



Annual Report and Accounts 2015/16

Royal Free London
NHS Foundation Trust

**ANNUAL REPORT AND ACCOUNTS
2015/16**

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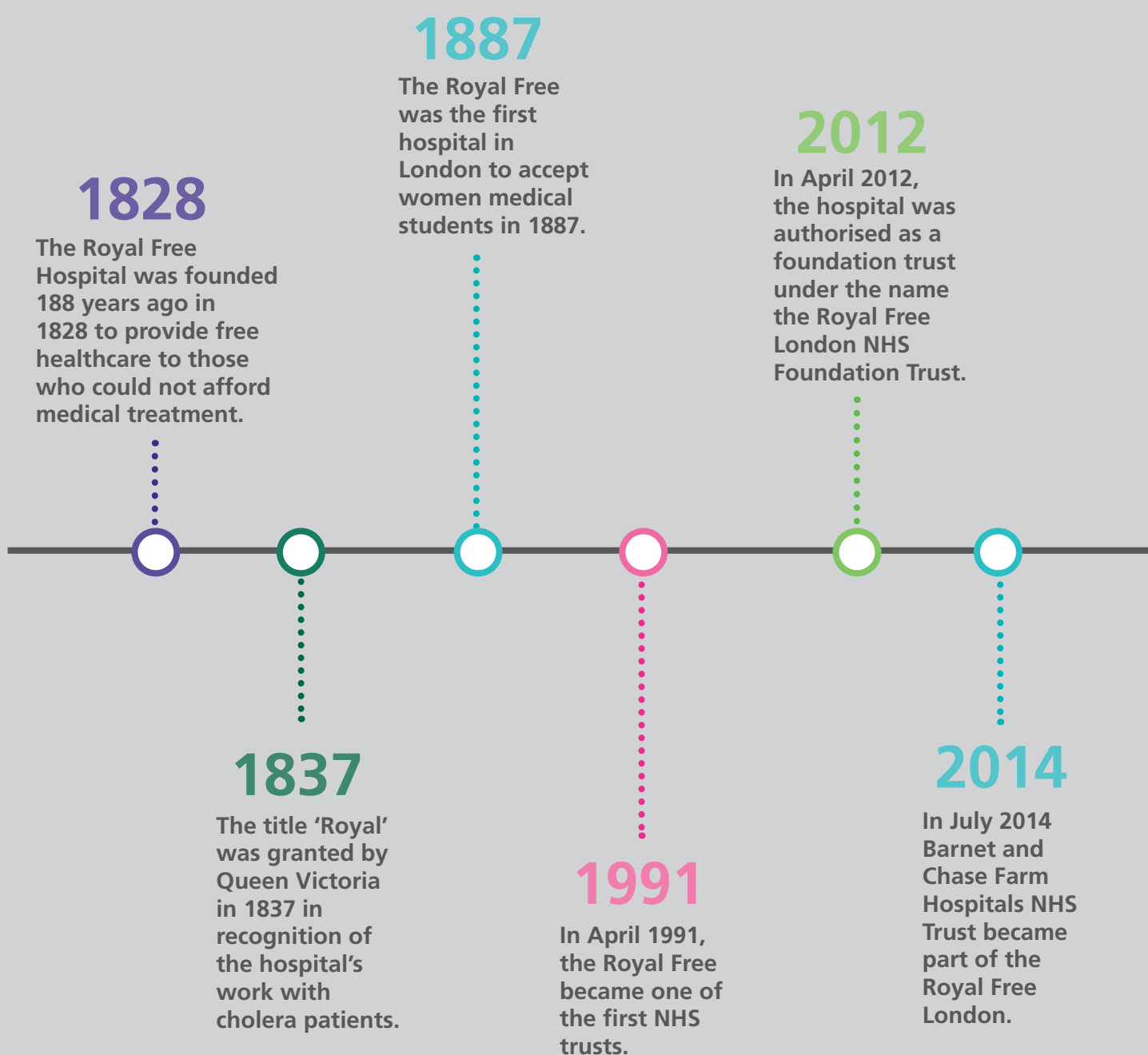
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Overview

About the Royal Free London

our history...



Our work and activities

The Royal Free London is one of the largest hospital trusts in the country, employing more than 10,000 staff and serving 1.6 million patients across 20 sites in north London and Hertfordshire.

We provide specialist services in liver and kidney transplantation, rare cancers, haemophilia, infectious diseases, plastic surgery, immunology and neurology.

The Royal Free Hospital provides the only high level isolation unit of its kind for the care of patients with the Ebola virus and other infectious diseases.

The trust is a member of the academic health science partnership UCLPartners.

Our mission

Our mission is to deliver world class care and expertise in services, research, teaching and education. We monitor our progress against five governing objectives:



Our governing objectives are supported by the hospital trust's annual objectives:

- Implement our organisation-wide approach to quality improvement to provide better services of better value for patients
- Reduce delayed transfers of care and improve the flow of emergency patients through and out of our hospitals
- Improve the recruitment and retention of staff and make the organisation a great place to work
- Focus on operational improvement and efficiencies which will help us meet our performance targets
- Serve our patients well by being as inclusive as possible and providing strong role models for staff

Key issues and risks

Our board assurance framework tracks risks to the trust's governing objectives. Risks are allocated to specific objectives but our overarching risks have the potential to impact all five governing objectives. Further details of our risks are covered in the risk and control framework section on page 78.

Overarching risks

- **System relationships:** encompassing the complexity of relationships between commissioners, providers, central bodies and other care providers and their impact on our ability to focus on delivering our own governing objectives
- **Pressures on staff:** including risks around staff vacancies, managing agency staff and the increasing pressure being felt by staff, leading to less satisfaction at work
- **Transformational change:** transformational change is required to improve services to ensure that they continue to be sustainable; however there is a significant risk that shorter term demands and a lack of collaborative working compromise our ability to effect this change

World class care values

All our staff are expected to operate according to our world class care values. The values expect us to be:

- positively welcoming
- actively respectful
- clearly communicating
- visibly reassuring

A word from our chief executive and chair

The acquisition of Barnet and Chase Farm Hospitals NHS Trust in July 2014 increased the size of the Royal Free London (RFL) by around a third. We now have 10,000 staff, around 1.6 million patient visits every year and 8,000 babies were born in our maternity units in the last 12 months.

This makes the RFL one of the largest NHS trusts in the country. We are working hard to translate that greater scale into better quality services for our patients and better use of resources for taxpayers.

We measure our progress on that aspiration using our five governing objectives:

1. Excellent outcomes in clinical services, research and teaching

For the 12 month period ending September 2015, the trust's summary hospital mortality indicator (SHMI) ratio was 86.23, or 13.77% better than expected. For this period the Royal Free had the sixth lowest relative risk among our peer group of the 26 large English teaching hospitals.

And for the calendar year 2015, the trust recorded the seventh lowest relative risk of mortality among that peer group of 88.8 which is 12.2% below (statistically better than) expected.

We are making good progress on infection control. We kept below the trust's national trajectory for C.difficile infections, resulting from 'lapses in care' for all four quarters. And our clinicians have developed a new approach to the rapid management of sepsis that has been adopted as best practice by other hospitals.

University College London (UCL), our affiliated university, is among the world's top universities for research, reflected by its performance in international rankings. Researchers working at the Royal Free Hospital

have been behind some important breakthroughs in the past year, including the treatment of amyloidosis and the development of a blood test which could allow paramedics to diagnose viral or bacterial infections at the scene of an accident. And a team of radiologists and respiratory consultants at Barnet Hospital won the NHS Innovations Challenge Prize for cancer treatment with a new, more effective approach to lung biopsy.

This year we received excellent student feedback on the quality of undergraduate medical teaching at the Royal Free Hospital. Barnet Hospital was rated the best of the UCL medical school-linked district general hospitals for final year teaching attachments, an outstanding achievement for those involved in teaching at the hospital. Several members of our faculty were individually recognised by UCL for their excellence in teaching.

2. Excellent experience for our patients, staff and GPs

We want to ensure that all patients, visitors, carers, family and friends are treated with care and respect during their time at our hospitals. We measure our progress on this using the national friends and family test which asks patients to rate how likely they would be to recommend us to their friends and family. Last year, over 65,000 of our patients said they were likely or very likely to recommend us, which represents 87% of those responding.

We continue to benefit from the work of the Royal Free Charity in improving patient experience in our hospitals. This year, they recruited more than 135 young volunteers who have made a big difference to both patients and staff.

We carefully study the results of our annual staff survey. Major organisational changes, such as an

acquisition, can have an impact on staff morale but we are pleased to see this has not been the case. Since the last survey there has been an improvement in staff motivation at work. As importantly, the survey continues to highlight those areas where we must do better.

Also, during 2015/16 we launched a new board-led programme to increase the number of staff from black and minority ethnic backgrounds in our top leadership team and this will remain a priority in the years to come.



Chief executive David Sloman and chair Dominic Dodd at the Chase Farm Hospital redevelopment site



We now have 10,000 staff, around 1.6 million patient visits every year and 8,000 babies were born in our maternity units in the last 12 months.

3. Excellent value for taxpayers' money

There are huge financial pressures on all hospital trusts and the Royal Free London is no exception.

