provost (Health), Head of the UCL School of Life and Medical Sciences, Head of UCL Medical School, Academic Director of the UCLP Academic Health Science Centre and works as a respiratory physician at UCLH. He received his medical degree from the University of Nottingham and undertook his PhD at Trinity College, Cambridge.

He was a Medical Research Council (MRC) clinician scientist, university lecturer and Professor of Respiratory Biology in Cambridge before moving to UCL in 2013 to be Chair of

Medicine and Dean of the Faculty of Medical Sciences. He was Deputy Chief Executive at the Medical Research Council and previously chaired the Respiratory Therapy Area Unit Board at GlaxoSmithKline. He is also a senior investigator for the National Institute for Health Research (NIHR).

**Dr Rima Makarem**
*Chair of the audit committee and member of the remuneration and workforce committees.*

Rima Makarem joined in July 2013. Rima 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. Rima has significant experience as an audit chair. She was previously audit chair at NHS London and NHS Haringey before that and is currently audit chair of the National Institute for Health and Care Excellence (NICE). 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**
*Chair of the investment committee, member of the finance and contracting, remuneration and quality and safety committees.*

Kieran Murphy was appointed in January 2014. He graduated from Cambridge 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. He became a senior adviser prior to his retirement from the firm in December 2015. He has developed an extensive career as a board member and chairman in both the public and private sectors. He is currently Chairman at Ordnance Survey, and a non-executive director at the University of London and at Aliaxis SA. He has also been a board member at City, University of London.

**Caspar Woolley**
*Chair of the workforce committee, member of the finance and contracting, remuneration, and investment committees.*

Caspar Woolley joined in January 2015. Caspar is a Cambridge University graduate who started his career as a design engineer. He founded and is a Board member at Hailo Network Ltd, 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 was an independent non-executive director of GAME Digital plc from May 2014 to January 2018. He has also been a governor at a foundation trust.

**Executive directors**

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

**Professor Marcel Levi**
*Chief Executive*

Marcel Levi joined UCLH as Chief Executive in January 2017. Marcel has had a distinguished career as a clinician, academic, educator and clinical leader. Prior to joining UCLH he was Chairman of the executive board of the Academic Medical Center, University

of Amsterdam, for six years and before that, he was Chairman of its Department of Medicine and Division of Medical Specialisms for 10 years. Marcel is a practising consultant physician at UCLH, specialising in haemostasis, thrombosis and vascular medicine. He was named the best specialist in internal medicine in the Netherlands for three consecutive years. Marcel obtained his PhD in 1991 and was appointed a Member by the Royal Netherlands Academy of Science.

**Professor Geoff Bellingan**
*Medical Director, Surgery and Cancer Board*

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

As Medical Director for Surgery and Cancer, Geoff has a particular interest in cancer care across North and East London and West Essex, working closely with London Cancer, Macmillan and a number of other major partners. This led to the successful UCLH Cancer Collaborative application and the award of the national Cancer Vanguard in partnership with Greater Manchester Cancer Vanguard Innovation and Royal Marsden Partners. Geoff is also the senior responsible officer for the development which incorporates one of the UK's first two NHS Proton Beam Therapy units, and a short stay surgical centre.

**Dr Gill Gaskin**
*Medical Director, Specialist Hospitals Board*

Gill Gaskin was appointed Medical Director of the Specialist Hospitals Board in January 2010. 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. Gill is a member of the Faculty of Medical Leadership and Management.

**Dr Charles House**
*Medical Director, Medicine Board*

Charles House took up the post of Interim Medical Director in March 2016. He studied medicine at St Mary's Hospital Medical School and trained in radiology at UCLH, being appointed here as consultant radiologist in 2005, with subspecialist interests in bone and soft tissue sarcoma, myeloma and orthopaedic imaging. After spells as College Tutor for the UCLH radiology training scheme and Clinical Lead in Radiology, Charles had previously held posts as Divisional Clinical Director of Imaging and Associate Medical Director. Charles has a keen interest in clinical leadership and evolving models of healthcare, with focus on collaboration between organisations and across sectors.

**Tim Jaggard**
*Finance Director*

Tim Jaggard was appointed Finance Director in April 2016 having previously held the posts of Interim Finance Director and Deputy Finance Director at UCLH. He joined from the Whittington in 2010 where he was Deputy Finance Director for two years. Prior to this, Tim held senior finance positions in service line reporting, patient level costing, commissioning and financial management. He graduated from the NHS graduate training scheme in 2006.

He has a degree in psychology from Cambridge which was followed by further study at the Judge Business School.

**Professor Tony Mundy**
*Medical Director, Corporate*

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 at the University of London and Director of the Institute of Urology.

**Flo Panel-Coates**
*Chief Nurse*

Flo Panel-Coates was appointed UCLH Chief Nurse in April 2015, coming to the organisation from Barking, Havering and Redbridge University NHS Trust where she was Chief Nurse for two and a half years. Prior to that she was Director of Nursing and Quality at Maidstone and Tunbridge Wells NHS Trust from August 2008 until September 2012. She also held positions of Director of Nursing and Midwifery, and Director of Infection Prevention and Control at the North Middlesex University Hospital NHS Trust from September 2005 to August 2008. She has a keen interest in organisational culture and in creating different ways of working to release more time to care.

**Other directors who attend the Board:**

**Ben Morrin**
*Director of Workforce*

Ben Morrin joined UCLH as the Director of Workforce in September 2014. In the preceding decade he worked across the Department of Health and within the Prime Minister's Delivery Unit. Ben is a Fellow of the Chartered Institute for Personnel and Development.

**Professor Bryan Williams**
*Director of Research*

Bryan Williams joined the UCLH Board in December 2017. Bryan is Chair of Medicine at University College London (UCL) and Director of the UCL and UCLH National Institute for Health Research (NIHR) Biomedical Research Centre (BRC). He is a consultant physician at UCLH and a NIHR Senior Investigator.

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

**Richard Murley**

Richard Murley was appointed as Chairman of UCLH in July 2010 having previously served as a non-executive director. He was Chairman until 31 December 2017.

**Dr Diana Walford**

Diana Walford was a non-executive director from December 2011 until 30 November 2017.

**Neil Griffiths**

Neil Griffiths was Deputy Chief Executive from June 2014 until August 2017.

Further details of the expertise and knowledge of Board members who stood down this year can be found in our 2016/17 annual report.

**Board committees**

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.


Directors' attendance at the Board 2017/18:

| Non-executive director | Board attendance | Executive director | Board attendance |
|---|---|---|---|
| David Prior | 2/2 | Marcel Levi | 8/8 |
| Harry Bush | 8/8 | Geoff Bellingan | 8/8 |
| Althea Efunshile | 7/8 | Gill Gaskin | 8/8 |
| David Lomas | 6/8 | Charles House | 8/8 |
| Rima Makarem | 8/8 | Tim Jaggard | 8/8 |
| Kieran Murphy | 6/8 | Flo Panel-Coates | 7/8 |
| Caspar Woolley | 8/8 | Tony Mundy | 6/8 |
| Richard Murley | 6/6 | Ben Morrin* | 7/8 |
| Diana Walford | 6/6 | Bryan Williams* | 2/4 |
| | | Neil Griffiths | 5/5 |

* The Director of Workforce and Director of Research attend Board meetings in a non-voting capacity

**Audit committee**

Membership comprises at least three non-executive directors (including the committee chair) selected for their skills and experience. Rima Makarem, audit chair has significant audit committee experience. Harry Bush has substantial financial expertise.

All meetings are normally attended by our external auditors, Deloitte LLP, and local counter-fraud specialists RSM Risk Assurance Services LLP, KPMG our internal auditors, the UCLH Finance Director, and our Trust Secretary. 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 meets seven times a year to discharge its duties. Its primary role is to review the adequacy and effectiveness of the systems of integrated governance (corporate, clinical and financial) and ensure internal control and risk management is in place to support the achievement of UCLH's objectives. Its responsibilities are set out in its terms of reference which can be found on our website.

Members' attendance at audit committee:

| **Member** | **Attendance** |
|---|---|
| Rima Makarem | 7/7 |
| Harry Bush | 6/7 |
| Althea Efunshile | 5/7 |
| Diana Walford | 4/4 |

The committee is well-placed to fulfil its assurance role. Audit committee members attend the finance, investment, quality and safety, and workforce committees. This broad coverage of knowledge strengthens the audit committee's effectiveness.

The audit committee provides the Board with an independent view of financial management, corporate governance and risk management. During the year the committee approved the internal audit plan for 2017/18 and received audit reports from KPMG. The reports included information governance and data security, patient experience/safety, data quality, management of local risk registers and core financial controls. The committee reviewed the appropriateness and implementation of management's response to the findings.

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

The Head of Internal Audit Opinion is one of significant assurance with minor improvements required.

External auditors Deloitte LLP presented quarterly reports on the financial statements. The committee reviewed key areas of judgement in both financial and non-financial reports, including:

- Recoverability of NHS revenue and related collection of debt

- Accounting for capital expenditure
- Valuation of land and buildings
- Management override of controls

The committee received Deloitte's conclusions from its audits of the 2017/18 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 audit committee held three workshops in 2017/18: on our EHRS (electronic health record system), cyber-security and the new General Data Protection Regulation (GDPR) which comes into force in May 2018. GDPR will impose much stricter rules around how organisations use personal data and there will be tough penalties for non-compliance.

In March 2018, audit committee members participated in an annual risk session with other Board members.

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

**External auditors**

The Council of Governors appointed Deloitte LLP as external auditors for three years commencing with the 2016/17 audit, with an option to extend for a further two years. The auditors' opinion and report on the financial statements is included in the annual accounts.

Deloitte may also provide non-audit services with the agreement of the committee and the Council of Governors. No non-audit work was provided in 2017/18.

The total cost of the external audit of the financial statements and quality report for 2017/18 was £141K (£138K in 2016/17).

**Remuneration committee**

The remuneration committee sets pay and employment policy for the executive directors and other senior staff designated by the Board. It also considers the performance of the executive directors. The committee sets remuneration using benchmarking information and survey data of other comparative senior posts within the NHS. All UCLH's non-executive directors are members of this committee. It is chaired by the Chairman of the Board.

The remuneration committee met on one occasion this year on 10 May 2017.

All non-executives attended the meeting. Ben Morrin, Director of Workforce, and Marcel Levi, the Chief Executive, attended in an advisory capacity.

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

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

**Finance and contracting committee**

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

**Investment committee**

The investment committee 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 regards to risk. It also reviews medium-term investment strategy, including the financial and economic aspects of the estate strategy.

**Quality and safety committee**

The quality and safety committee (QSC) ensures that effective arrangements are in place for the oversight and monitoring of all aspects of quality. The Board relies on the committee to provide advice on clinical quality, patient safety and risk, and for assurance on areas of clinical governance, audit and patient experience. It promotes 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 Care Quality Commission (CQC).

**Workforce committee**

The workforce committee is responsible for ensuring effective oversight of one of our strategic priorities – to support staff to deliver their potential.

**Committee structure 2018/19**

We have reviewed the committee structure and will be modifying it in 2018/19 to engage the Board of Directors more fully in decision making.

**Board, committee and directors' evaluation**

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

The Chair of the Council of Governors' nomination and remuneration committee and Vice Chairman of the Board appraise the Chairman of the Board. This is done following consultation with governors and Board members. The outcome was presented to the Council in July 2017.

The Chairman undertakes the performance review of the non-executive directors and the Chief Executive.

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

**Directors' expenses**

For 2017/18 the total amount of expenses claimed by seven directors was £4,252.90. (In 2016/17, five directors claimed a total of £3,300.52).

### 2.1.2 Governors and members

Being a member gives people interested in UCLH the opportunity to find out more about the services we provide and to get involved.

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

- Public
- Patient
- Staff

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

**Public membership** includes individuals living in one of the 32 London boroughs or the City of London.

**Patient membership** is divided into three groups:

- Patients living in one of the 32 London boroughs or the City of London (London)
- Patients from elsewhere in England (non-London)
- Individuals who are unpaid carers of patients of UCLH

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

**Staff membership** comprises individuals who have a contract to work with UCLH for more than 12 months. This includes:

- Employees of UCLH
- Employees of UCL who have an honorary contract with UCLH
- Contractors who provide services to UCLH

There are four staff groups:

- Clinical support
- Doctors and dentists
- Non-clinical support
- Nurses and midwives

When staff join UCLH they become members unless they choose to opt out. This right is explained to staff. No staff are currently opted out. Staff cannot be members of the public or patient constituencies.

Our membership numbers are as follows:

| Constituency | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Staff | 10,026 | 9,977 |
| Public | 2,723 | 2,796 |
| Patient* | 8,422 | 9,023 |
| **Total** | **21,171** | **21,796** |

* The reduction in the number of patient members follows data cleansing of our database.

Demographic information provided by public members shows our membership is broadly representative of the population we serve.

However, we need to actively increase our membership from black communities and also those members aged between 14 to 29. Seven per cent of our public members are under 40, compared to 47 per cent of the local population and two per cent of our public members identify themselves as black, compared to 13 per cent of the local population (2011 Census data).

**Membership engagement and strategy**

Our membership strategy sets out a vision to focus on engagement and communication with members.

We are working closely with our public and patient involvement team to ensure we listen to our members and have held three listening events this year. Members receive regular communication through the UCLH Magazine, through email communication and at UCLH events such as the Annual Members' Meeting and our annual research open day and Christmas event.

Members have been recruited to join UCLH groups looking at improving patient experience, including workshops about our new clinical facility for cancer and surgery, and our new clinical facility which will house the Royal National Throat Nose and Ear Hospital and the Eastman Dental Hospital.

Members are also involved in the Patient-Led Assessments of the Care Environment (PLACE).

Governors chaired five MembersMeet health seminars on a range of topics influenced by members' interests including the stroke service, dementia research and sleeping disorders. This allows members to ask governors questions and talk about matters of interest to them. Governors follow up on members' concerns and communicate any issues to the Board.

Work is ongoing to target hard-to-reach groups. We are implementing a new database in 2018 to help us gather more information about our potential membership and improve our diversity in terms of gender, age and ethnicity.

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

## Our Council of Governors

UCLH is accountable to the communities it serves through the Council of Governors which represents the views of patients, public members and staff. The Council works closely with UCLH to help shape and support its future strategy and ensure that we focus on issues that benefit patients. With the support of the governors on the Council, UCLH can take into account the views of members and stakeholders in the wider community.

## Who sits on the Council?

The Council has 33 governors of which 23 are elected governors and 10 are appointed stakeholder and partner governors.

Of the 23 elected governors:

- 4 are public
- 13 are patients
- 6 are staff

On 31 March 2018, 31 of the 33 governor seats were occupied.

Governors normally hold office for three years and are eligible for re-election or re-appointment at the end of their first term. Governors may not hold office for more than six consecutive years.

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

The following tables give details of the governors, their terms in office during 2017/18 and attendance at Council meetings.

## Elected governors

| Name of governor | Constituency | Current term | Term end | Meetings attended |
|---|---|---|---|---|
| Maggie Gormley | Public | first | 31 August 2019 | 3/4 |
| Isaac Kohn | Public | first | 31 August 2020 | 2/2 |
| Frances Lefford | Public | first | 31 August 2018 | 4/4 |
| Brian Steve Potter | Public | first | 31 August 2020 | 2/2 |
| Veronica Beechey | Patient – London | second | 31 August 2019 | 3/4 |
| John Bird | Patient – London | second | 31 August 2018 | 0/4 |
| Graham Cooper | Patient – London | first | 31 August 2019 | 3/4 |
| Ann Fahey | Patient – London | first | 31 August 2019 | 1/2 |

| | | | | |
|---|---|---|---|---|
| Adam Elliot | Patient – London | first | 31 August 2018 | 2/4 |
| John Green | Patient – London | second | 31 August 2020 | 4/4 |
| John Knight | Patient – London | second | 31 August 2018 | 4/4 |
| Christine Mackenzie | Patient – London | second | 31 August 2020 | 3/4 |
| Jo Wagerman | Patient – London | first | 31 August 2019 | 2/4 |
| Leslie Brantingham | Patient – non-London | first | 31 August 2018 | 3/4 |
| Annabel Kanabus | Patient – non-London | second | 31 August 2020 | 4/4 |
| Gareth Long | Patient – London | first | 31 August 2019 | 0/4 |
| Martha Wiseman | Patient carer | first | 31 August 2020 | 1/2 |
| Javed Ahmed | Staff | first | 31 August 2018 | 1/2 |
| Donna Beck | Staff | first | 31 August 2020 | 2/2 |
| Janet Clarke | Staff | first | 31 August 2019 | 3/4 |
| Caroline Dux | Staff | first | 31 August 2018 | 4/4 |
| Kathryn Harley | Staff | first | 31 August 2018 | 4/4 |
| Jessica Lipman | Staff | first | 31 August 2019 | 3/4 |

**Appointed governors**

| Name of governor | Constituency | Current term | Term end | Meetings attended |
|---|---|---|---|---|
| Claudia Webbe | Islington Council | second | 30 June 2018 | 1/4 |
| Warren Turner | London South Bank University | second | 16 October 2020 | 1/4 |
| Mike Hanna | University College London | second | 7 November 2019 | 0/4 |
| Claire Williams | Friends of UCLH | first | 30 June 2018 | 4/4 |
| Kate Hall | UCLPartners | first | 31 August 2020 | 1/2 |

| | | | | |
|---|---|---|---|---|
| Diarmid Ogilvy | National Brain Appeal UCLH Charities Committee | first | 30 November 2020 | 1/1 |
| Katie Coleman | GP Islington CCG | first | 30 November 2020 | 1/1 |
| Vacant | NHSE (London) | - | - | - |
| Vacant | Camden/Islington CCGs | - | - | - |
| Rishi Madlani | Camden Council | first | 22 October 2020 | 1/1 |

**Governors who stood down in 2017/18**

| Name of governor | Constituency | Current term | Term end | Meetings attended |
|---|---|---|---|---|
| David Coulter | Public | second | 31 August 2017 | 2/2 |
| Diana Scarrott | Public | second | 31 August 2017 | 2/2 |
| Emma Dalton | Patient – London | second | 31 August 2017 | 0/2 |
| Rosalind Jacobs | Patient carer | second | 31 August 2017 | 2/2 |
| Josie Gladney | Staff | first | 31 August 2017 | 2/2 |
| Wayne Sexton | Staff | first | 31 August 2017 | 1/2 |
| Ammara Hughes | GP Camden CCG | first | 31 July 2017 | 0/2 |
| Danny Beales | Camden Council | first | 22 October 2017 | 1/3 |
| Philip Brading | UCLH Charities Committee | second | 14 October 2017 | 0/3 |
| Charlotte Williams | UCLPartners | first | 31 August 2017 | 2/2 |

**Role of the Council**

The Council has a number of statutory responsibilities including:

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

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

**How the Council works**

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

Directors' attendance at the Council of Governors 2017/18:

| **Non-executive director** | **Council attendance** | **Executive director** | **Council attendance** |
|---|---|---|---|
| David Prior | 1/1 | Marcel Levi | 4/4 |
| Harry Bush | 4/4 | Geoff Bellingan | 4/4 |
| Althea Efunshile | 2/4 | Gill Gaskin | 3/4 |
| David Lomas | 3/4 | Charles House | 3/4 |
| Rima Makarem | 0/4 | Tim Jaggard | 3/4 |
| Kieran Murphy | 2/4 | Flo Panel-Coates | 3/4 |
| Caspar Woolley | 3/4 | Tony Mundy | 0/4 |
| Richard Murley | 3/3 | Ben Morrin | 3/4 |
| Diana Walford | 1/3 | Bryan Williams | 0/1 |
| | | Neil Griffiths | 3/3 |

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

The Chairman and the lead governor seek the views of governors when preparing the agendas for meetings. During the year, the Council has presentations on specific topics; in 2017/18 this included presentations on the inpatient and staff surveys and the financial plan for 2018/19.

The link between the Board and the governors is further strengthened through a series of seminars to support governors in their role. In 2017/18 six were held. Sessions included presentations on the electronic health record system (EHRS) and the North Central London Sustainability and Transformation Partnership (STP).

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

This year a number of meetings focused on the implementation of a new non-emergency patient transport contract with G4S and operational performance.

In addition, governors meet with the Chairman and Director of Quality and Safety three times a year to talk about serious incidents, risks and the quality account.

Governors and Board members also undertake walkarounds to keep in touch with patients.

Information for governors is uploaded to a secure webpage which includes an event calendar.

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

**Training**

On joining UCLH each governor attends an induction session and meets with the Membership Manager, Chairman and lead governor.

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

**Governors' expenses**

Governors can claim reasonable expenses for carrying out their duties. For the year 2017/18 the total amount claimed by six governors was £7,080.64. (In 2016/17, seven governors claimed a total of £8,142.64)

**Register of interests**

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

**Committees of the Council**

The Council of Governors is responsible for approving the reappointment or appointment of non-executive directors as recommended by the Council's nomination and remuneration committee, or by a non-executive or chair appointment panel.

Non-executive directors are appointed by the Council for an initial period of three years, which may be extended for a further three years. In exceptional circumstances a non-executive director can serve for 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 contributes to 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. In these circumstances the committee is chaired by the Trust Chairman.

The committee met three times during the year. The Chairman attended all three meetings.

In April 2017 the committee considered the reappointment of Harry Bush, non-executive director, and extended his position for a further 12 months from February 2018 so he could work alongside the new Chairman for a full year. The Council approved the reappointment on 25 April 2017.

In June the committee considered the reappointment of Caspar Woolley, non-executive director. On 3 July 2017 the committee recommended to the Council that Caspar be reappointed. This was agreed.

Membership of the committee is reviewed each year.

Meeting dates were 5 April, 21 June and 28 June 2017.

Members and attendance at the committee is as follows:

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

* stood down in 2017

**Chair appointment panel**

In December 2017, Richard Murley's tenure as Chairman came to an end.

To oversee the appointment of his successor, the Council established a chair appointment panel, comprising five governors:

- one partner organisation governor (Philip Brading)
- one staff governor (Jessica Lipman)

- three public/patient governors (David Coulter, John Knight, and Christine McKenzie)

The panel was established in April 2017 and met on three occasions: 15 May, 8 June and 19 June 2017.

External search advisors Russell Reynolds Associates and external advisor, Sir Hugh Taylor, Chairman of Guys and St Thomas' Hospitals NHS Foundation Trust, supported the process.

The Council approved the appointment of David Prior as Chairman of UCLH in July 2017. He took up his position on 1 January 2018.

**Contacting the governors**

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

Email: uclh.governors@nhs.net

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

Phone: 020 3447 9290

### 2.1.3 Cost allocation and charging guidance

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

### 2.1.4 Political and charitable donations

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

### 2.1.5 Better payment practice code

See section 1.2.1 Finance Director's report.

### 2.1.6 NHSI's well-led framework

UCLH undertook a review of NHS Improvement's (NHSI's) well-led framework. To support this review, work was also undertaken by our internal auditors in March 2018. The Board considered the Key Lines of Enquiry and associated prompts. The Board considers that there are robust arrangements in place to ensure that services are well-led.

During our review against NHSI's well-led framework we have identified the following actions to improve further:

- The Board has considered and will implement some changes to its governance arrangements to increase its effectiveness by providing more information on quality, performance, finance and strategic issues. We will also review how we present information to the Board and have identified a number of actions to improve the data being submitted to the Board, including assessing whether performance can be better forecast. An external well-led review will be commissioned within the next six months.

- The Board has agreed actions for the recruitment of non-executive directors and to develop our senior staff further, for example, by supporting a talent management programme.

- We are reviewing the ways we communicate with the public to see if this can be improved. We will increase opportunities for patient and public engagement in our activities and decision-making, with a priority focus on the implementation our electronic health record system (EHRS).

- We will explore ways to improve the experience of staff.

- We will also look closely at our local staff Friends and Family Test (FFT) results and the annual NHS Staff Survey, both the response rate and the results. We will continue to focus on learning and implementing changes to improve safety. We will also consider ways to make it easier for staff to raise clinical concerns.

- We have agreed to consider how we could improve staff feedback going to the Board.

- We will continue our training on quality improvement and expand this to include the Board.

Delivery of the plan will be overseen by the senior directors' team and the Board will receive quarterly updates on progress.

### 2.1.7 Patient care activities

**National Inpatient Survey 2017**

We achieved excellent results once again in the Picker National Inpatient Survey. Ninety per cent of patients rated their overall care as seven out of 10 or better. This puts us among the top acute London teaching hospitals.

The 2017 results show we scored significantly better on 22 of the 67 questions compared to the Picker national average and significantly worse on three.

**Patient feedback system**

We introduced our new patient feedback system a year ago. It allows a greater range of patients to give us their comments as it includes different languages, formats and text-to-speech options.

To make collecting feedback easier for both patients and staff, this year we began contacting patients by text and automated phone calls. We used this approach for patients who visited

our Emergency Department, Outpatients and Day Case areas. As a result, the number of responses we received increased from 37,419 in 2016/17 to 103,824 in 2017/18.

Automatic feedback reports are now sent to service leads at least once a month which give an overview of how their areas are performing and allow local teams to focus on making improvements.

Using our new system, we created a tailored survey for carers to help us understand their experience of our services. This feedback will shape the development of a carer's charter to help people identify themselves as carers and explain what they can expect while using our services.

**Patient information**

We developed an easy read poster to raise awareness of the alternative formats of patient information we provide. Alternative formats include easy read, audio and large print.

Staff and patients are being made aware of the core set of patient information leaflets that patients, their families and carers should receive or have access to. The list, which includes advice on making a complaint and reimbursing travel costs, is in line with national standards and requirements. We are also developing more easy read versions of frequently used leaflets.

We have recruited three volunteers to help improve the readability of our patient information and support with editing and maintaining leaflet racks.

**DisabledGo guides**

We worked with DisabledGo to produce access guides for patients and visitors with special accessibility needs, to help them plan their hospital visits. (The DisabledGo website provides information about disability access to venues across the country).

Our guides are available for University College Hospital (including the Elizabeth Garratt Anderson Wing), the University College Hospital Macmillan Cancer Centre and the National Hospital for Neurology and Neurosurgery.

The access guides were updated in August 2017 for accuracy and consistency. They are available on the DisabledGo website and through links on the UCLH website. In 2017/18 they received more than 8,500 views.

We will be re-launching the guides next year for patients and staff.

**Voluntary Services**

During the year the volunteer service at UCLH continued to grow. We now have more than 400 volunteers who volunteer around 600 times a month, giving more than 2,000 hours of their time.

We have focused on improving the support volunteers provide on our wards, including helping patients at mealtimes.

We have introduced 23 new roles, including new group volunteering opportunities, ward musicians, complementary therapy and arts-based activities.

A new volunteer management post, funded by UCLH Charity, has doubled the number of volunteers at the National Hospital for Neurology and Neurosurgery. This has improved the meet and greet service at the main entrance and established volunteers on seven wards.

**Clinical nurse specialists (CNS)**

We have improved the support our clinical nurse specialists (CNS) give to cancer patients by developing a team leader role and a support worker role in each multi-disciplinary team. Both of these roles have helped our CNSs to manage their workload more effectively, freeing up more time for them to support patients.

**Patient experience groups**

Patient representatives attend our Improving Experience Group (IEG). This group reports into our Patient Experience Committee (PEC) which is attended by two patient governors, ensuring we hear a variety of views. We produce a quarterly patient experience report which is discussed at IEG and PEC and also our Clinical Quality Review Group (CQRG). CQRG is attended by a governor and patient representatives from Practice Participation Groups in Camden.

**Complaints**

See section 3.2.2 Learning from complaints in the quality report.

**Further information**

For further information about how we are seeking to improve and monitor patient experience see the quality report.

## 2.1.8 Stakeholder relations

**North Central London Sustainability and Transformation Partnership (STP)**

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

We have continued to work closely with our STP partners on a number of projects this year to improve patient care.

The Discharge to Assess programme now means patients are discharged home as soon as they are medically fit and no longer require hospital care, rather than waiting for their ongoing care needs to be assessed while they are still in hospital. Within two hours, a specialist social services team visits the patient at home, to assess their needs and develop a personalised programme of care.

We have also developed an electronic advice system at UCLH across several services, including cardiology, diabetes, endocrinology, gynaecology, rheumatology, and ear nose and throat. Through this streamlined system GPs can get support from a consultant before referring a patient to UCLH. For other services we continue to provide informal advice to GPs prior to referral.

We have also worked with community providers and GPs to help move care closer to home. We work together to identify patients who may need extra support to help them stay well, avoiding emergency care, admission to hospital or unnecessary outpatient appointments. This service is proving particularly successful in chronic obstructive pulmonary disease (COPD) and for children.

UCLH is also leading the integrated digital plan for the sector. A key achievement in 2017/18 has been to agree a common approach to a health information exchange and data intelligence platform.

The Camden Integrated Musculoskeletal (MSK) Service, run by UCLH and designed by Camden residents, local GPs and specialist clinicians launched in spring 2017. The service provides a single point of access for patients, via their GPs, for all musculoskeletal conditions.

**Partnerships with other trusts**

We continue to work with Whittington Health NHS Trust to ensure both our organisations continue to meet the needs of patients as effectively as possible. Over the last year, we have developed joint pathways of care across a number of specialities and created systems to allow staff to work easily across both trusts.

We have also entered into a clinical and academic partnership with Mount Vernon Cancer Centre, focusing on:

- Enhancing our research portfolios
- Sharing best practice, expertise and experience
- Improving our resilience
- Supporting the development of a flexible, highly-skilled workforce

**UCLH Cancer Collaborative**

Our aim to provide world class care and improve survival for people with cancer is only possible if we work as part of a wider healthcare system, with colleagues across London and the country.

UCLH Cancer Collaborative was created in early 2015. It brings together healthcare organisations across north central and north east London, and west Essex to increase earlier diagnosis, education and awareness of cancer. We are leading on large-scale research and screening projects focusing particularly on lung and colorectal cancers.

Our Cancer Academy, launched in 2015, is continuing to develop to provide education to patients and staff of all disciplines. The Academy comprises four schools, focusing on improving the effectiveness of multi-disciplinary teams, experimental research, education for cancer professionals and education for people with cancer.

This year we also launched a steering group and network to provide new opportunities for patients and carers to get more involved in shaping cancer services across our region.

We are also developing new models of care, such as the delivery of some breast cancer medicines in community settings, through partnerships with industry, academia, the third sector and pharmaceutical companies.

We are also working to improve the way cancer outcomes data is recorded and used by clinicians through our Centre for Cancer Outcomes, part of the UCLH Cancer Collaborative.

London Cancer is part of UCLH Cancer Collaborative. It works across the region in partnership with Cancer Research UK, Macmillan Cancer Support and others to improve the delivery of cancer care from diagnosis, through treatment, to living with and beyond cancer.

The national Cancer Vanguard partnership between UCLH Cancer Collaborative, Greater Manchester Cancer Vanguard Innovation and Royal Marsden Partners, drew to a close in March 2018. UCLH Cancer Collaborative is continuing its work as the cancer alliance covering north central and east London, and west Essex.

**Patient and public involvement (PPI) activities**

The views of our patients, their carers and the public matter to us. We want to involve patients and the local community in the decisions we make and deliver improvements that matter to them.

**Listening to patients**

We held a series of listening events to improve the way we engage with members, patients, governors, Healthwatch and the public. Thirty-eight people attended the first event in April.

In response to feedback, a second event was held in September which 26 people attended. The event focused on our major transformation programmes including the electronic health record system (EHRS), Access and Patient Administration (APA) and our Coordination Centre.

A third event was held in February focusing on organisational strategy and new developments, which 36 people attended. More information about the events is available on the UCLH website.

We held two events to mark National Carers' Week in June to listen to patients, carers and staff about how we could improve. We are launching a carers' charter in the coming year to help people identify themselves as carers and to recognise the vital support they offer.

**Engaging patients in service changes**

We have hosted a series of workshops about our new clinical facility for cancer and surgery, and our new clinical facility which will house services currently at the Royal National Throat Nose and Ear Hospital (RNTNEH) and the Eastman Dental Hospital (EDH). The workshops enabled adults, teenagers and young children to be involved in the build, design and artwork for the new facilities. We also interviewed patients in the waiting areas of the RNTNEH and EDH inviting them to share their views.

Patient feedback from workshops about the redevelopment of our Emergency Department (ED) has helped shape its design, in particular, the new reception desk and seating area.

**New ways of engaging patients**

Mothers on the Maternal Fetal Assessment Unit were asked for their views on how communication between staff and patients could be improved. The study was part of a pilot led by NHS England (NHSE) and the Institute for Healthcare Improvement (IHI).

We have assisted with the appointment of a local patient to a new part-time role of Patient Director for the Camden Musculoskeletal Service. They will ensure that the views of patients, carers and families are sought and acted upon.

**Other PPI activities**

A number of patients are working with us at key board committees and their involvement continues to increase. Two patient members have been recruited to work with staff at a strategic and local level to improve end of life care.

Young patients continue to be involved in interviews for new staff in the Paediatric and Adolescent Division. Their insight helps us to recruit the best candidates.

### 2.1.9 Equality reporting (patients)

Our Equality, Diversity and Inclusion Plan 2017/18 supported the delivery of the UCLH Equality Objectives 2017–2020. Performance against these objectives is monitored by our Diversity and Equality Group, with progress reported to the senior directors' team (SDT).

Our equality objectives for patients are:

- Make more areas of our hospitals and services dementia-friendly and accessible
- Collect data on all protected characteristics and ensure multiple disabilities are recorded
- Fulfil the needs of patients with specific communication requirements, in line with NHS England's accessible information legislation, part of the Health and Social Care Act 2012
- Develop the teenage and young adult page on the UCLH website, including establishing a closed Facebook page
- Improve access and information for our disabled patients by implementing recommendations from DisabledGo (DisabledGo provides information about disability access to venues across the country)
- Develop the maternity website to include links to information leaflets for pregnant women whose first language is not English
- Explore in more detail why our inpatient survey results show patients aged 16-24 are less satisfied with our services than other age groups

We have made good progress against these actions.

We continue to meet the expectations of the Equality Act 2010 and the NHS Equality Delivery System 2. Further information is available in UCLH's Equality and Diversity Report.

We continue to learn from the feedback our patients and staff provide to us through a number of channels including surveys, our Patient Advice and Liaison Service (PALS), complaints, and patient and staff groups.

We will continue to draw on the work of DisabledGo to support next year's aims to improve physical access to our buildings and to make way-finding improvements.

For all our patients with protected characteristics, we will focus on areas where they have told us their experience could be better and where we feel we can make improvements. For example, we will undertake targeted projects to improve access to and navigation around our services.

For some patient information, our strategy has moved away from investing in making information available in multiple languages, towards the use of internet translation systems.

We will put increased emphasis on supporting the religious and spiritual needs of patients, and supporting patients with challenging behaviour and those with learning disabilities. UCLH will also support the delivery of early intervention strategies to promote good health in communities where individuals engage less with health services.

The use of digital innovation will play a key role in achieving our ambitions. Delivering Accessible Information Standards (AIS), as directed by the Health and Social Care Act 2012, will be an achievable target when our electronic health record system (EHRS) goes live. The AIS aim to ensure that people who have a disability or sensory loss get the information and communication support they need. Web-based language systems such as SignLive will make interpreting services accessible at all times.

All of these priorities are aligned to the core protected characteristics of the Equality Act 2010 and form part of our commitment to providing top quality care to all our patients.

### 2.1.10 Income disclosures

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes.

UCLH met this requirement. In 2017/18, 6.2 per cent of our total operating income was derived from non-NHS income (seven per cent in 2016/17).

Section 43(3A) of the NHS Act 2006 requires NHS foundation trusts to provide information on the impact that other income it has received has had on its provision of goods and services for the purposes of the health service in England.

Surpluses from other income the Trust received have been used to support the provision of goods and services for the purposes of the health service in England.

### 2.1.11 Disclosure 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 the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## 2.2 Remuneration report

### 2.2.1 Annual statement on remuneration

All decisions regarding the pay of senior managers are made by the remuneration committee.

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

The committee is responsible for determining and agreeing, on behalf of the Board, the broad policy for the remuneration of our very senior managers.

The Committee is also responsible for considering the performance of the Chief Executive and executive directors.

In 2017/18, a one per cent increase was offered to very senior managers whose terms and conditions were not covered by nationally-determined contracts.

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

Three Medical Directors received the nationally-set uplift of one per cent to base salary in 2017/18, in line with the agreement for medical and dental staff whose terms and conditions are covered by nationally-determined contracts. A fourth Medical Director is an employee of University College London.

No appointments were made to executive director posts in 2017/18. The Deputy Chief Executive, Neil Griffiths departed and his post has not been replaced.

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.

**David Prior (Lord Prior of Brampton)**
**Chair of the remuneration committee**
**Chairman of UCLH**

**24 May 2018**

### 2.2.2 Senior managers' remuneration policy

The remuneration committee sets pay and employment policy for executive directors and other senior staff on behalf of the Board.

The committee sets basic salary remuneration with due regard to benchmarking information and survey data of other comparative senior posts within the NHS.

NHS foundation trusts are free to determine their own rates of pay for very senior managers (VSMs). However, benchmarking is informed by: the VSM pay framework published by NHS Employers and updated in July 2013; data provided by NHS Providers; and data provided by the Shelford Group.

There is no local consultation with affected employees on VSM pay, however, 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, as set out above. There is, therefore, no performance-related pay component to VSM salary.

UCLH has developed a Leader Model against which it has assessed management capability in order to determine performance. Implementation of this model and assessment will continue to support the short and long term strategic objectives of UCLH.

Senior managers are employed on contracts 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.

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 executive directors in the year.

The only non-cash element of senior managers' remuneration packages are pension-related benefits accrued under the NHS Pension Scheme. Contributions are made by both the employer and employee in accordance with the rules of the national scheme.

The following table includes a description of each component of senior manager remuneration:

| Component | Applicable | Description |
|---|---|---|
| Basic salary inclusive of London weighting | All senior managers | Agreed at appointment by the remuneration committee. |
| 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 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. |
| Medical Director allowance | Applicable to all Medical Directors | Recognises the increased responsibilities associated with the role of Medical Director. |
| Medical on call | Applicable to Medical Directors only | The on-call availability supplement recognises the time spent being available while on call. It does not recognise the work actually done while on call. |

In 2017/18, eight very 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 remuneration committee sets pay and employment policy for the executive directors and other senior staff designated by the Board.
- The committee sets remuneration with due regard to benchmarking information and survey data of other comparative senior posts within the NHS sector.
- All non-executive directors are members of the remuneration committee and provide objective scrutiny to salaries set in excess of the threshold.
- A substantial part of the Medical Directors' remuneration is made up of an NHS consultant's basic salary determined in accordance with NHS national terms and conditions.

The remuneration and expenses for the UCLH Chairman and non-executive directors are determined by the Council of Governors, taking account of the guidance issued by organisations such as the NHS Confederation and the NHS Appointments Commission.

## 2.2.3 Annual report on remuneration

### Senior manager remuneration

| | Year Ended 31 March 2018 | | | | Year Ended 31 March 2017 | | | |
|---|---|---|---|---|---|---|---|---|
| | **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* | **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)* | **(bands of £5000)** | *(bands of £5000)* | *(bands of £2500)* | *(bands of £5000)* |
| R Murley<br>Chairman<br>To Dec 2017 | **45-50** | - | - | 45-50 | **60-65** | - | - | 60-65 |
| D Prior<br>Chairman<br>From Jan 2018 | **20-25** | - | - | 20-25 | **-** | - | - | - |
| H Bush<br>Non-Executive Director | **10-15** | - | - | 10-15 | **10-15** | - | - | 10-15 |
| R Makarem<br>Non-Executive Director | **15-20** | - | - | 15-20 | **15-20** | - | - | 15-20 |
| K Murphy<br>Non-Executive Director | **10-15** | - | - | 10-15 | **10-15** | - | - | 10-15 |
| C Woolley<br>Non-Executive Director | **10-15** | - | - | 10-15 | **10-15** | - | - | 10-15 |
| D.Walford<br>Non-Executive Director<br>To Nov 2017 | **5-10** | - | - | 5-10 | **10-15** | - | - | 10-15 |
| D Lomas<br>Non-Executive Director | **10-15** | - | - | 10-15 | **10-15** | - | - | 10-15 |
| A Efunshile<br>Non-Executive Director<br>From May 2016 | **10-15** | - | - | 10-15 | **10-15** | | | 10-15 |
| M Levi<br>Chief Executive<br>From Jan 2017 | **265-270** | - | - | 265-270 | **65-70** | 5-10 | | 75-80 |
| Sir R Naylor<br>Chief Executive<br>To Sep 16 | **-** | - | - | - | **155-160** | - | 95-97.5 | 250-255 |
| N Griffiths<br>Deputy Chief Executive<br>to Aug 17<br>Acting Chief Executive<br>Sep 16 to Jan 17 | **70-75** | | 12.5-15 | 80-85 | **200-205** | - | 47.5-50 | 250-255 |
| T Jaggard<br>Finance Director | **180-185** | | 97.5-100 | 275-280 | **160-165** | | 37.5-40 | 200-205 |
| G Bellingan<br>Medical Director | **215-220** | | (47.5)-(45) | 170-175 | **215-220** | - | 0-2.5 | 215-220 |
| C House<br>Medical Director | **175-180** | | 80-82.5 | 255-260 | **145-150** | | 142.5-145 | 295-300 |
| G Gaskin<br>Medical Director | **205-210** | | 25-27.5 | 235-240 | **235-240** | - | 17.5-20 | 255-260 |
| A Mundy<br>Medical Director | **155-160** | | - | *155-160* | **150-155** | - | - | *150-155* |
| F Panel-Coates<br>Chief Nurse | **160-165** | | 40-42.5 | 200-205 | **160-165** | - | 42.5-45 | 205-210 |
| B Morrin<br>Director of Workforce | **120-125** | | 25-27.5 | *145-150* | **120-125** | - | 25-27.5 | *145-150* |

All salary paid in the year is reflected in the first column of the table. The table also shows the notional increase / (decrease) in pension-related benefits. 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 Directors' salaries include payment for both their director role and NHS clinical work.

Marcel Levi is provided with accommodation by UCLH Charity. This is not included in the disclosures above.

Senior managers are not paid any taxable benefits, annual performance-related bonuses or long-term performance-related bonuses, with the exception of a relocation allowance paid to Marcel Levi during 2016/17.

Details of expenses paid to directors and governors are included in section 2.1.1 and section 2.1.2.

**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 2018 | Total accrued pension at 31 March 2018 | Cash equivalent transfer value (CETV) at 31 March 2017 | Cash equivalent transfer value (CETV) at 31 March 2018 | 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** |
| G Bellingan<br>Medical Director | (10)-(7.5) | 180-185 | 60-65 | 1,780 | 1,725 | (55) |
| N Griffiths<br>Deputy Chief Executive | 0-2.5 | 60-65 | 30-35 | 516 | 550 | 34 |
| G Gaskin<br>Medical Director | 7.5-10 | 85-90 | 25-30 | 598 | 676 | 78 |
| C House<br>Medical Director | 10-12.5 | 110-115 | 40-45 | 623 | 735 | 112 |
| T Jaggard<br>Finance Director | 15-17.5 | 70-75 | 30-35 | 275 | 365 | 90 |
| F Panel-Coates<br>Chief Nurse | 2.5-5 | 100-105 | 40-45 | 613 | 670 | 57 |
| B Morrin<br>Workforce Director | 0-2.5 | 0-5 | 5-10 | 48 | 73 | 25 |

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

Cash equivalent transfer values (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 2017, adjusted for inflation.

Total accrued pension at 31 March 2018 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.

**Lord Hutton Report – fair pay multiple**

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.

| | 2017/18 | 2016/17 |
|---|---|---|
| Band of highest paid director's total remuneration | 270-275 | 275-280 |
| Median pay remuneration (£) | 37,179 | 37,826 |
| Fair pay multiple | 7.3 | 7.3 |

The remuneration of the highest-paid director in 2017/18 was in the band £270k-£275k (2016/17, £275k-£280k). This was 7.3 times the median remuneration of the workforce, which was £37,179 (2016/17, 7.3 times and £37,826).

In 2017/18, no employees received remuneration in excess of the highest-paid director (2016/17, none).

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.

**Professor Marcel Levi**
**Chief Executive**

**24 May 2018**

## 2.3 Staff report

### 2.3.1 Staff costs

| | **2017/18 Year Ended 31 March Total £000** | 2016/17 Year Ended 31 March Total £000 |
|---|---|---|
| Salaries and wages | 420,721 | 402,690 |
| Employers' National Insurance Contributions | 38,898 | 37,248 |
| Apprenticeship levy | 1,449 | 0 |
| Employer contributions to NHS Pension scheme | 42,458 | 40,370 |
| Pension cost – other | 16 | 0 |
| **Total excluding agency staff** | **503,542** | 480,308 |
| Salary cost recharges | (5,072) | (5,028) |
| Agency staff | 7,903 | 9,268 |
| **Total employee costs** | **506,373** | 484,548 |
| Less: Employee costs charged to capital | 5,628 | 1,783 |
| **Total employee costs (see note 6 in the annual accounts)** | **500,745** | 482,765 |

### 2.3.2 Staff numbers

**Average number of whole time equivalent (WTE) employees**

| | **2017/18** | **2016/17** |
|---|---|---|
| Medical and dental | 1,411 | 1,357 |
| Ambulance staff | 8 | 6 |
| Administration and estates | 2,030 | 1,935 |
| Healthcare assistants and other support staff | 817 | 784 |
| Nursing, midwifery and health visiting staff | 3,174 | 3,123 |
| Nursing, midwifery and health visiting learners | 15 | 12 |
| Scientific, therapeutic and technical staff | 1,065 | 1,007 |
| Healthcare science staff | 374 | 352 |
| **Total average numbers** | **8,894** | **8,576** |
| Of which: | | |
| Number of employees (WTE) engaged on capital projects | 54 | 30 |

(Bank and agency WTE numbers have been allocated to the relevant occupational categories in the table above. In 2017/18 the average number of bank and agency WTEs was 983. In 2016/17 the average number was 903.)

(This table does not include employees who have honorary contracts with UCLH.)

**Gender analysis**

| Headcounts as at 31 March 2018 | Male | Female | Total |
|---|---|---|---|
| Directors | 12 | 4 | 16 |
| Other senior managers | 34 | 35 | 69 |
| Other staff | 2,612 | 6,262 | 8,874 |

(This table includes clinical staff with honorary contracts which have a cost implication for UCLH.)

**Recruitment**

We have developed an evidence-based strategy to help us recruit and retain staff in an increasingly competitive UK and international labour market. Our strategy builds on our successful 2016/17 recruitment campaign which won a national award from the Chartered Institute of Personnel and Development.

Our number of whole time equivalent staff increased by 3.7 per cent in 2017/18. Recruiting the best staff we can from across the world remains a core objective of our approach. UCLH employs staff from 121 different nations.

Our vacancy rates remain below the average for the capital and our workforce continues to grow. However, recruiting as many staff as we need remains difficult. Vacancy levels increased through the year from seven per cent on 1 April 2017 to 8.8 per cent on 31 March 2018. Changes in language testing applied by the Nursing and Midwifery Council (NMC) and immigration quotas applied by the Home Office have reduced our planned intakes of nurses and doctors from abroad.

The impact of Brexit is also affecting our recruitment pipeline. In 2016/17 there was a 50 per cent decrease in the number of new starters from mainland Europe. However, in 2017/18, we have not seen any further significant reductions.

We use social media to showcase services and staff in those areas where we want to recruit. In the coming year we will have dedicated social media campaigns to attract talent and reduce our vacancy rate in all our hard-to-recruit areas. Our campaigns are designed and fronted by our staff.

We have introduced a new framework for managers who are hiring, which sets out the timeframe between advertising a post and appointing a new recruit. This will make the process smoother for applicants, as well as making it easier for UCLH departments to visualise when a new starter will begin in post and plan accordingly.

In 2017/18, the average time it took to hire a new member of staff (including notice period) was 13.7 weeks – our target was 14.6 weeks.

We have also worked towards ensuring there is no discrimination in the recruitment process so that all staff, including those with protected characteristics, have an equal chance of being selected. This has been one of our equality objectives for 2017/18.

**Retention**

We continue to run career clinics to encourage existing staff to transfer to other posts within UCLH, rather than seeking promotion elsewhere.

A fully automated digital exit survey is being introduced across UCLH in April 2018. This survey will help us to better understand the experience of all our staff regardless of their background or profession.

In line with other NHS trusts in the capital, turnover has increased through 2017/18. Our staff turnover rate has risen from 12.8 per cent to 13.4 per cent.

As part of our commitment to retain staff, our Careers Clinic has overseen the transfer of more than 240 nurses to new roles within UCLH since launching nearly three years ago. The schemes enable nurses to move within the organisation so that they can gain experience in a different specialty at their current band.

We are increasing our focus on helping staff develop their professional careers in the capital and to address the exceptionally high living costs they face working in the centre of London. We are working with Ipsos MORI to assess the key factors which will aid development and retention.

Our contribution to the Sustainability and Transformation Partnership's (STP) workforce programme has focused on action we can take in partnership with neighbouring employers working in care, healthcare and research.

### 2.3.3 Sickness absence data

| | **Sickness absence rate % 2017/18** | **Sickness absence rate % 2016/17** |
|---|---|---|
| Medical and dental | 1.0 | 0.52 |
| Administration and estates | 3.7 | 3.74 |
| Healthcare assistants and other support staff | 5.4 | 5.2 |
| Nursing, midwifery and health visiting staff/learners | 3.8 | 3.61 |
| Scientific, therapeutic and technical staff | 2.5 | 2.39 |
| Healthcare science staff | 2.1 | 3.16 |
| **Total** | **3.3** | **3.16** |

### 2.3.4 Staff policies and actions

**Health and safety**

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

In 2017 we introduced a combined health and safety policy with a comprehensive handbook to support staff and managers.

We have undertaken our eighth risk assessment audit which included:

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

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

The health and safety committee is currently focusing on the most significant risks to safe working as a central London trust. Reducing assaults and violence continues to be a priority. We have introduced a new in-house Preventing and Managing Violence and Aggression training programme with enhanced classroom-based training.

**Raising Concerns: (Whistleblowing)**

We encourage staff to raise concerns with senior managers about patient safety, criminal offences, breaches of legal obligations, miscarriages of justice, damage to the environment or the deliberate concealment of information. Our Raising Concerns policy guides this process. We provide an external Guardian Service which offers independent and confidential advice to support staff to raise issues with senior management. This year we have focused on raising the profile of this service so that staff are aware of its benefits.

**Counter fraud, anti-bribery and corruption**

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

Our Counter Fraud team works to investigate and prevent fraud and bribery, and ensure that adequate procedures are in place to protect the Trust.

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

**Equality and diversity**

See section 2.3.11 Equality reporting (staff).

### 2.3.5 Staff engagement

**Staff communication**

As well as keeping staff updated about news and developments, we are always keen to actively engage staff and ensure their views are listened to and acted upon.

UCLH-wide communications include:

- Team Brief: the Chief Executive's monthly briefing delivered by managers to their teams who are encouraged to discuss the content. It ensures that all staff get the same messages within the same time frame.

- UCLH Magazine: this year we launched our new magazine available for staff, patients and foundation trust members. It is published quarterly and is sponsored by Atos, our digital transformation partner.

- Insight: our intranet is updated daily with articles about our staff and services. There is also a mechanism for staff to comment and engage in online conversation.

- Meet the CEO sessions: these are open to all staff and held on each site. The Chief Executive delivers a presentation followed by a question and answer session.

- Team meetings: where staff are kept informed and can discuss matters at a local level.

- Social media: Twitter, Facebook, Instagram, LinkedIn and YouTube.

- Staff surveys

- Staff suggestion scheme

**Staff Friends and Family Test**

Every quarter all staff are asked whether they would recommend UCLH as a place to work or be treated. In quarters one, two and four this question was emailed to all staff. The average response rate was 15 per cent.

Seventy per cent of staff said they would recommend UCLH as a place to work and 90 per cent said they would recommend it as a place to be treated.

In quarter three the Friends and Family Test question is asked as part of the NHS Staff Survey, the results of which are outlined in section 2.3.7.

**Celebrating Excellence Awards**

Our Celebrating Excellence programme recognises exceptional work by staff across our hospitals.

More than 1,000 staff were nominated by colleagues for our annual awards which celebrate those employees who go above and beyond to demonstrate the UCLH values of safety, kindness, teamwork and improving. Whether they are kind and caring to patients and colleagues, an inspiring mentor, dedicated to safety or an outstanding leader, our awards ceremonies celebrate their successes. The UCLH Charity funded two ceremony events.

A panel of judges selected 55 finalists from a broad range of job roles for our annual awards in March.

In a supporting event in February, staff that went above and beyond during a challenging year were thanked during a special afternoon tea. Our top peer flu vaccinators, staff who had responded to winter pressures and those involved with the opening of the Coordination Centre were among those invited.

**Staff partnership**

Our partnerships with unions and representative bodies are important to us. UCLH's management and staff representatives meet monthly to review policies and staff experience.

Our Joint Partnership Forum (JPF) has used our Staff Suggestion Scheme to design and introduce new staff initiatives.

The streamlined internal processes and procedures of the JPF and the Joint Negotiating Committee (JNC) have led to more productive meetings, releasing time for committee members.

**Staff health and wellbeing**

Our programmes for health and wellbeing have focused on the main causes of premature mortality and ill health, encouraging physical exercise and balanced diets, tackling smoking and addressing the threats to the mental health and resilience of our staff.

This year UCLH was presented with the Healthy Workplace achievement award by the Mayor of London demonstrating that we are committed to providing healthy workplace initiatives.

Events included a hugely successful pedometer challenge in which more than 500 staff took part and a series of New Year, New You roadshows across UCLH offering staff information and advice on healthy lifestyle choices and activities. Olympic boxing medallist Anthony Ogogo launched an initiative to encourage staff and patients to use the stairs, rather than the hospital lifts.

The Occupational Health team in partnership with the 52 Club (our staff fitness centre) introduced a system for staff with musculoskeletal or mental health problems to be referred onto the award-winning 4WeekForward health and fitness programme. They also ran a popular relaxation week and introduced yoga sessions on several UCLH sites.

Improving psychological wellbeing and removing the stigma surrounding mental health issues in the workplace was a top priority for the Staff Psychological and Welfare Service. The service provides bespoke workshops to help equip managers with the skills to manage the wellbeing of staff. They teach managers about different mental health issues, how to spot early warning signs that a colleague is suffering from mental ill health and what steps to take to support them.

We marked World Mental Health Day with a special event in which staff shared their personal experience of mental health issues. They discussed what they do to keep themselves well, the strategies they use to cope with work pressure and the support they received at work.

### 2.3.6 Education and training

See section 1.1.4 Education and training.

### 2.3.7 NHS Staff Survey: results and actions

**Results**

The results of the 2017 NHS Staff Survey show that UCLH remains a place that the majority of staff would recommend as a place to work or be treated.

Overall, UCLH is in the top 20 per cent of acute trusts for staff engagement, a measure closely linked to patient experience. In particular:

- 83 per cent of staff said they would be happy for a friend or relative to be treated here (84 per cent in 2016/17). The national average is 71 per cent.
- 71 per cent of staff would recommend UCLH as a place to work (70 per cent in 2016/17). The national average is 61 per cent.
- 83 per cent of staff agree that the care of patients is UCLH's top priority (83 per cent in 2016/17). The national average is 76 per cent

We have significantly improved on two questions, compared to 2016, relating to:

- the number of staff who feel their immediate manager can be counted upon to help with difficult tasks
- staff who feel their learning and development needs are identified at appraisal.

We scored lower on five questions, compared to 2016:

- satisfied with level of pay
- having adequate materials to do my job
- having enough staff at the organisation to do my job properly
- having training, learning or development in the last 12 months
- belief that the organisation acts on concerns raised by patients/service users

Staff survey response rate:

| | **2017** | | **2016** | | |
|---|---|---|---|---|---|
| | UCLH | National average | UCLH | National average | UCLH % change |
| Response rate | 40.5% | 44% | 44.6% | 43% | -4.1% |

A total of 3,307 staff completed the survey, an increase on the 2016 survey to which 3,278 staff responded. The percentage response rate was lower, however, due to changes in eligibility guidance relating to how responses are recorded for those staff who leave UCLH during the survey period.

Staff survey results – top five ranking scores:

| | 2017 | | 2016 | | |
|---|---|---|---|---|---|
| **Top 5 ranking scores** | UCLH | National average | UCLH | National average | UCLH Change |
| % experiencing physical violence from patients, relatives or the public in the last 12 months | 12% | 15% | 12% | 15% | 0% |
| Quality of appraisals | 3.32 | 3.11 | 3.29 | 3.11 | 0.03 |
| Recommendation of the organisation as a place to work or receive treatment | 3.99 | 3.75 | 3.99 | 3.76 | 0 |
| Effective use of patient/service user feedback | 3.84 | 3.71 | 3.82 | 3.72 | 0.02 |
| % of staff reporting errors, near misses or incidents witnessed in the last month | 93% | 90% | 92% | 90% | 1% |

Staff survey results – bottom ranking scores:

| | 2017 | | 2016 | | |
|---|---|---|---|---|---|
| Bottom 5 ranking scores | UCLH | National Average | UCLH | National Average | UCLH Change |
| % working extra hours | 77% | 72% | 77% | 72% | 0% |
| % believing the Trust provides equal opportunities for career progression or promotion | 77% | 85% | 78% | 87% | -1% |
| % experiencing discrimination at work in last 12 months | 19% | 12% | 18% | 11% | 1% |
| % experiencing harassment, bullying or abuse from staff in last 12 months | 32% | 25% | 31% | 25% | 1% |
| % of staff feeling unwell due to work related stress in the last 12 months | 41% | 36% | 39% | 35% | 2% |

**Actions**

We recognise that some areas of concern in the staff survey results have seen little improvement in the past year. Below are some of the key actions to address the findings.

**Bullying and harassment**

We are continuing with our *Where do you draw the line?* campaign which encourages staff to seek earlier, informal methods of conflict resolution. It also promotes behaviours based on our values of safety, kindness, teamwork, improving.

The campaign includes:

- Intranet articles and posters featuring photographs and personal stories of individual members of staff about where they draw the line in relation to workplace conflict.

- A digital interactive pathway on the intranet which highlights the options available to staff to resolve conflict and outlines the support available. The intranet site encourages staff to solve conflict informally and at an early stage where possible. The resolution pathway is also available in printed format.

- An animation video about the campaign is shown to all new starters as part of our induction programme.

**Other projects**

The following projects have been endorsed by our senior directors' team to address areas of concern in the staff survey results and we are currently exploring funding options to implement them.

**Staff wellbeing**

We propose developing a UCLH-branded programme to encourage staff to look after their wellbeing. It would highlight the importance of, and support staff, to take proper rest breaks. It would provide easy access to water and other beverages to ensure staff are properly hydrated and increase the availability of lower cost healthy food at key times. It would also offer staff advice and practical support to promote better physical and mental health.

**Targeted support**

We propose forming a new multi-disciplinary team to assess staff survey results, along with other sources of information about staff experience.

We would focus on helping services which report relatively poor staff experience in the staff survey and provide them with additional support using a range of techniques. This would include targeted sessions supported by our Staff Psychological and Welfare Service.

We would also introduce a coaching and mentoring programme to support managers in lower scoring areas to identify and manage conflict within their teams.

**Data collection and analysis**

We plan to explore ways of using new technology to gather and evaluate feedback so we can respond more quickly and effectively.

The information would be integrated into new staff experience dashboards at divisional level, alongside key metrics such as turnover, sickness absence, temporary staffing spend, patient experience scores and service activity. The data would provide a more comprehensive snapshot of where targeted support and intervention are needed.

**Modernising Celebrating Excellence**

We plan to refresh our awards structure to recognise excellence as and when it occurs and involve larger numbers of staff. Our executive directors will play a greater role in recognising excellence and will demonstrate a personal commitment to meeting more frontline staff.

**Staff safety and security**

We plan to undertake a project to identify why more staff say they experience bullying, harassment or abuse from patients in certain areas of UCLH. We will work with staff and patients to ensure everyone is aware that certain behaviours are unacceptable and the actions that should be taken when it occurs.

**Developing managers**

We will be standardising management job descriptions and developing clearer career pathways and improved training. We plan to explore options to develop a programme to support managers to nurture talent and identify any skills shortages.

### 2.3.8 Expenditure on consultancy

In 2017/18 expenditure on consultancy was £3.9m, compared to £2.5m in 2016/17.

### 2.3.9 Off-payroll engagements

There were no off-payroll engagements as of 31 March 2018 for more than £245 per day and that lasted longer than six months.

There were no new off-payroll engagements, or any that reached six months in duration between 1 April 2017 and 31 March 2018, for more than £245 per day and that lasted longer than six months.

The following table details off-payroll engagements of Board members and/or senior officials with significant financial responsibility between 1 April 2017 and 31 March 2018:

| | |
|---|---|
| Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility during the financial year | 0 |
| Number of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year. | 7 |

### 2.3.10 Exit packages

In 2017/18 UCLH agreed the following exit packages:

| Exit package cost band | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band |
|---|---|---|---|
| < £10,000 | 0 | 8* | 8 |
| £10,000 – £25,000 | 2 | 1** | 3 |

| | | | |
|---|---|---|---|
| £25,001 – £50,000 | 0 | 0 | 0 |
| £50,001 – £100,000 | 1 | 0 | 1 |
| **Total by type** | **3** | **9** | **12** |
| **Total resource cost** | **£102,000** | **£64,000** | **£166,000** |

* Payment in lieu of notice
** Mutually agreed resignation scheme (MARS)

In 2016/17 UCLH agreed the following exit packages:

| Exit package cost band | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band |
|---|---|---|---|
| < £10,000 | 0 | 23 | 23 |
| £10,000 – £25,000 | 3 | 8 | 11 |
| £25,001 – £50,000 | 9 | 2 | 11 |
| £50,001 – £100,000 | 8 | 0 | 8 |
| £100,000 – £150,000 | 1 | 0 | 1 |
| **Total by type** | **21** | **33** | **54** |
| **Total resource cost** | **£104,600** | **£305,000** | **£1,351,000** |

### 2.3.11 Equality reporting (staff)

We are committed to the principles of equality and fairness for our staff and have made good progress in the past year in promoting diversity, equality and inclusion.

The characteristics of our workforce are broadly consistent with our local communities in terms of religion and ethnicity. We have more female employees and staff from black and minority ethnic (BME) backgrounds compared to the local population.

In 2017 all staff were asked to update their information held on our Electronic Staff Record system (ESR) and this has improved the accuracy of the data.

We have raised awareness of the importance of equality, diversity and inclusion by including new information in staff induction and we now regularly audit data on new starters.

We have introduced a local policy to support staff who wish to transition gender.

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

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

We publish the Workforce Race Equality Scheme (WRES) annually, as required by NHS England and we publish a mid-year update to monitor progress. There is a detailed action plan monitored by the diversity and equality steering group and the WRES is included in the annual equality report.

Our priorities in 2017/18 were to:

- Review our key equality and diversity objectives and set new ones for the next three years.
- Continue to support the development of the Black, Asian and Minority Ethnic (BAME) staff network which was launched in October 2017.
- Continue to improve the quality of information held on our workforce. Gain a better understanding of the needs of staff with protected characteristics and consider what we can do to improve their experience of working at UCLH.
- Introduce ways of further supporting staff who are experiencing bullying, harassment or abuse.
- Review the equality impact assessment process, the recruitment process and how we document policies and service reviews, to reduce the potential for discrimination.
- Improve learning and development opportunities for staff with protected characteristics.

Although 44.7 per cent of our staff are from a BME background, this representation is not spread equally across all bands. Clinical and non-clinical staff in Agenda for Change (AfC) posts at band four and below are predominantly BME. The proportion of BME staff in band seven posts and above, however, reduces as you progress up the banding structure. For medical and dental staff, 41 per cent of doctors-in-training have a BME background, whereas 28.5 per cent of consultants are BME.

To increase the representation of BME staff at higher bands in the organisation we are working with our BAME Network to empower these staff to develop their careers by providing mentoring and coaching opportunities.

UCLH published its first gender pay report in 2017/18. The report is available on our website via the following link: http://www.uclh.nhs.uk/genderpayreport

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

### 2.3.12 Trade Unions

There were 32 full time equivalent employees who were relevant trade union officials in 2017/18.

The percentage of working hours these employees spent on facility time in 2017/18 was as follows:

| | **Number of employees** |
|---|---|
| 0% | 0 |
| 1-50% | 32 |
| 51%-99% | 1 |
| 100% | 1 |

The percentage of UCLH's total pay bill spent on facility time in 2017/18 was 0.02 per cent.

Employees who were relevant trade union officials spent 100 per cent of total paid facility time on paid trade union activities.

## 2.4 Code of Governance disclosures

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

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

| **Code reference** | **Section** |
|---|---|
| A.1.1. | 2.1.1 UCLH Board and committees<br>2.1.2 Governors and members |
| A.1.2 | 2.1.1 UCLH Board and committees<br>2.1.2 Governors and members |
| A.5.3 | 2.1.2 Governors and members |
| Additional requirement | 2.1.1 UCLH Board and committees<br>2.1.2 Governors and members |
| B.1.1 | 2.1.1 UCLH Board and committees |
| B.1.4 | 2.1.1 UCLH Board and committees |
| Additional requirement | 2.1.1 UCLH Board and committees<br>2.1.2 Governors and members |
| B.2.10 | 2.1.1 UCLH Board and committees<br>2.1.2 Governors and members |
| Additional requirement | 2.1.2 Governors and members<br><br>We used an external search consultancy and open competition for the role of Chairman |
| B.3.1 | 2.1.1 UCLH Board and committees |
| B.5.6 | 2.1.2 Governors and members |
| Additional requirement | Not applicable |
| B.6.1 | 2.1.1 UCLH Board and committees |
| B.6.2 | Not applicable |
| C.1.1 | 2.6 Statement of Accounting Officer's responsibilities |
| C.2.1 | 1.1.6 Key risks to delivering our strategic objectives 2018/19<br>2.7 Annual governance statement |
| C.2.2 | 2.1.1 UCLH Board and committees |
| C.3.5 | 2.1.1 UCLH Board and committees |

| Code reference | Section |
|---|---|
| | Not applicable, the Council accepted the audit committee's recommendation |
| C.3.9 | 2.1.1 UCLH Board and committees |
| D.1.3 | 2.2 Remuneration report<br>2.1.1 UCLH Board and committees |
| E.1.4 | 2.1.1 UCLH Board and committees<br>2.1.2 Governors and members |
| E.1.5 | 2.1.2 Governors and members |
| E.1.6 | 2.1.2 Governors and members |
| Additional requirement | 2.1.2 Governors and members |
| Additional requirement | 2.1.1 UCLH Board and committees<br>2.1.2 Governors and members |
| A.4.1 | To date the Board has not appointed a Senior Independent Director (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" and both provide a channel through which directors and governors would be able to express concerns.<br>The Trust plans to appoint a SID in 2018/19. |
| B.1.2 | The Board considers all its non-executive directors to be independent in character and judgement. They are also all independent of management, with the exception of Professor David Lomas, Vice Provost of UCL, who holds an honorary contract with UCLH. |
| B.6.3 | See code reference A.4.1 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). |
| D.2.3 | 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. |

## 2.5 Single Oversight Framework

NHS Improvement's (NHSI) Single Oversight Framework (SoF) assesses trusts against a range of indicators (financial, operational, quality performance and leadership capability). Trusts are then placed in one of four segments. Segment one is best performing and segment four is worst performing. The segment that trusts are placed in determines the level of support or intervention that is put in place.

We are currently in segment two. This reflects our good rating from the Care Quality Commission (CQC) and our achievement of financial targets.

We were compliant with the national 18-week waiting time standard in quarter one, although we were a little worse than the standard for the remainder of the year.

We were not placed in segment one because we did not achieve the Emergency Department (ED) four-hour waiting time standard or the 62-day referral to treatment cancer waiting times standard.

On account of our continued under performance against the cancer waiting times standard NHSI and UCLH carried out a joint review of how we manage cancer waits. A cancer clinician from another sector led the review. We used the external review to generate an improvement plan, much of which we implemented during quarter four and our performance improved by the end of the year as a result.

## 2.6 Statement of Accounting Officer's responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of University College London Hospitals NHS Foundation Trust.

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

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

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

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance and
- prepare the financial statements on a going concern basis

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

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

**Professor Marcel Levi**
**Chief Executive**
**24 May 2018**

## 2.7 Annual governance statement

### Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, while 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 at 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 Policy and Procedure. The risk register and risk process is overseen by the Risk Coordination Board (RCB), an executive subcommittee chaired by the Director of Planning and Performance, reporting to the Senior Directors' Team (SDT).

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), 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 Policy and procedure defines the process for capturing risks both locally and strategically. It also defines the Trust's risk appetite.

A Board Assurance Framework (BAF) has been used at UCLH for eight years. The central purpose is to set out the strategic themes of UCLH 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, SDT 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, such as via the Central Alerting System (CAS). Sub-committees of the Quality and Safety Committee (QSC) monitor implementation of the National Institute for Health and Care Excellence (NICE) guidance and recommendations by the National Confidential Enquiry into Patient Outcome and Death (NCEPOD) and the corporate clinical audit programme. Standard clinical data sets are established, including areas of performance such as emergency readmissions. These are assessed on a monthly basis by the QSC.

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 and top operational 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 at UCLH for the year ended 31 March 2018 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, SDT and UCLH Board oversight.

**Capacity to handle risk**

The SDT 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 and Social Care's Strategic Executive Information System (STEIS). The QSC has oversight of serious incidents and receives a monthly report on serious incidents declared and reports completed that month. A quarterly report on serious incidents is provided to the Board and a monthly update and quarterly report to commissioners. A report is also provided to governors three times a year.

Board members receive training in risk management awareness 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 intranet. Good practice is shared through the RCB.

**The Risk and Control Framework**

The Risk Management Policy and Procedure is 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 SDT 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 SDT after each meeting. The Audit Committee and the Board consider a BAF report and risk report on a quarterly basis.

The Risk Management Policy and Procedure defines 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 UCLH Board. Risks are classified as low, moderate, high and very high, based on a consequence and likelihood matrix approved by the Board. The 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.

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

In compliance with the regulations of the Health and Social Care Act, UCLH has registered eleven 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 agreed recommendations. Progress in implementing corrective action is reported to the Audit Committee, and the SDT also receives regular reports on outstanding high and medium rated actions. The counter fraud programme is led by the Finance Director and monitored by Audit Committee.

**Information governance**

UCLH has a Records and Information Governance Group (RIGG) which is chaired by the Caldicott Guardian. This group reports to the Digital Services Delivery Board (DSDB). The DSDB reports to the SDT and is chaired by the Director of Digital Services who is the Senior Information Risk Officer (SIRO) for UCLH.

The RIGG and DSDB oversee our Information Governance Toolkit annual assessment and action plan. Through this governance structure the UCLH 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 UCLH and any third party. UCLH is making good progress on improving its overall IG Toolkit attainment.

Specific focus has been on cyber-security controls and systems. The IG Toolkit overall assessment score for version 14.1 is 83 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 RIGG.

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.

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 our risk register and will be subject to formal management attention.

UCLH operates in a complex environment and exchanges data with a number of organisations and we continue to prioritise activities to reduce the risk of data loss or accidental disclosure of personal data.

Information governance policy and guidance is continually reviewed and training and awareness raising programmes target all our 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. There have been no level 2 serious incidents reported through the Information Governance Incident Reporting Tool in 2017/18.

**Major risks**

UCLH has described the principal strategic risks that it faces in the annual report. The most serious strategic risks relate predominantly to financial sustainability, in particular the risk that unachievable efficiency targets or control totals are imposed on UCLH and are greater than can be achieved through our cost improvement programmes. There is the further risk that the tariff will not appropriately compensate UCLH for the complex, specialist work that is undertaken and the risk of non-payment for activity by commissioners.

The main operational risks currently are:

- Emergency Department (ED) flow – risk of insufficient bed capacity and operational rigour across the full emergency pathway (at UCLH and in the wider community) to meet the four-hour Accident and Emergency target. Despite the pressures UCLH has performed reasonably well compared to other trusts. This will continue to be an area where we will invest considerable improvement resource as further detailed in section 1.2.3 of the annual report.

- Providing cancer treatments within 62 days of referral – risk of not meeting the 62-day cancer waiting times standard. This is due to a combination of factors: higher levels of complexity in the patients seen at UCLH, compared to the national average; impact of patients taking time to make decisions about treatment options on pathways where there is not as much urgency around treatment starting; further improvements are needed in how we track patient pathways so that we can quickly identify patients at risk of not getting their treatment in 62 days; referrals of patients by other providers too late in the pathway for the standard to be met. UCLH has an improvement plan which tracks the key actions that will shorten the waiting time for treatment for cancer patients.

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. In particular, there is a risk that planned developments, including new hospital buildings and investment in a new electronic health records system (EHRS) to support UCLH's plan to improve efficiency, have a short to medium-term financial impact. This could risk the Trust's achievement of its control total and other financial targets.

**Foundation trust governance requirements**

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

The Board is supported by five formal committees with a remit to monitor the effectiveness of risk management, oversee performance and monitor internal control and assurance arrangements. These are the audit, finance and contracting, investment, QSC, and workforce committees, each chaired by a non-executive director. We have reviewed the committee structure and will be modifying it in 2018/19 to engage the Board of Directors more fully in decision making. Reports providing assurance are submitted to the Board.

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

UCLH has a clinical leadership model delivered through 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 UCLH Board level as appropriate.

Each of the key issues (governance measures, quality, activity levels and efficiency) is discussed at specific sub-board meetings and form sections within the Board performance report.

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

**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 Scheme records are accurately updated in accordance with the timescales detailed in the regulations.

Control measures are in place to ensure that the Trust'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. This ensures that our 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, SDT and to the Board. UCLH has reported a financial position significantly better than plan in 2017/18, as a result of a number of non-recurrent benefits combined with central matched funding for over-performance against plan.

Internal audit reports consider value for money and Deloitte is 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.

All significant cost improvement plans (CIP) are required to have a quality impact assessment (QIA) undertaken which assesses the potential impact of the plans against three criteria:

- Patient safety and experience
- Clinical effectiveness and performance
- Staff experience

The QIA process uses the risk management methodology in place at UCLH to consider and rank the impact of proposed changes. Once satisfied that all risks have been appropriately considered, authorisation to proceed with the CIP is required from the clinical lead, Chief Nurse, and relevant Medical Director.

**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. NHS Improvement (in exercise of the powers conferred on 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, which includes:

- 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 the SDT meeting, Elective Access Board (EAB) and QSC
- Clinical Boards monitor and manage performance
- Clinical and quality data is reported to the Board and scrutinised and challenged at Board sub-committees, including an annual review of controls and assurances for the Chief Executive's performance report metrics. The annual data quality assurance report to the Audit Committee includes a kite mark dial assessment for each performance indicator. Each year we have a programme of actions that we implement to improve our data quality
- 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, Overview and Scrutiny committee (OSC), our governors and our local Healthwatch, as required by Quality Account Regulations.

The Board has regularly reviewed the Trust's performance on referral to treatment (RTT), diagnostics, Emergency Department (ED) and cancer access standards. It has also discussed the findings of previous internal and external audit reports and the 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. It also recognises the need for data and its sources to be constantly reviewed and the ongoing improvements that are needed, for example those set out above.

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

Key areas of focus include:

- Weekly monitoring of data quality indicator trends for RTT. These are circulated to divisions on a weekly basis with priority areas of focus highlighted for action.
- Review of a bi-monthly internal sample audit, which alternates between RTT and diagnostics. Individual and aggregate findings are shared with divisional managers and frontline staff.
- Bi-monthly assessment of the health of patient tracking list (PTL) management, carried out by the elective access team
- Tracking delivery of our RTT and diagnostics training plan. The programme was formally launched in September 2016 to ensure staff have the knowledge and capability to record pathways correctly at source and thus reduce the risk of data quality errors. eLearning modules are mandatory for all staff involved in the administration of pathways and require annual refresher courses. The current phase is to progress clinic outcome form training to improve completion and accuracy rates among clinicians.