The trust reported a deficit of £31 million in 2015/16. This included an impairment of £16m and a gain on the disposal of a property of £6.7m. Adjusting for these items meant that the trust reported an operating deficit of £22m.

Throughout the year, we also reported our underlying recurrent position to the board, after taking

into account non recurrent funding measures (such as the release of provisions from the balance sheet and short term external funding), and this measure suggests that the organisation has an underlying deficit of £45m, despite being reported as one of the most efficient trusts in the country in Lord Carter's recent study. (This excludes the additional funding that the trust received from the Department of Health in respect of the Barnet and Chase Farm acquisition.)

We suffered in particular from a reduction in the price paid for our specialist services - we received no

Commissioning for Quality and Innovation (CQUIN) payments - and from continuing high levels of agency staff.

However, our staff did find £40.1m of savings during the year. Key savings came from pathology services at Barnet Hospital and Chase Farm Hospital, our renal strategy, a growing market share in maternity and post-acquisition efficiency savings.

As a consequence of this, the organisation has put in place a Financial Improvement Programme to ensure that we are taking all effective means to continue to deliver high quality care as efficiently as possible.

4. Excellent safety and compliance with our external duties

Accident and emergency (A&E) attendances increased by 8.1% at the Royal Free Hospital between October 2015 and March 2016, compared to the corresponding period in 2014/15. Attendances at Barnet Hospital increased by 7.4% during the same period. Despite the unprecedented increase in attendances, during the period April 15 to March 16 the trust's emergency and urgent care departments recorded the fourth best performance against the four-hour waiting standard when compared with the 18 other London non-specialist acute providers.

Post-acquisition, the trust faced a number of historical challenges, particularly in meeting our regulators' standards for 18-week and cancer waiting times. During the course of 2015/16, significant progress has been made in validating historical data and we were able to recommence national reporting for 18-week waiting times in June.

2015/16 has seen a big focus on speeding up the time during which possible cancer diagnoses are confirmed and treated. Many high-risk patients are now able to receive diagnostic tests and biopsies on the same day as their first out-patient appointment.

The Care Quality Commission carried out an inspection of the trust in the first week of February. In feedback given to the board directorate, they commented that every member of staff they met was compassionate, committed and caring, without exception. They also praised the strength of clinical leadership and commented on how clean and tidy our hospitals are. The inspection report is expected to be concluded by June/July 2016.

5. A strong and resilient organisation

This year we have been modernising our services and upgrading our estate:

- In a major milestone for the trust, our plans for the complete redevelopment of Chase Farm Hospital have been given final approval, paving the way for a new hospital by the end of 2018.
- At the Royal Free Hospital, work on the Pears Building that will house the UCL Institute for Immunity and Transplantation will start soon, creating a state-of-the-art space for 200 researchers who will be working on new therapies for patients with a range of chronic diseases including cancer, viral infections and diabetes.
- We are now midway through the refurbishment of the operating theatres at Barnet Hospital.

Finally, we continue to forge strong partnerships with other providers including hospitals, GPs, mental health trusts and community health workers, which is critical to improving the health and wellbeing of our patients and the communities we serve.

In 2015, the Royal Free London was successful in its bid for NHS Vanguard status allowing us to explore the development of a new group model to extend these partnerships. We expect to see this play a big part in our future development.

THANK YOU TO OUR STAFF

None of this progress could have been made without the tremendous dedication of our staff on all of our sites and we thank them on behalf of our patients for their hard work, professionalism and compassion.

Statement of going concern

After making enquiries, the directors have a reasonable expectation that the Royal Free London NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Performance analysis: meeting our responsibilities

Key performance measures and meeting standards

Following the acquisition of Barnet and Chase Farm Hospitals NHS Foundation Trust (BCF) in July 2014, the Royal Free London (RFL) inherited a number of challenges, particularly in relation to meeting regulators' standards for cancer and 18-week waiting times. During 2015/16 significant progress has been made towards meeting national standards and targets.

Our focus is on ensuring that all parts of our diverse trust reach and maintain the standards of the best performing hospitals.

18-week waiting times

In June 2015 we resumed national reporting of the trust's waiting lists (related to the 18-week referral-to-treatment target). After a huge and costly programme to reconstruct the waiting list data to ensure accuracy and provide more treatment capacity both within the trust and outside, we expect to reach compliance with the national target during the first half of 2016/17.

Cancer treatment waiting times

Significant improvement has been achieved for some cancer specialities including prostate and skin. These patients are being seen and referred for treatment within required timescales as issues causing delays have been addressed. Renal cancer, for which we are the north east and north central London tertiary centre, remains challenging. Renal cancer referrals are often received late from other providers, leading to breaches. We are addressing the delays and hope to achieve

compliance with the national 62-days from referral-to-treatment standard by the first quarter of 2016/17.

Emergency care

Pressure on our three emergency departments has been increasing, with more people than ever before attending. The trust is working with partners, including clinical commissioning groups (CCGs) and local authorities, to try to manage the increasing demand and to discharge patients in a timely manner once their treatment is complete.

We are trying to relieve pressure on our emergency services by offering alternatives to A&E, including urgent care centres and doctors' appointments which are nearer people's homes, ensuring more access to continuing care. The trust is also redeveloping the emergency department at the Royal Free Hospital which, once complete, will provide us with greater capacity.

Despite the unprecedented increase in attendances, the trust's emergency and urgent care departments recorded the third highest performance against the standard when compared with London non-specialist acute providers.

For the first two quarters of 2015/6 we achieved the A&E standard with 95% of patients being admitted, transferred or discharged within four hours of arrival, but missed the standard in quarters three and four. Reduced performance in the second half of the year reflected the significant pressures experienced this winter. A&E attendances increased by 8.1% at the Royal Free Hospital between October 2015 and March 2016 compared with the corresponding

Our focus is on ensuring that all parts of our diverse trust reach and maintain the standards of the best performing hospitals.

period in 2014/15; attendances at Barnet Hospital increased by 7.4% across the same period.

Infection control

From April 2015, the regulator made an important change to the C.difficile infections target, in that only 'lapses in care' leading to such infections should be recorded. 'Lapses in care' infections are determined by the local clinical team applying a checklist-based assessment developed by Public Health England, with outcomes reviewed and agreed by local commissioners. The trust achieved compliance with its national trajectory in each quarter of 2015/16. The target for the full year was to record fewer than 66 cases where a lapse of care was an underlying factor; over the period April to December 2015, the trust observed 13 confirmed cases. Investigations and root cause analysis continues for an additional nine cases.

Mortality rates

We measure our mortality using both the hospital standardised mortality ratio (HSMR) and the summary hospital-level mortality indicator (SHMI). These measures compare the actual level of mortality with that which would have

been expected based on the type of patients we care for.

During the calendar year 2015, the trust's relative risk of mortality is the seventh lowest across our peer group of 26 major English teaching hospitals.

Against the SHMI measure of mortality risk, in the 12 months to the end of September 2015 the trust had the sixth lowest mortality risk across the same peer group. The trust aims to ensure that our organisation achieves performance in the top decile of non-specialist English providers.

Meeting Care Quality Commission standards

The RFL is registered with, and licensed by, the Care Quality Commission (CQC), the independent regulator of health and adult social care services in England.

The trust is required to demonstrate compliance with the CQC's fundamental standards for quality and safety across every service we provide.

The Royal Free London NHS Foundation Trust is fully compliant with the registration requirements of the CQC.

In our 2014/15 accounts we reported on our action plan, submitted to the CQC on 16 January 2015, which outlined how the trust will address concerns raised following an unannounced inspection in September 2014 of Barnet Hospital.

In August 2015 the trust notified the CQC of our achievement against the submitted action plan for Barnet Hospital and on 11 September 2015 the CQC confirmed the trust has addressed the issues.

Meeting Monitor standards

(Monitor is now part of NHS improvement)

In self-assessing the trust's anticipated performance against the Monitor risk assessment framework for 2015/16, three service risks were identified:

1. A&E performance against the 95% standard
2. meeting the trust's national trajectory in relation to the volume of C.difficile infections

3. reporting and achieving compliance against the three 18-week national standards

Accident and emergency

(See emergency care, on page 11)

C.difficile

For C.difficile the regulator made a significant change to the construction of the target from April 2015. Monitor confirmed that for the purposes of its governance risk ratings for foundation trusts, with effect from quarter one of 2015/16 national performance against the C.difficile indicator would include only those infections resulting from 'lapses in care'. 'Lapses in care' infections are determined by the local clinical team applying a checklist-based assessment developed by Public Health England, with outcomes reviewed and agreed by local commissioners. As a consequence of this reporting change, the trust achieved compliance with its national trajectory in each quarter of 2015/16.

Waiting times

Prior to acquisition, serious issues were identified with Barnet and Chase Farm hospitals' referral-to-treatment-time (RTT) data. RTT describes the government's standard on patient waiting times - the target is patients being seen within 18 weeks from initial referral to being treated in hospital.

The trust conducted one of the largest data validation exercises in NHS history, examining 1.9 million treatment 'pathways', in order to establish how many patients had been waiting longer than 18 weeks and reviewing nearly 11,000 patients to check that no clinical harm had been caused by the wait.