Our quality report external audit has shown that we need to do more work to improve how we document and provide assurance on waiting times in ED. We have improved validation processes and introduced monthly audits of how staff are documenting waiting times. These have demonstrated no systematic inaccuracies in the waiting times that we report for individual patients.

External audits have shown that we do not consistently document evidence for the ED waiting times that we report.

We continue to raise awareness about the need for accurate record keeping and validation. Full assurance on the accuracy of our recorded waiting times will be provided with the implementation of a new electronic health record system (EHRS), which is currently planned to go live in 31 March 2019.

The foundation trust is fully compliant with the registration requirements of the CQC.

**Review of effectiveness**

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

UCLH reviews the 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 BAF.

The responsibility for compliance with the CQC 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 the Trust in gaining assurance on its system of internal control.

The results of external audit's work on the UCLH 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

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 the SDT and the Board to focus on key issues as they arise and address them. The Board requests specific in-depth reports on areas of under-performance as required.

The Audit Committee has overseen the effectiveness of the Trust's 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 that there is adequate and effective management and internal control processes to manage the achievement of the organisation's objectives.

**Emergency Department (ED) four-hour wait**

We did not achieve the standard that 95 per cent of patients should spend less than four hours in our ED in any month of the year. Performance over 2017/18 as a whole for total time in the emergency department under four hours was 87.9 per cent against the 95 per cent standard.

There is a comprehensive action plan in place which is monitored at UCLH's Emergency Care Recovery Board and includes the ED's, the Trust's and wider system's actions.

One of the key achievements of the plan will be securing consistent delivery of at least 98 per cent against the four hour target in our urgent treatment centre.

We have made some progress improving flow through the department and hospital for more complex patients. We are in the process of embedding our new Coordination Centre using specific software designed to support patient flow through hospitals. We expect this to make significant improvements to the availability of beds in the hospital and therefore to support much stronger performance against the four-hour standard.

Bed capacity continues to be the main cause of breaches. We are working with commissioners and other partners to improve discharge of patients who no longer need to be in the hospital for medical reasons.

Our use of clinical utilisation review software allows us to identify those patients who are ready to leave the hospital. This provides our commissioners with valuable information to help them identify non-acute services for these patients, rather than continue to use a hospital bed.

We have established stronger relationships and governance arrangements with commissioners around design of non-acute pathways and securing the move of patients to less acute settings. We have also implemented discharge to assess pathways to reduce the time that patients spend waiting in our beds while it is decided what the next step in their care needs to be.

Further phases of the ED redevelopment were completed in quarter four, providing more treatment rooms and more capacity for ambulatory care.

In the coming year, the key actions to support emergency flow will be:

- Embedding the Coordination Centre to help us manage flow more effectively across UCLH
- The CCG will increase capacity on discharge to assess pathways
- Changes in staffing levels and models on our acute medical unit and in our ED

**62-day cancer wait**

UCLH did not achieve the 62-day standard for maximum patient wait for cancer treatment following GP referral in any quarter. The main reasons for delays were patient choice (that is the impact of patients taking time to make decisions about treatment options on pathways where there is not as much urgency around treatment starting) and late referrals from other trusts. UCLH also did not achieve the standard internally (i.e. just for those pathways that started with a GP referral to us) other than in one month.

In response UCLH has agreed a full recovery plan with commissioners 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:

- Undertaking demand and capacity analysis across all two-week wait pathways to reduce waits for first appointments to seven days
- Developing more rigorous tracking of patients at risk of not being treated within 62 days of referral
- Confirming that we have enough capacity in a range of diagnostic tests
- Using clinical leadership within multi-disciplinary teams (MDT) teams to drive improvements in design of clinical pathways and tracking of individual patients
- Working with other providers, supported by NHS Improvement, to reduce the time patients are referred to us for treatment
- Understanding and tackling patient choice delays, in particular on the prostate pathway

**Never events**

There were no never events this year.

There has been a trend of serious incidents over the last two years relating to failure to follow up on imaging results. These have been related to failure to alert clinicians to, or failure to follow up on, imaging results. The importance of having robust systems in place therefore continues to be a quality priority.

**Conclusion**

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

**Professor Marcel Levi**
**Chief Executive**

**24 May 2018**

Signature to the accountability report:

**Professor Marcel Levi**
**Chief Executive**
**24 May 2018**

# 3 Quality report

**Statement on quality from the Chief Executive**

Our vision is to deliver top-quality patient care, excellent education and world-class research and this has continued to be our focus during 2017/18.

I am proud to present our quality report for 2017/18 which shows how we performed against our 2017/18 priorities, sets out our priorities for the coming year, and gives an overview of all our key performance indicators and assurance statements.

The Care Quality Commission (CQC) inspected our core services in March 2016 and published their report in August 2016. We have continued to work on the areas identified for improvement by the CQC. Our progress and remaining challenges are covered in section 3.2.

Since last year we have transformed our urgent and emergency care services, expanding the Emergency Department (ED) and redesigning the paediatric (children's) emergency department. While this has undoubtedly improved care and patient experience we continue – like most hospitals - to find it challenging to meet national targets for patients waiting to be treated, admitted or transferred. We have, however, started a whole range of improvements throughout the pathway of care for acute patients at UCLH which we expect will achieve a better performance against these targets.

We have made measurable improvements in our treatment of patients with pain, with sepsis and with dementia and learning disabilities. Documentation has improved. We have also put considerable effort into ensuring that mandatory training is undertaken. Take-up has improved, although we did not quite meet our target.

Complaints are an important source of learning and our report gives examples, they underline especially our need to improve non-emergency patient transport services.

Turning to performance against the year's improvement priorities, we have made progress in all five areas, though falling short of some of our targets.

We have continued to promote the effective use of 5 *Steps to Safer Surgery* (5SSS) to reduce harm related to surgery and invasive procedures. We describe how safety rounds have been used to promote learning and develop a stronger safety culture.

Our performance in using vital signs to identify patients for escalation remains good and more use is now being made of a standard communication tool when escalating to our Patient Emergency Response and Resuscitation Team (PERRT). There have been significant improvements in our treatment and review of sepsis patients, with targets met in the final quarter of 2017/18. But we still need to improve documentation of acute kidney injury (AKI) and understand better how we are responding across the trust to patients with AKI.

Progress towards a more robust system for following up imaging has also been slow but we expect this will be much improved after implementation of our new electronic health record system (EHRS).

Increased reporting of near misses points to a strengthened learning culture and we have established a patient safety committee with a special focus on learning. We continued to use

Improving Care Rounds and benefitted from a review by our internal auditors which will improve learning and feedback processes further.

I am delighted to report that there were no Never Events in our hospitals in 2017/18.

We published our learning from deaths policy in 2017/18 and two reports describing what we had learnt were produced in 2017/18. In the coming year we plan to increase the number of deaths being reviewed.

Our stakeholders agreed that we should set the same priorities for the upcoming year 2018/19.

The selection of local patient survey questions included in priority 3 (patient experience) has been refreshed based on performance in 2017/18. We will continue to focus on the friends and family test and seek to improve our performance with respect to A&E and transport.

We did not meet our target for outpatient waiting times and our overall performance fell against the previous year, despite the work undertaken in our departments. Targets for improvement have again been set.

Although we met our target for improving inpatient waits, we will continue to prioritise this area because we have yet to see the full impact of our new Coordination Centre which went live in December 2017. With its supporting 'TeleTracking' system, this improves management of patient flow by giving wards and clinics real-time data on bed capacity and patient demand.

We also saw some improvement in our inpatient and discharge priorities but did not meet our targets so these priorities will also continue. However we were delighted by the improvement in our cancer patients' access to clinical nurse specialists. Performance far exceeded our target so we will focus instead on provision of easy-to-understand written information for cancer patients in the coming year.

Finally, you will see references to our new electronic health record system throughout this report. When the system goes live on 31st March 2019, it will start to transform the quality of care we provide to our patients, improving decision-making by giving us faster and easier access to patient records. Planning is well under way and we are working hard to ensure that it improves staff, as well as patient experience.

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

(continues on next page)

To the best of my knowledge, and taking into account the processes that I know to be in place for internal and external scrutiny, I believe that this report gives an accurate account of quality at UCLH, recognising the matters identified in the report including in respect of the '18 weeks referral to treatment incomplete pathway indicator' and the 'A&E maximum waiting time for four hours indicator' as described in section 3.5.2 'Progress against the indicators in the Single Oversight Framework'.

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

**Professor Marcel Levi**
**Chief Executive**
**24 May 2018**

## 3.1 About this report

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

Quality in healthcare is made up of three dimensions:

- Patient safety - keeping patients safe from harm
- Clinical effectiveness - how successful is the care we provide
- Patient experience - how patients experience the care they receive

This report tells you how well we did against the quality priorities and goals we set ourselves for 2017/18 (this year). It sets out the priorities we have agreed for 2018/19 (next year), and how we plan to achieve them.

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

## 3.2 Learning from feedback

### 3.2.1 Care Quality Commission Inspection

We underwent a CQC inspection of our core services in March 2016. The CQC assessed the safety of our care, how effective our care is, how caring, responsive and well led we are. There are four categories (outstanding, good, requires improvement and inadequate). We were rated as 'good' overall, with 'well led' in surgery rated as outstanding.

However, five areas were found to require improvement, three in urgent and emergency services, and two in medical care. The CQC also identified trust-wide actions where we could improve. In the last year we have continued to work on our action plan.

**CQC Recommendations: Emergency Department (ED) including Acute Medical Unit**

We have around 138,000 attendances at our ED each year. Since last year we have transformed our urgent and emergency care services by expanding and improving our ED footprint at University College Hospital. This is part of a £21.7 million programme to redevelop and improve the environment, while continuing to provide care to patients. As part of this programme of works, the paediatric (children's) emergency department has also been redesigned to improve the experience of families attending the ED.

**The CQC recommended …**

that we check the streaming process (this is the process by which we assess patients and allocate them to the most appropriate area e.g. to the urgent care unit or emergency admission unit) in the ED and work with our staff to develop a system that shortens the time to assess patients, and the time they have to stay in ED.

**What have we done?**

We opened the most recent phase of the ED rebuild on time on 8 January 2018 with subsequent openings of the new ED X-ray area and the new children's ED in February and April 2018. This has improved capacity (which means we can care effectively for more patients) and further improved streaming. The final phase of ED development includes the majors area, ambulance offload area and staff facilities. The latter will improve ambulance offload times and times to assessment for our majors patients. We are nearing completion of plans for this phase which will commence later in the year.

In addition to streaming to the urgent treatment centre, majors and resuscitation areas we have implemented a nurse navigator to stream patients prior to formal triage (where the degree of urgency for care is assessed). We have also introduced a GP at the front door. This ensures patients are sent to the most appropriate area of care, including primary care based in ED, or directly to ED, as quickly as possible.

We recognise that a significant element of the wait in the ED is due to bed capacity. We introduced a new Coordination Centre and supporting system 'TeleTracking' in December 2017 which provides real-time data on bed capacity and patient demand which should enable us to better manage the flow of patients. We describe this elsewhere in the report.

We now have more ED consultants and have onsite consultant cover until midnight 7 days a week. We improved our emergency clinic and short stay ED ward (Clinical Decision Unit -

CDU) clinical pathways and are treating more patients in this way to avoid unnecessary admission. This care is now provided in new facilities.

We have opened new x-ray facilities with a CT scanner in the ED department so that patients can access urgent diagnostic imaging more rapidly.

The new ambulance access, opened on 24th January 2018, shortens the route into the department for ambulance crews and helps them to meet the 15 minute offload target. We have piloted a 'Rapid Assessment and Treatment' model to ensure early senior clinician review and treatment of ambulance patients and are embedding this approach going forwards.

**How do we know we have improved?**

We introduced the clinical navigator role (a nurse who directs patients to the most appropriate area) at the ED front door in February 2017. Since then we have consistently met our target for 'time to assessment' of patients within 15 minutes.

Unfortunately, we have not yet seen an improvement in our performance against the four hour standard. This is being closely monitored and an improvement programme is in place

**The CQC recommended …**

that we should make sure we always record national early warning scores (NEWS), sepsis screening and pain management in ED.

**What have we done?**

We introduced improved 'casualty card' documentation to include the National Early Warning Score (NEWS) chart which includes a section for scoring of pain. The nurse in charge in the 'majors' and the 'resuscitation' area where our more unwell patients are managed, checks regularly that documentation reviews are taking place. Weekly documentation audits are carried out to assess how pain is managed, the use of NEWS and PEWS (paediatric early warning) scoring and how sepsis is managed. A patient safety checklist has been introduced in the Majors and Resuscitation areas within the ED to help staff monitor patients.

We appointed a sepsis improvement nurse who works across the trust but largely in the ED and acute medical unit. Her work has significantly improved awareness and understanding of sepsis, by recruiting local champions and providing training across all staff groups. This has facilitated achievement of our sepsis CQUIN targets across the ED and inpatients.

We ran a sepsis masterclass in March 2018 which was oversubscribed and well received. UCLH has been involved in both national and international work regarding sepsis which is important to recognise as part of the improvement work in this area. Please refer to section 3.3.1 for further detail.

**How do we know we have improved?**

The CQUIN sepsis audit data shows that the ED screened 93 per cent of patients for sepsis using vital signs recordings against a target of 90 per cent. The target for giving antibiotics within an hour in ED was 72.5 per cent of patients with confirmed sepsis and we achieved 74 per cent. We have done a lot of work to improve our nurse documentation in the ED. We carry out a weekly documentation audit of a snapshot of patients from across the whole ED. In March 2018 56 per cent of the patients sampled in the ED had their pain scored and 50

per cent had their NEWs score documented. We have an action plan in place to improve these results so that this is done for the majority of patients in the ED.

**The CQC recommended …**

that we check emergency cover in the ED to ensure it meets the Royal College of Emergency Medicine (RCEM) recommendations.

**What have we done?**

The RCEM recommend that there is consultant level cover in the ED 16 hours a day on seven days of the week. We have now achieved this recommendation in full and have consultant cover on every day of the week, for 16 hours.

**The CQC recommended…**

that we ensure risks are noted on risk registers in ED and AMU.

**What have we done?**

The risk registers have been updated. Work is ongoing to improve incident reporting and audit; complaint key themes are now discussed at the divisional quality and safety meetings and added to the risk register where relevant.

**How do we know we have improved?**

In July 2017 we looked at the risks related to the ED and the Acute Medical Unit (AMU) to assess the position with respect to whether the risk register is up to date and regularly monitored.

Forty-two risks were added to the risk register between May 2010 and July 2017. Of those 22 were open and 14 had been added since 1st April 2016 compared with only four in the previous financial year, 2015/16. All of the risks on the register had been recently reviewed.

The risks on the risk register covered a variety of concerns and had been identified through a number of sources. The overall impression was of the risk register being more actively used.

**CQC Recommendations: Medical Care**

Medical care is provided by five divisions across the trust. The CQC report refers to medical wards in the UCH tower providing care for patients in the medical specialties, infectious diseases and respiratory care.

**The CQC recommended …**

that we improve our standard of clinical documentation, such as clear entries being made, patient identifiers being on each page and better filing.

**What have we done?**

We developed an action plan within our Exemplar Ward accreditation system regarding nursing documentation. The scheme was created to assess ward performance, recognise ward teams that have provided exceptional care (exemplars) and that have provided support

to other wards to help improve standards. The scheme accreditation levels are: 'Working towards improvement', 'satisfactory', 'good', 'great' and 'outstanding'.

A quarterly teaching session is delivered by the matron to the junior doctors' teams addressing quality and risk themes, including documentation.

**How do we know we have improved?**

An audit in November 2017 of medical documentation showed that in 90 per cent of notes audited it was clear who the patient's consultant was and clinical record sheets were stored securely under the correct tab in the patient file and in chronological order. However significant improvement is needed in each record having the patent's name and number at top of each page and all entries being timed.

In February 2018 the Exemplar nursing ward documentation results showed that medical wards were scoring 'good' or better.

**The CQC recommended…**

that we ensure risks are noted on risk registers.

**What have we done?**

Each division within 'medical care' has a committee in place to monitor how risks are managed. The importance of addressing risks at each meeting was reiterated.

**How do we know we have improved?**

An internal audit was conducted in July 2017 to review the operational delivery of the trust risk management policy and procedure for a number of areas including medical care. The audit identified that each division had a committee in place although a recommendation was made by the auditors specifically for the medical specialties division to make an amendment to their current agenda by adding risk management as a standing item to the Medical specialities divisional meeting. Risk management has been followed up on a regular basis by reviewing the risks and checking they are being actively monitored and this review has shown improvement, in that the numbers of risks being put on the risk register have increased and they more accurately reflect the risks identified by staff.

Overall in the trust a comparison of the number of risks on the risk register shows we have increased the number of risks on the register from March 2017 to December 2017 by 21 per cent. Those managed at local level have increased by 18 per cent. This shows a more active focus on identifying risks in the trust.

**Trust-wide - other key areas we are working to improve are:**

**The CQC recommended …**

**that we improve documentation of care of patients with dementia:**
Although we flag (identify) patients with dementia, the CQC said that this did not appear to be reflected in plans for their care.

**What have we done?**

We are now ensuring that patient needs associated with dementia are included in the nursing assessment and care record. Where the patient or family agree, a 'This is me' card is placed on the patient's bedside table which details what the patients' preferences are if they are unable to communicate them to staff.

**How do we know we have improved?**

An audit was carried out on three wards to see how well we were doing. Twenty one patients with dementia were identified. Most of them were highlighted on the wards via a blue 'Forget me not' flower next to their name on the main patient details board. However, only a few patients had a 'This is me' card completed. We were reassured that the majority of staff caring for the patients knew them and their needs, but this was not documented. In response to this we are further promoting the use of 'This is me' cards through our trust communications, and emphasising that staff are required to file the cards in the patients' notes on discharge. This will be re-audited in 2018.

**The CQC recommended …**

**that we improve documentation of care of patients with a learning disability (LD):**
CQC recommended that we ensure that care of patients with a learning disability goes beyond mere identification and that we devise clear care pathways to meet the needs of these patients.

**What have we done?**

When a patient with a LD is admitted, they are routinely offered a 'hospital passport' if they do not already have one. This is designed to help hospital staff understand each patient's needs, likes, dislikes and interests. We monitor this by six-monthly audit. A 75 per cent target for patients having a 'hospital passport' was set for 16/17 as part of a CQUIN project.

**How do we know we have improved?**

We now have 98 learning disability champions at UCLH, an increase from 30 last year. Learning disability champions are staff who champion the needs of patients with learning disabilities at UCLH and are from all areas of the trust including nurses, porters, catering staff, radiographers and chaplains. The aim is for each ward and department to have a champion.

In 2016/17 we collected data on the use of the hospital passport simultaneously with the CQUIN project. From a review in Q4 2016/17, we found that 77 per cent of patients with learning disabilities were being offered hospital passports. A snap-shot audit of five inpatients that were known to have a learning disability on 19th December 2017 showed that all of them had a hospital passport. A further, in-depth case-note audit will be completed looking at patients with learning disabilities that have accessed the trust in the month of March 2018. The audit will focus upon hospital passport use, reasonable adjustments, management of pain, meeting nutritional needs, community support and discharge.

**The CQC recommended…**

**that we improve mandatory training:**

**What have we done?**

Following the CQC visit in 2016, we have made a number of changes to enable us to meet mandatory training targets.

- Introduction of e-assessments to enable staff to demonstrate they are competent in a subject when refreshing compliance, rather than re-train.
- Designed 28 new e-learning packages so that staff can complete training at a time and place that is convenient to them
- Development of a live reporting tool to enable managers to monitor compliance of individuals and teams and for individuals to check their own training.

We identified that our staff with honorary contracts were not included on our database used for mandatory training. We undertook a review of the electronic staff record system (ESR) and as a result the number of unclear status honorary contract holders has reduced from 3631 to 498. These were then added to the mandatory training database so would have had the impact of increasing the numbers we should be training

**How do we know we have improved?**

Mandatory training compliance as of March 2018 stands at 90 per cent against a target of 95 per cent.

**The CQC recommended …**

**that we improve pain scoring and documentation:**

**What have we done?**

We have been raising awareness of the importance of good pain management. A clinical practice facilitator, supported by the chronic pain team, has been conducting a pilot scheme teaching ward by ward. Learning needs are identified and bespoke training is provided. The pain team has concentrated on the areas of emergency services and the medicine wards.

**How do we know we have improved?**

We monitor how pain is scored as part of our monthly Essence of Care audits. This involves auditing 10 patients per ward/department every month. We ask if the pain score was recorded with the patient at rest and upon movement. Although we still need to improve, in quarter 4 (Jan-March 2018) scores were above 80 per cent which the Exemplar Ward scheme rates as ‘good’

### 3.2.2 Learning from 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 other concerns which do not require a full formal investigation.

Monthly figures on complaints are shared and monitored via performance reports. The patient experience quarterly report uses data from complaints, Patient Advice and Liaison Service (PALS), feedback, surveys and Friends and Family Test (FFT) results.

The UCLH complaints manager produces reports for the divisions and boards as required, and quarterly reports for the improving experience group, the patient experience committee and the quality and safety committee to identify any trends or themes. Lessons learnt are shared through the quality and safety bulletin, site experience groups and divisional governance groups.

UCLH received 887 formal complaints in 2017/18, 16 per cent more than in 2016/17. Complaints about transport issues were responsible for much of this increase but there was still a seven per cent increase in formal complaints about subjects other than transport. Organisations which encourage feedback, as UCLH does, are more likely to receive complaints so complaint numbers are not an indicator of quality.

However, complaints do provide valuable feedback for us about the quality of our services; at the same time they provide evidence to our patients and the public of the action UCLH has taken to learn from complaints and to put in place measures to improve the quality of services. Some examples of how we have made changes as a result of learning from complaints are as follows:

*1. Transport complaints*

The numbers of complaints for transport has risen over the last year, primarily due to long waiting times and non-arrival of booked transport. UCLH changed provider for the non-emergency patient transport service in November 2016. We began to see a significant increase in complaints as there were not enough drivers and vehicles to manage the contract efficiently.

A revised contract was drawn up with the provider in February 2018. They have committed to improving the experience for users of the service and the contract now includes key performance indicators related to patient experience and complaints which the trust is monitoring closely.

*2. Access to British Sign Language (BSL) interpreters*

In 2017 it was noted that there was a cluster of complaints about access to BSL interpreters for outpatient appointments. Upon investigation it was found that changes to terms and conditions within the nationwide framework contracts meant that some BSL interpreters declined to work through these contracts, which resulted in reduced availability of interpreters.

A clear process for booking was circulated to general and divisional managers and additional cover was arranged through an alternate provider as an interim measure. A fortnightly meeting with the patient experience and procurement teams kept this under regular review and this issue is now largely resolved with more BSL interpreters becoming available. UCLH is also exploring the introduction of BSL Video Interpreting (Sign Live) across the trust to facilitate communication when an interpreter may not be available if required at short notice.

*3. Management and communication during the latent phase of labour*

An increase in complaints about support, care and communication during the early phase of labour, when women may be in significant discomfort but are not in fully established labour, was noted. This finding was also reflected in the 2017 national maternity patient survey. The head of midwifery and the trust complaint manager developed some case studies based on patient complaints, and all of the band 7 midwives attended an interactive workshop. The focus was on how to identify and resolve concerns at the earliest opportunity. Staff attending

the day identified areas for improvement to take back into their teams and clinical areas. This has been followed up by a workshop of senior staff with Picker (maternity survey provider) to understand the maternity patient survey findings more clearly. Another more widely attended workshop has been held to explore how we might better accommodate mothers on/off site who present in the latent stage of labour and want to stay in hospital because of the distance home.

*For more information on our complaints for 2016/17 please see the annual complaints report available on our website. The annual complaints report for 2017/18 will be published in September 2018.*

## 3.3 Progress against 2017/18 priorities

This section of our quality report provides a look back over the 2017/18 quality priorities at UCLH. We put in place action plans and developed measures for each of the priorities and our performance has been monitored throughout the year by our clinical teams and hospital committees.

### 3.3.1 Priority 1: Patient Safety

**Reduce surgery related harm**

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

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

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

Our methods, described below, are transferrable and we were glad to have an opportunity to share them with one other NHS trust in 2017/18. We will continue to share our learning in 2018/19.

Our work has a number of elements:

**Surgical safety walk rounds / Enhancing Safety Visits:** Our surgical safety walk rounds focus not only on safety improvement in theatres but in other areas undertaking invasive procedures such as endoscopy and neuroradiology. We therefore renamed them 'Enhancing Safety Visits' this year but the format remains the same, with visiting teams observing, talking to staff and helping them to identify opportunities for safety improvement. Altogether in 2017/18 19 enhancing safety visits took place across 24 specialities. Thirty four staff participated, ranging from Medical Directors to theatre assistants, dental nurse tutors and anaesthetists. Sixty-five patient procedures were observed. These visits are increasingly embedded in the culture in many surgical and invasive procedure areas.

**Education and training:** An e-learning module on the 5SSS has been created due for launch in summer 2018. This learning package includes videos, interactive learning processes and knowledge checking throughout to provide a robust learning experience. We are also designing a workshop to support the utilisation of the 5SSS. This workshop aims to support individuals to understand how to recognise and manage potential risks to patients

during invasive procedures. It will include raising awareness of the impact human factors (e.g. communication, teamwork, situational awareness) can have on team performance when carrying out the 5SSS.

**Processes:** We have continued to widen the scope of the 5SSS in 2017/18 to areas carrying out invasive procedures outside of theatres such as interventional radiology, imaging under sedation and the regional anaesthesia block room. We have continued to create and review safety checklists and provide custom-made training for these areas.

**Culture survey:** A safety culture survey was undertaken in February 2017 across theatres and an action plan developed. Results were themed into five key areas; visions and values, goals and performance, support and compassion, learning and innovation and teamwork, which have formed the basis of our action plan. We have not repeated the safety culture survey this year as there are still outstanding elements of our action plan we wish to implement and embed.

**Staff bulletins:** Across the trust, examples of learning from incidents and near misses and observations during surgical safety walk rounds (now called enhancing safety visits) are fed back to staff using *At the Sharp End,* a surgical safety bulletin distributed to all staff working in theatres and procedures. We published two of these this year. A special edition of this bulletin was produced for the Eastman Dental Hospital (EDH) including the information below.

Following two dental Never Events in 2016/17 the EDH undertook a review of six serious incidents (between 2014 and 2017) in paediatric dentistry, hygiene and therapy and oral surgery outpatients, and a day case dental procedure to elicit common contributing factors. These were found to be predominantly human factors rather than technical skills – see table Q1.

These have been shared widely and teams asked to consider how many of these factors affected the team the last time they undertook a list.

**Table Q1. Common factors from review of serious incidents (EDH)**

| | | |
|---|---|---|
| 1. **Team communication breakdowns**: Plan not clearly communicated to all team members or incorrect information on site communicated. | **2. Team norms:** High levels of team confidence lead to the assumption that checks have been carried out or a culture of not speaking up if information or the plan is unclear. | **3. Team unfamiliarity with the patient:** Patient reviewed by a different dental surgeon in outpatients to the dental surgeon leading the procedure. |
| 4. **No independent verification of surgical site** using **all** available referral, outpatient and consent information. | **5. Multi-tasking and Distractions:** Team members leave the treatment room to carry out other tasks. | **6. Clinical supervision** of junior dental surgeons: e.g. lack of awareness of level of experience. |
| **7. EDH surgical safety checklist** not embedded or followed by the team. | **8. Poor quality radiographs** used to confirm the site of the procedure. | **9. Stress:** Sometimes caused by time pressure, late running lists, or staff shortages. |

| | | |
|---|---|---|
| **10. No standardised process** for denoting the operating site involves **removal of retained roots** due to the many different nomenclature recognised and used globally. | **11. Breakdowns in the consent process:** Consent policy not followed or problems consenting patients because of language barriers. | **12. Visual aid,** e.g. white board not available during the procedure to write patient's name, ID and intended procedure site. |

EDH developed a range of initiatives to reduce incidents, including implementation of a modified WHO surgical safety checklist, approved by the trust, for all irreversible dental procedures in the ambulatory setting. They also introduced training using case studies and role play that captured safety threats identified from dental never events. WHO checklist champions have been identified in each EDH department, who act as role models for good practice. This work has been recognised nationally - EDH Oral Surgery team won the Association of Surgeons in Training *(*ASiT) /Royal College of Surgeons England Patient Safety Prize for their work on the WHO training sessions.

**Learning from incidents:** We are measuring our progress against incidents that could have been avoided through following the 5SSS. This year we aimed to sustain the previous year's level of incident reporting with a mean of 8.5 incidents per month, 1.53 near misses per month and 0.14 incidents with harm per month. For definitions of harm and the specific selection of incident classification please see glossary.

The charts below show progress against our targets for last year. They are called Statistical Process Control charts. These show the average (mean) in green and upper and lower control limits in red which is calculated as times the standard deviation above the mean.

The red lines represent the limits of 'normal variation'. When the red and green lines move upwards or downwards this means there has been a significant change.

**Progress against targets**

Chart Q1 shows the number of surgery-related incidents reported under the 5SSS in theatres. The target this year was to maintain reporting of 8.5 incidents per month based on achieving these figures between 2016/17. We did not achieve this target in 2017/18 and reported a mean of 6.4 incidents per month.

**Chart Q1: Number of surgery-related incidents under the 5SSS reported over time**

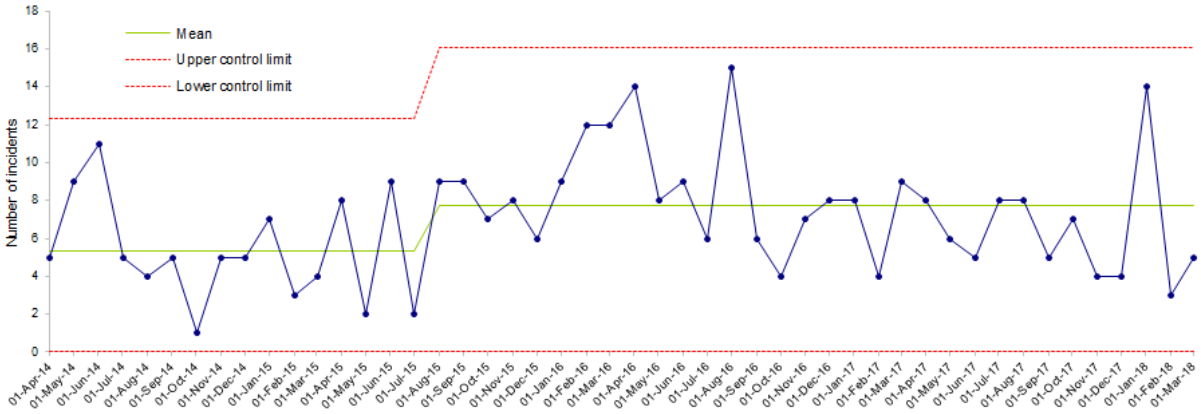



Chart Q2 shows the number of surgery-related near misses reported under the 5SSS in theatres. The target this year was to maintain reporting of 1.53 near misses per month based on achieving these figures between 2016/17. We exceeded this target and achieved a mean of 2.2 near misses reported each month in 2017/18. Reporting of near misses indicates a better safety culture as people are reporting to learn for the future, as well as when things have gone wrong.

**Chart Q2: Number of surgery-related near misses under the 5SSS reported over time**

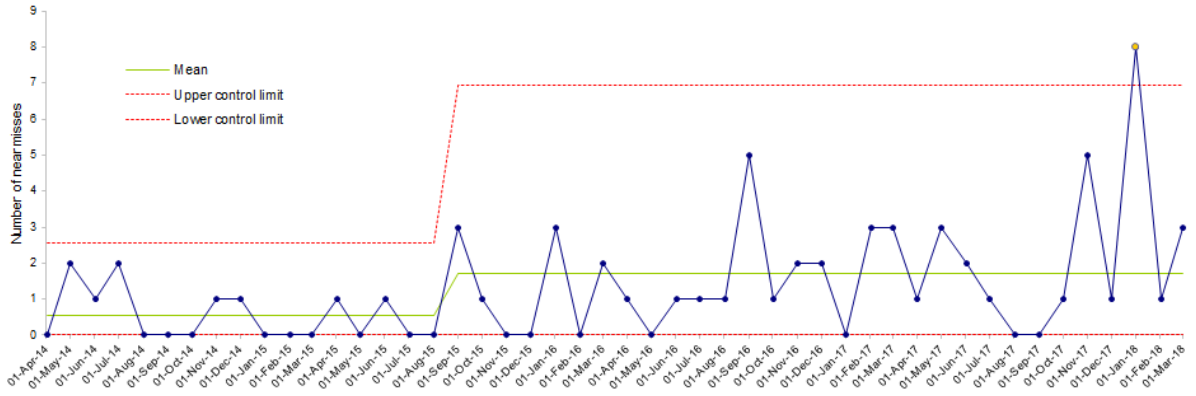
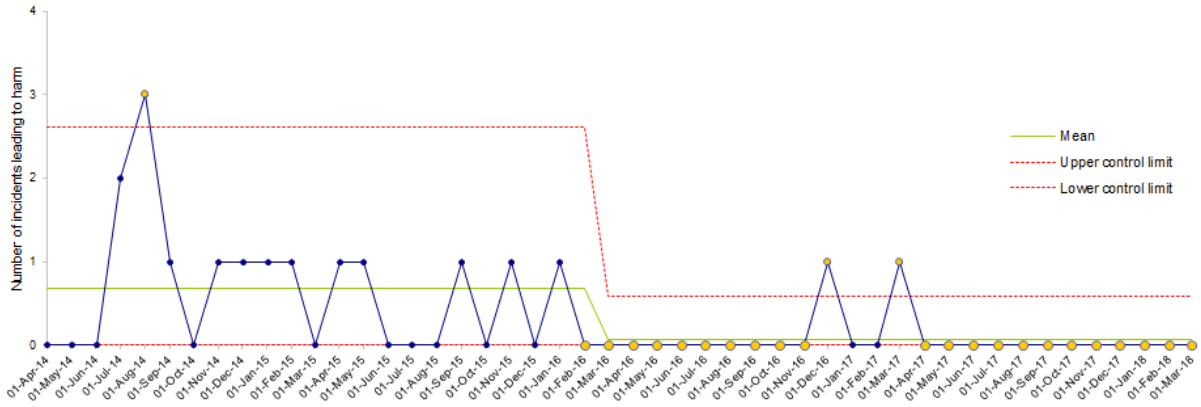



Chart Q3 shows the number of surgery-related incidents that have led to harm reported under the 5SSS in theatres. The target this year was to maintain reporting of 0.14 near misses per month based on achieving these figures between 2016/17. We have not had any incidents leading to harm, therefore exceeding this target with an average of zero per month in 2017/18.

**Chart Q3: Number of surgery-related incidents leading to harm over time**




Although overall reporting of incidents under the 5SSS in theatres has reduced, it is positive that we have seen an increase in reporting of near misses and a reduction in incidents leading to harm, demonstrating a positive safety culture. Learning and assurance from this data is limited as the numbers are so small so we are going to take a different approach next year. How we will do this is further explained in Section 3.4, Priority 1.

Reducing harm from surgery remains a safety priority for 2018-19. For more information see Section 3.4, Priority 1.

**Reduce harm from unrecognised deterioration**

Unrecognised deterioration is where a patient's health becomes worse and this is not picked up and acted on quickly. This year we continued to work on improving the recognition, escalation and management of deteriorating patients. Sepsis, as the most common cause of deterioration, and acute kidney injury (AKI) were both brought into the wider deteriorating patients programme. As a result, the programme's focus moved from working closely with one or two wards to taking a hospital-wide approach to improvement using specific initiatives. We have also looked to learn from serious incidents relating to unrecognised deterioration.

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

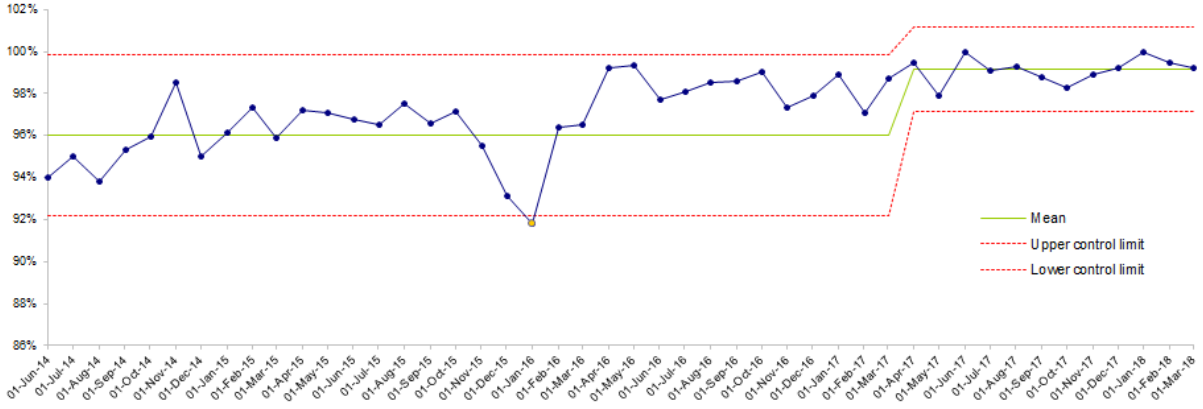
**Recognition** of deterioration
Improving vital signs and National Early Warning Score (NEWS) compliance

**Escalation** of a deteriorating patient
Improving the use of SBAR (Situation, Background, Assessment, Recommendation) in escalations

**Management** of a deteriorating patient
Improving recognition and treatment of sepsis
Improving recognition and treatment of AKI

**Recognition – vital signs:** Chart Q4 shows the percentage of vital signs completed based on a locally collected sample of five patients per ward per month. Our target was 96 per cent based on what we achieved in 2014-2017 and we achieved 99 per cent. This was a statistically significant change, and has been maintained throughout the year.

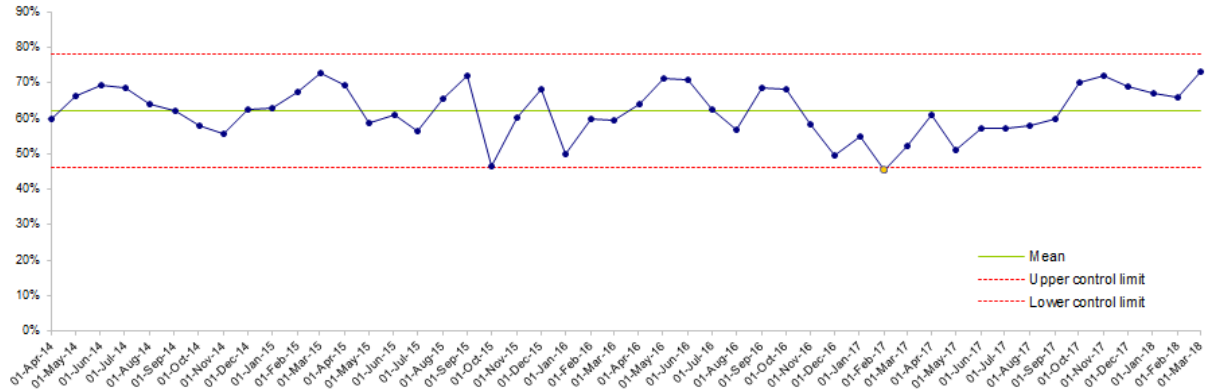
**Chart Q4: Per cent vital signs completed for patients Trust-wide (sample of five patients per ward per month)**




**Escalation - SBAR/ISBARD:** We learnt from incidents involving deterioration that there were a number of contributory factors including delayed response to escalation, unclear communication and delayed treatment when using the SBAR tool. Introductions were not always made and although options for assessment/treatment were discussed, a decision on management was not always clear. In order to overcome this, a new tool was introduced called ISBARD, which saw the addition of **I**ntroduction and **D**ecision. This tool provides information on the escalation in relation to when, by whom, to whom it was made, any concerns and assessment/management plans and what was decided as a result. The education drive was supported by a number of posters, stickers and lanyards to promote use of the tool. Training was disseminated across all disciplines within the trust and whether SBAR/ISBARD was used in communicating the referral is monitored.

Chart Q5 shows the percentage of referrals to PERRT where SBAR/ISBARD was used (where this metric was recorded).

**Chart Q5: per cent of referrals to PERRT where SBAR/ISBARD was used**




There were 2059 referrals made to PERRT in 2017/18 where SBAR/ISBARD was required. Use of SBAR/ISBARD was recorded in 79 per cent (1634) of these referrals against a target of 54 per cent. This measure assesses the quality of our data, which has significantly improved this year.

Within those referrals 64 per cent used SBAR/ISBARD appropriately against a target of 69 per cent. Although we did not meet our target of 69 percent for the use of SBAR/ISBARD across the year, there has been an improvement between September 2017 and March 2018

as demonstrated in the chart above. For this time period 69 per cent (628 of 925) of referrals to PERRT where ISBARD was required were made using the SBAR/ISBARD tool. This reflects the trust wide launch of the ISBARD tool in September 2017. Improving the use of ISBARD in referrals to PERRT remains a priority for 2018/19.

**Management, recognition and treatment of sepsis**

Over the last year, we have continued with our education and training on recognising and treating sepsis; not just in the ED as originally planned but across all our hospitals, for both adults and children.

A sepsis improvement nurse was recruited to ensure best practice according to clinical guidelines is embedded throughout the trust and to design and deliver a continuous education programme on timely identification and treatment of sepsis. For the moment, we believe that face to face training and awareness activities are an effective education approach, which has been proven with our CQUIN results described below.

In March 2018 UCLH hosted an all-day sepsis master class to share and learn from each other and hear about recent updates in sepsis care. There were 94 attendees across a variety of disciplines within UCLH. Ongoing trust–wide communication, ward walk rounds, poster campaigns ('Sepsis: Spot it. Stop it'), marketing stands and education all helped to raise awareness of sepsis.

In 2017/18 we participated in the national sepsis CQUIN to measure whether screening for sepsis is happening and antibiotics are being given within one hour, and reviewed within 72 hours. The target for screening for sepsis in ED was 90 per cent of patients and we achieved this in 93 per cent of cases. The target for screening for sepsis in inpatients was 90 per cent and we achieved this in 99 per cent of cases. The target for giving antibiotics within an hour in ED was 72.5 per cent of patients with confirmed sepsis and we achieved 74 per cent of cases. The target for giving antibiotics within an hour for inpatients with confirmed sepsis was 72.5 per cent and we achieved 58 per cent of cases across the year but this increased from an average of 50 per cent in quarter one to 77 per cent in quarter 4. The target for review of antibiotics within 24 to 72 hours was 90 per cent and we achieved 100 per cent. These results are averages for the year unless otherwise stated.

**Recognition and treatment of acute kidney injury (AKI)**

Audit data on recognising and treating patients who develop AKI on the acute medical unit shows that our documentation could be improved. This could be achieved through the use of the STOP (Sepsis and hypoperfusion Toxicity Obstruction Primary renal disease) criteria and checklist (defined by London Acute Kidney Network) and an AKI care bundle. Another audit of adult inpatients at the National Hospital for Neurology and Neurosurgery (NHNN) with AKI highlighted that less than half of these patients had a documented systematic approach to assessing a deteriorating patient. The outreach team at the NHNN are now receiving email alerts for their patients at risk of AKI to ensure improved identification of these patients. These alerts are also in place at the UCLH main site.

Based on these early findings, we plan to gain an in-depth understanding of how we are performing as a trust in response to patients with AKI and therefore to agree where we need to target our efforts.

**Reducing harm from failure to follow up on radiology results**

Our aim was to ensure that the flagging of unexpected results in radiology is happening effectively. Audits in radiology have shown that not all significant and unexpected findings are being identified with the 'urgent result alert'. We also wanted to be assured that specialties had a local system in place for checking that all results have been received and read and that this has been shown to be effective. Specialities were required to report on this and how they are assured, for example via audits.

An audit in February 2018 of compliance with the use of the 'urgent result alert' reported that only 52 per cent of reports showed the correct use of the alert. This was an improvement from the previous audits in January 2016 (36 per cent) and November 2016 (42 per cent) but shows that more work is required to improve. The imaging department will continue to work on improving this performance.

We were disappointed by the number of specialties that were able to assure us that their systems for following up on radiology results and associated 'safety net' procedures are robust so we have agreed that it would remain a priority.

**Incidents relating to radiology results**

We said we would look at actions from serious incidents to monitor their implementation. A missed diagnosis of cancer identified compliance issues with how the Serious Unexpected Findings policy is being implemented. As a result the policy was revised to ensure that every report with an actionable finding (even those considered benign) triggers an alert on our clinical data repository (CDR) and is also communicated via a telephone call to the clinical team, doctor or GP.

We had identified that measuring harm from results not followed up is difficult in practice because this is not a specific category in the trust incident reporting system. We have now reviewed the categories available and have agreed a revised list and updated the system. We will update divisions of these changes via the April 2018 issue of the quality and safety bulletin. We hope that this will give us better information on the occurrence of incidents from missed diagnosis and failure to follow up

**Continue Trust-wide learning**

During 2017/18 we piloted an approach to monitoring the implementation of actions from serious incidents over a six month period and identified risks that remain if an action was not implemented. We are now considering how to take this forward.

The quality and safety committee (QSC) has continued to play a role in monitoring the implementation of actions following a SI with significant trust wide learning.

We identified a gap in the ability to learn and share information across the trust at middle management level and so set up a patient safety committee (PSC) in November 2017 with a multidisciplinary membership drawn from all areas of the trust as well as chairs of trust committees such as the resuscitation committee, the airway steering group and the deteriorating patients steering group. The PSC reports to the quality and safety committee. Regular reports from the committee, which focus on immediate learning from serious incidents as well as the learning after the completion of the investigation, are distributed following each meeting.

**Quality and safety bulletins**

Quality and safety bulletins have already been referred to in the context of sharing learning. But they have a more general purpose as well and are used actively to publicise near misses. Near misses are growing as a proportion of all incidents reported through the trust's incident reporting system, from seven per cent in quarter three of 2016/17 to 11 per cent in quarter three of 2017/18. Reporting on near misses helps create a safe culture where staff can report freely as well as being an opportunity to learn and prevent future incidents.

Giving just one example of a near miss in 2017/18, a nurse intervened to prevent potential harm while a patient was receiving medicine to reduce blood clots in his lungs (thrombolysis treatment). The doctor started to explain to the patient that he was going to insert a line into his radial artery (a blood vessel in the wrist area). The staff nurse told the doctor that an invasive line should not be inserted until 24 hours after the thrombolysis medication had been completed to avoid unnecessary bleeding and the treatment was stopped. The incident underlines that staff must feel able to speak up when something potentially unsafe occurs and that safe care of patients needs staff to work together.

Bulletins also tell staff about the outcome of serious incident (SI) investigations and the investigation process. We amended the serious incident reporting template to make it easier to analyse root causes and contributory factors. This was used to a varying degree and we need to do some more work to make sure its use is embedded and then assess its value.

We also strengthened how the progress of investigations is monitored in order to meet completion deadlines. During 2017/18, 41 serious incident reports were submitted to our commissioners. Of these, 28 met the 60 day target or agreed submission date, giving an overall performance of 68 per cent. We were disappointed that performance did not improve during 2017/18. We will continue to monitor this next year through our quarterly performance reports and identify other ways to ensure timely submission of reports.

It is very encouraging to report, however, that there were no Never Events in 2017/18.

Please see section 3.3.1 for how analysis of root cause and contributory factors was used for the dental never events.

We amended the serious incident reporting template to make it easier to analyse root causes and contributory factors. This was used to a varying degree and we need to do some more work to make sure its use is embedded and then to assess the value.

As part of our rolling programme of Improving Care Rounds (ICRs) we routinely prepare a data pack for the ICR team which includes the division's last serious incident, if relevant. On the ICR the team will ask staff about their most recent SI and what they have learnt from it to check the sharing of learning.

**Improving Care Rounds (ICRs)**

In 2017/18 we continued our programme of ICRs and the focus on learning. We asked our internal auditors to provide assurance on the effectiveness of ICRs. They assessed if ICRs are carried out according to the trust guidance and with the required governance and reporting arrangements. They recommended additional monitoring and oversight by the CQC executive steering group to allow trust wide issues to be identified, and more widespread sharing of the findings.

### 3.3.2 Priority 2: Clinical Effectiveness

**Responding and learning when patients die**

The 'Mortality surveillance and learning from deaths policy - responding to deaths' was approved and has been published on the UCLH website in line with NHS Improvement requirements. It describes what deaths we will review and how they are reviewed. It also describes how we will involve families and learn from deaths.

Four senior staff received the Royal College of Physicians training on the structured judgement review (SJR) in October and November 2017 and we have trained a further four reviewers. We will continue to train reviewers until we have an adequate number.

**Communication with families**

When patients die at UCLH clinical teams work hard to address any concerns the patient's family have about the care provided. The bereavement team also work to resolve any questions the family may have.

In addition to this the UCLH End of Life Care survey for bereaved families and its cover letter have been amended to include an opportunity for families to provide us with their contact details if they wish to raise concerns.

We have started to review deaths using the SJR and published our second report for the public part of the Board in March 2018.

Further information on our work can be found in section 3.5.4.

### 3.3.3 Priority 3: Patient experience

We use a number of survey sources to measure patient experience. The CQC's annual National Inpatient Survey shows how we compare to all other NHS trusts but is only available later in the year. The Picker Institute carries out the inpatient survey on behalf of the CQC for some trusts which allows us to compare ourselves with other trusts using Picker (81 trusts out of 150 surveyed for 2017/18). In addition Quality Health runs the annual National Cancer Survey. This year our response rate for our inpatient survey was 36 per cent (nationally 38 per cent) and for our cancer survey was 56 per cent (nationally 67 per cent).

We also have an internal patient feedback system, which provides real time patient feedback which includes the Friends and Family test (FFT) and which helps us track our performance continuously through the year.

In 2017/18, our aims were to maintain our high overall experience ratings as measured by the FFT (table Q2) and to improve on seven specific areas detailed in tables Q2-Q7.

**Overall patient experience scores as measured by the Friends and Family Test (FFT)**
The Friends and Family Test gives an overall picture of patient experience, asking patients 'how likely are you to recommend UCLH to friends and family if they needed similar care or treatment?' The results are the percentage of patients who say 'extremely likely' or 'likely'. We have focused on four areas that give us a broad picture of patient experience across our hospitals - inpatient and day case patients, outpatients, A&E patients and users of our

transport service. As required nationally, scores for inpatient and day case patients are combined.

Small year-to-year fluctuations are to be expected in FFT scores, reflecting not just changes in patient responses but also the number of responses and the method of collection. We have continued to roll out new methods of collecting data, with text and voice calls now automatically sent to the majority of our patients shortly after leaving hospital. This has improved the volume of feedback we collect, particularly for outpatient and day-case areas. The number of day case responses rose from 1,800 in 2016/17 to over 11,000 in 2017/18 with the response rate rising from 25 per cent to 29 per cent. More data gives us a better understanding of patient views but new collection methods could be influencing scoring, if patients are more comfortable leaving negative feedback when they are not in the presence of our staff or once they have left the building. This should be kept in mind when looking at table Q2.

**Table Q2. Progress against FFT Priorities**

| Friends and Family Test area | Patients recommending UCLH 2016/17 | Target for 2017/18 | Patients recommending UCLH 2017/18 | Performance compared with previous year |
|---|---|---|---|---|
| Inpatients and day case | 95% | 95% | 94% | About the same |
| Outpatients | 91% | 93% | 92% | About the same |
| A&E | 95% | 95% | 83% | Worse |
| Transport | 85% | 90% | 69% | Worse |

There has been a significant decline in the patient recommended score for A&E in 2017/18. We recognise a number of factors may have affected this, including the reconfiguration of the department and the general pressures on capacity. A comparison with other similar trusts using the same data collection method (analysis of three months of published data) shows that we still compare well in London with the highest score at 85 per cent, and that we were also the highest scoring London trust for overall experience in the national emergency department patient experience survey published in October 2017. However, we recognise that the decline in our performance means that we need to improve our service to our patients.

We have continued to experience issues with our transport provider this year and this has been reflected in the FFT scores - please see complaints section (section 3.2.2).

**Improving patient experience in priority areas as measured by local and national surveys**

**Improving our patients' experience of waiting**

**Table Q3. Progress against specific outpatient waiting priority – real-time survey results**

| Question – higher scores are better | 2016/17* score | 2017/18 target | 2017/18 score | Performance compared with previous year |
|---|---|---|---|---|
| How long after the stated appointment time did the appointment start? (Percentage of patients who waited 30 minutes or less for appointment to start) | 73% | 78% | 70% | Worse |

** Last year the table was labelled 2016 but the data included was for the year 2016/17. The labels have been corrected for this year.*

We did not meet our real-time target for outpatient waiting and our overall performance fell against the previous year, despite the work undertaken in local areas. The outpatient services in the Elizabeth Garrett Anderson Wing were the only ones to meet the target with an average score of 83 per cent. Despite the programme of work described below the Macmillan Cancer Centre (MCC) was the worst performing area with an average score of 63 per cent.

The work in the MCC to improve waiting times has included a review of clinic room utilisation and work to understand the flow of patients through the clinics. The team are also focusing on improving the experience of waiting for patients; an action plan has been developed that includes increased use of volunteers to welcome and support patients and keep them updated on waiting times in all areas of the centre.

**Table Q4. Progress against specific inpatient waiting priorities**

| National inpatient survey question – lower scores are better | 2016 score* | 2017 target* | 2017 score* | Performance compared with previous year |
|---|---|---|---|---|
| Planned admission date changed by the hospital | 24% | 20% | 20% | Better |
| Patient waited a long time to get a bed on the ward | 31% | 28% | 28% | Better |

** Picker data is shown as a problem score - see glossary for more information on how these are calculated.*

We are pleased that we have maintained improvements on our target in both our inpatient waiting priorities. The Coordination Centre went live in December 2017 and should further impact our scores in the coming year. We expect to see a reduction in delays in patient care and cancellations of procedures at short notice that arise as a result of not being assured that there will be a bed for the patient to move in to.

**Improving our patients' experience of care**

**Table Q5. Progress against specific inpatient care priorities**

| National inpatient survey question – lower scores are better | 2016 score* | 2017 target* | 2017 score* | Performance compared with previous year |
|---|---|---|---|---|
| Not always getting enough help from staff to eat meals | 38% | 33% | 35% | Better |

** Picker data is shown as a problem score - see glossary for more information on how these are calculated.*

We have made some improvement in this priority but did not meet our target this year. We compare well with other trusts; we are above the average for comparable trusts in London (41 per cent) and nationally (37 per cent). Nevertheless, the action plan developed last year is still being implemented. For this reason we will continue with this priority next year.

**Table Q6. Access to a clinical nurse specialist (CNS)**

| National cancer patient survey question – higher scores are better | 2015 score | 2016 target | 2016 score* | Performance compared with previous year |
|---|---|---|---|---|
| Percentage of patients who said they found it easy to contact their CNS | 80% | 85% | 94% | Much better |

** National cancer patient survey question. The results for the 2016 cancer patient survey were published in July 2017*

We are delighted that we have continued to see great improvements in our cancer priority and exceeded our target. The cancer division has been focused on a number of initiatives to improve the accessibility of our CNSs. These have included creating a team leader and support worker role to support the team enabling the CNSs to manage their work more effectively. Other initiatives included ensuring that there was dedicated desk space available, access to trust mobile phones and extra administrative support which have all improved the ability to respond to complex patient queries.

**Improving our patients' experience of discharge**

**Table Q7. Progress against specific discharge priorities**

| National inpatient survey question – lower scores are better | 2016 score* | 2017 target* | 2017 result* | Performance compared with previous |
|---|---|---|---|---|

| | | | | year |
|---|---|---|---|---|
| a) Didn't know what was happening after leaving | 47% | 43% | 46% | About the same |
| b) Staff did not discuss need for additional equipment/home adaptation | 25% | 21% | 26% | About the same |

** Picker data is shown as a problem score - see glossary for more information on how these are calculated.*

We have maintained our score for patients knowing what was happening after leaving although we did not meet our target.

In some of our acute wards we have developed condition specific information leaflets helping patients with commonly seen conditions to understand what to expect when they leave hospital and helping them to feel more prepared for going home.

The Coordination Centre was launched in December 2017 and although it is too early to realise the full benefits, it is expected that as we now have a real-time view of all wards and the status of each patient we will be able to better signpost patients to the most appropriate level of care which may include community services.

The score for staff discussing home adaptations has remained stable this year, although there have been small improvements on some of our sites such as the National Hospital for Neurology and Neurosurgery which has improved from 29 per cent in 2016/17 to 23 per cent this year.

Working with North London Partners, we have continued to roll out the Discharge-to-Assess process. This means medically well patients are discharged home, or to a community bed, and assessed for any care or equipment needs at home within two hours. Any discussion about adaption and equipment will be had once a patient leaves the hospital. As part of this work to date, we have achieved a number of key milestones. We have conducted a comprehensive review of existing discharge pathways and followed this up by implementing a series of new protocols. We have also established a robust governance arrangement to ensure effective exchange of information, escalation processes and data collection.

## 3.4 Priorities for improvement 2018/19

**How we consulted on our priorities for 2018/19**

In choosing our quality priorities for the coming year, we consulted widely - with our staff, with representatives of local GPs, Healthwatch Camden and UCLH governors on behalf of our patients and the public. We sought input from our staff through the clinical boards, the patient safety committee, the quality and safety committee and the patient experience committee which is also attended by governors. We discussed the priorities and indicators with our governors through a session dedicated to serious incidents, risk and the quality report. The priorities were also discussed at the Clinical Quality Review Meeting in March 2018. The priorities take account of progress against those for 2017/18, described in section three with most of last year's priorities agreed as needing ongoing focus in 2018/19.

The priorities agreed are summarised here:

**Table Q8: 2018-19 quality priorities summary**

| Domains | Priorities |
|---|---|
| Patient experience | • Friends and family test targets – inpatients, A&E, transport and outpatients<br>• Outpatient priorities – waiting<br>• Inpatient priorities – waiting, help with meals and discharge<br>• Cancer priorities – provision of easy to understand written information |
| Patient safety | • Five steps to surgical safety: reduce avoidable harm from surgery and invasive procedures<br>• Reduce harm from failure to recognise and respond appropriately to deterioration<br>• Reduce harm from failure to follow up on radiology results<br>• Continue trust wide learning |
| Clinical effectiveness | • Responding and learning when patients die |

### 3.4.1 Priority 1: Patient safety

Our stakeholders have confirmed our intention to continue to focus on reducing avoidable harm in surgery and invasive procedures and from deterioration, which includes sepsis and acute kidney injury.

**Five steps to surgical safety: reduce avoidable harm from surgery and invasive procedures**

The five steps to safer surgery (5SSS) are a series of time critical safety checks which should be performed for every patient undergoing a surgical or invasive procedure. The five steps are described in section 3.3.1.

**Why we have chosen this priority**

We have refocused our priority to take into account the increasing work we have been doing across invasive procedures as well as surgery. Our observations show that there is still progress to be made in ensuring best practice is followed for the 5SSS in every area, with every team, for every patient. The surgical safety walk rounds have been rebranded as 'Enhancing Safety Visits' (ESVs) to reflect the improvement work including invasive procedures.

**What we are trying to improve**

Our incident reporting data is capturing relatively small numbers and therefore we are taking a different approach this year. We will look in detail at the content of incident reports and observations of near misses and good catches on ESVs and use this to guide our learning and education.

We have extended our work to areas performing invasive procedures outside of theatres to improve their use of the 5SSS through review or creation of new safety checklists and providing training and practical support. We will continue to extend our scope this year by visiting as many teams as possible and to revisit teams that require more support to improve.

**This year we will:**

- Continue to undertake regular ESVs to improve safety across surgery and invasive procedures and for some of these to be led by individuals outside of the core team to improve sustainability.
- Launch the e-learning on 5SSS.
- Undertake workshops to raise staff awareness of factors such as systems, environment and behavioural influences and how to overcome them in working practice, alongside the e-learning on the 5SSS.
- Use observations, incident reports and near misses ('good catches') to inform our learning and form the basis of our education requirements.
- Focus on addressing the issues highlighted in our 2017 culture survey across theatres and anaesthetics.
- Share learning across UCLH through publication of At the Sharp End surgical safety bulletins.
- Continue to share our approach and learning with other NHS trusts by offering training and resources.

We will be implementing our electronic health record system (EHRS) on 31st March 2019. Our observations from other organisations which have already introduced EHRS (such as Epic) is that it changes how the safety checks are carried out, and there is a risk that it will drive 'tick box behaviour' during the checking processes. We are working with the EHRS team to design the safety check lists to avoid this.

**What success will look like:**

- We will carry out 18 enhancing safety visits in total this year and aim for six of these visits to be led by individuals of varying professions outside of the core team.

- An increase in numbers of staff undertaking the 5SSS e-learning. As this training is new we will set ourselves a target once we begin to measure uptake and taking account of others' experience of launching new e-learning.
- We will run at least six two-hour workshops across the trust.
- We will have continued to share learning throughout UCLH through publication of three At the Sharp End safety bulletins.
- We will have implemented actions agreed from our review of issues from the culture survey.
- We will share our approach and learning with at least one other NHS trust.

**How we will monitor progress**

Our performance will be measured by the surgical and invasive procedures steering group and reported to the patient safety committee and quality and safety committee.

**Reduce harm from failure to recognise and respond appropriately to deterioration**

**Why we have chosen this priority**

A multi-disciplinary team reviewed our achievements to date and considered what we needed to do to improve further. We identified the need to predict deterioration as well as focus on timely recognition, escalation and management of deterioration. Evidence shows that sepsis and AKI are the leading causes for deterioration; therefore we will continue to focus our improvement work on these areas.

**What we are trying to improve**

We will work to achieve our priority through the following:

- **Prediction** of deterioration*
  Support effective ward safety huddles
  Embed an Emergency Department safety checklist

- **Recognition** of deterioration
  Maintain vital signs and NEWS compliance
  Implement the agreed updated fluid balance chart trust wide
  Implement a UCLH fluid balance policy to support the use of the fluid balance chart
  Review AKI alerting to ensure timely response to at risk patients

- **Escalation** of a deteriorating patient
  Improve the use of ISBARD (Introduction, Situation, Background, Assessment, Recommendation, and Decision) in escalations
  Raise awareness of the risks of deterioration for patients with low NEWS scores

- **Management** of a deteriorating patient
  Improve recognition and treatment of sepsis
  Improve recognition and treatment of AKI

  **By prediction of deterioration we mean using clinical intuition to identify deterioration which may not be identified using tools such as NEWS*

**What success will look like**

- Educate staff on the risks of deterioration for patients with low NEWS by including a clinical case study in the mandatory two yearly basic life support training. This will be further supported by sharing learning via the quality and safety bulletins and safety huddles.
- Agree a standardised template for safety huddles and assess its use via the Improving Care Rounds (ICRs) and Matron Quality Rounds.
- Use the ED safety checklist for all high risk patients (those in the resuscitation and majors areas of ED) and monitor its use via audit.
- Maintain our average hospital-wide vital signs compliance of 96 per cent, based on a sample of one in 10 patients on every ward, every month.
- Produce a UCLH fluid balance policy to support the implementation of an agreed updated fluid balance chart and review its use via audit.
- An increase in patients escalated to PERRT using the communication tool 'ISBARD' from the 2017/18 performance of 64 per cent to 70 per cent.
- Improve compliance with provision of antibiotics within one hour of diagnosis for all sepsis patients from our 2017/18 quarter 4 results of 76 per cent to the 2018-19 quarter 4 target of 90 per cent.
- Undertake a clinical review of antibiotics within 72 hours of giving the first dose in 90 per cent of patients with sepsis to determine if it has been reviewed by an appropriate clinician, outcome of the review is documented and where appropriate an IV to oral switch has been made or decision to continue IV is clearly documented.

This year the CQUIN indicators have been updated and require documentation of the outcome of the 72 hour review to include one of seven options and documentation of the decision for the patient to stay on IV antibiotics, if this is the case, against one of five criteria. Based on this, we will aim to meet our 90 per cent performance target of review of antibiotics within 24-72 hours and will focus on improving our documentation. Targeted education will continue to promote best practice in line with trust policy and CQUIN indicators in order to achieve this.

**Acute Kidney Injury (AKI)**

We plan to gain an in-depth understanding of how we are performing as a trust in response to patients with AKI. A trust wide audit will be carried out identifying the incidence and distribution of patients with AKI and the outcomes of these patients. Alongside this, we will be assessing staff awareness, knowledge and competencies and mapping out key processes in the recognition, escalation and management of patients with AKI. The outcomes of these reviews will guide our improvement strategy.

**Electronic healthcare record system (EHRS)**

We will be proactive in our approach to the trust moving onto an electronic healthcare record system (EHRS). Our current vital signs recording system, NEWS will be updated to NEWS2 with an extra measure of oxygen saturation range for patients with chronic hypercarbic respiratory failure (see glossary) and their oxygen delivery mode. We will also ensure that AKI and sepsis care bundles are built into the system to improve patient outcomes.
In addition, we will review all deaths relating to sepsis and AKI to identify and share further learning trust wide.

**How we will monitor progress**

Our performance will be measured and monitored by the deteriorating patient steering group, and reported to the quality and safety committee.

**Reduce the harm from failure to follow up on radiology results**

**Why we have chosen this priority**

It is important that there are systems in place for communicating and following up on radiology results and that associated 'safety net' procedures are in place and are robust. Work has been undertaken to ensure that flagging of unexpected findings is effective and where gaps in systems have been identified, clinical teams are putting in place processes to ensure that results are acknowledged and acted upon. Challenges remain with many specialities not confirming what arrangements they have in place. Audits in radiology have shown that not all significant and unexpected results are being identified with the 'urgent result' alert. This area has therefore been confirmed as a continuing priority for 2018/19 in preparation for the EHRS.

**What we are trying to improve**

We want to ensure that systems for communicating and following up on radiology results and associated 'safety net' procedures are robust, and that where gaps have been identified clinical teams work with the imaging department to establish effective systems.

**What success will look like**

There will be a trust policy in place that describes the responsibility and process for imaging and for every specialty to ensure that all radiology reports requested are read and acted on appropriately.

All specialties will have a standard operating procedure (SOP) for acknowledging and acting on results. They will also audit these procedures to check that they are effective. The radiology department will improve compliance in flagging urgent and unexpected results from 52 per cent (February 2018 audit) to 90 per cent.

A new Radiology Information System (RIS)/Picture Archive and Communication System (PACS) system 'Soliton' is being installed and interim technical options for addressing this priority will be explored.

We will move to the EHRS on 31st March 2019 and will be working on establishing systems including an imaging results acknowledgement system.

**How we will monitor progress**

Progress will be monitored through the corporate clinical audit programme reported to the clinical audit and quality improvement committee which then reports to the QSC.

**Continue trust-wide learning**

**Why we have chosen this priority**

Last year we continued our focus on learning from serious incidents (SIs) and began to learn more from mortality reviews. We were successful at increasing reporting of near misses but there is still more we can do.

**What we are trying to improve**

We are trying to improve the learning from serious incidents (SIs) and ensure there are changes in practice.

We would like to further improve the proportion of incidents reported as near misses; and to encourage these to be more thoroughly investigated. We will use the analysis of root causes and contributory factors to help with learning and continue to strengthen systems to ensure the implementation of actions arising from SI.

We wish to enhance our learning by improving human factors awareness across UCLH and as part of the SI investigation process.

Raising awareness of human factors in healthcare will help us understand more clearly why mistakes happen whether they be due to badly designed systems and processes, the physical environments in which we work or the human behaviours that we display. Understanding the role human factors plays in specific incidents will help inform our learning and the actions that should be taken to prevent similar incidents occurring in the future. This may include for example: how we can encourage and promote an environment that encourages staff to be open and speak out when they think something is unsafe; how to improve individual and team decision making; the dangers of loss of 'situation awareness' and its potential to put patient safety at risk and the importance of leadership and effective communications in ensuring a safe environment.

We will continue with the patient safety committee (PSC) and assess its success in enabling trust wide learning.

**What success will look like**

We will have no 'Never Events'.

We will monitor and publish 'near miss' reporting rates and continue to publish monthly quality and safety bulletins with a focus on learning from near misses.

Completed SI investigations will be reviewed to see if the changes introduced in 2016/17 (a structured approach to gathering information on root causes and contributory factors) adds value to trust wide learning. This will be undertaken by reviewing root causes and contributory factors for 15 completed SI investigations reported in 2018/19. The data will then be analysed to see if there are common or linked issues which provide additional learning over and above that arising from individual cases.

We will pilot a one day workshop on human factors awareness and aim to provide training for at least 100 staff across the trust. This will include clinical and non-clinical staff

We will measure the benefits of the workshops using an established measurement tool.

We will incorporate human factors into a range of already established training programmes

We will introduce training for serious incident investigators which will incorporate a focus on human factors in the investigative process and actions plans.

We will continue the trust patient safety committee (PSC) and evaluate the committee's success in promoting trust wide learning by obtaining feedback from PSC members and staff via the ICRs and matrons Quality Rounds. We will also be auditing divisional governance meeting minutes to check for evidence of learning from serious incidents.

**Responsible director for Priority 1: Patient Safety**

**Professor Tony Mundy, Corporate Medical Director**

### 3.4.2 Priority 2: Clinical Effectiveness

**Responding and learning when patients die**

**Why we have chosen this priority**

Even though our mortality rate is the fourth lowest in England, we have chosen this priority again this year because there is more to be learned about, when patients die. It also fits with the national priority. In addition to our established systems of reviewing deaths such as serious incident investigations, last year we began to review other deaths using the Royal College of Physicians structured judgement review (SJR) template. Due to the need to establish systems and train reviewers we still have a way to go for this to be established.

**What we are trying to improve**

We are continuing to improve how we learn from deaths is order to improve safety and care.

**This year we will:**

- Continue to use the SJR for deaths that meet the criteria.
- Review those deaths that relate to our chosen safety priorities such as sepsis and acute kidney injury to maximise the learning.
- Start using a mortality platform to record our reviews of deaths and facilitate learning from the reviews.
- Continue to follow up the learning from deaths last year to assess the impact of the actions taken.

**What success will look like:**

- We will increase the number of SJRs undertaken
- Our quarterly public report will reflect more learning and thematic analysis as we increase the number of reviews we carry out.
- We will begin to assess the impact of the actions taken as a result of reviews and investigations and report these in our quarterly reports.

**How we will monitor progress**

The mortality surveillance group will continue to monitor progress against this priority and report to the quality and safety committee.

**Responsible director for Priority 2: Clinical effectiveness**

**Professor Tony Mundy, Corporate Medical Director**

### 3.4.3 Priority 3: Patient experience

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

We know that good patient experience has a positive effect on recovery and clinical outcomes. To continue to improve that experience we focus on what patients tell us. The Friends and Family Test (FFT) asks patients whether they would recommend our services to friends and family should they need similar care or treatment. The Friends and Family Test (FFT) is described in section 3.3.3

We will continue to focus on the same four FFT areas; inpatients/day case, outpatients, transport and A&E (Emergency Department) because we made less progress than we hoped for in 2017/18 for some, and as in previous years, we have chosen the four areas giving us the widest reported experiences across our hospitals. These are the best measures of how we are doing and how we compare with others.

As there has been a slight drop in the inpatient/day case score (from 95 per cent of patients recommending us to 94 per cent) - we aim to get back to our target of 95 per cent. We have set a slight improvement target for our outpatients (from 93 per cent recommending us to 94 per cent and this is comparable to our peers).

For our A&E services, we have set ourselves a target to at least meet the highest score in London hospitals which is 85 per cent of patients recommending us (based on analysis of three months of published data). This is a two per cent improvement target.

It is particularly important for us to continue to monitor our patients' experience of the transport service as this remains an area of concern for us and a key performance indicator for our transport provider. The target was chosen based on achieving a similar score to other transport providers' published scores.

**What will success look like?**

**Table Q9. FFT Priorities**

| Friends and Family Test area | Patients recommending UCLH to friends & family | | Target for 2018/19 |
|---|---|---|---|
| | 2016/17 | 2017/18 | |
| Inpatients and day-case | 95% | 94% | 95% |
| Outpatients | 91% | 92% | 94% |
| Transport | 85% | 65% | 85% |
| A&E | 95% | 83% | 85% |

**Improving patient experience in priority areas as measured by local and national surveys**

As well as the measures of overall experience, each year we target specific areas where patients have told us that experience could be improved. These are chosen based on performance in the national survey or as measured in real-time feedback from our patients.

Our aim is to improve the experience in areas where patients continue to experience poorer standards than we would like, or where a particular decline in experience is noted. We have continued our priorities from last year so we can ensure the improvements we have seen are embedded.

For our inpatients, the initial results of the 2017 Picker national inpatient survey have shown that the general experience of care is good, but they have a poorer experience at the point of admission and discharge. This feedback is common across the range of patient feedback, including the three main surveys and we have identified a number of themes across them all.

**Improving our patients' experience of waiting**

We have over 1,000,000 outpatient attendances each year and we know that waiting times continues to be one of the biggest issues affecting patient experience. Waiting was also an issue for some of our inpatients, with waiting to get a bed on a ward and changed admission dates showing improvement but the latter still only average in the national survey results.

We did not meet our target for outpatient waiting times last year despite work going on locally. The target set last year was an improvement target and so we will keep this for 2018/19. There is no national survey planned again this year so local real-time feedback surveys will be used to measure how we are doing.

**Table Q10. Specific outpatient waiting priority**

| Local real-time time survey question – higher scores are better | Real-time survey result | | 2017/18 Real-time survey target |
|---|---|---|---|
| | 2016/17* | 2017/18 | |
| How long after the stated appointment time did the appointment start? (Percentage of patients who waited 30 minutes or less for appointment to start) | 73% | 70% | 78% |

** Last year the table was labelled 2016 but the data included was for the year 2016/17. The labels have been corrected for this year.*

The target was set at 78 per cent in 16/17, we had scored 73 per cent that year and setting the new target at 78 per cent gave us a 5 per cent improvement target. Unfortunately this year we have fallen slightly however we have kept the target at 78 per cent because we still want to see improvement.

There are a number of initiatives currently underway to improve patients' experience of waiting. In outpatients, we are currently developing new training to be delivered in the coming year for administrative staff, particularly around how we communicate with patients effectively about delays in clinics. Alongside this work each hospital site is working locally to improve waiting times through better scheduling and utilisation of clinics.

We have chosen to continue monitoring the questions around inpatient waiting. We met the target on both questions and when we compare ourselves to other London trusts using the Picker survey we can see that we have scored better than average on both, therefore we have set ourselves an improvement target. Also, we know that we have yet to see the full impact of the Coordination Centre and so will continue to monitor progress in next year's national survey results

**Table Q11. Specific inpatient waiting priorities**

| National Inpatient survey question – lower scores are better | 2016 result* (Picker) | 2017 result* (Picker) | 2018 target* (Picker) |
|---|---|---|---|
| Planned admission date changed by hospital | 24% | 20% | 18% |
| Patient waited a long time to get a bed on a ward | 31% | 28% | 25% |

**Problem scores – lower scores are better. See glossary for more information in how these are calculated. The targets chosen are based on scores achieved by similar trusts in the same survey*

The new Coordination Centre and the supporting system 'TeleTracking', introduced in December 2017, provides real-time data on bed capacity and patient demand which should enable us to better manage the flow of patients through University College Hospital (UCH), the National Hospital for Neurology and Neurosurgery (NHNN) and the Elizabeth Garrett Anderson Wing (EGA). Staff should be spending less time looking for equipment and for a bed. This means we will be able to reduce delays in patient care and prevent cancellations of procedures at short notice as a result of not being assured that there will be a bed for the patient to move in to.

**Improving our patients' experience of care**

We have chosen two priorities to improve our patients' experience of care.

For our inpatients we will continue to monitor the help with meals question. Although we have seen some improvement we did not meet the target and the action plan developed last year is still being implemented. A patient-centred mealtime standard operating procedure has been developed and this is planned to be rolled out/embedded across all wards in 2018/19. The progress will be monitored through the nutrition and hydration steering group.

When we look at our Picker data we can see that we are doing better than our London and Shelford peers on this question and so we have kept the improvement target that was set last year.