During the process of this validation exercise, the trust did not have adequate confidence in RTT data relating to Barnet Hospital and Chase Farm Hospital which were acquired in July 2014. Consequently, reporting of RTT pathways at Barnet and Chase Farm hospitals was suspended whilst the logic could be agreed and refined in discussion with commissioners and regulators. Over this period, only data relating to pathways provided by the previous Royal Free Hampstead

NHS Trust was submitted externally. The level of confidence achieved in May 2015 was sufficient to permit the resumption of national reporting, at which point data was submitted relating to the entire organisation.

A large number of long-waiting patients was identified by the data validation exercise and a programme aimed at treating these patients as quickly as possible was implemented with the aim of meeting the 92% national standard by quarter 2 of 2016/17. The trust has achieved a steady improvement in performance each month between January and March 2016. As at the end of March 2016, the trust reported fewer patients waiting over 18 weeks for first definitive treatment than planned in the recovery trajectory.

The trust also failed the 'all cancer 62-days from GP referral standard' for each quarter of 2015/16. The trust has analysed its data to pinpoint where improvements are required and has put in place a programme to implement these changes. The trust aims to meet the national standard during the first quarter of 2016/17.

More recently, during quarter 4 of 2015/16, the trust has experienced reduced performance over two-week waits for cancer and 'symptomatic breast' from referral to first appointment and the '62-days from screening service referral' indicator, due to capacity issues.

Performance against the two-week wait standards has been affected by an increase in referrals. Cancer referrals have increased from an average of 1,145 per month in 2010/11 to 2,180 per month in 2015/16, an increase of 90% or 1,035 additional referrals a month. An action plan is in place to ensure a return to compliance against the two-week wait and cancer 62-days from screening service referral indicators during the first quarter 2016/17.

Despite the issues described above and the significant challenges following the acquisition of Barnet and Chase Farm Hospitals NHS Trust, the RFL has consistently achieved a green rating for each quarter of 2015/16; the Monitor scorecard on the right refers:

Monitoring Risk Assessment Scorecard 2015/2016

2015/16						
Monitor indicators of governance concerns - April 2015 - June 2016	Q1	Q2	Q3	Mar-16	Q4 actual/forecast	Rolling risk assessment
A&E: 95% of patients admitted, transferred or discharged within four hours	97.2%	95.8%	93.4%	87.9%	87.8%	High
C difficile number of cases against plan	4	5	4	Compliant	Compliant	Low
Maximum time of 18 weeks from point of referral to treatment in aggregate for patients on an incomplete pathways	88.5%	88.0%	86.7%	89.6%	89.6%	High
Cancer: two-week wait from referral to date first seen						
All cancers	95.0%	94.7%	96.2%	92.9%	92.9%	High
Systematic breast patients	98.7%	95.3%	96.4%	92.3%	89.1%	High
All cancers: 31-day wait from diagnosis to first treatment	99.5%	98.9%	99.2%	98.1	98.1%	Low
All cancers: 31-day second or subsequent treatment						
surgery	98.2%	100.0%	100.0%	100.0%	99.1%	Low
drug	100.0%	100.0%	100.0%	100.0%	100.0%	Low
radiotherapy	100.0%	100.0%	100.0%	100.0%	99.2%	Low
All cancers: 62 day wait for first treatment:						
from urgent GP referrals	76.4%	69.1%	73.3%	79.1%	72.6%	High
from a screening service	90.5%	94.8%	93.0%	91.5%	83.3%	High
Compliance with requirements regarding access to healthcare for people with learning disabilities	Compliant	Compliant	Compliant	Compliant	Compliant	Low
Monitor overall governance thresholds:						
Trust rating:	Green ¹	Green ¹	Green ¹	Green ¹	Green ¹	
Weighting:	1	1	2	3	3	
Green: a service performance score of <4.0 and <3 consecutive quarters' breaches of a single metric						
Red: a service performance score of >=4.0 and >=3 consecutive quarters' breaches of a single metric						
Note: C. difficile RAG rating applied on the basis of the cumulative quarterly expression of the trajectory						

Monitor governance framework adjustment

As described in the footnote to the table above, at the point of acquisition the trust declared a compliance risk in relation to the three standards of A&E, C.difficile and 18-week targets.

As a result of this risk declaration, Monitor asked us in their letter of 30 May 2014 to provide realistic timescales to re-achieve compliance with these targets. Recovery trajectories were subsequently agreed with Monitor. Risk framework adjustments were applied for A&E until quarter 1, for C.difficile for quarters 1 and 2 and for 18-weeks for the entire 2015/16 financial year. Additional enhanced reporting against these targets was provided to Monitor for the duration of the adjustments.

Financial review

Income

The trust receives most of its income from clinical commissioning groups and NHS England for patient care activities. It also receives monies for the education and training of clinical staff, research and development and from the sale of manufactured pharmacy products.

		Actual £m	Plan £m	Var. £m	Var. %
Operating income	Year ended 31 March 2016	996.7	972.1	24.6	2.5%
	Year ended 31 March 2015	907.7	859.0	48.7	5.7%
Income from clinical activities	Year ended 31 March 2016	857.4	803.0	54.4	6.8%
	Year ended 31 March 2015	764.2	744.3	19.9	2.7%

Income is ahead of plan, due to an overall increase in patient demand and activity. This has been particularly prevalent in non-elective and out-patient activity.

Surplus

Earnings before interest, taxes, depreciation and amortisation (EBITDA) and reporting surplus are important measures for the trust. They are indicators of how much cash the trust is generating from its activities and are used by Monitor in calculating the trust's continuity of service risk rating. If the trust is unable to generate sufficient cash from its activities then it may not be capable of paying its staff and suppliers, or investing in new infrastructure and technology.

		Actual £m	Plan £m	Var. £m	Var. %
EBITDA	Year ended 31 March 2016 %	26.3	38.8	-12.5	-32.2%
	Year ended 31 March 2015 %	31.2	44.6	-13.4	-30.0%
Retained surplus/(deficit) before gains by absorption	Year ended 31 March 2016	-31.4	0.6	-32.8	-5780.1%
	Year ended 31 March 2015	-5.8	8.1	-13.9	-172.0%

The additional demand and activity which has driven income ahead of plan has required the trust to provide additional resources to support that work. In many instances this has been provided through the use of temporary staff (see payroll costs below) which comes at a premium and hence the EBITDA has declined as a result. The trust also came close to delivering its QIPP programme – see page 16.

Payroll costs

Pay costs are the single biggest expense the trust incurs. As a service provider, the trust aims to recruit and retain the highest calibre staff in order to provide patient care that meets the trust vision.

		Actual £m	Plan £m	Var. £m	Var. %
Staff costs 2015/16	Permanent staff	472.1			
	Temporary staff	44.3			
Total		516.4	497.2	-19.2	-3.9%
Staff costs 2014/15	Permanent staff	390.3			
	Temporary staff	74.2			
Total		464.5	446.5	-18.0	-4.0%
Permanent staff numbers (avg.) 2015/16		8,304.5			
Permanent staff numbers (avg.) 2014/15		7,603.0			
Temporary staff numbers (avg.) 2015/16		1,741.9			
Temporary staff numbers (avg.) 2014/15		2,546.0			

To note: although the number of temporary staff has reduced from last year, we are paying a premium for those we do employ so earnings before interest, taxes, depreciation and amortisation (EBITDA) has declined.

The net adverse variance in payroll costs for both permanent and temporary staff is £19.2 million. The trust has had difficulty in recruiting permanently to a number of posts and has had to utilise temporary resources to fill these gaps. In addition, due to the increased demand and activity there has been an increased need for additional staff to maintain quality and safety.

The accounting policies for pensions and other retirement benefits are set out in notes 1.3 and 8 to the accounts.

Details of senior employees' remuneration can be found in the remuneration report on page 59.

The number of, and average additional pension liabilities for, individuals who retired early on ill-health grounds during the year are set out in note 5.5 to the accounts.

Sickness absence data can be found in note 5.4 to the accounts.

Revaluation and impairment

At the year end the trust estate was valued by an independent expert. Due to the specialised nature of the trust estate, there is no active market upon which to base a valuation - for example the estate value is not linked to the housing property market.

Instead, the valuation is based on the current cost of its replacement with a modern equivalent, less any deductions for physical deterioration. This method considers whether, if rebuilding the estate, it would be in the same location and have the same layout, as well as the current cost of purchasing the necessary materials and services.

The impact of the independent revaluation exercise is shown below.

	Reduction in value charged as an expense £m	Reduction in value charged to reserves £m	Total reductions in value £m	Increases in value taken to reserves £m	Net changes £m
31 March 2016					
Land	-6.5	-47.4	53.9	0	-53.9
Buildings	-9.7	-8.6	-18.3	77.8	59.5
Total	16.2	-56	-72.2	77.8	5.6
31 March 2015					
Land	-	-	-	-	-
Buildings	-4.6	-6.6	-11.2	12	0.8
Total	-4.6	-6.6	-11.2	12	0.8

The impairments arising are largely due to the application of alternative use which considers whether the actual site remains appropriate and this will hinge on the locational requirement of the service that is being provided. The valuation has therefore resulted in a reduced site for Barnet Hospital (from 9.455 hectares to 5.121 hectares) to exclude redundant buildings, buildings occupied by third parties and any landscaping that would not be required. The Chase Farm site was also reduced (from 9.1 hectares to 4.8 hectares) to reflect the theoretical area required to support the future refurbished hospital. The land value at the Hampstead site reduced due to the theoretical relocation within the borough and the effect of moving office accommodation to existing use valuation.