**Table Q12. Specific inpatient care priorities**

| National Inpatient survey question – lower scores are better | 2016 result* (Picker) | 2017 result* (Picker) | 2018 target* (Picker) |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Not always getting enough help from staff to eat meals | 38% | 35% | 33% |

**Problem scores – lower scores are better. See glossary for more information in how these are calculated.*

We have changed our cancer priority this year as we have made great improvements on last year's priority. We have chosen our cancer priority for 2018/19 based on the 2017 National Cancer Survey results, looking at those questions where we scored five per cent below the national average. Of the four, we chose the question that aligned to a wider programme of work to improve written information for patients across all of our sites.

**Table Q13. Specific cancer patient care priority**

| National cancer patient survey question – higher scores are better | 2015 result | 2016 result | 2017 result* | 2018 target* |
|---|---|---|---|---|
| Patient given easy to understand written information about their cancer type (Percentage of patients who received easy to understand information) | 68% | 67% | | |

**this is not yet available and the target for 2018 will be set once the results for 2017 are known*

Within cancer services, new initiatives are in place to improve patients' access to written information about their cancer type. Feedback shows that some patients are overwhelmed by the amount of information they are given at diagnosis. Therefore cancer information pathways will be streamlined to ensure that at diagnosis patients receive the right amount of appropriate information, including information about their cancer type. Working with patients, we will develop a guideline for information that should be given to patients at diagnosis.

This will be supported by other written information initiatives to improve the experience of our patients across all our hospitals. We have a well-used information and support hub in the Macmillan Cancer Centre. We recently set up an information hub at UCH at Westmoreland Street and if this is shown to be well utilised by patients we plan to roll out to other sites. Information hubs are designed to help people in finding the right information or service for their individual need. We are also developing written information for cancer patients with a learning disability.

**Improving our patients' experience of discharge**

The National Inpatient Survey CQC results have yet to be published so we have selected a priority from the results of the Picker survey.

While we saw a small improvement last year on patients knowing what was happening after leaving, we did not meet the target. When reviewing ourselves against our London peers we are currently better than average against this question. We have therefore decided to keep the target set last year.

**Table Q14 Specific inpatient priority**

| National Inpatient survey question | 2016 result* (Picker) | 2017 result* (Picker) | 2018 target* (Picker) |
|---|---|---|---|
| Didn't know what was happening after leaving | 47% | 46% | 43% |

**Problem scores – lower scores are better. See glossary for more information in how these are calculated.*

Due to funding issues we stopped the distribution of our 'welcome packs' in 2017 however we know how valuable these packs were to patients and having sought further funding we will be reintroducing the packs in 2018/19. The packs will give patients more information on the discharge process and what to expect after leaving the hospital helping them to feel more prepared.

Although we have scored better than average amongst our London peers, understanding what was happening after leaving has continued to be a concern so in 2018/19 we will work with patients and staff to understand how we can help our patients to feel as informed as possible about what will happen once they have left.

**How we will monitor progress**

We will monitor progress against this priority through the patient experience governance structures and processes which are currently being reviewed and report to the quality and safety committee.

**Responsible Director for priority 3: Patient Experience**

**Flo Panel-Coates, Chief Nurse**

## 3.5 Overview of quality performance

This section includes progress against locally chosen priorities, progress against the indicators in the Single Oversight Framework, core indicators and mandated reporting on learning from deaths

### 3.5.1 Progress against locally chosen priorities

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 review and reporting. These measures cover patient safety, experience and clinical effectiveness. 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 UCLH or local target and relates to 2017/18 unless otherwise stated.

**Table Q15: Progress against locally chosen indicators**

| We have chosen to measure our performance against the following metrics: | 2015/16 | 2016/17 | 2017/18 | Benchmark | What this means | Notes |
|---|---|---|---|---|---|---|
| **Safety measures reported** | | | | | | |
| Falls per 1000 bed days + | 4.2 | 4.2 | 4.4 | No benchmark available | Benchmark is from the Royal College of Physicians (RCP) reporting on falls rates across most hospitals in England in the calendar year 2014. Lower scores are better | The RCP audit was repeated in 2017/18 with a different methodology. |

| | | | | | | |
|---|---|---|---|---|---|---|
| Inpatient falls with moderate harm, severe harm and death per 1000 bed days | 0.08 | 0.07 | 0.04 | No benchmark available | As above | As above |
| Cardiac arrests | 42 | 59 | 52 | No Local target | Lower numbers are better | Only includes cardiac arrests as per the criteria for a deteriorating patient by UCLP and excludes those in critical care areas, theatres, ED and catheter labs. |
| Surgical site infections + | 5.5% | 5.4% | 4.97% (data up to Dec 2017) | 0.0% | Number of surgical site infections/number of operations. Ideally there should be no infections. Lower scores are better. | |
| **Clinical outcome measures reported** | | | | | | |
| Stroke mortality rates (Based on diagnoses 161x, 164x, P101, P524) | 6.82% | 7.30% | 6.89% | No local target | Lower scores are better. | This indicator looks at the number of patients with these codes who died in the trust 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 |
| Percentage of elective operations cancelled | 0.57 | 0.75 | 0.80 | 0.60 | Lower scores are better. | |

| | | | | | | |
|---|---|---|---|---|---|---|
| at the last minute (on the day) for non-clinical reasons + | | | | | | |
| Percentage of last minute cancellations operations readmitted within 28 days + | 97.2 | 99.4 | 98.0 | This is a target, not a benchmark | Higher scores are better. | This is the percentage of patients cancelled on the day of surgery for non-clinical reasons, who then have their operation within 28 days. |
| 28 day Emergency Readmission rate + (readmissions to UCLH) | 3.2% | 3.5% | 3.7% (Dec 2017) | 7.4% | Benchmark is the CHKS national peer group average.<br>We were unable to obtain the full year data as we have changed providers of our data | Lower numbers are better |
| Studies approved (NHS permission) UCLH by calendar year and Study type | 326 (131 clinical trials + 195 other studies) | 320[1] (134 clinical trials + 186 other studies) | 294<br><br>(122 clinical trials + 174 other studies) | 306<br><br>(120 clinical trials + 183 other studies) | Benchmark is last 3 year average. Higher numbers are better | The number of new clinical research studies approved to take place at UCLH categorised by the type of study |
| Number of trial participants | 12,704 | 17,620[1] | 13,909 | 17,229 | Benchmark is last 3 year average. Higher numbers are better | 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 |
| Academic papers, which acknowledge NIHR (National Institute for Health Research). | 754 | 683[1] | 725 | No local target | Benchmark is last 3 year average. Higher numbers are better | 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). |
| Percentage of patients on Diagnostic waiting list seen within six weeks + | 95.2 | 96.4 | 99.2% | 99% | Higher numbers are better. The benchmark is the national target. | |
| The percentage of inpatient discharge summaries e-messaged to GPs within 24 hours of discharge for those patients with NHS numbers. | No data | 97 for Camden and Islington patients | 98 for Camden and Islington patients | No benchmark but the standard NHS contract states that hospitals are required to send discharge summaries by direct electronic or e | Prompt discharge summaries enable GPs to follow up hospital care efficiently and safely. | Currently, this data is only collected for patients with GPs in Camden and Islington.<br>The work to extend the service to other CCGs has been halted pending the implementation of Epic which will change the way electronic letters are sent to GPs<br><br>98 per cent of UCLH patients have an NHS number at discharge. |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | mail transmission for all inpatient day case or A&E care within 24 hours | | |
| | **2015** | **2016** | **2017** | **Benchmark** | **What this means** | **Notes** |
| **Patient Experience – national inpatient survey* – 2017 data or a current benchmark is not available until June 2018** | | | | | | |
| Overall satisfaction rating + | 8.4 | 8.4 | Not available | Not available | Higher numbers are better | Weighted aggregated score based on a rating scale of 0-10 where is 0 is the lowest score. |
| How many minutes after you used the call button did it usually take before you got the help you needed? + | 6.2 | 6.2 | Not available | Not available | More points for answering in less time. Higher scores are better. | Score based on an aggregate of the following responses:<br>0 minutes/straight away<br>1-2 minutes<br>3-5 minutes<br>More than 5 minutes<br>I never got help when I used the call button<br>I never used the call button |
| Beforehand, did a member of staff explain the risks and benefits of the operation or procedure in a way you could understand? + | 8.9 | 9.2 | Not available | Not available | Higher numbers are better | Score based on an aggregate of the following responses:<br>Yes, completely<br>Yes, to some extent<br>No<br>I did not want an explanation<br>Not applicable |

| | | | | | | |
|---|---|---|---|---|---|---|
| After the operation or procedure, did a member of staff explain how the operation or procedure has gone, in a way you could understand?+ | 8.1 | 8.5 | Not available | Not available | Higher numbers are better | Score based on an aggregate of the following responses:<br>Yes, completely<br>Yes, to some extent<br>No |
| | **2015/16** | **2016/17** | **2017/18** | **Benchmark** | **What this means** | **Notes** |
| **Staff Experience Measures – national staff surveys** | | | | | | |
| Appraisal + | 89% | 93% | 92% | 86% | Higher numbers are better. Benchmark is the national average | Percentage of staff reporting that an appraisal has taken place in the last 12 months. |
| Staff would recommend the trust as a place to work or receive treatment + | 3.91 | 3.99 | 3.99 | 3.76 | Higher numbers are better. The score is the average out of five. Benchmark is the national average | This question allows respondents to strongly disagree, disagree, neither agree nor disagree, agree or strongly agree |
| If a friend or relative needed treatment, I would be happy with the standard of care provided by this trust + | 82% | 84% | 83% | 71% | Higher numbers are better. Benchmark is the national average | Percentage of staff who 'strongly agree' with the statement. |
| Staff engagement + | 3.84 | 3.89 | 3.88 | 3.79 | Higher numbers are better. The score is the average out of five. Benchmark is the national average | 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). |

**Table notes**

+ These indicators use nationally agreed definitions in their construction. Otherwise, indicators are necessarily locally defined.

[1] ongoing updates and validation to recruitment data mean that there are slight changes in retrospective totals for the previous financial year.

*Headings for the national inpatient survey have been changed to a single year rather than the financial year as the survey happens within the year and is a reflection of each year rather than each financial year.

Summary Hospital-level Mortality Indicator (SHMI) – Rolling one year period, six months in arrears. The SHMI is currently 0.7673 Oct 2016 to September 2017 which is the latest available currently.

The indicator 'staff would recommend the trust as a place to work' should have been stated as 'staff would recommend the trust as a place to work or receive treatment' and this has been amended.

### 3.5.2 Progress against the indicators in the Single Oversight Framework

**Table Q16: Progress against the indicators in the Single Oversight Framework**

| Indicator | Threshold 2017/18 | 2017/18 |
|---|---|---|
| Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway | 92% | 91.4% |
| A&E: maximum waiting time of four hours from arrival to admission/transfer/discharge | 95% | 87.9% |
| Cancer 62 Day Waits for first treatment (from urgent GP referral) | 85% | 68.7 |
| Cancer 62 Day Waits for first treatment (from NHS Cancer Screening Service referral) | 90% | 76.6 |
| *C.difficile* due to lapses in care (ytd) | 97 | 2 |
| Total *C.difficile* ytd (including: cases deemed not to be due to lapse in care and cases under review) | – | 69 |
| *C.difficile* cases under review (ytd) 17/18 | – | 25 |

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 account 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. We have, however, made progress in the last year in reducing the number of these inaccuracies in our reported numbers, and we continue to focus on this as a priority.

There do, however continue to be clinical and administrative data entry errors in the management of these pathways. To address these we continue to use and develop a set of

operational reports which help clinical teams closely manage waiting lists. We have operational meetings at all levels of the organisation to ensure that waiting lists are scrutinised at least weekly. Teams have a suite of data quality reports, including identification of where errors occurred, to help pinpoint issues.

In 2016/17 we introduced regular checks of electronic records against paper records to identify any common sources of error. These sample audits have been particularly useful in developing training for staff to avoid the data quality issues that we find. We have also introduced support for clinicians so that they can provide the information needed to manage patients along their RTT, diagnostic and emergency pathways.

We need to do more work to improve how we document and provide assurance on waiting times in the ED. We have improved validation processes and introduced monthly audits of how staff are documenting waiting times. While these have demonstrated no systematic inaccuracies in the waiting times that we report for individual patients, this year's external audit has again shown that we do not consistently have documented evidence for the waiting times that we have reported.

While we will continue to raise awareness of the importance of accurate and consistent record keeping within the emergency department throughout 2017/18, much of our improvement effort will be directed towards the design and implementation of a new electronic health record system, which from 31 March 2019 will address many of the discrepancies between paper and electronic records that auditors have identified

### 3.5.3 Core indicators for 2017/18

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 NHS Digital. 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 NHS Digital, 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: the Trust has a robust process for clinical coding and review of mortality data so is confident that the data is accurate.

**Table Q17. SHMI indicator and patient deaths coded for palliative care**

| | UCLH Performance Oct-14 to Sep-15 | UCLH Performance Oct 15 – Sept 16 | UCLH Performance Oct 16 – Sept 17 | National AVG Oct 16 – Sept 17 | Highest Performing Trust Oct 16 – Sept 17 | Lowest Performing Trust Oct 16 – Sept17 |
|---|---|---|---|---|---|---|
| a) The value and banding of the summary hospital – level mortality indicator ('SHMI') for the trust for the | 0.748 (Band 3) | 0.738 (Band 3) | 0.7673 (Band 3) | 1 | 1.727 | 1.2473 |

| | | | | | | |
|---|---|---|---|---|---|---|
| reporting period | | | | | | |
| b) The % patient deaths with palliative care coded at either diagnostic or speciality level for the trust for the reporting period. | 34.1 | 32.5 | 39.1 | 31.5 | 59.8 | 11.5 |

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.

**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.

**Table Q18. Patient Reported Outcome Measures**

| Adjusted Average Health Gain (EQ-5D) | UCLH Performance 2014/15 | UCLH Performance 2015/16 | UCLH Performance 2016/17 | National Average 16/17 | Lowest Performing Trust 2016/17 | Highest Performing Trust 2016/17 |
|---|---|---|---|---|---|---|
| Groin Hernia | n/a | 0.09 | 0.07 | 0.09 | 0.01 | 0.14 |
| Hip-Primary | 0.46 | 0.45 | 0.46 | 0.45 | 0.31 | 0.54 |
| Hip-Revision | n/a | * | * | 0.29 | 0.24 | 0.36 |
| Knee - Primary | 0.27 | 0.31 | 0.29 | 0.32 | 0.24 | 0.40 |
| Knee - Revision | n/a | * | * | 0.27 | 0.16 | 0.30 |
| Varicose Vein | 0.09 | 0.07 | 0.09 | 0.09 | 0.01 | 0.15 |

PROMS data continues to be collected for hip and knee arthroplasty but not for varicose veins or groin hernias. A review last year suggested that the yield for the latter was limited and therefore the focus is now on hip and knee arthroplasty surgery.

UCLH 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.
- When the steering group has noted variance on the PROMS from the national averages for knee arthroplasty and been an outlier, it has been investigated at patient level and noted in particular that this was linked to patients with multiple co-comorbidities. PROMS are influenced by a variety of issues other than surgery including patient experience, psychosocial status and their comorbidities.
- The UCLH EQ-5D adjusted average health gain for hip arthroplasty surgery remains greater than the national average. For knee arthroplasty surgery there has been a small decline in performance and the steering group are watching that closely to try and understand if there are any ongoing issues. These are very marginal differences and are not properly case mix adjusted so at present they do not show any worrying features. The steering group will, however, continue to track them.

**28-day emergency readmission rate**

There has been no new data available from NHS Digital since 2011/12. We have therefore provided our performance data from CHKS. UCLH 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.

**Table Q19. 28-day emergency readmission rate**

| The percentage of patients aged: | UCLH Performance 2015/16 | UCLH Performance 2016/17 | National Average 2016/17 | Lowest Performing Trust 2016/17 | Highest Performing Trust 2016/17 |
|---|---|---|---|---|---|
| (i) 0 to 15 | 3.28 | 2.66 | 9.16 | 15.99 | 0.49 |
| (ii) 16 or over | 3.66 | 3.97 | 7.59 | 10.48 | 3.97 |

We monitor locally each month and this monitoring has informed our actions to reduce 28 day emergency readmissions.

UCLH 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.
- Admissions avoidance – providing a team in the ED and Acute Medical Unit for the avoidance of preventable or inappropriate admission of patients to hospital; we have GPs at the front door and we refer lower acuity patients to the urgent treatment centre.

- 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.
- We carry out periodic reviews of reasons for re-admissions, including commissioners in these reviews, and the learning from the reviews are fed into our action plans and investments designed to reduce readmissions.

**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.

**Table Q20. Responsiveness to patients' personal needs**

| | UCLH performance 2015/16 | UCLH Performance 2016/17 | National Average 16/17 | Lowest preforming Trust 16/17 | Highest Performing Trust 16/17 |
|---|---|---|---|---|---|
| The trust's responsiveness to the personal needs of its patients during the reporting period | 72.4 | 70.9 | 68.1 | 60.0 | 85.2 |

***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 has taken the following actions to improve this score and so the quality of its services by:

- Monitoring performance using 'Envoy', our real-time survey tool, through regular discussion at quality huddles and agreeing local action plans
- Ensuring all patients' lockers have a 'call for concern' sticker to give 24 hours a day, seven days a week, contact details for patients and families who, after speaking to ward staff and PALS, feel that their concerns are not being addressed.
- Re-introduction of the 'welcome packs' to help patients to know what to expect during their stay.
- The production of leaflets in our acute wards to help patients with commonly seen conditions understand what to expect when they leave hospital.

**Staff recommendation of the Trust 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.

**Table Q21. Staff recommendation of UCLH as a provider of care**

| | UCLH Performance 2015/16 | UCLH Performance 2016/17 | National Average of Acute Trusts 16/17 | Lowest Performing Acute Trust 16/17 | Highest Performing Acute Trust 16/17 | UCLH Performance 2017/18 | National Average of Acute Trusts 17/18 | Lowest Performing Acute Trust 17/18 | Highest Performing Acute Trust 17/18 |
|---|---|---|---|---|---|---|---|---|---|
| The percentage of staff employed by, or under contract to the trust during the reporting period who would recommend the trust as a provider of care to their family or friends. | 81.7 | 83.8 | 69.8 | 45.0 | 93.0 | 83.4 | 70.0 | 41.6 | 93.2 |

UCLH has taken the following actions to improve this percentage and so the quality of its services. Please refer to section 3.4.3 on how we are working to improve patient care.

**Rate of admissions for Venous Thromboembolism (VTE)**

UCLH NHS Foundation Trust considers that this data is as described for the following reasons: UCLH has a robust electronic process for measuring VTE risk assessment of patients

**Table Q22. Rate of admissions for Venous Thromboembolism**

| | UCLH Performance Oct 2016 to Dec 2016 | UCLH Performance Oct 2017 to Dec 2017 | National Average Oct 2017 to Dec 2017 | Lowest Performing Trust Oct 2017 to Dec 2017 | Highest Performing Trust Oct 2017 to Dec 2017 |
|---|---|---|---|---|---|
| Percentage of admitted patients risk-assessed for VTE | 96.0 | 95.9 | 95.4 | 73.2 | 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 any low performing areas

***Clostridium difficile* rate**

UCLH NHS Foundation Trust considers that this data is as described for the following reasons: the data has been sourced from NHS Digital and compared to internal trust data and data hosted by Public health England

**Table Q23. *Clostridium difficile* rate**

| | UCLH Performance 2015/16 | UCLH Performance 2016/17 | National Average 2016/17 | Lowest Performing Trust 2016/17 | Highest Performing Trust 2016/17 |
|---|---|---|---|---|---|
| C. *difficile* infection rate per 100,000 bed days | 36.2 | 34.1 | 13.2 | 82.7 | 0 |

This refers to all UCLH attributable *Clostridium difficile* (*C. difficile*) infections including those subsequently appealed and under review. Our threshold, set by Public Health England, is to have less than 97 patients suffering from C *difficile* whilst in our hospitals. In 2016/17 we had 90 cases and in 2017/18 69 cases.

The threshold is based on patient characteristics and previous performance of UCLH and our threshold is higher because we have a high number of cancer/haematology patients and other high risk groups. The transfer of haematology/oncology services in the previous year was predicted to increase our numbers by 40 cases and our threshold was not changed to reflect this. However, we continue to see a decline in case numbers as a result of lapses in care.

UCLH has taken the following actions to improve this rate and the quality of its services by:

- enhancing the close working relationship between microbiology and infection prevention and control (IPC) teams through the *C. difficile* virtual and clinical ward rounds, for example, we have combined the IT tool used to record patient reviews by both the clinical microbiology/ID teams and IPC team, the aim of which is to reduce the number of cases of relapse through proactive measures.
- continuing to undertake a multidisciplinary root cause analysis (RCA) review of all cases of toxin positive *C difficile*. The RCA is then reviewed with the commissioners and any lapses in care identified. Lapses include delays in isolation, sampling and treatment. Learning from lapses is included in action plans for improvement.
- monthly monitoring of a central action plan in addition to local plans. This includes the funding and introduction of UV decontamination and monitoring of isolation room cleaning.
- monitoring improvements and identifying barriers to basic compliance in our quality improvement monitoring tool which is reported monthly.
- continuing focus on antibiotic stewardship to optimise practice and patient outcome which is also monitored and reported.

**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.

**Table Q24. Incident reporting**

| | UCLH Performance October 2015 - March 2016 | UCLH Performance October 2016 - March 2017 | National Average October 2016- March 2017 | Lowest Performing Trust October 2016 - March 2017 | Highest Performing Trust October 2016 - March 2017 |
|---|---|---|---|---|---|
| Number of patient safety incidents reported within the trust during the reporting period | 4505 | 5798 | 4714 | 295 | 14506 |
| The rate of patient safety incidents reported within the trust during the reporting period | 35.27 | 43.40 | 42.20 | 13.70 | 149.70 |
| The number of such patient safety incidents that resulted in severe harm or death | 15 | 22 | 17.0 | 92 | 0 |
| The percentage of such patient safety incidents that resulted in severe harm or death | 0.3 | 0.4 | 0.4 | 2.1 | 0 |

UCLH NHS Foundation Trust has taken the following actions to improve this rate and so the quality of its services by:

- Continuing to encourage incident reporting through the monthly quality and safety bulletin, which shares learning on reporting from incidents and encourages the reporting of near misses.
- Sharing learning through the patient safety committee monthly meeting and report.
- Continuing to share the quarterly report on incident trends and learning, and commending high reporters.

### 3.5.4 Learning From Deaths Report 2017/18

During 2017/2018 941 patients died at UCLH. This comprised the following number of deaths which occurred in each quarter of that reporting period: 220 in the first quarter; 237 in the second quarter; 234 in the third quarter, 250 in the fourth quarter.

By 1st April 2018 13 case record reviews and 71 investigations have been carried out in relation to 119 of the deaths.

In no cases was a death subjected to both a case record review and an investigation.

None of the deaths for which a case record review or investigation has been carried out were judged more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using the both the structured judgement review process and all our incident investigation processes. All serious incidents are reviewed by the trust mortality surveillance group to determine if the death was more likely than not to be due to problems in care.

No case record reviews or investigations were completed which related to deaths which took place before the start of the reporting period.

## 3.6 Statements of assurance from the Board

### 3.6.1 Introduction

All providers of NHS services are required to produce an annual quality report and certain elements within it are mandatory. This section contains the mandatory information along with an explanation of our quality governance arrangements.

The quality governance arrangements within UCLH ensure that key quality indicators and reports are regularly reviewed by clinical teams and by committees up to and including the Board. There are a number of committees and executive groups with specific responsibilities for aspects of the quality agenda, which report to the UCLH quality and safety committee (QSC), the key committee for monitoring and assuring on quality and safety. For example, QSC raised a concern about the trust's ability to account for the statutory and mandatory training of honorary contract staff. As a result, the workforce intelligence team reviewed the list of honorary contract holders to ensure that those holding this title are actually working at the trust. A total of 3,133 honorary contract holders were removed from the system as no longer working at the trust. Those remaining were moved into an appropriate post number and added to the mandatory training database.

A further example is concerns raised by QSC following presentation of the annual Child Safeguarding report in June 2017 that contract and temporary workers are adequately checked. In July 2017 the director for workforce provided assurance to QSC that adequate employment checks are in place for all contract and temporary workers.

In September 2017, QSC received an update on national and UCLH recognition that certain patients are at high risk of developing complications of their airways and that we have actioned recommendations from recent airway incidents to improve patient safety within this area. This includes the formulation of a UCLH Difficult Airway Response team (first in the UK) and the airways steering committee to oversee all governance and patient safety issues related to difficult airways within trust. The group has multidisciplinary membership from all specialities and sites.

The audit committee is responsible on behalf of the board for independently reviewing the systems of governance, control, risk management and assurance. The Board receives a regular corporate performance report (available on the UCLH website as part of the published Board papers) that includes a range of quality indicators across the three domains of quality - patient safety, experience and clinical effectiveness.

In addition, the Board receives a number of reports relating to quality such as quarterly reports on serious incidents, and quarterly and annual reports on adult and child safeguarding and complaints. The Board is further assured by reviews undertaken by internal audit which this year has included risk management – looking at local risk registers, Improving Care Rounds, and the governance process, data quality for falls and pressure ulcers and a high level gap analysis against the NHSI well led review key line of enquiry 6: *Is appropriate and accurate information being effectively processed, challenged and acted on?*

Board members including the Chairman and Chief Executive, Medical Directors, chief nurse, and non-executive directors, undertake walkabouts around UCLH talking to staff and patients. We are fortunate to have seven board members who are practising clinicians including six doctors who work at UCLH. They focus on the CQC key questions of safe, effective, caring, responsive and well-led care. These visits and what is learned provides

additional assurances on services. There are other visits; matrons undertake ‘quality rounds' and the governors visit clinical areas.

### 3.6.2 A review of our services

During 2017/18 UCLH provided and/or subcontracted 78 relevant health services. UCLH has reviewed all the data available to us on the quality of care in all of these relevant health services. The income generated by the relevant health services reviewed in 2017/18 represents 100 per cent of the total income generated from the provision of relevant health services by UCLH for 2017/18.

### 3.6.3 Participation in national and local audits

Clinical audit evaluates care against agreed standards, providing assurance and identifying improvement opportunities. UCLH carries out an annual programme of clinical audits in three categories – national, corporate and local. For national audits, we aim to participate in all that are applicable to us.

Corporate audits such as nutrition screening and medicines management are based on UCLH priorities and all divisions are expected to undertake them. Local audits are set up by clinical teams and specialties to reflect their local priorities. Audit findings are reviewed by clinical teams in quality and safety (governance) meetings, as a basis for peer review and for targeting or tracking improvements. The clinical audit and quality improvement committee (CAQIC) oversees the corporate clinical audit programme and activity, and reports to the board via the QSC.

During 2017/18, forty one national clinical audits and eight national confidential enquiries were relevant to health services that UCLH provides. During that period, UCLH participated in 100 per cent of both national clinical audits and national confidential enquiries, in which it was eligible to participate.

The national clinical audits and national confidential enquiries that UCLH was eligible to participate in during 2017/18 and the national clinical audits and national confidential enquiries that UCLH participated in, and for which data collection was completed during 2017/18 are listed below, alongside the number of cases submitted to each audit and enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry. Table Q25 lists the national clinical audits and shows UCLH participation. Table Q26 lists the National Confidential Enquiries and shows UCLH participation.

**Table Q25 National clinical audits**

| | Audit | UCLH eligible | UCLH participation | Percentage of cases submitted |
|---|---|---|---|---|
| 1 | Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP) | Yes | Yes | 100% |
| 2 | Adult Cardiac Surgery | No | Not applicable | N/A |
| 3 | British Association of Urological Surgeons (BAUS) Urology Audits: | Yes | Yes | 100% |

**Table Q25 National clinical audits**

| | Audit | UCLH eligible | UCLH participation | Percentage of cases submitted |
|---|---|---|---|---|
| | Cystectomy | | | |
| 4 | BAUS Urology Audits: Nephrectomy | No | Not applicable | N/A |
| 5 | BAUS Urology Audits: Percutaneous Nephrolithotomy | No | Not applicable | N/A |
| 6 | BAUS Urology Audits: Radical prostatectomy | Yes | Yes | 100% |
| 7 | BAUS Urology Audits: Urethroplasty | Yes | Yes | Data collection in progress |
| 8 | BAUS Urology Audits: Female stress urinary incontinence | Yes | Yes | 79% |
| 9 | National Bowel Cancer Audit Project (NBOCAP) | Yes | Yes | 100% |
| 10 | Cardiac Rhythm Management (CRM) | No | Not applicable | N/A |
| 11 | Case Mix Programme (CMP) | Yes | Yes | 100% |
| 12 | Congenital Heart Disease | No | Not applicable | N/A |
| 13 | Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI) | No | Not applicable | N/A |
| 14 | National Paediatric Diabetes Audit (NPDA) | Yes | Yes | 100% |
| 15 | Elective Surgery (National PROMs (Patient Reported Outcome Measures) Programme). | Yes | Yes | The following is the percentage of patients who have responded to the PROM questionnaire in each operation group. Hip: 88. Knee: 92.6 (April '17 to February '18) Hernia: 77.5. Varicose Veins: 73.7.(April to Sept. '17; after which data collection ceased) |
| 16 | Endocrine and Thyroid National Audit | No | Not applicable | N/A |
| 17 | Falls and Fragility Fractures Audit Programme (FFFAP)- Fracture Liaison Service Database | No | Not applicable | N/A |
| 18 | Falls and Fragility Fractures Audit Programme (FFFAP)- Inpatient Falls | Yes | Yes | 100% |

**Table Q25 National clinical audits**

| | Audit | UCLH eligible | UCLH participation | Percentage of cases submitted |
|---|---|---|---|---|
| 19 | Falls and Fragility Fractures Audit Programme (FFFAP)- National Hip Fracture Database | Yes | Yes | 100% |
| 20 | Fractured neck of femur | Yes | Yes | 100% |
| 21 | Head and Neck Cancer Audit | Yes | Yes | 100% |
| 22 | Inflammatory Bowel Disease (IBD) Programme | Yes | Yes | 100% |
| 23 | Major Trauma Audit | Yes | Yes | 90% |
| 24 | Mental Health Clinical Outcome Review Programme | No | Not applicable | N/A |
| 25 | National Audit of Breast Cancer in Older Patients (NABCOP) | Yes | Yes | 100% |
| 26 | National Audit of Dementia - Care in general hospitals | Yes | Yes | 100% |
| 27 | National Audit of Intermediate Care (NAIC) | Yes | Yes | 100% |
| 28 | National Audit of Psychosis | No | Not applicable | N/A |
| 29 | National Audit of Rheumatoid and Early Inflammatory Arthritis | Yes | Not applicable | No data requested 17/18 |
| 30 | National Audit of Seizures and Epilepsies in Children and Young People - Epilepsy 12 | Yes | Not applicable | No data requested 17/18 |
| 31 | New National Bariatric Surgery Registry (NBSR) | Yes | Yes | 99% |
| 32 | National Cardiac Arrest Audit (NCAA) | Yes | Yes | 99.5% |
| 33 | National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme - Pulmonary Rehabilitation | No | Not applicable | N/A |
| 34 | National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme - Secondary Care | Yes | Yes | 100% |
| 35 | National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs following Major Injury (NCASRI) | Yes | Yes | 100% |
| 36 | National Comparative Audit of Blood Transfusion programme: Transfusion-Associated Circulatory | Yes | Yes | 100% |

**Table Q25 National clinical audits**

| | Audit | UCLH eligible | UCLH participation | Percentage of cases submitted |
|---|---|---|---|---|
| | Overload (TACO) | | | |
| 37 | National Comparative Audit of Blood Transfusion programme: Audit of Red Cell & Platelet transfusion in adult haematology patients | Yes | Yes | 100% |
| 38 | National Diabetes Audit - Adults - National Foot Care Audit | Yes | Yes | 100% |
| 39 | National Diabetes Audit - Adults - National Inpatient Audit | Yes | Yes | 100% |
| 40 | National Emergency Laparotomy Audit (NELA) | Yes | Yes | 81%[t] |
| 41 | National End of Life care audit | Not applicable | Not applicable | Not starting until 2019 |
| 42 | National Heart Failure Audit | Yes | Yes | 100% |
| 43 | National Joint Registry (NJR) Hips | Yes | Yes | 95% |
| | National Joint Registry (NJR) Knees | Yes | Yes | 97% |
| 44 | National Lung Cancer Audit (NLCA) | Yes | Yes | 100% |
| 45 | National Maternity and Perinatal Audit | Yes | Yes | 100% |
| 46 | National Neonatal Audit Programme (NNAP) | Yes | Yes | 100% |
| 47 | National Ophthalmology Audit - Adult Cataract surgery | No | Not applicable | N/A |
| 48 | National Vascular Registry | Yes | Yes | 100% |
| 49 | Neurosurgical National Audit Programme | Yes | Yes | 100% |
| 50 | National Audit of Oesophago-Gastric Cancer (NAOGC) | Yes | Yes | 100% |
| 51 | Paediatric Intensive Care (PICANet) | No | Not applicable | N/A |
| 52 | Pain in Children | Yes | Yes | 100% |
| 53 | Prescribing Observatory for Mental Health | No | Not applicable | N/A |
| 54 | Procedural Sedation in Adults (care in emergency departments) | Yes | Yes | 100% |
| 55 | National Prostate Cancer Audit | Yes | yes | 100% |
| 56 | Sentinel Stroke National Audit | Yes | Yes | 100% |

**Table Q25 National clinical audits**

| | Audit | UCLH eligible | UCLH participation | Percentage of cases submitted |
|---|---|---|---|---|
| | programme (SSNAP) | | | |
| 57 | Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme | Yes | Yes | 100% |
| 58 | UK Parkinson's Audit | Yes | Yes | 100% |

[t] *The figure is an average for the year. The target set by the NELA national audit is an average of 80 per cent.*

**Table Q26 National Confidential Enquiries**

| | National Confidential Enquiry | UCLH eligible | UCLH participation | Percentage of cases submitted |
|---|---|---|---|---|
| 1 | National Confidential Enquiry into Patient Outcome and Death (NCEPOD) – Chronic Neurodisability | Yes | Yes | 100% |
| 2 | National Confidential Enquiry into Patient Outcome and Death (NCEPOD) – Cancer in Children, Teens and Young Adults | Yes | Yes | 100% |
| 3 | National Confidential Enquiry into Patient Outcome and Death (NCEPOD) – Young People's Mental Health | Yes | Yes | 100% |
| 4 | National Confidential Enquiry into Patient Outcome and Death (NCEPOD) – Acute Heart Failure | Yes | Yes | 100% |
| 5 | National Confidential Enquiry into Patient Outcome and Death (NCEPOD) – Peri-operative Diabetes | Yes | Yes | Study in progress – cases required to be confirmed by NCEPOD |
| 7 | Learning Disability Mortality Review Programme (LeDeR Programme) | Yes | Yes | 100% |
| 8 | Maternal, Newborn and Infant Clinical Outcome Review Programme MBRRACE programme | | | Ongoing reporting and completion of audit process as |

| | | | | |
|---|---|---|---|---|
| | | | | required (as cases arise) |

The reports of six national clinical audits and two local clinical audits were reviewed by UCLH in 2017/18 and UCLH intends to take the following actions to improve the quality of healthcare provided:

**Examples of actions from National Clinical Audits**

***National Audit of Dementia***
This national audit compared dementia care and services at UCLH with 199 other general acute hospitals to calculate a national average. Staff and carers (including family) were asked about their experience in addition to reviewing the patient medical notes.

Best practice recommends that all patients (100 per cent) have assessments undertaken as outlined in table Q27.

**Table Q27.**

| **Assessment:** | Cognition | Continence | Function | Pain | Pressure areas | Nutrition | Mobility |
|---|---|---|---|---|---|---|---|
| **UCLH score:** | 88% | 36% | 96% | 76% | 100% | 100% | 100% |
| **National score:** | 54% | 88% | 45% | 82% | 96% | 90% | 94% |

In response to the poor results for continence and pain assessment, UCLH are developing standardised assessment tools for pain and continence to be piloted on Evergreen ward. This will prompt staff to ensure all elements of pain and continence assessments are carried out when using the tool.

In addition to the measures above staff were asked if they thought that the nutritional needs of patients were met, over 80 per cent reported 'yes, always' or 'yes, most of the time'. Staff were also asked if suitable finger foods (not toddler or 'party' food) were available and 29 per cent of staff reported 'no' and 25 per cent 'sometimes'. Following these scores a clinical nurse specialist now contributes to the nutrition and hydration steering group to ensure patients' needs are met.

Carers (including family) reported that in their opinion 96 per cent of patients were treated with respect; with 72 per cent rating the care received by the patient to be excellent. Satisfaction levels of carers, in regard to the support provided by the hospital for their role as a carer, were scored 67 per cent as 'very satisfied', 33 per cent as somewhat satisfied'. The carers overall view of patient care provided by the hospital was considered excellent by 72 per cent and very good by the remaining 28 per cent putting the UCLH service second best in the country. Table Q28, below, presents UCLH data, alongside the national average.

**Table Q28.**

| **Responses to the question:**<br>Overall, how would you rate the care received by the person you looked after during their hospital stay? | UCLH percentage | National percentage |
|---|---|---|

| | | |
|---|---|---|
| Excellent | 72% | 35% |
| Very good | 28% | 34% |
| Good | 0% | 17% |
| Fair | 0% | 9% |
| Poor | 0% | 5% |

**Acute Coronary Syndrome or Acute Myocardial Infarction - Myocardial Ischaemia National Audit Project**

This national audit reviews heart attack treatment from the call to emergency services through to discharge from hospital following care. It is based on the data submitted by hospitals and emergency services and intends to cover every heart attack. The results of this 2017 report were based on data entered in 2014 to 2015; care has already improved but these results provide a benchmark comparison with other organisations

Patients often have much better outcomes if they are admitted directly to a Catheterisation Laboratory (Cath. Lab) in order to have immediate angiogram (an X-ray of the arteries going into the heart) and instant treatment to unblock the flow of blood to the heart, which is causing the heart attack.

The percentage of appropriate patients admitted directly to a Cath. Lab at UCLH from London Ambulance Service and receiving life-saving treatment within 90 minutes was 91 per cent, the national average was 89 per cent. The percentage of appropriate patients receiving treatment within 150 minutes of their emergency call was 90 per cent of patients; the national rate was 83 per cent.

Cath. Labs at UCLH were transferred in May 2015 to the new specialist hospital for north and east London - the 'Barts Heart Centre', part of Barts Health NHS Trust. Work between Barts and UCLH continues with the transfer of eligible patients to the Barts Heart Centre when appropriate with both organisations sharing information on referrals and treatments to maintain a full patient record at each organisation.

**Local clinical audit**

The reports of two local clinical audits were reviewed by UCLH in 2017/18 and UCLH intends to take the following actions to improve the quality of healthcare provided:

**Infection:** Audit of the availability of drugs for tropical diseases at the Hospital for Tropical Diseases (HTD)

A patient presented to the HTD, late on a Friday afternoon, with a tropical disease (Trypanosoma Gambiense) which requires treatment by two specialist drugs. One drug was expected to be available in the Pharmacy, but had expired, the other needs to be ordered from the World Health Organisation (WHO) in Geneva. As a specialist centre both drugs were expected to be in stock. Due to the presentation time of late on a Friday afternoon, there was a delay in acquiring the drugs over the weekend, though no harm came to the patient. This incident prompted an audit of drug availability.

A table was drawn up of diseases and their drug treatment which was then traffic light rated for clinical importance; 'red' for drugs readily available in emergencies, 'amber' for urgent

treatment needed in 24-48 hours, and 'green' no clinical urgency to treat. A stock check was then carried out on the availability of the drugs named in the table and ensuring they were all within expiry date; results found all the drugs were available and in date. Following this a retrospective audit (2012 to 2016) was carried out on the availability of drugs according to prescribing documentation in electronic patient record systems and in patient medical records. The results of which can be seen in table Q29 below,

**Table Q29. What did we learn?**

| What did we learn? | What are we doing to improve |
|---|---|
| There are no formal standards on availability of drugs | The HTD created their own high standards to adhere to, ensuring improved service and availability of drugs for patients. |
| In the retrospective audit (2012 to 2016) between 88 per cent and 100 per cent of all drugs were available, there was no data recorded on expiry. | Future audits will be carried out in real time as regular stock takes, including expiry dates, following the high standards devised in the point above. |
| Drugs ordered from the WHO in Geneva can take some time to be delivered | A best practice document was written, and shared with staff, on the optimal way to order drugs with the WHO to reduce hold ups. |

**Emergency Services:** Adherence to antibiotic guidelines in the Emergency Department (ED)

This audit was carried out in response to the nationally reported issue of inappropriate prescription of antibiotics and to establish progress against the Department of Health and Social Care five year antimicrobial resistance strategy. The audit was completed by an ED consultant, ED pharmacist and a trainee GP. One hundred ED patient medical records and prescriptions were reviewed, half out of hours and half during main pharmacy opening hours for both adult and paediatric patients. The audit expected 100 per cent compliance with applicable guidelines on antibiotic prescribing. Key results can be found in table Q30 below and include improvement actions planned; this audit recorded 99 per cent compliance with dose and duration of antibiotics prescribed. This is the third time this audit has been carried out and it will be re-audited in due course.

**Table Q30.**

| What did we learn | What are we doing to improve |
|---|---|
| During out of hours, four prescriptions did not have an applicable guideline to follow and during main pharmacy opening hours the figure was seven. | Expanding the guidelines available to staff to provide advice on the best course of action. |
| Four antibiotic prescriptions out of hours were inappropriately prescribed. | There are posters on drug dispensing cupboards regarding antibiotic prescriptions and nursing staff must double check with available guidelines to ensure it is the correct prescription. |
| Eleven antibiotic prescriptions during main | The main pharmacy will query any antibiotic |

| | |
|---|---|
| pharmacy opening hours were inappropriately prescribed. | prescriptions they consider inappropriate rather than dispense them. |
| There is frequent rotation of medical staff every four to six months, as well as locum doctors in the department | During induction new clinicians in the department are advised of available guidelines and to seek advice from specialists on conditions where guidelines are not available. |

**Quality Improvement**

Clinical audit has been complemented with Quality Improvement (QI) projects over the last year. Six clinical audit presentations have been replaced with QI presentations and education sessions on improvement work to apply locally and share with colleagues. Some examples include: 'QI and the 'Value' agenda' and 'QI Education – Model for QI versus the Clinical Audit Cycle'.

A number of projects were submitted on the British Medical Journal quality (BMJ) portal. This is an online toolkit that supports individuals and teams to work through quality improvement ideas, make an intervention, and publish their results while developing their knowledge and skills.

- Integrating Mindfulness Practice into a Paediatric Psychology Service: Working within the constraints of the NHS Integrating Mindfulness Practice into a Paediatric Psychology Service:
- Improving transition outcomes in adolescents with permanent hearing loss
- An assessment of the impact of a clinical nurse specialist-led telephone clinic in Facial Pain on the frequency of out-patient appointments
- Supporting patients to be active participants in anticoagulation medication safety
- Implementation of an enhanced recovery programme for cystectomy patients at UCLH

### 3.6.4 Seven day care services

UCLH is committed to delivering high quality services that ensure equity of access for all patients 24 hours a day, seven days a week. We participated in the March 2017 and September 2017 national audits for seven day hospital services against the four clinical priority standards:

- Standard 2 - All emergency admissions must be seen and have a thorough clinical assessment by a suitable consultant as soon as possible but at the latest within 14 hours from the time of admission to hospital.
- Standard 5 - Access to Consultant-directed Diagnostics within one hour if critical, 12 hours if urgent and 24 hours for non-urgent patients
- Standard 6 - Hospital inpatients must have timely 24 hour access, seven days a week, to key consultant-directed interventions that meet the relevant specialty guidelines, either on-site or through formally agreed networked arrangements with clear written protocols.
- Standard 8 - Patients with high dependency needs should be seen and reviewed by a consultant twice daily (including all acutely ill patients directly transferred and others who deteriorate). Once a clear pathway of care has been established, patients should be reviewed by a consultant at least once every 24 hours.

Results for clinical standard 2 showed that 56 per cent of patients were being seen by a consultant with 14 hours of admission against a standard of 90 per cent. We know that performance across UCLH varies across the specialties from 17 per cent to 100 per cent and we have seen some marked improvements in particular areas such as neurosurgery. We continue to encourage all services to improve record keeping and expect this issue to be resolved once we have fully implemented the new Electronic Health Record System (EHRS) across UCLH in 2019.

Results for clinical standard 5 showed that we provide six of the six required consultant-directed tests either on site or via formal arrangements for our patients.

Results for clinical standard 6 showed that we provided all required interventions with the exception of one, renal therapy.

Results for clinical standard 8 showed that the overall proportion of patients that required twice daily reviews by consultants and received them was 86 per cent and the overall proportion of patients that required once daily reviews by consultants and received them was 87 per cent against a standard of 90 per cent. As described above we expect documentation to improve with the implementation of the EHRS.

### 3.6.5 Participation in clinical research

A key focus for the National Institute for Health Research is the development and delivery of high quality, relevant, and patient focused research within the NHS. 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, bursaries and other resources, ensuring studies which take place at the trust are relevant to, and inclusive of patients. UCLH actively promotes research through patient engagement events such as the large-scale annual Research Open Day.

In 2017/18 a total of 294 new research studies were approved to begin recruitment at UCLH. These range from Clinical Trials of Medicinal Products and Devices, through to service and patient satisfaction studies. There are currently 1,734 studies involving UCLH patients running at UCLH. Of these, approximately 64 per cent of studies are adopted onto the National Institute of Health Research Clinical Research Network (NIHR CRN) portfolio of research.

In 2017/18, the number of participants recruited to research studies at UCLH was 13,909. Please note that ongoing updates and validation to recruitment data mean that there are slight changes in retrospective totals for the previous financial year.

UCLH is recognised as one of the leading centres for experimental medicine in England. In partnership with UCL London, the Trust has National Institute of Health Research Biomedical Research Centre (BRC) status. UCLH BRC supports UCLH and UCL's world class strengths for innovative early phase research in cancer, neuroscience, cardiovascular disease and inflammation, immunity and immunotherapies. From 2016, it is support expanded to focus on other areas of strength, including hearing and deafness, oral health, mental health, obesity, dementia, healthcare engineering and imaging and healthcare informatics.

The trust's commitment to research is further evidenced by the fact it is part of UCL Partners (UCLP), one of five Academic Health Science Partnerships. UCLP itself has a director of quality committed to sharing best practice across the partnership.

### 3.6.6 CQUIN update

Commissioning for Quality and Innovation (CQUIN) is a payment framework that allows commissioners to agree payments to hospitals based on agreed quality improvement and innovation work.

A proportion of UCLH income in 2017/18 was conditional on achieving quality improvement and innovation goals between UCLH and any person or body they entered into a contract, agreement or arrangement with for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework.

Through discussions with our commissioners, we agreed a number of improvement goals for 2017/18 that reflect areas of improvement nationally, within London and locally. The total income received conditional upon achieving quality improvement and innovation targets for 2017/18 was £12,804,161* which represents 82.5 per cent of the total available.

**This figure is provisional.*

The total CQUIN achieved in 2016/17 was £11,225,164 which is 79 per cent of the total available.

A high level summary of the CQUIN measures for 2017/18 is shown in the following table together with the forecast income taking into account performance against each CQUIN target.

**Table Q31: CQUIN measure 2017/18**

| CCG CQUINs | Full year value (provisional) |
|---|---|
| Improvement of health and wellbeing of NHS staff | £256,000 |
| Healthy food for NHS staff, visitors and patients | £320,000 |
| Improving the uptake of flu vaccinations for frontline clinical staff (target is 70%) | £160,000 |
| Timely identification of patients with sepsis in emergency departments and acute inpatient settings | £240,000 |
| Timely treatment of sepsis in emergency departments and acute inpatient settings | £180,000 |
| Assessment of clinical antibiotic review between 24-72 hours of patients with sepsis who are still inpatients at 72 hours. | £240,000 |
| Reduction in antibiotic consumption per 1,000 admissions | £240,000 |

| | |
|---|---|
| Working with partners to improve services for people with mental health needs in A&E | £768,000 |
| Implementing advice & guidance across specialties with 75% of GP referrals | £960,000 |
| E-referrals | £720,000 |
| Working with partners to improve discharge for patients >65 years old | £900,000 |
| Achievement of 0.5% of contract for engagement in STP | £1,920,000 |

| **NHSE CQUINs** | **Full year value (provisional)** |
|---|---|
| Clinical utilisation review | £1,271,820 |
| Medicines optimisation | £676,500 |
| Neonatal outreach | £378,840 |
| Haemaglobinopathy network | £162,360 |
| Patient activation management | £514,140 |
| Shared decision making | £162,360 |
| Dose banding for intravenous chemotherapy | £541,200 |
| Optimising palliative therapy decision making | £177,581 |
| Enhanced supportive care | £270,600 |
| Spinal surgery networks | £135,300 |
| Stroke system and rehab | £554,730 |
| Working with partners to improve discharge for patients >65 years old | £554,730 |
| Dental CQUIN | £500,000 |

Further details of the agreed goals for 2017/18 and for the following 12 month period are available on request from:

Performance Department
2nd Floor Central
250 Euston Road

London
NW1 2PG

### 3.6.7 Care Quality Commission (CQC) registration and compliance

UCLH is required to register with the Care Quality Commission (CQC) and its current registration status is that all UCLH locations are fully registered with the CQC, without conditions.

The CQC has not taken enforcement action against UCLH during 2017/18.

UCLH has not participated in special reviews or investigations by the CQC during 2017/18.

### 3.6.8 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 UCLH, 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**

UCLH submitted records during 2017/18 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:

- 96.3 per cent for admitted patient care
- 95.5 per cent for outpatient care
- 83.2 per cent for accident and emergency care

Which included the patient's valid General Medical Practice Code was:

- 95.7 per cent for admitted patient care
- 96.7 per cent for outpatient care
- 81.6 per cent for accident and emergency care

**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 UCLH Information Governance Assessment Report overall score for 2017/18 was 83 per cent and was graded 'compliant'.

**Clinical coding error rate**

UCLH was not subject to the Payment by Results clinical coding audit during 2017/18 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.

UCLH 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. Statements from our commissioners, Healthwatch Camden and UCLH Council of Governors.**

*North Central London Joint Health Overview and Scrutiny Committee advised the trust that due to the pre-election period; the committee was unable to meet to agree a statement.*

**Statement from NHS Camden Clinical Commissioning Group**

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.

Camden CCG has worked closely with UCLH to ensure we have the right level of assurance in relation to these commissioned services, obtained mainly via regular Clinical Quality Review Group (CQRG) meetings. This was supplemented by undertaking quality assurance visits in UCLH.

CCG welcomes the opportunity to provide this statement on UCLH Trust's Quality Accounts. We have taken particular account of the identified priorities for improvement for UCLH and how this work will enable real focus on improving the quality and safety of health services for the population they serve.

We confirm that we have reviewed the information contained within the draft Quality Account (provided to the CCG in April 2018). We confirm that the document received complies with the required content as set out by the Department of Health or where the information is not yet available a place holder was inserted. 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 the following Clinical Commissioning Groups, NHS Islington, NHS North West London, NHS Haringey, NHS Enfield and NHS Barnet. The document was also shared with colleagues in NHS North and East London Commissioning Support Unit for their review and input.

The Trust opened their newly refurbished Emergency Department (ED) in January 2018. This new facility includes a purpose built paediatric ED, which is separate from the main department and complies with the London Acute Care Standards for Children and Young People (May 2016). As commissioners, it will be helpful to understand the impact the new ED department has had on patient flow and the timeliness of diagnostics as a result of the installation of a new Computerised Tomography (CT) scanner.

Significant progress has been made across a number of patient safety areas such as management of pain, early identification and management of patients with sepsis and recording of patients' vital signs across the Trust.

The Trust has incorporated pain scores into their National Early Warning Score (NEWS) Chart to ensure that pain scores are captured and managed. A clinical facilitator is undertaking weekly audits of these charts to ensure that they have been completed and is providing education and training to staff to improve completeness of documentation.

The management and identification of sepsis has received considerable media attention over the winter months. We are pleased to note the progress the Trust has made in the timely identification, escalation and management of patients with sepsis. This work has been supported by the appointment of a sepsis nurse who is implementing a programme of continuous education for staff based on current evidence and best practice. As commissioners we are supportive of the Trust to continue to focus on reducing avoidable patient harm as a priority for 2018/19.

During 2017/18, it was disappointing to note the high levels of dissatisfaction reported by patients regarding long waits experienced within the transport services. The Trust have worked with their transport provider to revise the current contract and performance metrics to ensure that the service commissioned delivers the high quality standards expected. The revised contract has been in place for a number of months and

It is disappointing the Trust did not meet the 2017/18 Friends and Family Test, Patients' experience of waiting, and priority targets. UCLH have invested in improving the experience of patients within the MacMillan Cancer Centre (MCC) and outpatient settings by recruiting volunteers and providing customer service training to administrative staff.
We are pleased that the Trust will continue to focus on improving the experience of patients within the MCC and other outpatient settings. We hope this area will see improvements as the Coordination Centre went live in December 2017 and should further impact Trust scores in the coming year.

The Trust have made a concerted effort to reduce avoidable harm within the Operating Theatre and other departments where invasive procedures are undertaken. This has been reflected through the implementation of the World Health Organisation (WHO) safer surgery checklist and implementation of the National Safety Standards for Invasive Procedures.
We are very pleased to note the Trust have not reported any Never Event Incidents during 2017/18. The Trust patient safety team compile a monthly bulletin where lessons learned from incidents and near misses are shared across the organisation. Nevertheless, we are aware that the Trust has improvements to make regarding the implementation of a robust system to follow up on radiology results.

We recognise the work undertaken by the Trust in improving administration processes in relation to information technology, data quality and electronic referral systems. However, there are risks which need to be managed by the Trust and mitigations put in place as part of the work to implement the new electronic health record system, Epic. As commissioners we expect the Trust to have a robust implementation plan in place to support the delivery of

services and provision of data that meets the national requirements for the content and timeliness of discharge summaries and clinic letters being sent to GPs.

UCLH are working with partners across North Central London to implement the Simplified Discharge and Discharge to Assess model. Commissioners expect to see improvements in discharge planning including timely assessments and implementation of packages of care to support patients back into their usual place of residence.

Commissioners have noted the absence of staff health and wellbeing within this Quality Account, we expect this to be an area of priority for the Trust during 2018/19 based on the recent publication of the NHS 2017 Staff Survey results.
At the time of writing this statement, Camden CCG cannot authenticate the achievement of 2017/18 CQUINs.
Overall, this is a positive Quality Account and we welcome the vision described and agree on the priority areas.

**Healthwatch Camden**

Healthwatch Camden notes the positive changes that have been made in response to CQC recommendations, including better flagging of the needs of patients with dementia. We welcome a continuing focus on patient safety. It is disappointing that the ambitions on patient experience have not been met. This reflects feedback we receive, that direct clinical care is experienced as good but processes related to accessing care are often frustrating. We are pleased to note that improvements have been made in arrangements to supply BSL interpreting; this is an area we had raised as a concern.

We have been pleased to work with UCLH colleagues on initiatives around improving urgent care and developing the local care strategy and we look forward to seeing further reports on the impact of 'Discharge to Assess' and other measures to help minimise the need for people to stay in hospital.

We welcome the focus on responding and learning when patients die. We carried out qualitative research on end of life care, and received some very positive feedback about the skilled and compassionate care provided at UCLH.

We are unable to comment on the detail of reports on clinical outcomes, as the draft we have read did not include final data.

**Council of Governors**

**Introduction**

The Council of Governors represents the interests of UCLH foundation trust members as a whole (this includes UCLH patients, patient carers and staff and London residents) and the interests of the public. As a stakeholder in UCLH, the Council of Governors reviews UCLH's annual Quality Report which records UCLH's service quality and achievement over the past financial year. This year, Governors adopted four 'prompt' questions to structure our review which we have answered below. We hope that our answers help non-technical and non-medical readers who are patients and/or members better understand information in this report.

**Question 1:**

Are the priorities for 2017/18 and 2018/19 set out in the 2017/18 UCLH Quality Report in the interests of the populations UCLH serves and do they align with STP (North Central London) priorities?

The 2017/18 UCLH Quality Report describes measures in place to assess the effectiveness of the services UCLH provides for the populations it serves. Although the Quality Report is a useful source of information for patients of UCLH, it is prepared mainly with the requirements of UCLH's regulators in mind and so is necessarily restricted in its scope. Governors have attempted to consider the Quality Report in an objective and unbiased way and provide, in our answers below, additional information of which we are aware where we believe it complements the picture of the quality of services provided by UCLH in the Quality Report.

Governors believe that UCLH is providing elective services required by the populations it serves through tertiary referrals of difficult or complex cases and via other routes such as GP referral or patients selecting UCLH through NHS Choices in more routine cases. However, we understand that funding may not be available to enable patients living in Wales to access some specialist urology services offered at UCH at Westmoreland Street. We do not know if similar limitations apply to other specialist services offered by UCLH that patients living outside England may wish to use. Realignments of treatment specialisms in London and nationwide should enable UCLH, in our opinion, to concentrate on providing specific services benefitting our populations.

Local considerations, in particular with regard to the Sustainability and Transformation Partnership for North Central London (STP), are reflected in the services planned locally. UCLH have participated in the STP project and the STP objectives are a significant factor behind UCLH's own objectives. Nevertheless, Governors recognise that there could be a tension between specialist and local services, but have no significant reservations at present about both being offered by one provider: we consider that UCLH's specialist services provide 'added value' to the skills and services available to patients attending UCLH as a 'district general hospital'.

UCLH took the laudable step to continue undertaking most of its planned elective surgery during the winter of 2017/18 to the great benefit of its patients. Governors fully support this decision.

However, regarding the trust's obligations in relation to mental health provision, we share concerns expressed by UCLH's Chief Executive about the difficulty of finding appropriate places for patients presenting with mental health issues to be treated. We note that some patients presenting with mental health issues at A&E at UCH can experience waits of over 12 hours owing to the difficulty that UCLH can encounter in securing timely and appropriate onward care for these patients.

Governors are disappointed by the 15.7 per cent increase in formal complaints in 2017/18 compared to 2016/17. Several data in the Quality Report suggest there may be some general issues with communication between UCLH and patients; for example, Table Q7: Progress against specific discharge priorities, reveals that 46 per cent of patients surveyed "didn't know what was happening" to them after leaving hospital. Governors will, in the next year, look to the Executive to reflect on these findings and perhaps adjust operational processes at UCLH accordingly.

Governors were aware of major problems during 2017/18 with the trust's non-emergency patient transport service as provided by G4S – this was a significant source of complaints. Governors took the initiative in raising concerns about the service with the Board and are

looking to see that the action taken by the trust so far delivers the anticipated improvements in service within the promised time-frame.

Notwithstanding these specific issues, Governors believe that, due to the dedication, commitment and hard work of staff, our hospitals enjoy, on the whole, an excellent reputation within our local communities for quality of treatment and care.

The trust continues to invest money and management time into supportive technology, such as Tele-tracking and facilities like the new Co-ordination Centre, which at the micro level improve our efficiency and bed usage, for example helping get patients home sooner. At the macro level, the Electronic Health Record System (EHRS) will enhance and augment the services we can offer, with self-help features such as patient portals and access to patients' own records, and through improved dialogue between patients and the trust.

**Question 2:**

Does the 2017/18 UCLH Quality Report accurately reflect the quality of services provided by UCLH and are any important issues missed?

Governors believe that the Quality Report does reflect the quality of services provided by UCLH and that it shows that, except as described below, most of the significant issues identified in it are being addressed.

We welcome the frank acknowledgment of some shortcomings or disappointing performances in this report and that clear plans to address them have been put in place along with appropriate metrics to measure improvements.

Governors remain concerned about the deterioration in the four-hour waiting time performance (95 per cent target vs 87.9 per cent actual for 2017/18) for A&E treatment (Quality Report, Table Q16: Progress against the indicators in the Single Oversight Framework) over the year covered by this report. We understand that there is a wide range of factors governing the ability of UCLH to meet the 95 per cent target and also see evidence that UCLH continues to make determined efforts to address the downward trend in meeting the target, but do not feel that the trust has yet found the solution to delivering sustained improvement in its performance against the target. We recognise that recent building work to reorganise and reconfigure the Emergency Department, commissioned after a Care Quality Commission (CQC) inspection in 2016, may have affected the performance figures and we are assured that there are reasonable grounds for believing that some improvements will soon be achieved following completion of these works.

Another difficulty UCLH faces is the ever-growing number of users of the Emergency Department at UCH in significant part due to its reputation as a 'good place to go' for people in difficulties. Meeting this demand could be considered a 'local priority' but it is one that could be an open-ended commitment to expand capacity. Governors see that some additional resources have now been put in place to deal with any reasonable increase generated by UCLH's location and reputation. But there are significant factors that appear to be largely outside the control of UCLH, such as the timely availability of beds in care homes in the community and the ability to recruit and retain junior doctors, and these continue to affect the ability of UCLH to achieve the 95 per cent national performance target for A&E.

However, we are delighted at the reduction in the average Emergency Department waiting time by 51 minutes since a clinical navigator role was introduced as reported in the section 3.2.1 of the Quality Report.

An area which causes Governors some concern is UCLH's capacity to treat patients with mental health issues who are seeking help and treatment primarily for other conditions. This report is light on these aspects. The number of such patients appears to be increasing, though we await verification of this impression. UCLH's geographic position near national and international rail termini appears to be one factor. Unfortunately, we are aware that patients with mental health issues can sometimes present with behaviours that can be disruptive on the ward. We understand that this is a complex area and that, frequently, the challenge is not one of the medical treatment required but the subsequent transfer to a safe place of those already treated, and we acknowledge this cannot be resolved by UCLH without additional funding and significant help from partner organisations.

Governors remain concerned that the trust falls short of meeting the 62 day target for first treatment for cancer patients after urgent GP referral (85 per cent target vs 68.7 per cent actual for 2017/18) and those referred from a consultant screening service (90 per cent target vs 76.6 per cent actual for 2017/18) – see Quality Report, Table Q16: Progress against the indicators in the Single Oversight Framework. We are pleased, however, that the most recent figures we have seen are showing that performance against the target for first treatment for cancer patients after urgent GP referral has improved (standing at some 76 per cent actual for March 2018) and hope this trend will continue. We are also pleased that the method by which referrals into UCLH from other NHS trusts are counted has recently changed, which should reflect more reasonably on UCLH's performance against these critical time frames. Referrals from other hospitals are often significantly delayed such that it is impossible for UCLH to deliver first treatment within the 62 day target time after urgent GP referral. Governors hope that this increased focus on factors outside UCLH's control will lead to improvements in the timeliness of referrals to UCLH by other hospitals, so that patients can receive treatment by or before the 62 day target, and in turn also help UCLH focus on improvements to processes that are within its control.

Governors are concerned about the increase in complaints for maternity (early phase of labour) as described in section 3.2.2 of the Quality Report. The increase is related to complaints about unsatisfactory care, communications and support during this stressful time. Governors understand that UCLH is taking immediate steps to deal with this. Governors will be paying close attention to this aspect of UCLH performance in the coming months.

UCLH's Non-Emergency Patient Transport Service (NEPTS) has been a constant trial this reporting year and, in the worst cases, a source of distress to individual patients, of missed treatments and appointments and unacceptably long delays in returning home. We note that UCLH acknowledged in the Quality Report that most of the rise in complaints over 2017/18 related to the NEPTS. Over the last 18 months, UCLH's in-house NEPTS services were ended, staff transferred to a contractor, G4S, and a revised service contract with G4S was established. Governors believe the NEPTS has not served our patients who are reliant on this service well over this period. We are, however, pleased to see improving statistics for satisfaction with the service since February 2018 supported by a fall in the number of patients using this service. Governors have received assurance that UCLH is taking measures to improve the NEPTS so that an acceptable service is delivered by the middle of 2018 but await further information before we can assure patients and trust members that the anticipated improvements are indeed being consolidated in the service used by our patients.

Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP) is a national audit of heart attack treatment (see section 3.6.3 of the Quality Report). This MINAP report shows UCLH is doing well in achieving a swift transfer of patients to a 'Cath Lab', a key element in survivability. However, we note that the data on this matter in the Quality Report is for 2014 and 2015 only. For patients experiencing non-emergency heart events, Governors are

content that UCLH is looking at ways of improving the speed of transfer pathway to Barts Heart Centre (UCLH no longer has a specialist heart hospital) to try to reduce delays and extended stays at UCLH for patients with these conditions.

In anticipation of the introduction of the eagerly awaited Electronic Health Record System (EHRS) and the moves to Phase 4 (a new building for Proton Beam Therapy and associated facilities) and Phase 5 (relocation of the Royal National Throat Nose and Ear and Eastman Dental Hospitals to a new building), the Governors continue to seek assurance that the trust has taken reasonable steps to plan adequately for these events and has mobilised dedicated resources to address them. We are acutely aware of the potential for 'down-sides' in any significant change in systems as well as the potential for effects on patient care, and will be following, in accordance with our role, the trust's plans for training, testing and change-over to assure ourselves that there are grounds for confidence in a smooth and seamless transition to EHRS.

Once a month Governors undertake a departmental or ward walk round visit to see first-hand how services are provided and delivered. These visits have been welcomed by staff, patients and their relatives. Governors are able to receive first-hand assurances that the hospital departments or wards are clean and patients are provided with privacy and dignity and, on the rare occasion that something may be amiss, raise the issue on the patients' behalf. Governors ask patients for their views about the quality of the nursing and medical care they receive. The visits have provided Governors with an understanding of how hospital wards function and the high standard of care demanded by our patients and the hospital's inspectors, the CQC.

We are unsure how the anticipated departure of the UK from the European Union might affect services at UCLH but are already aware of some apparent effects on recruitment and some potential future financial implications for the trust.

**Question 3:**

Has UCLH involved patients and public in the production of the 2017/18 Quality Report?

Governors have been consulted on the production of this Quality Report. In comparison to earlier years, the report is now only produced electronically and is much reduced in length whilst still rich in data. Governors are delighted to see the adoption to a large extent of the recommended pro forma layout suggested by NHSI – this will assist comparisons to be made between hospital trusts. Other stakeholders in UCLH have been invited to comment on the Quality Report.

A constant for Governors in looking at the annual Quality Report is the absence of patient and population involvement in its production or in decisions about data to be included. By its nature, the report addresses criteria and areas of interest to regulators but it does not pay much attention to what a local or national population might need to know in order to form judgements about UCLH services and their quality relative to services offered by other hospital providers. Governors believe there is much scope for increasing dialogue with patients and public.

**Question 4:**

Is the 2017/18 Quality Report clearly presented for patients and public?

The Quality Report, whilst data rich, is well presented in language that is reasonably easy to understand for patients and the public. It contains relatively little unexplained jargon and few

unnecessary acronyms and is a welcome improvement on previous years' reports. The Glossary of terms and abbreviations (Annex 4) is helpful. As said above however, it is still primarily aimed at satisfying the regulators of UCLH as to the quality of services provided; it does not set out to provide a clear, comparative guide for patients to turn to when selecting a service.

A summary section aimed primarily at readers without medical or specialist knowledge would help them navigate and understand the content. Nevertheless, Governors encourage all trust members and others who are interested in our hospitals and their performance to read the Quality Report.

Presentation overall is excellent; some sentences are exceptionally lengthy and charts and graphs are very occasionally a little obscure in their meaning. But this report is a considerable improvement on previous years' reports, and the staff and other contributors involved are to be congratulated for their efforts and having produced such an opus in a condensed timeframe.

**Annex 2: Statement of directors' responsibilities**

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation Trust Boards on the form and content of annual quality 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 2017/18 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 April 2017 to 22 May 2018
    - papers relating to quality reported to the board over the period April 2017 to 22 May 2018
    - feedback from commissioners dated 10 May 2018
    - feedback from governors dated 13 May 2018
    - feedback from local Healthwatch organisations dated 10 May 2018
    - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 1 September 2017.
    - the latest national patient survey May 2017
    - the latest national staff survey 12 April 2018
    - the Head of Internal Audit's annual opinion of the trust's control environment dated 31 March 2018
    - CQC inspection report dated 15 August 2016

*North Central London Joint Health Overview and Scrutiny Committee advised the trust that due to the pre-election period; the committee was unable to meet to agree a statement*

- 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 NHS Improvement'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

**David Prior (Lord Prior of Brampton)**
**Chairman**

**Professor Marcel Levi**
**Chief Executive**

**24 May 2018**

## Annex 3: Independent auditor's report to the council of governors of University College London Hospital 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 2018 (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 2018, 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 2018 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement ("NHSI"):

- Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge; and
- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period.

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' and supporting guidance issued by NHSI.

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' and supporting guidance;

- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the NHS Improvement 2017/18 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 supporting guidance 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 supporting guidance, 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 April 2017 to 22 May 2018
- papers relating to quality reported to the board over the period April 2017 to 22 May 2018
- feedback from commissioners, dated 10 May 2018
- feedback from governors dated 13 May 2018
- feedback from local Healthwatch organisations dated 10 May
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 1 September 2017
- National patient survey, dated May 2017
- National staff survey, dated 12 April 2018
- Care Quality Commission inspection, dated 15 August 2016
- the Head of Internal Audit's annual opinion over the trust's control environment, dated 31 March 2018

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;
- reviewing the process flow of the indicator with management;
- 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' and supporting guidance 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* and supporting guidance.

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 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.

Our procedures included testing a risk based sample of 24 items, and so the error rates identified from that sample should not be directly extrapolated to the population as a whole.

Issues identified for 18 week referral to treatment included:

- We identified 7 pathway errors in our testing
- We identified 3 clock start/stop errors in our testing
- We identified 5 other issues relating to patients pathway being reported in the incorrect month (4) and a patients pathway start date that could not be evidence (1)

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 2018.

Our procedures included testing a risk based sample of 24 items, and so the error rates identified from that sample should not be directly extrapolated to the population as a whole.

Issues identified for A&E 4 hour wait included:

- Our testing identified that the Trust does not retain an appropriate audit trail for adjustments made following validation of apparent breaches as there is no clear audit trail from the patient administration system to the validation log;
- Instances where supporting documentation was not available to substantiate the discharge date and time;
- Discrepancies observed between patient notes and discharge summaries on CareCast.

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 2018. Furthermore, we are unable to quantify the effect of the errors identified on the reported indicator for the year ended 31 March 2018.

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 matters set out in the basis for qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- 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' and supporting guidance;
- the quality report is not consistent in all material respects with the sources specified in 2.1 of the NHS Improvement Detailed requirements for quality reports for Foundation Trusts 2017/18; 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' and supporting guidance.

**Deloitte LLP**
**Statutory Auditor**
**St Albans**
**25 May 2018**

**Annex 4: Glossary of terms and abbreviations**

**Acute Kidney Injury (AKI):** A sudden episode of kidney failure or kidney damage that happens within a few hours or a few days.

**Care Quality Commission (CQC):** The independent regulator of all health and social care services in England

**Cardiac Arrest:** A collapse when the heart stops beating

**CDR-Clinical Data Repository:** Where we store all patients' details electronically

**CHKS:** A provider of healthcare intelligence and quality improvement services, using data from the NHS Secondary Uses Service to enable trusts to review performance and benchmark

**Chronic hypercarbic respiratory failure:** is defined as an elevation in the arterial carbon dioxide tension which can cause respiratory failure in patients with chronic obstructive airways disease if they are over oxygenated.

**CNS:** Clinical nurse specialist

**Commissioners:** The local and national bodies contracting to buy care for UCLH patients

**Complaints:** A complaint is upheld (fully agreed) by UCLH when it is agreed that action(s) need to be taken to prevent the subject of the complaint occurring again. It is partially upheld (partly agreed when some aspects of the complaint require action and not upheld (not agreed) when no action is required. Patients are always offered an apology.

**Coordination Centre:** The Coordination Centre provides real-time data on bed capacity and patient demand to enhance management of the flow of patients. Implemented in December 2017, it is now live in University College Hospital, the National Hospital of Neurology and Neurosurgery and the Elizabeth Garrett Anderson Wing.

**CQUIN:** Commissioning for Quality and Innovation –a framework that allows commissioners to make payments to hospitals for agreed improvement work

**Deteriorating patient:** An evolving, predictable and symptomatic process of worsening physiology towards critical illness (worsening of the patients' condition)

**Discharge to Assess (D2A):** A service run by NHS England where people who are clinically optimised and do not require an acute hospital bed, but may still require care services are provided with short term, funded support to be discharged to their own home (where appropriate) or another community setting. Assessment for longer-term care and support needs is then undertaken in the most appropriate setting and at the right time for the person.

**Essence of care audits:** DOH guidance on standards of care which should be delivered to patients

**EQ-5D:** A standardised measure of health status to provide a simple, generic measure of health for clinical and economic appraisal. It provides a simple descriptive profile and a single index value for health status that can be used in the clinical and economic evaluation of health care and in population health surveys. EQ-5D is designed for self-completion and is ideally suited for use in postal surveys, clinics, and face-to-face interviews.

**Exemplar Ward:** A ward accreditation scheme that seeks to measure and celebrate excellence in ward standards. The accreditation levels are:

- Working towards improvement
- Satisfactory
- Good
- Great
- Outstanding

**Friends and Family Test (FFT**): Is an important feedback tool that supports the fundamental principle that people who use NHS services should have the opportunity to provide feedback on their experience.

It asks people if they would recommend the services they have used and offers a range of responses. When combined with supplementary follow-up questions, the FFT provides a mechanism to highlight both good and poor patient experience. This kind of feedback is vital in transforming NHS services and supporting patient choice.

**Harm definitions (NPSA)**

- **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

**Human factors**

Human factors encompass all those factors that can influence people and their behaviour. In a work situation, human factors are the environmental, organisational and job factors, and individual characteristics which influence behaviour at work and so impact on patient safety.

**Incident classification:** Incidents counted under 'surgical incidents' for University College Hospital's theatres (see update on reduction of surgical harm priority from 2017/18). Includes the following categories and sub categories on Datix.

- 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:** Incidents with harm caused by unrecognised patient deterioration. Includes the following categories and sub categories.

- 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

**Improving Care Rounds:** At UCLH, multidisciplinary and multi-level teams visit a clinic, ward, or facility to observe with fresh eyes and give feedback, using the same questions as the Care Quality Commission (Is care safe, effective, caring, responsive and well led?)

**Matron Quality Rounds:** Quality, environmental and patient/staff experience reviews by groups of UCLH Matrons, outside of their own clinical areas, with instant feedback via a 'huddle'.

**NHSI:** NHS Improvement is responsible for overseeing foundation trusts and NHS trusts, as well as independent providers that provide NHS-funded care.

**Never Event -:** Patient safety incidents which have the potential for, or cause severe harm, and which should not occur if relevant preventative measures are put in place.

**Patient pathway:** The route that a patient will take from first contact with the NHS, through referral, to the completion of treatment.

**PERRT:** Patient Emergency Response and Resuscitation Team

**'Problem scores' (Picker survey):** 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.

**Root Cause Analysis (RCA):** An investigation into why specific patient safety incidents happen and identify areas for change to make care safer

**Safety huddles:** Daily meetings on the ward to highlight safety and quality issues and promote discussion among team members.

**Serious incident:** serious incidents are events in health care where the potential for learning is so great, or the consequences to patients, families and carers, staff or organisations are so significant, that they warrant using additional resources to mount a comprehensive response.

**SBAR:** A communication tool process to improve providing information and decision-making when urgent referrals are made - Situation, Background, Assessment and Recommendation.

**ISBARD:** A communication tool process to improve providing information and decision-making when urgent referrals are made – UCLH has amended to include I – Introduction and D – Decision - Situation, Background, Assessment and Recommendation.

**Shelford:** The Shelford Group is made up of 10 leading NHS multi-specialty academic healthcare organisations. They are dedicated to excellence in clinical research, education and patient care.

**Summary hospital-level mortality indicator (SHMI):** The ratio between the actual number of patients who die following hospitalisation at the trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated here. It includes deaths, which occur in hospital, and deaths, which occur outside of hospital within 30 days (inclusive) of discharge. NHS Digital release the external SHMI every quarter but there is a six-month time lag.