The increase in the value of other buildings reflects the increased cost of re-build.

Further details can be found in note 17 of the accounts.

Quality, innovation, productivity and prevention programme

The quality, innovation, productivity, and prevention (QIPP) programme is a national Department of Health strategy involving all NHS staff, patients, clinicians and the voluntary sector. The programme's aim is to improve the quality and delivery of NHS care which will deliver cost savings and improve value for money. The trust delivery against its QIPP plans has been as follows:

	Actual £m	Plan £m	Var. £m	Var. %
Year ended 31 March 2016	40.1	48	-7.9	-16.5
% of total income	4.20%	5.00%		
Year ended 31 March 2015	24.2	36.3	-12.4	-20.2
% of total income	2.70%	4.20%		

The trust's QIPP programme delivered £40.1m. Key savings came from Barnet Hospital and Chase Farm Hospital pathology, the trust's renal strategy, a growing market share in maternity and post-acquisition efficiency savings. The shortfall in QIPP was down to delays in delivering QIPP plans. The performance of programmes in the final quarter means that the full year effect of QIPP delivery is in line with plan.

Reference costs

The trust reference cost index, which measures the relative efficiency of English trusts against one another, continues to reduce, from 93 to 89. (This indicator relates to a combined reference cost of Barnet, Chase Farm and Royal Free hospitals.) In essence this means that the trust is 11% more efficient than the national average and demonstrates the trust's commitment to deliver value for money in a health economy facing increasing financial pressures.

Balance sheet

The trust continues to maintain a strong balance sheet, however the cash position has deteriorated during the year due to income and expenditure position and increase in unpaid debt. This is due to service level agreements not being fully agreed with NHS England and clinical commissioning groups which have led to increased receivables and consequently an increase in payables.

As a result the trust renewed its overdraft facility of £42m in January 2016. We have not yet drawn down on those funds as we are working with commissioners to recover debts due.

	31 March 2016 £m	31 March 2015 £m
Cash	15.7	94.6
Net current assets	12.7	66.0
Net assets	494.8	486.1

Going concern and future outlook

The trust plans for 2016/17 show an improving cash position, but this can only be achieved through delivery of its operating plan and QIPP targets. These are certainly challenging but achievable and will need careful oversight in what will continue to be a year of change.

Countering fraud and corruption

The trust has a fraud and bribery policy and, through the accountancy and advisory firm Baker Tilly, has a local counter-fraud service to prevent and detect fraud. The local counter-fraud officer reports to the audit committee at each of its meetings on work undertaken. The trust also participates in the national fraud initiative data matching exercise.

Financial risk management

The financial risk management objectives and policies of the trust, together with its exposure to financial risk, are set out in notes 1.10, 16.1 and 26 of the accounts.

Future prospects, risks and uncertainties facing the trust

The future operating environment for our trust is likely to feature:

- growth in demand at levels not seen for many years
- continuing increase in demand for specialised services
- shortages in some key resources such as certain clinical staff and post-acute packages of health and social care
- continued pressure on emergency hospital services over winter
- increased regulatory scrutiny on financial and operational performance
- continuing expectation of real terms cost reductions across the trust

The trust is taking action to mitigate the impact of these risks and uncertainties by:

- continuing to work with its local commissioners to support them in reducing costs and achieving their savings programmes in ways that also improve the outcomes and experience for patients
- working with health and social care partners to develop the north central London sustainability transformation plan which aims to improve health outcomes across north central London over the next five years
- developing a group model comprising 10-15 hospitals operating under a single group board, with the intention of improving clinical outcomes, patient safety and patient experience by reducing variation across the group.

Directors' responsibilities statement and going concern

The directors are required under the National Health Service Act 2006 to prepare financial statements for each financial year. The Secretary of State, with the approval of the Treasury, directs that these financial statements give a true and fair view of the state of affairs and the income and expenditure of the trust for that period. In preparing those financial statements, the directors are required to:

- apply accounting policies laid down by the Secretary of State with the approval of the Treasury on a consistent basis
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

The directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the financial statements.

Our accounts have been prepared under a direction issued by Monitor under the National Health Service Act 2006.

Regulatory ratings report

2015/16	Annual Plan	Q1	Q2	Q3	Q4
Under the risk assessment framework					
Financial sustainability risk rating	2	2	2	2	2
Governance rating	green	under review	under review	under review	under review (forecast)

Note: the trust has yet to receive formal confirmation of the Q4 governance rating. However we anticipate that in light of the financial performance the rating will remain under review in the final quarter.

What the ratings mean

Monitor publishes two ratings for each NHS foundation trust.

1. The financial sustainability risk rating is Monitor’s view of the level of financial risk a foundation trust faces and its overall financial efficiency. A rating of 1 indicates the most serious risk and 4 the least risk. A rating of 2* means the trust has a risk rating of 2 but its financial position is unlikely to get worse in the immediate future.
2. The governance rating is Monitor’s degree of concern about how the trust is run, any steps being taken to investigate this and/or any action being taken. Monitor will indicate that there are no evident concerns, that enforcement action has begun, or that the foundation trust’s rating is ‘under review’, which means Monitor has identified a concern but not yet taken action. In the case of the RFL the “under review” rating has been applied while Monitor considers next steps in relation to a deterioration in the trust’s financial position. The trust continues to comply with any additional reporting requests from Monitor.

The role of these ratings is to indicate when there is a cause for concern at a trust. The ratings do not automatically trigger regulatory action, they simply prompt Monitor to consider whether a more detailed investigation is needed. Monitor updates foundation trusts’ ratings each quarter and also in ‘real time’ to reflect any regulatory action taken.

For further information

Quality governance, quality and our improvement priorities are discussed in more detail in the annual governance statement on page 76 and within our quality account (page 141 onwards).

Improving our environment

The trust is committed to reducing carbon emissions, controlling energy costs and providing a safe, clean environment for patients, visitors and staff.

The quality of our environment

Every year, patient representatives, governors and other groups including Healthwatch visit our hospitals to scrutinise the quality of care environments.

Patient-led assessments of the care environment (PLACE) assess how the environment supports patient privacy and dignity, food, cleanliness and general building maintenance. They focus solely on the care environment and do not cover clinical care provision or how well staff are doing their jobs.

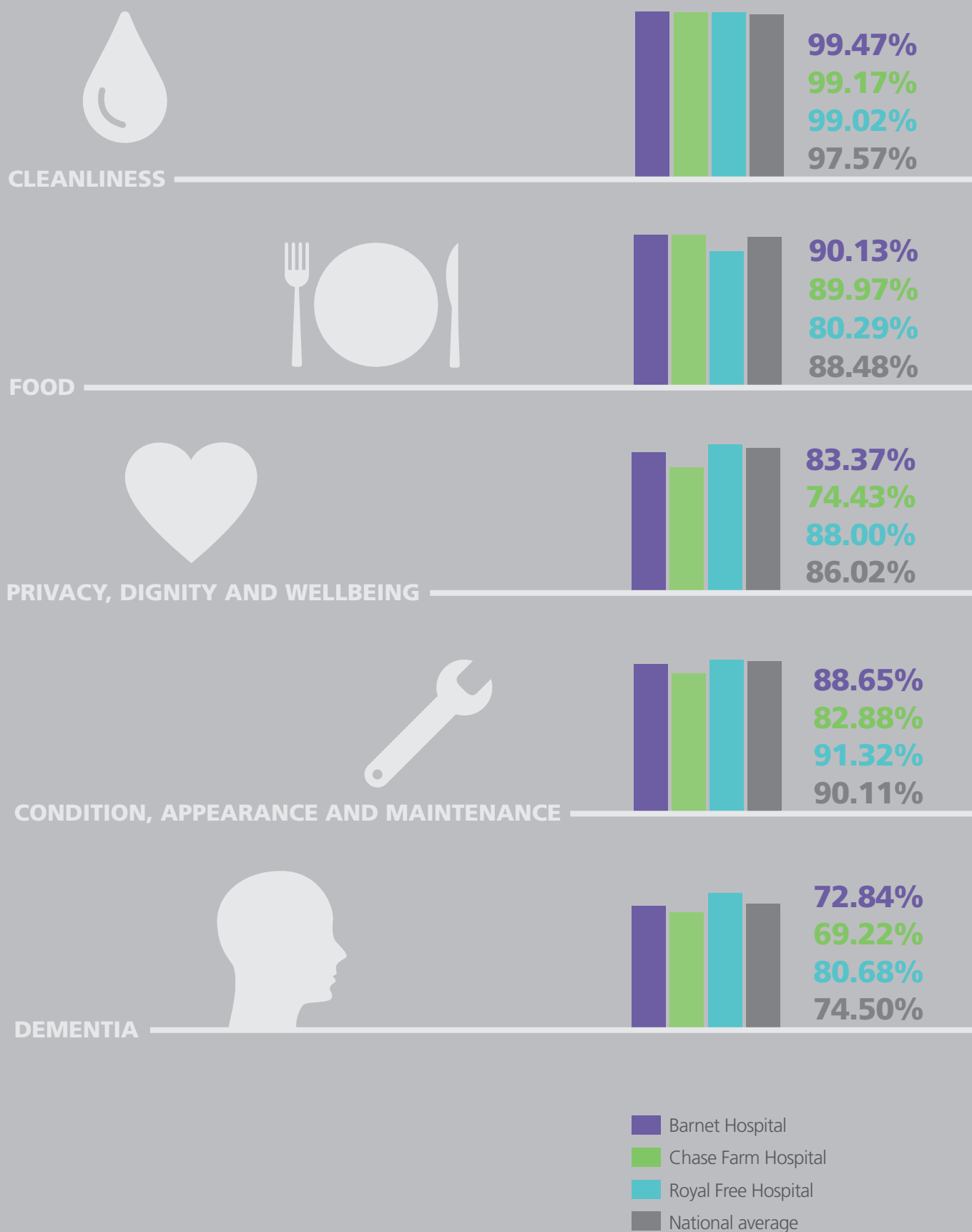
In addition, for the first time the 2015 PLACE assessments considered how well healthcare environments support the provision of care to those with dementia. This assessment focuses particularly on flooring, decor and signage but additionally looks at other facilities including seating and handrails, which can help those with dementia.