**SSI:** Surgical site infections

**Vital Signs:** describes six physiological parameters :(measurements)

1. Respiratory rate
2. Oxygen saturation
3. Pulse rate,
4. Blood pressure
5. Level of consciousness
6. Core body temperature
7. The requirement for supplemental oxygen (by mask or nasal cannulae)

**VTE:** Venous thromboembolism (blood clot)

**WHO Surgical Safety Checklist:** Safety checks before anaesthesia (“sign in”), before the incision of the skin (“time out”) and before the patient leaves the operating room (“sign out”).

# 4 Annual accounts

University College London Hospitals NHS Foundation Trust

Foreword to the accounts

These accounts, for the 12 months ended 31 March 2018, 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.

**Marcel Levi**
**Chief Executive**
**24 May 2018**

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF UNIVERSITY COLLEGE LONDON HOSPITALS NHS FOUNDATION TRUST

## Report on the audit of the financial statements

### Opinion

**In our opinion the financial statements of University College London Hospitals NHS Foundation Trust (the 'foundation trust'):**

- **give a true and fair view of the state of the foundation trust's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;**
- **have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and**
- **have been prepared in accordance with the requirements of the National Health Service Act 2006.**

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Taxpayers' Equity;
- the Statement of Cash Flows and
- the related notes 1 to 31

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Summary of our audit approach

| | |
|---|---|
| **Key audit matters** | The key audit matters that we identified in the current year were:<br>• NHS revenue and provisions;<br>• Property valuations;<br>• Management override of controls and<br>• Accounting for capital expenditure<br><br>Within this report, any new key audit matters are identified with ⌃⌃ and any key audit matters which are the same as the prior year identified with ». |
| **Materiality** | The materiality that we used in the current year was £10.5m which was determined on the basis of 1% of the Trust's total revenue recognised in the 2017/18 financial year. |

| | |
|---|---|
| **Scoping** | Audit work was performed at the Trust's head offices directly by the audit engagement team, led by the senior statutory auditor. |
| **Significant changes in our approach** | There have been no significant changes in our approach to the audit in 2017/18 compared to 2016/17. |

### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the accounting officer's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the accounting officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the foundation trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**We have nothing to report in respect of these matters.**

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Trust has an extensive capital programme which requires large amounts of capital spend. As there is judgement over whether items included in capital spend meet the conditions for capitalisation under IFRS it is a key audit matter regarding whether costs have been inappropriately capitalised.

| **NHS revenue and provisions** | |
|---|---|
| **Key audit matter description** | As described in the accounting policies and specifically notes 1.3 and 1.22 there are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:<br>• the judgements taken in evaluating Commissioning for Quality and Innovation ("CQUIN") income;<br>• the judgemental nature of provisions for disputes with commissioners; and<br>• the Sustainability and Transformation Funding (STF) which is dependent on the Trust meeting certain financial performance targets and therefore recognition of this funding is affected by other accounting estimates.<br>Details of the Trust's income, including £809.4m of Commissioner Requested Services and £50.3m of Sustainability and Transformation Funding (STF), are shown in note 3 to the financial statements. NHS debtors of £107.7m are shown in note 18 to the financial statements.<br><br>The Trust earns revenue from a wide range of commissioners, increasing the |

| | |
|---|---|
| | complexity of agreeing a final year-end position. |
| **How the scope of our audit responded to the key audit matter** | We evaluated the design and implementation of key controls for recording and reporting income. Where we identify significant management estimates, for example with respect to over-performance income accrued, that involve judgement in respect of recognition of unsettled revenue, we assessed the design and implementation of the Trust's controls around the preparation and review of those estimates. In particular, we have considered the Trust's performance against its control total and the management estimates that impact that performance, and therefore the eligibility of the Trust in recognising the STF funding. We have reviewed the Trust's correspondence with NHS Improvement, regarding the STF, to validate the amounts of STF recognised in the Financial Statements.<br><br>We have held discussions with the finance team and contracts team and understand that there are no material unresolved commissioner challenges. We have challenged and corroborated management's explanation through procedures such as review of minutes and where relevant, we have also consider the Trust's history of settling similar matters.<br><br>We have selected a sample of unsettled NHS revenue at year-end and sought evidence that cash has been received post year-end, where cash has not been received post year-end we have sought further evidence to support the validity and accuracy of the unsettled amounts.<br><br>We have selected a sample of differences between the amounts that the Trust reports as receivable from commissioners, and the amounts that commissioners report that they owe the Trust, in the agreement of balances ("mismatch") report. For this sample, we have sought explanations from management for the variances together with documentary evidence to corroborate those explanations. |
| **Key observations** | We did not identify any material misstatements through our procedures in respect of this key audit matter, and we considered the estimates made by the Trust in respect to their recognition of NHS revenue to be within an acceptable range. |
| **Property valuations** | |
| **Key audit matter description** | The Trust holds property assets within Property, Plant and Equipment at a gross modern equivalent use valuation of £519.4m. The valuations are by nature significant estimates which are based on specialist and management assumptions (including the floor areas for a Modern Equivalent Asset, the basis for calculating build costs, the level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value and which have been described in notes 1.6, 1.22 and 11.<br><br>The net valuation movement on the Trust's estate shown in note 14 is a revaluation of £27.7m. |
| **How the scope of our audit responded to the key audit matter** | 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.<br><br>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 2018.<br><br>We have reviewed the disclosures in notes 1.6, 1.22 and 11 and evaluated whether these provide sufficient explanation of the basis of the valuation and the |

| | |
|---|---|
| | judgements made in preparing the valuation.<br><br>We assessed whether the valuation and the accounting treatment of the impairment were compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement or in Other Comprehensive Income. |
| **Key observations**  | We consider the valuation of the property assets held by the Trust to be reasonable and the assumptions used in its calculation to be appropriate. |
| **Management override of controls**  | |
| **Key audit matter description**  | We consider that in the current year there continues to be a heightened risk across the NHS that management may override controls to 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.<br><br>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.<br><br>Details of critical accounting judgements and key sources of estimation uncertainty are included in note 1.22. |
| **How the scope of our audit responded to the key audit matter risk**  | **Manipulation of accounting estimates**<br><br>Our work on accounting estimates included considering each of the areas of judgement identified above. We have considered both the individual judgements and their impact individually and in aggregate upon the financial statements. In testing each of the relevant accounting estimates, engagement team members 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.<br><br>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.<br><br>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.<br><br>**Manipulation of journal entries**<br><br>We used data analytic techniques to select journals for testing with characteristics indicative of potential manipulation of reporting focusing in particular upon manual journals.<br><br>We traced the journals to supporting documentation, considered whether they had been appropriately approved, and evaluated the accounting rationale for the posting. We evaluated individually and in aggregate whether the journals tested were indicative of fraud or bias. |

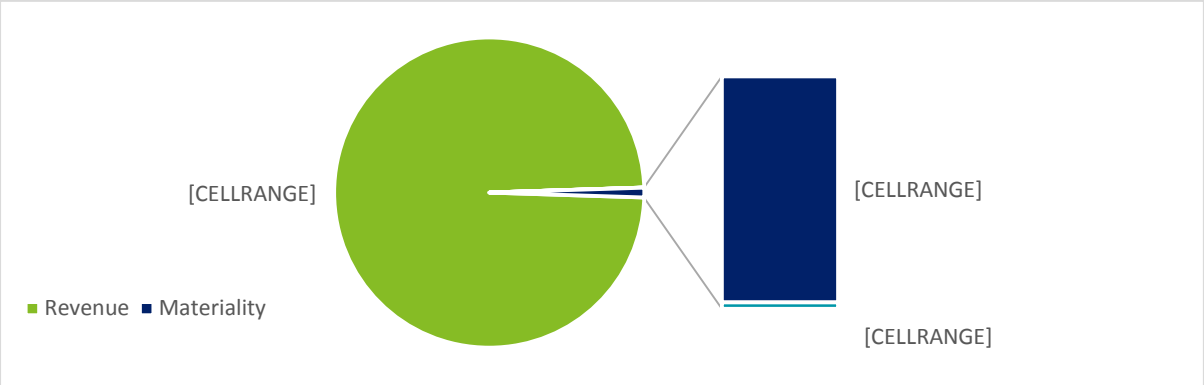
| | |
|---|---|
| | We tested the year-end adjustments made outside of the accounting system between the general ledger and the financial statements.<br><br>**Accounting for significant or unusual transactions**<br><br>We considered whether any transactions identified in the year required specific consideration and did not identify any requiring additional procedures to address this key audit matter. |
| **Key observations** | We did not identify concerns involving management override of control nor have we have found evidence of management bias in the estimates adopted by management. We consider the accounting estimates made to be reasonable. |
| **Accounting for capital expenditure** | |
| **Key audit matter** | The Trust has £91.8m of additions to assets under construction as per note 11 of the financial statements. Where the Trust develops properties as part of its capital programme, determining whether or not expenditure should be capitalised under International Financial Reporting Standards and depreciation commenced, can involve judgement over whether the expenditure meets the conditions for capitalisation. |
| **How the scope of our audit responded to the key audit matter** | We have assessed the design and implementation of controls around the capitalisation of costs.<br><br>We have tested spending on a sample basis to confirm that it complies with the relevant accounting requirements, and that the depreciation rates adopted are appropriate.<br><br>We have reviewed the status of individual projects to evaluate whether they have been depreciated from the appropriate point. |
| **Key observations** | We consider that satisfied capital expenditure incurred has been recognised appropriately. |

**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.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

| | |
|---|---|
| **Materiality** | £10.5m (2017: £10.1m) |
| **Basis for determining materiality** | 1% of revenue (2017: 1% of revenue) |
| **Rationale for the benchmark applied** | 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 £300k (2017: £250k), 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 directly by the audit engagement team, led by the senior statutory auditor.

The audit team included integrated Deloitte specialists bringing specialist skills and experience in property valuations and information technology systems. Data analytic techniques were used as part of the audit testing, in particular to support profiling of populations to identify items of audit interest.

## Other information

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

***We have nothing to report in respect of these matters.***

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### Responsibilities of accounting officer

As explained more fully in the accounting officer's responsibilities statement, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the foundation trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the foundation trust or to cease operations, or has no realistic alternative but to do so.

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

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

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

## Report on other legal and regulatory requirements

## Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Directors' Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## 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:

***We have nothing to report in respect of these matters.***

- 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 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.

*Reports in the public interest or to the regulator*

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

***We have nothing to report in respect of these matters.***

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

## Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

## Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of University College London Hospitals NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in

an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the foundation trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Craig Wisdom, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Albans, United Kingdom
25 May 2018

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2018**

| | Note | 2017/18 Year Ended 31 March 2018 £000 | 2016/17 Year Ended 31 March 2017 £000 |
|---|---|---|---|
| Operating income from patient care activities | 3 | **840,378** | 789,256 * |
| Other operating income | 3A | **244,505** | 253,745 * |
| Operating expenses of continuing operations | 4 | **(974,677)** | (974,487) |
| **Operating surplus** | | **110,206** | 68,514 |
| **Finance costs:** | | | |
| Finance income | 9 | **307** | 113 |
| Finance expense | 10 | **(34,229)** | (33,425) |
| PDC dividend charge | | **(9,622)** | (9,002) |
| | | **(43,544)** | (42,314) |
| **Other Costs** | | | |
| Gains on disposal of assets | | **30,560** | 5,557 |
| Share of profit of joint ventures | 13 | **1,187** | 3,069 |
| **SURPLUS FOR THE YEAR** | | **98,409** | 34,826 |
| **Other comprehensive income** | | | |
| **(Not reclassified to income and expenditure)** | | | |
| Impairments | 14 | **(4,405)** | (2,463) |
| Revaluations | 14 | **9,673** | 2,361 |
| **TOTAL Other Comprehensive Income** | | **5,268** | (102) |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **103,677** | **34,724** |

*2016/17 figures have been realigned to show income split into Income from patient care activities and other income

**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.

| | | | |
|---|---|---|---|
| **SURPLUS FOR THE YEAR** | | **98,409** | 34,826 |
| Add back impairments and reversal of impairments included in surplus above | a | **(22,453)** | 9,778 |
| Donated asset impact | b | **476** | (1,473) |
| Profit on disposal of property, plant and equipment and investments | c | **(30,560)** | (5,557) |
| Other exceptional items | d | **(38,095)** | (43,400) |
| **NET SURPLUS / (DEFICIT) EXCLUDING ITEMS ABOVE** | 2 | **7,777** | (5,826) |

*a This is the total of impairments and impairment reversals charged to expenditure as in Note 14*

*b This is the reversal of the impact on the surplus or deficit for the financial year, as a result of change in accounting policy for donated assets as adopted in 2011/12*

*c This is the reversal of the total impact of gains on the disposal of fixed assets (sale of EDH and RRO in 2017/18)*

*d In 2016/17, this represents incentive Sustainability and Transformation Fund (STF) income of £25.4m, bonus STF income of £3.7m and a contribution from Royal Free Hospital of £14.3m in respect of development of a new facility ("Phase 5"). In 2017/18, this represents incentive STF of £30.9m and £0.4m STF in relation to 2016/17 activity, along with bonus STF of £2.0m and generally distributed STF of £4.8m*

## STATEMENT OF FINANCIAL POSITION AS AT 31 March 2018

| | Note | 31 March 2018 £000 | 31 March 2017 £000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 11 | **798,586** | 677,643 |
| Intangible assets | 12 | **574** | 562 |
| Investments in associates/joint ventures | 13 | **15,495** | 15,602 |
| Trade and other receivables | 18 | **9,838** | 7,476 |
| **Total non-current assets** | | **824,493** | 701,283 |
| **Current assets** | | | |
| Inventories | 17 | **17,237** | 16,602 |
| Trade and other receivables | 18 | **149,853** | 170,214 |
| Cash and cash equivalents | 19 | **147,091** | 75,148 |
| **Total current assets** | | **314,181** | 261,964 |
| **Total assets** | | **1,138,674** | 963,247 |
| **Current liabilities** | | | |
| Trade and other payables | 20 | **(170,845)** | (166,994) |
| Borrowings | 21 | **(7,810)** | (6,746) |
| Provisions | 26 | **(4,757)** | (8,206) |
| Other liabilities | 22 | **(21,128)** | (13,093) |
| **Net current assets** | | **109,641** | 66,925 |
| **Total assets less current liabilities** | | **934,134** | 768,208 |
| **Non-current liabilities** | | | |
| Borrowings | 21 | **(393,833)** | (344,928) |
| Provisions | 26 | **(2,205)** | (1,983) |
| Other liabilities | 22 | **(4,526)** | (4,926) |
| **Total assets employed** | | **533,570** | 416,371 |
| **Financed by taxpayers' equity:** | | | |
| Public dividend capital | SOCITE | **261,424** | 247,902 |
| Retained earnings | SOCITE | **194,138** | 84,129 |
| Revaluation reserve | SOCITE | **78,008** | 80,267 |
| Other reserves | SOCITE | **0** | 4,073 |
| **Total Taxpayers' Equity** | | **533,570** | 416,371 |

The financial statements were approved by the Board on 24 May 2018 and signed on its behalf by:

Signed: ..... Tim Jaggard — Date: 24 May 2018
Finance Director

Signed: .....Marcel Levi — Date: 24 May 2018
Chief Executive

## 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 2017** | | **247,902** | **80,267** | **4,073** | **84,129** | **416,371** |
| **Changes in taxpayers' equity for 2017/18** | | | | | | |
| Surplus for the year | SOCI | 0 | 0 | 0 | 98,409 | 98,409 |
| Impairments | 14 | 0 | (4,405) | 0 | 0 | (4,405) |
| Revaluations | 14 | 0 | 9,673 | 0 | 0 | 9,673 |
| Public Dividend Capital received | | 13,522 | 0 | 0 | 0 | 13,522 |
| Other reserve movements | | 0 | (7,527) | (4,073) | 11,600 | 0 |
| **Balance at 31 March 2018** | | **261,424** | **78,008** | **0** | **194,138** | **533,570** |

## 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 2016** | | **229,242** | **83,576** | **4,073** | **46,097** | **362,988** |
| **Changes in taxpayers' equity for 2016/17** | | | | | | |
| Surplus for the year | SOCI | 0 | 0 | 0 | 34,826 | 34,826 |
| Impairments | 14 | 0 | (2,463) | 0 | 0 | (2,463) |
| Revaluations | 14 | 0 | 2,360 | 0 | 0 | 2,360 |
| Other Reserve Movements | | 0 | (3,206) | 0 | 3,206 | 0 |
| Public Dividend Capital received | | 18,660 | 0 | 0 | 0 | 18,660 |
| **Balance at 31 March 2017** | | **247,902** | **80,267** | **4,073** | **84,129** | **416,371** |

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED**
**31 March 2018**

| | Note | **2017/18 31 March £000** | 2016/17 31 March £000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Operating surplus / (deficit) from continuing operations | | **110,206** | 68,514 |
| **Operating surplus** | | **110,206** | 68,514 |
| **Non-cash income and expenses:** | | | |
| Depreciation and amortisation | | **27,503** | 27,342 |
| Net Impairments | 14 | **(22,453)** | 9,778 |
| Non-cash donations credited to income | | **(2,150)** | (4,263) |
| Decrease/(Increase) in Trade and Other Receivables | 18 | **17,495** | (43,768) |
| (Increase)/Decrease in Inventories | 17 | **(635)** | 746 |
| (Increase)/Decrease in Trade and Other Payables | 20 | **(1,959)** | 18,694 |
| Increase/(Decrease) in Other Liabilities | 22 | **7,634** | (2,909) |
| (Decrease) in Provisions | 26 | **(3,230)** | (144) |
| Other movements in operating cash flows | | **(595)** | (774) |
| **NET CASH GENERATED FROM OPERATIONS** | | **131,816** | 73,216 |
| | | | |
| **Cash flows from investing activities** | | | |
| Interest received | | **307** | 113 |
| Purchase of intangible assets | | **(215)** | (175) |
| Investment in Joint Venture | | **0** | (3,584) |
| Sales of Investments | | **6,100** | 0 |
| Purchase of Property, Plant and Equipment | | **(118,005)** | (81,220) |
| Sales of Property, Plant and Equipment | | **29,108** | 20,302 |
| Receipt of Cash Donations to Purchase Capital Assets | | **2,150** | 4,263 |
| **Net cash used in investing activities** | | **(80,555)** | (60,301) |
| | | | |
| **Cash flows from financing activities** | | | |
| Public dividend capital received | | **13,522** | 18,660 |
| New Loans from Department of Health and Social Care | | **81,668** | 20,200 |
| Loans repaid to Department of Health and Social Care | | **(26,460)** | (1,507) |
| Movement in other loans | | **(241)** | 583 |
| Capital element of Private Finance Initiative Obligations | | **(4,833)** | (2,407) |
| Interest paid on Independent Trust Financing Facility | | **(1,673)** | (1,953) |
| Interest element of finance lease | | **(30)** | (33) |
| Capital element of Finance Lease Rentals | | **(130)** | (169) |
| Interest element of Private Finance Initiative obligations | | **(32,524)** | (31,434) |
| PDC Dividend paid | | **(8,617)** | (8,277) |
| **Net cash generated from / (used in) financing activities** | | **20,682** | (6,337) |
| **Increase in cash and cash equivalents** | | **71,943** | 6,578 |
| **Cash and Cash equivalents at 1 April** | | **75,148** | 68,570 |
| **Cash and Cash equivalents at 31 March** | | **147,091** | 75,148 |

# 1 NOTES TO THE ACCOUNTS

## Accounting Policies and Other Information

NHS Improvement (NHSI), in exercising the statutory functions conferred on Monitor, has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DH Group Accounting Manual 2017-18, issued by the Department of Health and Social Care. The accounting policies contained in the DH GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the DH Group Accounting Manual permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS foundation trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

**Going Concern**

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

- NHSI, the 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 challenging 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. UCLH has sufficient cash to ensure its obligations are met over this time period given the potential mitigations identified for a downside scenario.

## 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.

## 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.

**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'.

**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.

## 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 and Social Care) designated as revenue contributions are recognised as revenue when received or receivable, and are disclosed, in accordance with the requirements of the DH GAM.

## 1.4 Expenditure on Employee Benefits

**Short-Term Employee Benefits**

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

**Pension Costs**

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 quarter.

**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 valuation, i.e. current value in existing use.

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 the statement of comprehensive 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 DH GAM, 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 expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

**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 current value in existing use. 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 on a straight line basis 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 and Social Care, 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 transaction 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 (NHSLA) operates a risk pooling scheme under which UCLH pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with UCLH. The total value of clinical negligence provisions carried by the NHSLA on behalf of UCLH is disclosed at Note 25.

**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 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 26, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

## 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 and Social Care (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 31 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:

**Accounting Judgements**

**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.

**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.

**Accounting Estimates**

**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 25 to the accounts.

## 1.23 Standards Issued but not yet adopted for Foundation Trusts

The DH GAM does not require the following Standards and Interpretations to be applied in 2017/18. These standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

| | |
|---|---|
| **IFRS 9 Financial Instruments** | Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted. |
| **IFRS 14 Regulatory Deferral Accounts** | Not yet EU-endorsed.*<br>Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DH group bodies. |
| **IFRS 15 Revenue from Contracts with Customers** | Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted. |
| **IFRS 16 Leases** | Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted. |
| **IFRS 17 Insurance Contracts** | Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted. |
| **IFRIC 22 Foreign Currency Transactions and Advance Consideration** | Application required for accounting periods beginning on or after 1 January 2018. |
| **IFRIC 23 Uncertainty over Income Tax Treatments** | Application required for accounting periods beginning on or after 1 January 2019. |

** The European Financial Reporting Advisory Group recommended in October 2015 that the standard should not be endorsed as it is unlikely to be adopted by many EU countries.*

Following the release of the 2018/19 Department of Health and Social Care Group Accounting Manual in May 2018, the Trust is assessing the likely impact of IFRS 9 and IFRS 15 (and the adaptations included in the GAM). Areas the Trust is reviewing include non-contracted income; transitional support funding; overseas patients; research income; and the approach to provisioning for non-NHS debtors.

# 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. £2.4m (2016/17 £2.0m) came from overseas patients without reciprocal arrangements.

UCLH's activity is organised into three clinical boards, which provide healthcare services, R&D and Education segments and one corporate segment.

The Board of Directors receive financial reports that analyse the financial performance of UCLH in several ways. However, income and expenditure is reported against budget for each of three Clinical Boards, Research and Development, Education and Corporate segments.

These segments are run on a day to day basis by a separate clinical or executive board. The clinical segments are Medicine, Surgery & Cancer and Specialist Hospitals. The latter encompasses the Eastman Dental Hospital, Paediatrics and Adolescents, Women's Health, The National Hospital for Neurology and Neurosurgery, the Royal Hospital for Integrated Medicine and the Royal National Throat, Nose and Ear Hospital.

The Chief Operating Decision Maker (CODM) of this Trust is the UCLH Board. It has been determined that this is the CODM as under our scheme of delegation the Board is required to approve the budget and all major operational decisions.

The monthly performance report to the CODM reports financial summary information in the format of the table below.

This financial information is the information reported to the May 2018 Board meeting for the year ended 31st March 2018.

| | Medicine | | Specialist Hospitals | | Surgery & Cancer | | Research & Development | | Education | | Corporate | | **TOTAL** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2017/18 | 2016/17 | 2017/18 | 2016/17 | 2017/18 | 2016/17 | 2017/18 | 2016/17 | 2017/18 | 2016/17 | 2017/18 | 2016/17 | 2017/18 | 2016/17 |
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| Direct Income | 193.4 | 180.9 | 419.4 | 399.5 | 313.6 | 297.5 | 36.6 | 39.8 | 35.4 | 34.6 | 45.0 | 43.0 | 1,044.6 | 995.2 |
| Direct Costs | (203.8) | (189.2) | (307.6) | (298.5) | (272.0) | (261.5) | (29.2) | (32.7) | (38.0) | (43.0) | (119.0) | (111.6) | (969.6) | (936.5) |
| Internal Trading & Indirect Costs | 16.3 | 16.6 | (57.1) | (58.1) | (30.8) | (31.4) | (7.0) | (7.3) | - | - | 78.5 | 80.2 | - | - |
| **CONTRIBUTION /EBITDA (at Trust level)** | **5.9** | **8.3** | **54.7** | **42.9** | **10.8** | **4.6** | **0.4** | **(0.2)** | **(2.6)** | **(8.4)** | **4.6** | **11.6** | **75.0** | **58.7** |
| ITDA (before donation adjustments & exceptional items) | - | - | - | - | - | - | - | - | - | - | (66.0) | (64.5) | (67.2) | (64.5) |
| **I&E (before donation adjustments & exceptional items)** | **5.9** | **8.3** | **54.7** | **42.9** | **10.8** | **4.6** | **0.4** | **(0.2)** | **(2.6)** | **(8.4)** | **(61.5)** | **(52.9)** | **7.8** | **(5.8)** |
| Bonus and Incentive STF | - | - | - | - | - | - | - | - | - | - | 38.1 | 43.4 | 37.7 | 43.4 |
| Disposal Profits | - | - | - | - | - | - | - | - | - | - | 30.6 | 5.6 | 30.6 | 5.6 |
| **I&E surplus/(deficit) after exceptional items (before reversal of impairments)** | **5.9** | **8.3** | **54.7** | **42.9** | **10.8** | **4.6** | **0.4** | **(0.3)** | **(2.6)** | **(8.4)** | **7.2** | **(4.0)** | **76.0** | **43.1** |
| *Exceptional Items excluded from Control Total* | - | - | - | - | - | - | - | - | - | - | *22.0* | *11.3* | *22.4* | *11.3* |
| *Net Surplus/(Deficit) including reversal of impairments* | *5.9* | *8.3* | *54.7* | *42.9* | *10.8* | *4.6* | *0.4* | *(0.3)* | *(2.6)* | *(8.4)* | *29.2* | *(12.3)* | *98.4* | *34.8* |

Notes

1) At segmental level, positions are reported at the level of "Contribution". At Trust level this equates to "EBITDA".

2) 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.

3) ITDA is the total of interest, taxation, depreciation and amortisation. EBITDA is earnings before interest, taxation, depreciation and amortisation.

4) Total assets and liabilities are not reported to the Chief Operating Decision Maker by reportable segment.

5) Exceptional items excluded from control total consist of impairments and reversals of impairments before the effect of accounting policy adjustments and donation adjustments which represent the accounting for donations in the year of receipt rather than matching with depreciation over the life of the donated asset and 2016/17 STF awarded in 2017/18

6) PFI costs including interest are allocated to and reported within the relevant segments, predominantly Medicine and Surgery & Cancer who occupy the majority of the PFI buildings.

# 3 Operating Income by Classification

| 3: Operating Income by Classification | 2017/18 Year Ended 31 March 2018 £000 | 2016/17 Year Ended 31 March 2017 £000 |
|---|---|---|
| **Acute Trusts** | | |
| Elective income | **206,060** | 190,580 |
| Non elective income | **117,940** | 101,477 |
| First outpatient income | **50,260** | 48,333 * |
| Follow up outpatient income | **100,827** | 103,732 * |
| A & E income | **21,701** | 20,022 |
| High cost drugs income from commissioners (excluding pass-through costs) | **91,547** | 90,641 * |
| Other NHS clinical income | **229,802** | 212,543 * |
| Paying patient income (private and overseas chargeable to patient) | **22,241** | 21,928 |
| Other clinical income | **0** | 0 |
| **Total income from activities** | **840,378** | 789,256 |
| **Total other operating income (see note 3A)** | **244,505** | 253,745 |
| **Total Operating Income** | **1,084,883** | 1,043,001 |
| Commissioner Requested Income | **809,470** | 758,887 |
| Non-Commissioner Requested Income | **275,413** | 284,114 |
| **Total Income** | **1,084,883** | 1,043,001 |

*2016/17 Income has been realigned to show a more detailed split across income types

| 3A: Operating Income by Type | 2017/18 Year Ended 31 March 2018 £000 | 2016/17 Year Ended 31 March 2017 £000 |
|---|---|---|
| **Income From Activities** | | |
| NHS Foundation Trusts | **1,579** | 1,279 |
| NHS Trusts | **777** | 484 |
| Clinical Commissioning Groups (CCG) and NHS England | **809,470** | 759,629 |
| NHS Other | **5,619** | 5,295 |
| Non-NHS: Private Patients* | **19,830** | 19,948 |
| Non-NHS: Overseas patients (chargeable to patient) | **2,411** | 1,980 |
| NHS Injury scheme (previously RTA) | **692** | 641 |
| Total Income From Activities | **840,378** | **789,256** |
| **Other Operating Income** | | |
| Research and development | **42,919** | 46,719 |
| Education and training | **41,650** | 43,380 |
| Charitable and other contributions to expenditure | **4,613** | 20,395 |
| Non-patient care services | **39,147** | 36,573 |
| Rental revenue from operating leases - minimum lease receipts | **4,510** | 5,342 |
| Staff costs recharged to other organisations | **3,572** | 3,761 |
| Pharmacy sales | **30,273** | 32,635 |
| Clinical Excellence Awards | **6,210** | 6,650 |
| Sustainability and Transformation Fund Income** | **50,399** | 43,487 |
| Other | **21,212** | 14,803 |
| Total Other Operating Income | **244,505** | 253,745 |
| **Total Operating Income** | **1,084,883** | 1,043,001 |

*Non-NHS: Private Patients income includes contributions of £12.6m from HCA in respect of lease income and other services (£12.5m in 2016/17)

**Sustainability and Transformation Fund (STF) income is comprised of core allocation £12.3m (£14.3m in 2016/17), incentive funding £30.9m (£25.4m in 2016/17), bonus funding £2.0m (£3.7m in 2016/17) and £4.7m STF general distribution. The 2017/18 figure also includes £0.4m relating to 2016/17 STF.

| **3B: Overseas Visitors (relating to patients charged directly by the Foundation Trust)** | **2017/18 Year Ended 31 March 2018** | 2016/17 Year Ended 31 March 2017 |
|---|---|---|
| | **£000** | £000 |
| Income recognised this year | **2,411** | 1,980 |
| Cash payments received in-year (relating to invoices raised in current and previous years) | **1,658** | 1,359 |
| Amounts added to / (released from) provision for impairment of receivables (relating to invoices raised in current and prior years) | **753** | (203) |
| Amounts written off in-year (relating to invoices raised in current and previous years) * | **488** | 737 |

** Amounts written off includes items from previous financial years, bad debt provision was held for all amounts written off*

**Note 3C Fees and charges aggregate of all schemes that, individually, have a cost exceeding £1m**

UCLH has no fee-generating schemes with an individual cost exceeding £1m.

# 4 Operating expenses

| | 2017/18 Year Ended 31 March 2018 | 2016/17 Year Ended 31 March 2017 | |
|---|---|---|---|
| | **£000** | £000 | |
| Purchase of healthcare from NHS and DHSC bodies | **12,106** | 5,429 | ** |
| Purchase of healthcare from non NHS bodies | **13,982** | 10,867 | |
| Employee Expenses - Non-executive directors | **169** | 173 | |
| Employee Expenses - Staff | **500,745** | 482,765 | |
| Drug costs | **161,977** | 157,820 | |
| Inventories Written Down | **59** | 60 | ** |
| Supplies and services - clinical (excluding drug costs) | **88,785** | 91,154 | |
| Supplies and services - general | **10,355** | 9,264 | ** |
| Establishment | **6,407** | 7,075 | |
| Research and development | **13,726** | 18,305 | |
| Transport including Patient Travel | **8,433** | 10,296 | ** |
| Premises | **79,954** | 76,534 | ** |
| Total increase in provision for impairment of receivables | **1,943** | 2,676 | |
| Rentals under operating leases - minimum lease payments | **14,669** | 14,937 | |
| Depreciation on property, plant and equipment | **27,296** | 27,152 | |
| Amortisation on intangible assets | **207** | 190 | |
| Impairments net of reversals | **(22,453)** | 9,778 | ** |
| Audit fees- statutory audit * | **119** | 173 | |
| Other services: audit related assurance services | **22** | 26 | |
| Clinical negligence | **19,554** | 17,043 | |
| Insurance | **294** | 311 | |
| Legal fees | **117** | 408 | |
| Consultancy costs | **3,872** | 2,523 | |
| Internal Audit Costs | **271** | 247 | |
| Training, courses and conferences | **4,282** | 3,395 | |
| Other services, eg external payroll | **383** | 300 | |
| Losses, ex gratia & special payments | **11** | 21 | |
| Charges to operating expenditure for on-SoFP FRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis | **22,352** | 21,417 | ** |
| Other | **5,040** | 4,150 | |
| **Total operating Expenses** | **974,677** | 974,487 | |

* The audit fee for the 2017/18 statutory audit was £141k (2016/17 £199k), comprising £101k Regulatory reporting fee (2016/17: £98k), £0 EHRS Audit (2016/17: £51k), £17k Quality Assurance reporting fee (2016/17: £17k), and irrecoverable VAT of £23k (2016/17: £33k).

** 2016/17 figures have been restated to group expenditure with DHSC and NHS bodies. 2016/17 figures have also been restated to show PFI unitary fees on a separate line rather than throughout the note by service type. 2016/17 have also been restated to show Patient Travel costs within the transport total. 2016/17 figures have been restated to show a single impairments figure.

# 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. | **2017/18 £000** | 2016/17 £000 |
|---|---|---|
| | **31 March** | 31 March |
| **Minimum lease payments** | **14,669** | 14,937 |
| **Minimum lease payments** | **14,669** | 14,937 |

**The aggregate future minimum lease payments under non-cancellable operating leases are as follows :**

| | 2017/18 31 March £000 Buildings | 2017/18 31 March £000 Other | **2017/18 31 March £000 TOTAL** | 2016/17 31 March £000 Buildings | 2016/17 31 March £000 Other | 2016/17 31 March £000 TOTAL |
|---|---|---|---|---|---|---|
| Not later than 1 year | 11,450 | 284 | **11,734** | 10,187 | 643 | 10,830 |
| Later than 1 year and no later than 5 years | 36,043 | 445 | **36,488** | 30,942 | 445 | 31,387 |
| Later than 5 years | 15,711 | 729 | **16,440** | 27,057 | 0 | 27,057 |
| Total | 63,204 | 1,458 | **64,662** | 68,186 | 1,088 | 69,274 |

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).

| | **2017/18 £000** | 2016/17 £000 |
|---|---|---|
| Great Ormond Street Hospital for Children NHS Foundation Trust | **578** | 578 * |
| Hays Specialist Recruitment Limited | **791** | 481 |
| University College London | **1,441** | 1,385 |
| UCLH Charity | **118** | 108 |
| HCA | **783** | 718 |
| Other | **799** | 2,072 * |
| Total | **4,510** | 5,342 |

*Prior year figure realigned

**The aggregate future minimum lease receipts are as follows:**

| | **2017/18 31 March £000** | 2016/17 31 March £000 |
|---|---|---|
| Not later than 1 year | **2,019** | 1,725 |
| Later than 1 year and no later than 5 years | **6,460** | 5,478 |
| Later than 5 years | **8,552** | 6,047 |
| Total | **17,031** | 13,250 |

# 6 Employee costs and numbers

| | 2017/18 Year Ended 31 March Total £000 | 2016/17 Year Ended 31 March Total £000 |
|---|---|---|
| Salaries and wages | **420,721** | 402,690 |
| Employers' National Insurance Contributions | **38,898** | 37,248 |
| Apprenticeship Levy | **1,449** | 0 |
| Employer contributions to NHS Pension scheme | **42,458** | 40,370 |
| Pension Cost - Other | **16** | 0 |
| **Total excluding Agency staff** | **503,542** | 480,308 |
| Salary cost recharges | **(5,072)** | (5,028) |
| Agency staff | **7,903** | 9,268 |
| **Total Employee Costs** | **506,373** | 484,548 |
| Less: Employee Costs Charged to Capital | **5,628** | 1,783 |
| **Total Employee Costs as per Note 4** | **500,745** | 482,765 |

Average number of people employed and staff exit packages are included in the staff report.

# 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 is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

**b) Full actuarial (funding) valuation**

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

The 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 employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

# 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 2017/18 there were 5 retirements (2016/17: 4), at an additional cost of £354,022 (2016/17: £180,435). This information has been supplied by NHS Pensions.

This cost is not reported within the Trust's accounts, but is met by the NHS Pension Scheme.

# 9 Investment revenue

| | **2017/18 Year Ended 31 March £000** | 2016/17 Year Ended 31 March £000 |
|---|---|---|
| Interest revenue: | | |
| Bank accounts | **307** | 113 |
| **Total** | **307** | 113 |

# 10 Finance costs

| | **2017/18 Year Ended 31 March £000** | 2016/17 Year Ended 31 March £000 |
|---|---|---|
| Interest on loans from Independent Trust Financing Facility | **1,673** | 1,953 |
| Interest on obligations under PFI contracts: | | |
| - main finance cost | **32,524** | 31,434 |
| Interest on finance leases | **30** | 34 |
| Unwinding of discount | **2** | 4 |
| **Total** | **34,229** | **33,425** |

# 11 Property, plant and equipment

| 2017/18: | Land | Buildings excluding dwellings | Assets under construct and payments on account | Plant and machinery | Transport Equipment | Information Technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Valuation/Gross cost at 1 April 2017 | 93,987 | 387,203 | 122,944 | 97,939 | 272 | 30,421 | 29,139 | 761,905 |
| Additions purchased | 0 | 17,499 | 91,828 | 11,095 | 0 | 876 | 410 | 121,708 |
| Additions leased | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions - assets purchased from cash donations / grants | 0 | 14 | 1,756 | 336 | 0 | 28 | 8 | 2,142 |
| Impairments charged to revaluation reserve | 0 | (4,405) | 0 | 0 | 0 | 0 | 0 | (4,405) |
| Impairments recognised in operating expenses | 0 | (9,331) | 0 | 0 | 0 | 0 | 0 | (9,331) |
| Reversal of impairments recognised in operating income | 0 | 31,784 | 0 | 0 | 0 | 0 | 0 | 31,784 |
| Reclassifications | 0 | 7,718 | (12,858) | 2,149 | 0 | 2,989 | 2 | 0 |
| Revaluations | 28 | 9,645 | 0 | 0 | 0 | 0 | 0 | 9,673 |
| Disposals | (1,339) | (2,096) | 0 | (295) | 0 | 0 | 0 | (3,730) |
| **Valuation/Gross cost at 31 March 2018** | **92,676** | **438,031** | **203,670** | **111,224** | **272** | **34,314** | **29,559** | **909,746** |
| | | | | | | | | |
| Accumulated depreciation at 1 April 2017 | 0 | 0 | 0 | 51,564 | 78 | 13,075 | 19,546 | 84,263 |
| Provided during the year * | 0 | 11,311 | 0 | 9,776 | 39 | 4,286 | 1,884 | 27,296 |
| Reclassifications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | (104) | 0 | (295) | 0 | 0 | 0 | (399) |
| **Depreciation at 31 March 2018** | **0** | **11,207** | **0** | **61,045** | **117** | **17,361** | **21,430** | **111,160** |
| | | | | | | | | |
| **Net book value at 31 March 2018** | | | | | | | | |
| Owned | 92,676 | 152,314 | 201,669 | 43,214 | 101 | 16,802 | 7,720 | 514,496 |
| PFI | 0 | 232,604 | 0 | 0 | 0 | 0 | 0 | 232,604 |
| Finance Lease | 0 | 0 | 0 | 1,463 | 0 | 0 | 0 | 1,463 |
| Donated | 0 | 41,906 | 2,001 | 5,502 | 54 | 151 | 409 | 50,023 |
| **Total at 31 March 2018** | **92,676** | **426,824** | **203,670** | **50,179** | **155** | **16,953** | **8,129** | **798,586** |
| | | | | | | | | |
| **Analysis of property, plant and equipment** | | | | | | | | |
| Protected Property | **92,676** | **426,824** | **0** | **50,179** | **0** | **0** | **0** | **569,679** |
| Unprotected Property | **0** | **0** | **203,670** | | **155** | **16,953** | **8,129** | **228,907** |
| **Total at 31 March 2018** | **92,676** | **426,824** | **203,670** | **50,179** | **155** | **16,953** | **8,129** | **798,586** |

* Buildings depreciation was eliminated on revaluation at 31 March 2018 through the entries in "Impairments charged to revaluation reserve", "Impairments recognised in operating expenses" and "Revaluation surpluses". The 1 April 2017 Buildings opening value is as per the net book value as advised by the District Valuer at 31 March 2017.

For all categories of non-property assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be a realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

**Prior year:**

| 2016/17: | Land<br>£000 | Buildings excluding dwellings<br>£000 | Assets under construct and payments on account<br>£000 | Plant and machinery<br>£000 | Transport Equipment<br>£000 | Information technology<br>£000 | Furniture & fittings<br>£000 | Total<br>£000 |
|---|---|---|---|---|---|---|---|---|
| Valuation/Gross cost at 1 April 2016* | 98,818 | 395,032 | 76,137 | 95,756 | 272 | 39,977 | 30,306 | 736,298 |
| Additions purchased | 0 | 0 | 74,657 | 0 | 0 | 0 | 0 | 74,657 |
| Additions purchased from Cash Donations / Grants | 0 | 1,132 | 2,710 | 383 | 0 | 6 | 32 | 4,263 |
| Impairments charged to revaluation reserve | 0 | (2,463) | 0 | 0 | 0 | 0 | 0 | (2,463) |
| Impairments recognised in operating expenses | 0 | (10,622) | 0 | 0 | 0 | 0 | 0 | (10,622) |
| Reversal of impairments recognised in operating income | 492 | 382 | 0 | 0 | 0 | 0 | 0 | 874 |
| Reclassifications | 0 | 13,309 | (30,560) | 9,965 | 0 | 6,997 | 318 | 29 |
| Transferred from assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation surpluses | 927 | 1,434 | 0 | 0 | 0 | 0 | 0 | 2,361 |
| Disposals | (6,250) | 0 | 0 | (8,163) | 0 | (16,560) | (1,517) | (32,490) |
| **Valuation/Gross cost at 31 March 17** | **93,987** | **398,204** | **122,944** | **97,941** | **272** | **30,420** | **29,139** | **772,907** |
| | | | | | | | | |
| Depreciation at 1 April 2016* | 0 | 0 | 0 | 50,363 | 39 | 16,349 | 19,127 | 85,878 |
| Provided during the year | 0 | 11,001 | 0 | 9,108 | 39 | 5,068 | 1,936 | 27,152 |
| Reclassifications | 0 | 0 | 0 | 20 | 0 | 15 | 0 | 35 |
| Disposals | 0 | 0 | 0 | (7,927) | 0 | (8,357) | (1,517) | (17,801) |
| **Depreciation at 31 March 2017** | **0** | **11,001** | **0** | **51,564** | **78** | **13,075** | **19,546** | **95,264** |
| | | | | | | | | |
| **Net book value at 31 March 2017** | | | | | | | | |
| Owned | 93,987 | 141,535 | 120,234 | 38,205 | 126 | 17,191 | 9,097 | 420,375 |
| PFI | 0 | 207,384 | 0 | 0 | 0 | 0 | 0 | 207,384 |
| Finance Lease | 0 | 0 | 0 | 1,665 | 0 | 0 | 0 | 1,665 |
| Donated | 0 | 38,284 | 2,710 | 6,507 | 68 | 154 | 496 | 48,219 |
| **Total at 31 March 2017** | **93,987** | **387,203** | **122,944** | **46,377** | **194** | **17,345** | **9,593** | **677,643** |
| | | | | | | | | |
| **Analysis of property, plant and equipment** | | | | | | | | |
| Protected Property | 93,987 | 387,203 | 0 | 46,377 | 0 | 0 | 0 | 527,567 |
| Unprotected Property | 0 | | 122,944 | | 194 | 17,345 | 9,593 | 150,076 |
| **Total at 31 March 2017** | **93,987** | **387,203** | **122,944** | **46,377** | **194** | **17,345** | **9,593** | **677,643** |

* Buildings depreciation was eliminated on revaluation at 31 March 2017 through the entries in "Impairments charged to revaluation reserve", "Impairments recognised in operating expenses" and "Revaluation surpluses". The 1 April 2016 Buildings opening value is as per the net book value as advised by the District Valuer at 31 March 2016.

For all categories of non-property assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be a realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

**End of Year Valuation (continued)**

In the year ending 31st March 2018 a full site valuation exercise was carried out on UCLH's properties by the District Valuer (DV).

The valuation exercise was carried out in February 2018 with the prospective valuation date of 31st March 2018. 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.

As in previous years, management have elected to use an alternative site basis for the valuation of specialised assets and have valued the PFI assets net of VAT.

**Basis of Valuation**

**Non-operational assets**, including surplus land, are valued on the basis of Market Value, on the assumption that the property is no longer required for existing operations, which have ceased.

There is an assumption that properties valued will continue to be in the occupation of the NHS for the foreseeable future having regard to the prospect and viability of the continuance of that occupation.

**a) Depreciated Replacement Cost**

The basis used for the valuation of specialised operational property for financial accounting purposes is Depreciated Replacement Cost (DRC). The RICS Standards at Appendix 4.1, restating International Valuation Application 1 (IVA 1) provides the following definition:

*"The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation."*

Those buildings which qualify as specialised operational assets, and therefore fall to be assessed using the Depreciated Replacement Cost approach, have been valued on a modern equivalent asset basis. This method of valuation allows an alternative location for replacement to be used if this can be demonstrated to meet the requirements of the service. In 2017/18 management have determined that the needs of the service could be met from locations away from the current sites and the valuation has been completed on this basis.

**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 2018, on valuations carried out in February 2018:

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 UCH and EGA hospital facilities) has been valued to fair value on the market value, subject to the assumption of continuance of the existing use, with the DRC approach being adopted because the asset is specialised. As in previous years, the value of the asset is shown net of VAT after detailed consideration of the obligations of the PFI company within the contract.

**Note 11.1 Disposal of Eastman Dental Hospital Site**

UCLH owns Land and Buildings at Eastman Dental Hospital which are currently valued using the MEA method, with an alternative site option used. During 2017-18, UCLH entered into a contractual arrangement with UCL to sell the EDH site in three specific tranches based on the potential exercising of put and call options covering the financial years from 2017-18 to 2020-21.

Each of the three tranches is available for sale to UCL under put and call options structured as follows:

**Tranche 1** can be called by UCL [with payment between 1 June 2018 and 30 October 2018] or put by UCLH with payment between 1 March 2018 and 31 July 2018

**Tranche 2** can be called by UCL [with payment between 1 June 2019 and 30 October 2019] or put by UCLH with payment between 1 March 2019 and 31 July 2019 (notice in both cases to be given two months before these dates)

**Tranche 3** can be called by UCL [with payment between 1 June 2020 and 30 October 2020] or put by UCLH with payment between 1 March 2020 and 31 July 2020 (notice in both cases to be given two months before these dates)

UCLH agreed a total sale value for the site of up to £96m, of which £80m is unconditional and constitutes sale values for each tranche as follows:

**Tranche 1**: £28.56m
**Tranche 2**: £21.84m
**Tranche 3**: £29.6m

UCLH has exercised the put option to sell Tranche 1 in 2017-18 and this sale has been completed. Prior to the sale of tranche 1 the three tranches were valued in UCLH's book as follows

**Tranche 1**: £3.35m
**Tranche 2**: £2.16m
**Tranche 3**: £4.85m

In order to determine the appropriate accounting treatment for this transaction, UCLH has followed guidance contained within the Department of Health General Accounting Manual. Specifically, assets which are held for their service potential and are in use must be valued at their current value in existing use. For specialist assets such as those applicable to this transaction this will be the present value of the asset's remaining service potential.
UCLH has a finance lease arrangement with UCL following sale of tranche 1 of the EDH site as the freehold of the site is agreed to transfer at a future date.

# 12 Intangible assets

| 2017/18: | Computer software - purchased |
|---|---|
| | £000 |
| Gross cost or valuation at 1 April 2017 | 1,230 |
| Additions purchased | 211 |
| Additions donated | 7 |
| Disposals | 0 |
| **Gross cost at 31 March 2018** | **1,448** |
| Amortisation at 1 April 2017 | 668 |
| Provided during the year | 206 |
| Reclassifications | 0 |
| Disposals | 0 |
| **Amortisation at 31 March 2018** | **874** |
| **Net book value at 31 March 2018** | |
| Purchased | 574 |
| **Total at 31 March 2018** | **574** |

**Prior year:**

| 2016/17: | Computer software - purchased |
|---|---|
| | £000 |
| Gross cost or valuation at 1 April 2016 | 1,128 |
| Additions purchased | 173 |
| Reclassifications | (10) |
| Disposals | (61) |
| **Gross cost at 31 March 2017** | **1,230** |
| Amortisation at 1 April 2016 | 495 |
| Provided during the year | 192 |
| Reclassifications | (15) |
| Disposals | (4) |
| **Amortisation at 31 March 2017** | **668** |
| **Net book value at 31 March 2017** | |
| Purchased | 562 |
| **Total at 31 March 2017** | **562** |

Intangible fixed assets represents application software identified in IT projects.

For all categories of intangible assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be a realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

# 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 accounted for its investment in the joint venture using the equity method since that point. In early 2017/18, UCLH sold its stake in RRO for £6.1m. At the time of sale, the recognised book value of RRO was £1.29m.

UCLH also holds an investment in the joint venture, Health Services Laboratories LLP (HSL LLP) with partners The Doctors Laboratory (TDL) and the Royal Free London NHS Foundation Trust (RFL) which performs pathology testing. UCLH has a 24.5% stake in this operation (TDL 51%, RFL 24.5%) with joint venture status agreed as a result of a series of significant decisions requiring unanimous agreement. This joint venture went live in April 2015 and is accounted as an investment using the equity method.

UCLH made no additional capital investments in the JV during 2017/18. UCLH has increased the holding value of this investment by 24.5% of the projected trading profit incurred by the joint venture during 2017/18 (£1,187k).

## 13.1 Investment in Joint Ventures

| | Note | 2017/18 | 2016/17 |
|---|---|---|---|
| | | £000 | £000 |
| Opening investment in joint venture | | 15,602 | 8,980 |
| Acquisitions in Year - other* | | 0 | 3,583 |
| Impairment | 14 | 0 | (30) |
| Share of Profit/Loss | | 1,187 | 3,069 |
| Disposals | | (1,294) | 0 |
| **Carrying value at 31st March** | | **15,495** | **15,602** |

* Additional contributions in line with agreed funding schedule

## 13.2 Subsidiaries

UCLH has a wholly owned subsidiary company, MyUCLH Ltd, limited by guarantee, which was incorporated in England and Wales in April 2015 and commenced trading in 2016/17.

During 2016/17, MyUCLH Ltd received total income of £40k in respect of a grant towards developing a software application to support children with hearing impairments, but incurred no spend in that year. MyUCLH incurred costs of £8k during 2017/18.

Due to immateriality, UCLH has not presented group and trust accounts. Balances in respect of MyUCLH are included within reported UCLH figures.

# 14 Impairments and Revaluations

Land and buildings were valued independently by the District Valuer as at 31 March 2018 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 2017/18 impairments and revaluations:** | **2017/18** | | | **2016/17** | | |
|---|---|---|---|---|---|---|
| **a) Impairments and reversals** | Income and expenditure | Reserves | **Total** | Income and expenditure | Reserves | **Total** |
| | £000 | £000 | **£000** | £000 | £000 | **£000** |
| Impairment reversals credited to I&E | **31,784** | **-** | **31,784** | 874 | - | **874** |
| Impairments charged to operating expenses | **(9,331)** | **-** | **(9,331)** | (10,652) | - | **(10,652)** |
| Impairments charged to revaluation reserve | **-** | **(4,405)** | **(4,405)** | - | (2,463) | **(2,463)** |
| **Total impairment reversal/(charge)** | **22,453** | **(4,405)** | **18,048** | **(9,778)** | **(2,463)** | **(12,241)** |
| **b) Revaluations** | | | | | | |
| Credited to revaluation reserve as above | - | **9,673** | **9,673** | - | 2,361 | **2,361** |
| **Total revaluations** | - | **9,673** | **9,673** | - | **2,361** | **2,361** |

**Notes**

There was a net increase in the carrying value of UCLH's property as a result of the valuation exercise described in note 11. Building values generally increased, partially offset by downward revaluations in respect of specific properties.

Impairments in Income & Expenditure in 2016/17 include £30k in respect of Joint Ventures (RRO), which relates to movement between estimated and actual final outturn.

# 15 Property, Plant & Equipment Economic Lives

Property, plant and equipment is depreciated on current valuation over estimated useful life as follows:

| | *Minimum* | *Maximum* |
|---|---|---|
| Buildings excluding dwellings | 1 | 50 |
| Plant & Machinery | 5 | 15 |
| Information Technology | 2 | 8 |
| Furniture & Fittings | 5 | 7 |
| Transport | 7 | 7 |
| Intangible Assets | 3 | 10 |

# 16 Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

| | **31 March 2018** | 31 March 2017 |
|---|---|---|
| | **£000** | £000 |
| Property, plant and equipment | **166,741 *** | 214,772 |
| Total | **166,741** | **214,772** |

*Capital commitments at 31st March 2018 include £116m on Phase 4/PBT construction and £35m on Phase 5 construction. (2016/17 £142m on Phase 4/PBT and £58m on Phase 5)

# 17 Inventories

## 17.1 Inventories

| | **31 March 2018** | 31 March 2017 |
|---|---|---|
| | **£000** | £000 |
| Drugs | **8,321** | 8,076 |
| Consumables | **8,788** | 8,488 |
| Energy | **128** | 38 |
| **Total** | **17,237** | **16,602** |

## 17.2 Inventories recognised in expenses

| | **31 March 2018** | 31 March 2017 |
|---|---|---|
| | **£000** | £000 |
| Inventories recognised as an expense in the period | (225,611) | (224,337) |
| **Total** | **(225,611)** | **(224,337)** |

# 18 Trade and other receivables

## 18.1 Trade and other receivables

| | Current | | Non-current | |
|---|---|---|---|---|
| | **31 March 2018** | 31 March 2017 | **31 March 2018** | 31 March 2017 |
| | **£000** | £000 | **£000** | £000 |
| NHS invoiced receivables | **36,382** | 46,792 | **0** | 0 |
| Provision for the impairment of receivables | **(27,044)** | (31,502) | **0** | 0 |
| VAT | **5,077** | 5,661 | **0** | 0 |
| Accrued income** | **85,545** | 90,777 | **0** | 0 |
| Prepayments - PFI lifecycle replacements | **0** | 0 | **9,838** | 7,476 |
| Prepayments other | **26,606** | 24,377 | **0** | 0 |
| Other receivables | **19,213** | 29,532 | **0** | 0 |
| PDC Dividend Receivable | **51** | 1,056 | **0** | 0 |
| Other receivables capital* | **4,023** | 3,521 | **0** | 0 |
| **Total** | **149,853** | **170,214** | **9,838** | **7,476** |

* These items are considered non-operational and are excluded from the movement in receivables shown in the cash flow statement
** Accrued income for 2017/18 includes accrued Sustainability and Transformation Fund income of £41.3m (2016/17 £33.3m)

## 18.2 Analysis of impaired receivables - Ageing of impaired receivables

| | **31 March 2018** | 31 March 2017 |
|---|---|---|
| | **£000** | £000 |
| 0 - 30 days | **818** | 1,065 |
| 30 - 90 days | **1,940** | 2,425 |
| 90 - 180 days | **5,616** | 3,478 |
| over 180 days | **18,670** | 24,534 |
| **Total** | **27,044** | 31,502 |

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 2018** | 31 March 2017 |
|---|---|---|
| | **£000** | £000 |
| 0 - 30 days | **112,341** | 121,578 |
| 30 - 90 days | **5,586** | 14,140 |
| 90 - 180 days | **5,185** | 3,754 |
| over 180 days | **135** | 6,365 |
| **Total** | **123,247** | 145,837 |

* 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 2018** | 31 March 2017 |
|---|---|---|
| | **£000** | £000 |
| **Balance at 1 April** | **31,502** | 39,154 |
| Net Increase In Provision | **1,943** | 2,676 |
| Amounts utilised | **(6,401)** | (10,328) |
| **Balance at 31 March** | **27,044** | 31,502 |

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 2018** | 31 March 2017 |
|---|---|---|
| | **£000** | £000 |
| Balance at 1 April | **75,148** | 68,570 |
| Net change in year | **71,943** | 6,578 |
| **Balance at 31 March** | **147,091** | 75,148 |
| | | |
| **Made up of** | | |
| Cash with the Government Banking Service | **146,943** | 75,124 |
| Commercial banks and cash in hand | **148** | 24 |
| **Cash and cash equivalents as in statement of financial position** | 147,091 | 75,148 |
| **Cash and cash equivalents as in statement of cash flows** | **147,091** | 75,148 |

# 20 Trade and other payables

| | **Current** | | |
|---|---|---|---|
| | **31 March 2018** | 31 March 2017 | |
| | **£000** | £000 | |
| NHS payables | **13,534** | 6,685 | ** |
| Trade payables - capital* | **16,709** | 10,864 | |
| Taxes payable | **16,882** | 15,586 | |
| Other payables | **41,125** | 63,385 | |
| Accruals | **82,595** | 70,474 | |
| **Total** | **170,845** | 166,994 | |

* these items are considered non-operational and are excluded from the movement in payables shown in the cash flow statement
** this balance has been realigned to show a combined figure for NHS payables

# 21 Borrowings

| | **Current** | | **Non-current** | |
|---|---|---|---|---|
| | **31 March 2018** | 31 March 2017 | **31 March 2018** | 31 March 2017 |
| | **£000** | £000 | **£000** | £000 |
| Loans from Independent Trust Financing Facility | **2,248** | 1,507 | **156,341** | 101,874 |
| Other Loans | **233** | 233 | **109** | 350 |
| Obligations under finance leases | **176** | 173 | **1,335** | 1,508 |
| Obligations under Private Finance Initiative contracts | **5,153** | 4,833 | **236,048** | 241,196 |
| **Total** | **7,810** | 6,746 | **393,833** | 344,928 |

The outstanding balances on the Trust's Independent Trust Financing Facility loans at 31st March 2018 totalled £158.6m (31st March 2017 £103.4m). The total loan facility has been used to part-fund the UCH Macmillan Cancer Centre, which opened in April 2012, to support the ongoing capital programme and to fund work on the Phase 4 and Phase 5 facilities and Emergency Department works.

Cancer Centre: £65m loan (fully drawn down with a balance of £2.7m outstanding on this loan at 31st March 2018; 25 year loan; 3.94%)

Phases 4 and 5: two loan facilities totalling £285.2m (short term loan £139m with £115m drawn down to date; 18 year loan; 1.08% and long term loan facility £146.2m currently unused)
Emergency Department: £19.6m loan (£17.4m drawn down to date; 25 years; 1.85%)
Capital Prorgamme Support: £24.8m loan (fully drawn down with a balance of £23.5m outstanding at 31st March 2018; 20 years; 1.17%)
Proton Beam Therapy: £52.5m loan facility (£0m drawn down to date)

# 22 Other liabilities

| | Current | | Non-current | |
|---|---|---|---|---|
| | **31 March 2018** | 31 March 2017 | **31 March 2018** | 31 March 2017 |
| | **£000** | £000 | **£000** | £000 |
| Deferred Income | **21,128** | 13,093 | **4,526** | 4,926 |
| **Total** | **21,128** | 13,093 | **4,526** | 4,926 |

# 23 Finance lease commitments

Other than those included as Private Finance Initiative contracts, UCLH has the following finance lease commitments:

| 2017-18 | **Due < 1 Year** | **Due >1 Year and < 5 Years** | **Due > 5 Years** | **Interest Rate** |
|---|---|---|---|---|
| LINAC Machine | £176k | £739k | £576k | 1.92% |

| 2016-17 | **Due < 1 Year** | **Due >1 Year and < 5 Years** | **Due > 5 Years** | **Interest Rate** |
|---|---|---|---|---|
| LINAC Machine | £172k | £688k | £820k | 1.92% |

# 24 Private Finance Initiative contracts

## 24.1 PFI schemes OFF-STATEMENT OF FINANCIAL POSITION

UCLH has no current off-statement of financial position PFI contracts.

## 24.2 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 2017/18 was £42.0m, of which £32.5m was charged as interest (including contingent rent of £15.5m), £4.8m allocated to repayment of capital, and £2.4m payment into the lifecycle replacement fund, which at 31 March 2018 totals £9.8m and which is included in non-current trade and other receivables (2016/17: £7.5m). These costs are transferred to Property, Plant and Equipment as and when the operator undertakes lifecycle modifications to the asset. This pre-payment was re-estimated in 2015/16 based on a new assessment of the required level of pre-payments required to cover future lifecycle expenditure under the contract.

The PFI agreement has been assessed under IFRIC 12 and the asset is deemed to be on Statement of Financial Position. The substance of the contract is that UCLH has a finance lease and payments comprise three elements – imputed finance lease charges, lifecycle fund and service charge.

Total finance lease obligations for on-statement of financial position PFI contracts due:

| | **31 March 2018** | 31 March 2017 |
|---|---|---|
| | **£000** | £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 | **345,039** | 365,336 |
| **Gross PFI liabilities** | **446,521** | 466,818 |
| Less: interest element | **(205,320)** | (220,789) |
| **Net PFI obligation** | **241,201** | **246,029** |
| - not later than one year | **5,153** | 4,833 |
| - later than one year and not later than five | **29,007** | 29,641 |
| - later than five years | **207,041** | 211,555 |
| | **241,201** | **246,029** |

## 24.3 Charges to expenditure

**Annual Unitary Payment**

| | **31 March 2018** | 31 March 2017 |
|---|---|---|
| | **£000** | £000 |
| - Interest charge (including contingent rent)* | **32,524** | 31,434 |
| - Repayment of finance lease liability | **4,833** | 4,833 |
| - Service element** | **22,352** | 21,417 |
| - Capital lifecycle maintenance | **6,105** | 2,377 |
| **Total** | **65,814** | **60,061** |

***** Interest charge includes contingent rent of £15.5m in 2017/18 (£15.7m 2016/17)

**Excludes utility payments

**Total Future PFI Commitments**

UCLH is committed to the following future payments in respect of the on-SoFP and off-SoFP PFI contracts*

| | **31 March 2018** | 31 March 2017 |
|---|---|---|
| | **£000** | £000 |
| **PFI scheme expiry date:** | | |
| Not later than one year | 67,009 | 65,183 |
| Later than one year, not later than five years | 287,330 | 279,504 |
| Later than five years | 1,769,125 | 1,843,959 |
| **Total** | **2,123,464** | **2,188,646** |

*This assumes an average RPI rate of 2.8% per year over the life of the PFI

# 25 Provisions

| | Current | | Non-current | |
|---|---|---|---|---|
| | **31 March 2018** | 31 March 2017 | **31 March 2018** | 31 March 2017 |
| | **£000** | £000 | **£000** | £000 |
| Pensions relating to other staff | **293** | 305 | **1,389** | 1,308 |
| Legal claims | **116** | 881 | 141 | 0 |
| Restructurings | **1,075** | 1,075 | **0** | 0 |
| Other | **3,273** | 5,945 | **675** | 675 |
| **Total** | **4,757** | **8,206** | **2,205** | **1,983** |

| | Pensions relating to other staff | Legal claims | Restructurings | Other | Total |
|---|---|---|---|---|---|
| | **£000** | **£000** | **£000** | **£000** | **£000** |
| **At 1 April 2017** | **1,613** | **881** | **1,075** | **6,621** | **10,190** |
| Arising during the year | 361 | 90 | 0 | 40 | **491** |
| Utilised during the year | (296) | (195) | 0 | (1,711) | **(2,202)** |
| Reversed unused | 0 | (519) | 0 | (1,000) | **(1,519)** |
| Unwinding of discount | 4 | 0 | 0 | (2) | **2** |
| **At 31 March 2018** | **1,682** | **257** | **1,075** | **3,948** | **6,962** |
| **Expected timing of cash flows:** | | | | | |
| - not later than one year; | 293 | 116 | 1,075 | 3,273 | **4,757** |
| - later than one year and not later than five years; | 1,141 | 141 | 0 | 675 | **1,957** |
| - later than five years. | 248 | 0 | 0 | 0 | **248** |
| **Total** | **1,682** | **257** | **1,075** | **3,948** | **6,962** |

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 (£2.8m) and RNTNEH Compensation (£0.7m) and dilapidations (£0.3m).

£136.7m is included in the provisions of the NHS Litigation Authority at 31 Mar 2018 in respect of clinical negligence liabilities of UCLH (31 March 2017: £92.8m).

# 26 Contingencies

UCLH has no contingent liabilities.

# 27 Financial Instruments

## 27.1 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 2018) | 0 | 92,285 | **92,285** |
| Non-NHS receivables excluding non financial assets (at 31 March 2018) | 0 | 25,835 | **25,835** |
| Other Investments (at 31 March 2018) | 0 | 15,495 | **15,495** |
| Cash and cash equivalents at bank and in hand (at 31 March 2018) | 0 | 147,091 | **147,091** |
| **Total at 31 March 2018** | **0** | 280,706 | **280,706** |
| NHS Trade and other receivables excluding non financial assets (at 31 March 2017) | 0 | 145,637 | **145,637** |
| Non-NHS receivables excluding non financial assets (at 31 March 2017)* | 0 | 32,052 | **32,052** |
| Other Investments (at 31 March 2017) | 0 | 15,602 | **15,602** |
| Cash and cash equivalents at bank and in hand (at 31 March 2017) | 0 | 75,148 | **75,148** |
| **Total at 31 March 2017** | **0** | 268,439 | **268,439** |

*Additional prior year disclosure added for comparison

## 27.2 Financial liabilities

| | At fair value through Income and Expenditure | Other | Total |
|---|---|---|---|
| | £000 | £000 | £000 |
| Borrowings excluding Finance lease and PFI liabilities (at 31 March 2018) | 0 | 158,930 | **158,930** |
| Obligations under Private Finance Initiative contracts (at 31 March 2018) | 0 | 241,201 | **241,201** |
| NHS Trade and other payables excluding non financial liabilities (at 31 March 2018) | 0 | 20,798 | **20,798** |
| Non-NHS payables excluding non financial liabilities (at 31 March 2018) | 0 | 146,661 | **146,661** |
| Obligations under Finance Leases | 0 | 1,511 | **1,511** |
| Provisions under Contract | | 6,961 | **6,961** |
| **Total at 31 March 2018** | **0** | 576,062 | **576,062** |
| | | | |
| Borrowings excluding Finance lease and PFI liabilities (at 31 March 2017) | 0 | 103,964 | **103,964** |
| Obligations under Private Finance Initiative contracts (at 31 March 2017) | 0 | 246,029 | **246,029** |
| NHS Trade and other payables excluding non financial liabilities (at 31 March 2017)* | 0 | 15,516 | **15,516** |
| Non-NHS payables excluding non financial liabilities (at 31 March 2017) | 0 | 135,892 | **135,892** |
| Obligations under Finance Leases | 0 | 1,681 | **1,681** |
| Provisions under Contract | | 10,189 | **10,189** |
| **Total at 31 March 2017** | 0 | 513,271 | **513,271** |

*Additional prior year disclosure added for comparison

The fair value of financial assets and financial liabilities does not differ from carrying amount.

## 27.3 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 2017/18 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.

# 28 Financial Performance Targets

Under the Use of Resources rating system, UCLH was rated as 1 in 2017/18, which is the highest rating on a scale of 1-4.

# 29 Related party transactions

University College London Hospitals NHS Foundation Trust is a body corporate established by the Secretary of State. The Independent Regulator of NHS Foundation Trusts ("NHSI") and other Foundation Trusts are considered related parties

The Department of Health and Social Care is regarded as a related party as it exerts influence over the number of transaction and operating policies of UCLH. During the year ended 31 March 2018 UCLH had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department of those entities.

During the year none of the Department of Health and Social Care Ministers, trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with UCLH, where material is defined to be transactions above £2m.

UCLH had material transactions with the following entities:

| | 2017/18 | | | |
|---|---|---|---|---|
| **Organisation** | Income | Expenditure | Receivables | Payables |
| | £000 | £000 | £000 | £000 |
| NHS England | 479,000 | - | 53,000 | - |
| NHS Camden CCG | 93,000 | 2,000 | 6,000 | 4,000 |
| NHS Islington CCG | 75,000 | - | 4,000 | 1,000 |
| Health Education England | 41,000 | - | - | - |
| Department of Health and Social Care | 32,000 | - | 1,000 | 3,000 |
| Central and North West London NHS Foundation Tru | 29,000 | 3,000 | 5,000 | 2,000 |
| NHS Barnet CCG | 25,000 | - | - | 1,000 |
| NHS Haringey CCG | 22,000 | - | 1,000 | - |
| NHS Central London (Westminster) CCG | 19,000 | - | - | - |
| NHS City and Hackney CCG | 16,000 | - | 1,000 | - |
| NHS Enfield CCG | 16,000 | - | - | 1,000 |
| NHS Herts Valleys CCG | 10,000 | - | - | 1,000 |
| NHS Brent CCG | 8,000 | - | - | - |
| NHS Slough CCG | 8,000 | - | - | - |
| NHS East and North Hertfordshire CCG | 7,000 | - | - | - |
| NHS Waltham Forest CCG | 7,000 | - | - | - |
| NHS Harrow CCG | 5,000 | - | 1,000 | - |
| NHS Redbridge CCG | 5,000 | - | - | - |
| NHS Tower Hamlets CCG | 5,000 | - | - | - |
| NHS West London (K&C & Qpp) CCG | 5,000 | - | 1,000 | - |
| NHS Ealing CCG | 4,000 | - | - | - |
| NHS Newham CCG | 4,000 | - | - | - |
| NHS West Essex CCG | 4,000 | - | - | - |
| Royal Free London NHS Foundation Trust | 3,000 | 6,000 | 4,000 | 3,000 |
| Barts Health NHS Trust | 3,000 | 2,000 | 1,000 | 3,000 |
| NHS Bedfordshire CCG | 3,000 | - | - | - |
| NHS Havering CCG | 3,000 | - | - | - |
| NHS Hillingdon CCG | 3,000 | - | - | - |
| NHS Lambeth CCG | 3,000 | - | - | - |
| The Whittington Health NHS Trust | 2,000 | 1,000 | 1,000 | 2,000 |
| Great Ormond Street Hospital for Children NHS Four | 2,000 | - | 1,000 | 6,000 |
| NHS Bromley CCG | 2,000 | - | - | - |
| NHS Hammersmith and Fulham CCG | 2,000 | - | - | - |
| NHS Southwark CCG | 2,000 | - | - | - |
| NHS Trafford CCG | 2,000 | - | - | - |
| NHS Wandsworth CCG | 2,000 | - | - | - |
| NHS West Kent CCG | 2,000 | - | - | - |
| NHS Resolution (formerly NHS Litigation Authority) | - | 20,000 | - | - |

| Organisation | 2016/17 Income £000 | Expenditure £000 | Receivables £000 | Payables £000 |
|---|---|---|---|---|
| NHS England | 442,000 | - | 19,000 | 1,000 |
| NHS Camden CCG | 72,000 | - | 7,000 | 2,000 |
| NHS Islington CCG | 68,000 | - | 5,000 | 1,000 |
| Health Education England | 45,000 | - | - | - |
| Department of Health and Social Care | 32,000 | - | - | 2,000 |
| Central and North West London NHS Foun | 30,000 | 2,000 | 2,000 | 1,000 |
| NHS Barnet CCG | 25,000 | - | 3,000 | 1,000 |
| NHS Haringey CCG | 21,000 | - | 3,000 | - |
| NHS Central London (Westminster) CCG | 18,000 | - | - | - |
| NHS Enfield CCG | 17,000 | - | - | - |
| Royal Free London NHS Foundation Trust | 16,000 | 5,000 | 11,000 | 3,000 |
| NHS City and Hackney CCG | 15,000 | - | - | - |
| NHS Herts Valleys CCG | 10,000 | - | - | - |
| NHS East and North Hertfordshire CCG | 9,000 | - | - | - |
| NHS Slough CCG | 8,000 | - | - | - |
| NHS Brent CCG | 7,000 | - | - | - |
| NHS Waltham Forest CCG | 7,000 | - | - | - |
| Barts Health NHS Trust | 6,000 | 3,000 | - | 5,000 |
| NHS Newham CCG | 5,000 | - | - | - |
| NHS Redbridge CCG | 5,000 | - | - | - |
| NHS Tower Hamlets CCG | 5,000 | - | - | - |
| NHS West Essex CCG | 5,000 | - | - | - |
| NHS Harrow CCG | 4,000 | - | - | - |
| NHS Havering CCG | 4,000 | - | - | - |
| NHS West London (K&C & Qpp) CCG | 4,000 | - | - | - |
| NHS Ealing CCG | 3,000 | - | - | - |
| NHS Lambeth CCG | 3,000 | - | - | - |
| The Whittington Hospital NHS Trust | 2,000 | - | 2,000 | - |
| NHS Basildon and Brentwood CCG | 2,000 | - | - | - |
| NHS Hillingdon CCG | 2,000 | - | - | - |
| NHS Southwark CCG | 2,000 | - | - | - |
| NHS Wandsworth CCG | 2,000 | - | - | - |
| Great Ormond Street Hospital for Children | - | - | - | 6,000 |
| NHS Litigation Authority | - | 17,000 | - | - |

## 29. 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 £0.16m (2016/17: £0.48m) which was expensed to operating expenses.

As identified in Investment Note 13, UCLH sold its 50% share in Radiology Reporting Online LLP (RRO LLP), a limited liability partnership during the year.

Prior to sale, during the year UCLH received services from RRO LLP of £0.28m (2016/17: £1.620m), which are recorded in operating expenses.

Included within other creditors is the sum of £0.12m (2016/17: £0.12m) representing sums due to RRO LLP.

As also noted in Note 13, UCLH 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 £42.43m (2016/17: £35.12m), which are recorded in operating expenses. Additionally UCLH provided services to HSL of £3.33m (2016/17: £2.62m).

Included within other creditors is the sum of £5.37m (2016/17: £6.84m) representing sums due to HSL.

Included within other debtors is the sum of £ 1.34m (2016/17: £0.72m) representing sums due from HSL.

UCL is classed as a related party, with one Executive Board Member directly employed by UCL. During the year UCLH received services from UCL of £ 27.86m (2016/17: £30.83m), which are recorded in operating expenses. Additionally, UCLH provided services to UCL of £6.40m (2016/17: £4.97m) which are recorded in other income.

Included within other creditors is the sum of £14.62m (2016/17: £18.48m) representing sums due to UCL.

Included within other debtors is the sum of £7.46m (2016/17: £7.17m) 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 £ 5.08m (2016/17: £5.66m)

Included within tax payable in Trade and Other Creditors is £ 10.45m owed to HMRC (2016/17: £9.91m)

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 £6.43m owed to NHS Pension Agency (2016/17: £5.68m.)

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.

# 30 Third Party Assets

UCLH held £13,161 cash and cash equivalents at 31 March 2018 (£14,149 at 31 March 2017) in relation to monies held on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

# 31 Losses and Special Payments

NHS Foundation Trusts are required to report to the Department of Health and Social Care any losses or special payments, as the Department still retains responsibility for reporting on these to Parliament. By their very nature such payments ideally should not arise, and they are therefore subject to special control procedures compared to payments made in the normal course of business.

In the twelve months to 31 March 2018 the value of losses and special payments was £ 2.3m (2016/17: £1.2m) relating to 1,046 cases (2016/17: 693 cases). This includes write-offs of Private and Overseas Patient debt, charged to the provision for impairment of receivables.

Losses and special payments are reported on an accruals basis, and exclude provisions for future losses.

Details are shown in the table below

| | **2017/18** | **2017/18** | 2016/17 | 2016/17 |
|---|---|---|---|---|
| | **Total number of cases Number** | **Total value of cases £000** | Total number of cases Number | Total value of cases £000 |
| Fruitless payments | **22** | **4** | 55 | 8 |
| Bad debts and claims abandoned | **1,002** | **2,090** | 609 | 1,052 |
| **Total Losses** | **1,024** | **2,094** | **664** | **1,060** |
| Special payments - extra statutory | **8** | **160** | 9 | 126 |
| Special payments - ex gratia | **11** | **7** | 20 | 7 |
| **Total Special Payments** | **19** | **167** | **29** | **133** |
| **Total** | **1,043** | **2,261** | **693** | **1,193** |

No individual special payments were made over £300k (2016/17: none)