The 2015 results demonstrate for the first time how the Royal Free London has performed as a trust at each of the three main hospitals.

As in previous years, percentage scores were awarded for cleanliness, food, privacy and dignity, condition, appearance and maintenance.

Overall the trust performed well compared to similar trusts, with the exception of the score for food at the Royal Free Hospital. To address this, a new menu was devised and introduced in October 2015.

PLACE assessments for Barnet, Chase Farm and the Royal Free hospitals



To monitor how well we are performing and to aid service improvements we continually assess our environment against the national standards of cleanliness (NSC) and do additional 'mock' PLACE assessments throughout the year.

Smoke free

A complete smoking ban applies to patients, visitors and staff at all our hospitals. Smoking has not been permitted anywhere at the Royal Free Hospital since 2005 and our no-smoking policy was applied to Barnet and Chase Farm hospitals in March 2015. Advice and information to help smokers give up is available at all three hospitals.

Reducing our carbon footprint

Since our carbon reduction strategy was introduced in 2008, the Royal Free London has reduced its total carbon dioxide emissions each year. Our updated strategy will ensure a further reduction in our emissions by 2020, leading to a significant annual financial saving.

In 2018 the new Chase Farm Hospital will open, incorporating energy saving innovations and complying with the latest energy performance requirements for buildings. This will result in a 35% reduction in carbon emissions against the baseline required by building regulations.

Most notably the hospital will be served by a state-of-the-art energy centre which will deliver guaranteed savings of £200,000 per annum. The redeveloped site includes housing and a school and the energy centre will have the capacity to provide some heating for up to 500 homes. This is an initiative that is already in place at the Royal Free Hospital, where the trust works with Camden Council to provide low-carbon heat for 1,500 homes. The trust will continue to innovate and develop further carbon emission reductions where viable.

During 2015/16 the trust launched a new committee called the sustainability and wellbeing group. This supports the organisational strategy to strive for the highest standards of sustainability for patients, staff and visitors. The group also promotes wellbeing agendas, including healthy living options, for everyone who uses our facilities.

In 2015/16 the trust continued to invest heavily in replacing the original 1970s engineering systems of the Royal Free Hospital with significantly more efficient replacements.

Staying safe: emergency planning

The NHS has a key role in responding to large scale emergencies and major incidents and the trust ensures that it is prepared for such events.

A key focus in 2015/16 was improving the trust's response in the event of a chemical, biological, nuclear and radiological (CBNR) incident with the introduction of the new initial operational response (IOR) arrangements in December 2015. A new trust plan has been developed for a CBRN incident, which sets out the expected level of response at the Royal Free, Barnet and Chase Farm hospitals.

Training has been delivered to reception staff, emergency department staff, porters and security and estates staff. Final amendments are being made to an e-learning module that will complement this face-to-face training.

The trust has also rewritten and exercised the influenza pandemic plan in the past year, both as an internal exercise and as part of a number of multi-agency exercises.

The trust now has a weekly resilience group meeting at the three hospitals. The groups review and agree any work that needs to take place to strengthen the resilience of the individual site.

The Chase Farm Hospital resilience group plays a pivotal role in keeping staff up to date about the redevelopment of the site, as well as the day-to-day resilience issues. A section has been set up on the trust intranet providing further information about resilience work to be undertaken.

Major incident exercises

During the year, the trust took part in a number of multi-agency major incident exercises. Scenarios included:

- a major power failure affecting the whole of London
- an explosion in a shopping mall resulting in fatalities and hundreds of casualties
- a major fire at one of our hospitals, involving a radiation source

The trust has also worked closely with the Metropolitan Police's counter-terrorism command in the last year to deliver training to our staff. In June 2015 the trust hosted a Project Argus event, exploring a terrorism scenario that directly impacted on one of our hospitals. Following the November 2015 terrorist attacks in Paris, the police worked with the trust's local security management specialist to deliver further staff training.

Testing our plans

Elements of our emergency planning arrangements were put into action several times during the year, mainly in response to utility failures. Both Chase Farm Hospital and the Royal Free Hospital were affected by mains water failures and all three hospitals experienced power failures.

We continually review and learn from our experiences to improve emergency plans for the future and are well placed to make a positive contribution to the safety of the wider London community.

Social, community and human rights

Our equal opportunities and equalities policies are designed to provide equality and fairness for all staff and patients, without discrimination on the grounds of age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex or sexual orientation.

Our equality and diversity monitoring group meets quarterly and produces an annual report for staff and patients which is available on the internet and intranet.

Our ambition is to improve health outcomes, access and experience for all of our patients, visitors, carers and staff. We are committed to:

EQUALITY

Equity of outcome in healthcare and for our staff

DIVERSITY

Supporting patients and their families and carers and our staff with one or more of the nine protected characteristics under the Equality Act 2010 through our four world class care values

INCLUSION

Working to ensure patients feel welcome and staff feel proud to be part of the Royal Free London

More information on how we develop and apply our equalities policies can be found in the staff report on page 64.

We continue to declare legal compliance with the public sector equality duty and we have a range of activities, both to evidence our commitment and to influence positive change.

DURING THE PAST YEAR WE HAVE:

- developed and delivered 'deaf awareness' and 'start to sign' sessions
- delivered 'working with older LGBT people' training sessions in conjunction with Opening Doors London, a campaigning organisation which supports the older lesbian, gay, bisexual and trans (LGBT) community
- held a number of successful equality awareness taster sessions in the workplace
- supported the growth of equality access groups which bring together community partners and hospital staff in quarterly meetings at each of the three main sites
- maintained a specific equality work plan for each of the three main hospitals

As an employer and a provider of services, the Royal Free London is committed to the principles of equality, diversity and human rights.

Our work overseas

The increasing number of requests we receive to collaborate with overseas health organisations demonstrates a high level of satisfaction with the standard of service we provide.

Royal Free International

Royal Free International (RFI) is part of the Royal Free London NHS Foundation Trust. RFI promotes and develops international collaborations and partnerships in:

- education, training and development
- hospital development and hospital management consultancy
- medical research
- patient services

In the past year, our international presence and reputation has grown with the delivery of a number of education programmes and consultancy projects around the world. This collaborative work also generates revenue for the trust. Examples during 2015/6:

- Henghe Hospital in China sent four nurses to the Royal Free London for training and welcomed two of our trained nurses to deliver education.
- We received around 40 staff, including doctors, nurses, GPs and finance managers from Zhejiang Province Health Bureau in China, who attended courses at the Royal Free London.
- Hong Kong Hospital Authority sent 20 senior nurses to the trust for training.
- We established new collaborations with Mie Prefecture Provincial Government, Japan, providing clinical and leadership training for senior nurses.
- The trust is working in partnership with International Hospital Group and will be providing support with management, governance and education for a new hospital in China.
- RFI established training programmes with London GP practices and community-based healthcare staff for overseas doctors and nurses.

High scores in evaluation reports indicate that RFI programmes are meeting the objectives for international participants. The increasing number of requests we receive to collaborate with overseas health organisations demonstrates a high level of satisfaction with the standard of service we provide.





The Royal Free London's fascinating history wall was opened on 25 September 2015 by James Sandwith, a descendent of William Marsden, the doctor who founded the hospital 188 years ago. The history wall, which charts milestones in the life of the hospital, is located on the ground floor of the Royal Free Hospital and includes information on the treatment of infectious diseases, the training of women medics, the trust's pioneering liver and kidney care and research carried out by our doctors.

RFI will continue to explore further opportunities in the international markets that fit with the trust's strategy, including:

- clinical educational programmes in specialist areas such as elderly care, dementia care and cardiology
- hospital management and development consultancy in China, Pakistan and other emerging markets
- supporting clinical teams in philanthropic work and research to help developing countries
- telemedicine and teleradiology

Private Patients Unit

The private patients overseas business team travels to the Middle East regularly to promote Royal Free private patient services in the region. During 2015/6 we presented at two healthcare exhibitions in the United Arab Emirates, showcasing the services the unit provides.

Our key areas of overseas business are the Gulf States including Kuwait, UAE, Saudi Arabia, Qatar and Oman. We liaise from the UK with the medical health offices of these states to attract new business.

Our services are also promoted on our new Royal Free private patients website which is translated into Arabic to aid communication with the markets we are targeting.

All profits from the private patients unit are ploughed back into NHS services at the trust.

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Directors' report

The directors' report has been prepared under direction issued by NHS Improvement, the independent regulator for foundation trusts, as required by Schedule 7 paragraph 26 of the NHS Act 2006 and in accordance with:

- sections 415, 416 and 418 of the Companies Act 2006; (section 415(4) and (5) and section 418(5) and (6) do not apply to NHS foundation trusts)
- regulation 10 and schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("the Regulations")
- additional disclosures required by the financial reporting manual (FReM)
- The NHS Foundation Trust Annual Reporting Manual 2015/16 (FT ARM)
- additional disclosures required by NHS Improvement.

Further details of the areas included in this statement can be found on the trust's website: <https://www.royalfree.nhs.uk/>

The board of directors provides leadership to the trust, setting strategic direction, ensuring management capacity and capability, monitoring and managing performance and setting the appropriate culture. It defines the vision of the trust and champions and safeguards its values, keeping the safety of patients at the centre of its work and ensuring its obligations to key stakeholders are met. By ensuring the effective and efficient use of resources, it safeguards public funds.

All voting board members (executive and non-executive directors) have joint responsibility for board decisions and share the same purpose. All members also have responsibility to constructively challenge the decisions of the board and help develop proposals on priorities, risk mitigation, values, standards and strategy.

Non-executive directors

Non-executive directors are members of the board of directors. They are not involved in the day to day running of the business, but are guardians of the governance process and monitor the executive activity as well as contributing to the development of strategy. The non-executive directors have a particular duty to ensure appropriate challenges are made and to hold the executive directors to account. As well as bringing their own expertise to the board, non-executive directors scrutinise the performance of management in reaching goals and objectives and monitor the reporting of performance. They need to satisfy themselves as to the quality and integrity of financial, clinical and other information and to ensure that the quality and financial controls of risk management are robust.

Non-executive directors have a particular duty to ensure appropriate challenge is made and that the board acts in the best interests of the public.

They should:

- bring independence, external skills and perspectives and challenge strategy development
- scrutinise the performance of, and hold to account, the executive management in meeting agreed objectives, receive adequate information, and monitor the reporting of performance
- satisfy themselves as to the integrity of financial, clinical and other information and ensure that financial and clinical quality controls and systems of risk management and governance are robust and implemented
- be responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing and where necessary removing, executive directors, and be responsible for succession planning.

The chair is one of the non-executive directors and is personally responsible for the leadership of the board of directors and the council of governors, ensuring their effectiveness in all aspects of their role and setting their agenda.

During the financial year, the trust had six voting non-executive directors:

Non-executive director	Date of appointment	Current term of office	Term
Dominic Dodd (chair)	July 2010	30 June 2017	third (second as chair)
Jenny Owen (vice chair and senior independent director)	October 2010	31 August 2017	second
Stephen Ainger	November 2011	31 October 2018	second
Dean Finch	April 2014	30 September 2017	first
Deborah Oakley	April 2011	31 March 2018	second
Anthony Schapira	December 2009	30 November 2016	second

The board considers that all its non-executive directors are independent in character and judgement, although it notes that Professor Anthony Schapira, as an appointee of University College London Medical School, brings its views to the trust board.

Further details of each of each non-executive director can be found on pages 38 to 39 and also on the trust's website at <https://www.royalfree.nhs.uk/>

Executive directors

The executive directors are responsible for the day-to-day running of the organisation. The chief executive, as accounting officer, is responsible for ensuring that the organisation works in accordance with national policy and public service values and maintains proper financial stewardship. The chief executive is directly accountable to the board for ensuring that its decisions are implemented.

At the end of the financial year, there were five voting executive directors on the trust board:

Executive director	Position
David Sloman	Chief executive
Caroline Clarke	Chief finance officer and deputy chief executive
Professor Stephen Powis	Medical director
Deborah Sanders	Director of nursing
Kate Slemeck	Chief operating officer

Register of interests

The trust is required to hold and maintain a register of details of company directorships and other significant interests held by directors which may conflict with their management responsibilities. The board of directors undertakes an annual review of the register. In addition, at each meeting of the board of directors and its committees, a standing item also requires all executive and non-executive directors to make known any interests in relation to the agenda and any changes to their declared interests.

This register of declared interests for the board of directors is held by the trust secretary and is available for public inspection. Members of the public can view this on our website at <https://www.royalfree.nhs.uk/> or by contacting:

Trust secretary
Executive offices
Royal Free London NHS Foundation Trust
2nd Floor, Pond Street
London NW3 2QG

In accordance with the Care Quality Commission's fit and proper persons requirement (FPPR) that applies to all NHS trusts, the board also considered the FPPR during the year and satisfied itself that all current board members fulfil the requirements.

Political donations

There are no political donations to disclose.

Better payments practice code

The code requires the trust to aim to pay 95% of undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. It is designed to promote good practice in the payment of debt from NHS organisations. Details of compliance with the code are given in the annual

accounts on page 118.

The trust has not been able to meet its target of 95% due to issues with the new accounts payable system implemented in April 2015. This resulted in a backlog of invoices to be processed. The issues are now resolved but performance against the code has not been able to recover due to the trust's cash position.

Prompt payment code

The trust has registered with the prompt payment code. The details of the code are:

Pay suppliers on time:

- within the terms agreed at the outset of the contract
- without attempting to change payment terms retrospectively
- without changing practice on length of payment for smaller companies on unreasonable grounds

Give clear guidance to suppliers by:

- providing suppliers with clear and easily accessible guidance on payment procedures
- ensuring there is a system for dealing with complaints and disputes which is communicated to suppliers
- advising suppliers promptly if there is any reason why an invoice will not be paid on the agreed terms

Encourage good practice by:

- requesting that lead suppliers encourage adoption of the code throughout their own supply chains

Interest paid under the Late Payment of Commercial Debts (Interest) Act 1998

There were no interest charges paid in accordance with this act in 2015/16 (2014/15: nil).

Cost allocation and charging

The trust has complied with the cost allocation and charging requirements set out in guidance from HM Treasury and the Office of Public Sector

Enhanced quality governance reporting

Quality governance is a combination of structures and processes at and below board level that leads on trust-wide quality performance including:

- ensuring required standards are achieved
- investigating and taking action on sub-standard performance
- planning and driving continuous improvement
- identifying, sharing and ensuring the delivery of best practice
- identifying and managing risks to quality of care

Quality governance is discussed in more detail in the annual governance statement and the quality accounts.

Monitor's quality governance framework

In May 2014, NHS Improvement (formerly Monitor and the NHS Trust Development Authority) launched the well-led framework for future governance reviews. This approach incorporates and builds on the previous quality governance framework. The trust has had regard to NHS Improvement's well-led framework in arriving at its overall evaluation of its performance, internal control and board assurance framework (BAF). During the reporting period, the trust strengthened its quality governance arrangements and appointed a director of quality. The trust intends to initiate a high level review of its quality governance arrangement against Monitor's well-led framework which will inform quality improvements being taken forward in 2016/17.

During 2015/16 the trust had in place a number of plans and processes which contribute to ensuring quality governance.

Stakeholder relations

The aim of the trust's approach to stakeholder relations is to support the strategic objectives of the trust by strengthening relationships with key stakeholders, engaging with them in working partnerships to address the challenges facing the health economy.

During the course of the year we have continued to place significant emphasis on building strong relationships with commissioners and local authorities to create opportunities to move patients and service users from our acute hospitals into more suitable care settings. We have also worked with our local commissioners to develop new services in response to emerging needs within our local community.

More information on work with our patients, public and members can be found in the annual governance statement later in the report.

Patient care

Full business case for Chase Farm Hospital approved

In March 2016 the government approved the full business case submitted by the trust for the multi-million pound redevelopment of Chase Farm Hospital. This will allow the creation of a state-of-the-art facility delivering healthcare to the local population.

The government is set to contribute almost £82 million towards the redevelopment, with the shortfall being met by the sale of surplus land and funds invested by the Royal Free London.

The new Chase Farm Hospital will include world class facilities for diagnostics, out-patients, an urgent care centre, planned elective surgery, post-operative care, an older people's assessment unit and rehabilitation facilities. Construction work started in spring 2016, although enabling works to prepare the site (including demolition of unused buildings and alterations to some of the internal roads) have been happening since last year.

New surgery centre at Royal Free Hospital

The Charles Wolfson Charitable Trust has donated £1.25 million for the development of a new surgery centre at the Royal Free Hospital, aimed at helping patients with disfigurements.

The Charles Wolfson Centre for Reconstructive Surgery will give surgeons at the trust access to the latest technology and equipment to help develop more effective treatments for patients and will comprise newly-designed laboratories where research into the latest reconstructive surgery will be carried out. The remainder of the money is being pledged by the Royal Free Charity.

It will be one of the largest centres for reconstructive surgery in the country, researching new treatments for patients with burns, for example, as well as treatments for armed forces personnel with combat injuries.

End of treatment bell

Two children who have been receiving chemotherapy at Barnet Hospital became the first patients to ring a bell to commemorate the end of their treatment.

Eight year old Ertac Yusuf, and Zara Yurtseven, 11, were both diagnosed with leukaemia and have undergone several years of chemotherapy.

On February 24, both children finished their final cycle of treatment. To commemorate the life-changing moment, they rang an 'end of treatment' bell installed by staff at Barnet Hospital which was donated to the hospital by End of Treatment Bells, an organisation that provides them to children's oncology wards throughout the country.

Kate Owen, lead nurse for paediatric oncology, explained that treatment for leukaemia can last for more than three years, so young children might not even remember what life was like before they started the chemotherapy.

Ertac's mother said, "When he was first diagnosed he was very unwell and we thought there was no hope, but after a year or so things really started to improve. The staff here and at Chase Farm Hospital have been a miracle and the bell is brilliant. Watching Ertac ringing it brings this all to a close."

Chase Farm endoscopy unit

A new £2 million unit for endoscopy patients has opened at Chase Farm Hospital, which will allow the trust to deliver an improved service to patients. The dedicated building will have greater capacity, which will mean a cut in waiting times for patients who need an endoscopy procedure, such as a colonoscopy.

The new unit has doubled the number of treatment rooms and now provides private recovery rooms for patients which will mean more privacy and

dignity. In addition, the unit will be the first in the country to use a new tracking system which will allow staff to monitor patients more closely.

Therapists share roles at Barnet Hospital

A team at Barnet Hospital is breaking down the barriers between occupational therapists (OTs) and physiotherapists to help emergency departments discharge patients more quickly.

Patients requiring assessment before discharge usually have to be seen by both a physiotherapist and an OT before they can be cleared to go home.

OTs look at function and cognition and carry out assessments in order to identify problems that might arise when the patient returns home. Physiotherapists focus on mobility, musculoskeletal problems and respiratory issues.

However Barnet's rapid response team, which deals primarily with emergency department patients, comprises physiotherapists and OTs who are all capable of performing both assessments at once, potentially halving the time patients have to wait for discharge.

Healthy lifestyles at Chase Farm Hospital

An outdoor gym has been installed in Chase Farm Hospital, providing a unique health hub for the benefit of patients, staff and visitors. The green gym has nine exercise stations and includes cardio, strength and toning equipment to target people with health and wellbeing goals.

The hospital's commitment to healthy lifestyles also includes classes for recovering cancer patients. A Tottenham Hotspur physical activity instructor is running weekly exercise sessions for recovering cancer patients at the hospital. The classes are an extension of the after cancer exercise scheme, a 12 week programme aimed at giving patients the best chance of recovery and preventing cancer recurring by incorporating exercise into their lives.

Liver cubes for research

A team of researchers at the Royal Free Hospital is using a machine designed for slicing salami to create liver "cubes" that can be used in research for new drugs.

The machine, which has been adapted by a German company that makes machines for butchers, was custom-built for the research team so they can slice 0.5cm squared cubes of liver which can be used to test the latest medication.

The team, which is part of the UCL Institute for Liver and Digestive Health, utilise donated livers that cannot be used in transplantation to create the cubes, which are much more effective in testing new drugs than liver cells in petri dishes.

Pears Building

The trust is moving forward with plans to construct the Pears Building which will be home to the new UCL Institute of Immunity and Transplantation (IIT). The project is a partnership between UCL, the Royal Free London and the Royal Free Charity, supported by UCLPartners.

The IIT will bring together more than 200 researchers, in teams of scientists, academic clinicians, clinical trials specialists and nurses, to develop and translate research into treatments and therapies for patients with a range of chronic diseases including cancer, viral infection and diabetes.

It will provide the best possible infrastructure for research, training and clinical delivery, with state-of-the-art lab facilities and teaching space. The project will capitalise on existing areas of excellence and enable world-leading research and clinical trials to take place, which will mean new and more effective treatments will be available to millions of people globally.

Listening to our patients

Patient advice and liaison service

Feedback from our patients, their relatives and carers is a valuable opportunity for us to review our services and make improvements. We encourage dialogue with staff, giving an opportunity for immediate action and resolution.

To further support our patients, the patient advice and liaison service (PALS) provides information and advice on how concerns can be managed. PALS can be contacted by telephone, email, website, in writing or in person (on request at Chase Farm Hospital).

The PALS dealt with 12,529 contacts during 2015/16, compared to 12,475 in the previous financial year. The table below shows the top five themes from this year and those from the previous year.

	2014	2015
1	General assistance/enquiries	General assistance/enquiries
2	Communication	Communication
3	Appointments – delay / cancellation	Delays
4	Attitude	Access - contacting depts / individuals
5	Clinical treatment	Car parking

Friends and family test

The trust provides patients with the opportunity to give feedback by completing the national friends and family test (FFT).

The test asks the question, “How likely are you to recommend our ward/A&E department to friends and family if they needed similar care or treatment?” Results are used to measure improvements in experience of care and are displayed nationally.

This test allows the trust to monitor patient experience information over seven days to ensure patient experience is equitable across the whole week.

FFT scores for the trust consistently show an overwhelming majority of patient would recommend our services.

In-patient

	Barnet Hospital	Chase Farm Hospital	Royal Free Hospital	Number of responses
Month	% would recommend			
Apr-15	87%	96%	88%	1395
May-15	84%	92%	90%	1375
Jun-15	88%	92%	86%	1470
Jul-15	89%	97%	87%	1468
Aug-15	87%	96%	88%	1284
Sep-15	86%	94%	89%	1300
Oct-15	84%	96%	88%	1420
Nov-15	91%	98%	87%	1183
Dec-15	86%	92%	87%	1064
Jan-16	80%	95%	88%	1191
Feb-16	85%	93%	89%	1301
Mar-16	90%	97%	89%	1279
Total responses for in-patient FFT 2015-16				15,730

A&E

	Barnet Hospital	Royal Free Hospital	Responses
Month	% would recommend		
Apr-15	86%	88%	4585
May-15	87%	87%	4587
Jun-15	86%	86%	4516
Jul-15	86%	86%	4658
Aug-15	87%	86%	4211
Sep-15	85%	84%	3945
Oct-15	86%	86%	4364
Nov-15	83%	87%	3327
Dec-15	82%	87%	3316
Jan-16	76%	85%	3992
Feb-16	77%	84%	4503
Mar-16	73%	83%	4969
Total responses for A&E FFT 2015-16			50,973

Maternity

	Q1 - antenatal care – 1104 respondents		Q2 - labour and birth – 2041 respondents		Q3 - postnatal care – 2082 respondents		Q4 - postnatal community services – 814 respondents	
	Barnet Hospital	Royal Free Hospital	Barnet Hospital	Royal Free Hospital	Barnet Hospital	Royal Free Hospital	Barnet Hospital	Royal Free Hospital
Month	% would recommend							
Apr-15	100%	92%	100%	88%	100%	88%	100%	93%
May-15	100%	96%	100%	97%	100%	96%	100%	98%
Jun-15	100%	96%	100%	99%	100%	94%	100%	96%
Jul-15	100%	82%	95%	97%	97%	96%	91%	100%
Aug-15	100%	100%	88%	97%	100%	97%	97%	100%
Sep-15	97%	100%	98%	95%	96%	89%	97%	96%
Oct-15	95%	100%	97%	95%	92%	92%	98%	97%
Nov-15	97%	97%	99%	96%	95%	92%	100%	93%
Dec-15	95%	91%	99%	95%	97%	88%	100%	93%
Jan-16	96%	97%	98%	99%	95%	94%	100%	100%
Feb-16	95%	91%	98%	93%	92%	91%	100%	100%
Mar-16	94%	100%	99%	99%	97%	94%	100%	100%

Outpatient

	Barnet Hospital	Chase Farm Hospital	Royal Free Hospital	Responses
Month	% would recommend			
Apr-15	92%	85%	87%	196
May-15	79%	85%	88%	219
Jun-15	69%	100%	100%	168
Jul-15	68%	89%	98%	175
Aug-15	84%	83%	95%	139
Sep-15	75%	88%	100%	231
Oct-15	75%	83%	97%	186
Nov-15	88%	84%	95%	438
Dec-15	88%	81%	96%	790
Jan-16	93%	89%	95%	970
Feb-16	96%	92%	93%	665
Mar-16	94%	89%	84%	537
Total responses for out-patient FFT 2015-16				4,714

Complaints

The trust tries to resolve issues as promptly as possible. There is no longer a national timeframe for responses to complaints but RFL aims to respond within 35 working days, or longer if agreed with the complainant.

During the year, patient information leaflets and posters about complaints were updated to encourage patients to raise concerns immediately with the person in charge of their care. The leaflets and posters include contact details for the PALS service and the complaints team.

Complaints data is reviewed monthly by the patient safety committee and the patient and staff experience committee alongside other data, including patient surveys, infections, falls, pressure ulcers and incidents. Complaints data, including lessons learnt and actions taken is also included in:

- the divisional monthly quality and safety boards
- the quarterly report taken to the patient and staff experience committee
- an annual complaints report taken to the trust board
- the quarterly CLIPS (complaints, litigation, incidents, PALS and safety) report taken to the patient safety committee

The table below shows the most common complaints received in 2015/16 and 2014/15, and is followed by some examples of actions taken in response to those issues.

	2014/15	2015/16
1	Clinical treatment	Clinical treatment
2	Communication	Communication
3	Values and behaviour	Appointments
4	Delay	Values and behaviour
5	Clinical diagnosis	Car parking

- Following review of an ear, nose and throat (ENT) complaint at the ENT audit and governance meeting, it was agreed that any patient presenting with a traumatic perforation should be followed up by the ENT team until the perforation has healed and there should be early referral for formal hearing testing via an audiologist. It was agreed that this should not be left to the GP.
- To improve support for amyloidosis patients and families, we appointed a cardiac amyloidosis link nurse for 10 West Ward. This role will also support the discussions around prognosis and hopefully will greatly improve communication with families and enable staff to address any concerns as early as possible.
- We are looking at extending our ophthalmology clinic times into the early evening and have opened an eye clinic at St Pancras Hospital, helping us to meet increasing demand for ophthalmology services.
- Explanations and updates have been provided to visitors and blue badge holders with regard to the new parking arrangements at Barnet Hospital and Chase Farm Hospital and some penalty charge notices have been cancelled as a gesture of goodwill or as a result of extenuating circumstances. Reception staff and the PALS team are familiar with trust parking arrangements and provide help and advice when required.

The table below shows the number of complaints received by the trust and those that have escalated to the Parliamentary Health Service Ombudsman.

	2014/15	2015/16
Complaints received by the trust	1,159	1,452
Complaints upheld (partially or fully) by the trust	851	724 (as of 11 May)
Complaints taken to the Parliamentary Health Service Ombudsman	23	4
Complaints upheld (partially or fully) by the Parliamentary Health Service Ombudsman	3	0
Complaints still under investigation by the Parliamentary Health Service Ombudsman	12	3

Providing spiritual and religious care

Over the year our chaplains and chaplaincy volunteers made more than 9,500 visits to patients and families, supporting those who are experiencing emotional distress.

Chaplains are available day and night for urgent needs, especially around the time of a loved one's death. Multi-faith centres are available for patients, visitors and staff including chapels, prayer rooms and Shabbat rooms. Regular services are held in the chaplaincy centres.

Chaplains also host local faith community events, hospital charity fundraisers, hospital school events and teaching sessions.

Income disclosure

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

The income the trust receives from the provision of goods and services for any other purpose is generated from capacity within the organisation; such work is not given priority over NHS work. Income from such activities are sought only where they can demonstrate a positive impact for the trust, such as a financial contribution to the trust which can be invested for the purposes of healthcare, or as part of a wider clinical benefit analysis.

Statement as to disclosure to auditors

Each individual who is a director at the date of approval of this report confirms that:

- they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for stakeholders to assess the trust's performance, business model and strategy
- so far as the director is aware, there is no relevant audit information of which the NHS foundation trust's auditors are unaware
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Royal Free NHS Foundation Trust's auditors are aware of that information

Signed on behalf of the board of directors



David Sloman

Chief executive

25 May 2016

Working with our partners

The trust prioritises effective working with our partners to ensure our services are patient-focused, based on best practice and good value for taxpayers' money.

Our most important partners among statutory bodies in north London and Hertfordshire include:

- acute, single specialty, community services and mental health providers, with which a growing number of joint delivery partnerships are being explored
- social services authorities in local London boroughs and Hertfordshire, which are collaborating with us to improve efficiency and quality in patient and client services
- commissioners, including local clinical commissioning groups (CCGs), NHS England and local authorities

The west Hertfordshire strategy, Your Care, Your Future, has developed detailed options and proposals during the past year. Herts Valleys CCG and its partners have involved a wide range of stakeholders, including the Royal Free London, as a provider of acute and specialist services for the Hertsmere area.

The north central London CCGs have involved providers in their meetings during 2015/16. This process has developed further as local organisations start work on the five year sustainability and transformation plan for the area.

In 2015/16 the Royal National Orthopaedic Hospital and Royal Free London agreed a memorandum of understanding to explore the feasibility of a jointly developed elective orthopaedic centre at Chase Farm Hospital, and to review support services for mutual benefit. A joint working group is currently developing options.

Our non-statutory partners play equally essential roles. Primary care federations can support the delivery of more integrated services across a range of clinical pathways and the trust maintains regular communications with local Healthwatch groups, helping us to communicate news and information to a wider audience.

Faster referrals and treatments

This year there has been a particular focus on dermatology in Hertfordshire.

The trust has worked with the primary care sector to deliver a successful service in the east and north Hertfordshire CCG's locality of Lower Lea Valley. This service aims to improve efficiency by enabling patients who would otherwise have to attend hospital to be seen closer to home in a medical photography clinic. Images and medical history are taken at the clinic and reviewed remotely by a member of the dermatology team. Patients who require further investigation, biopsies or a face to face appointment can then be fast-tracked for specialist care.

By working in partnership with local GPs and the GP Federation, supported by the CCG, the trust is delivering a service that is receiving positive feedback from patients and clinicians. In future, this may be replicated across a wider area for patients across the whole of north central London and Hertfordshire.

We are collaborating with community and primary care colleagues on another seven clinical specialties, with the aim of providing more care closer to home and ensuring prompt specialist interventions where they are needed.

More partnerships are being explored which may mean delivering services through joint ventures and with new partners, such as the GP Federation. One example already at work is the Camden diabetes integrated practice unit, a partnership between Camden CCG and clinical and social care providers in the borough.

Shorter stays in hospital

Productive relationships with local community health and social care teams allow us to innovate and improve patient care. Our post-acute care enablement (PACE) service supports a growing number of patients from Barnet Hospital and Chase Farm Hospital, in the boroughs of Barnet, Enfield and now Hertfordshire.

The integrated team brings together staff from the Royal Free London with colleagues from eight other health and social care bodies: Central London Community Healthcare, Enfield Community Services (part of Barnet, Enfield and Haringey Mental Health Trust), the newly merged London North West Trust, the Hertfordshire Community Trust, and Barnet, Hertfordshire, Enfield and Camden councils.

The expanded PACE service has enabled more patients to be treated in their own home while remaining under the care of their consultant. Staff in the PACE service view themselves as one team, working to deliver excellent services to patients in a seamless way.

Our partnership with Enfield community services and social care at Chase Farm Hospital has expanded the provision of the older people's assessment unit (OPAU). This enables patients who have been identified by GPs as at risk of admission to be supported at home. During the year we relocated the OPAU to increase the number of patients able to benefit from the service. We improved the environment and facilities for patients with dementia and became involved with the mayor's initiative on improving dementia awareness in Enfield.

We have taken an active part in the Better Care project which supports community services in developing locality-based multi-disciplinary teams, reducing the need for hospital admission in some cases. The results of this work will be determined as the project develops.

The limited availability of community in-patient beds means that some patients remain in hospital after their treatment has finished. Meanwhile, there has been an increase in the number of patients admitted for social care reasons, when they are no longer able to cope at home. We have weekly inter-agency meetings which help us arrange for patients who don't need to be in hospital to be cared for in the most appropriate place.

More joined-up care

Through collaboration with our partners we are improving care for patients who can no longer live in their own homes and now require either residential or nursing home care. To ensure that families are supported we have engaged hospital discharge management company CHS Healthcare who are experts in this area and can help patients and families find an appropriate care home.

We have been working with primary care services, the voluntary sector and mental health and community teams to improve the model of care for patients with diabetes in Camden. This has led to an increase in the number of people diagnosed in the borough and enabled us to support them and provide an education programme to allow patients to manage their condition more effectively.

Work continued this year on developing the 'my discharge' scheme, which provides a personalised service in partnership with the patient, the carer and health, social and voluntary organisations. This enables patients to be discharged in a safe and dignified way and helps prevent readmission. The principles of the service have been further expanded across the therapy teams to support more patients.

Working with GPs

The trust continues to forge strong and productive relationships with local GPs.

Our well-regarded GP liaison service solves practical problems for GPs by:

- responding to enquiries received via email, an informal route for GPs to raise concerns or issues
- producing routine communications, including a monthly GP newsletter

For the past four years the chief executive, director of integrated care and GP liaison officer have continued a programme of visiting local practices. This provides an invaluable opportunity to:

- receive direct feedback
- resolve issues specific to GPs and their patients
- assist us in improving and developing our services
- strengthen the bond with the GP community

The focus of the visits is based on the common themes raised during the previous year where areas of improvement were required. During 2015/6 these included:

- service provision
- transfer of care
- communication with GPs

Engaging with our communities

This year we have conducted a major engagement programme and have expanded and improved communication with our communities and stakeholders.

The development of Chase Farm Hospital has brought a wide range of opportunities to engage with the community. We have held numerous meetings to share information about future developments, explain our plans and gather valuable feedback, including at local overview and scrutiny committees, health and wellbeing boards and meetings of the local Healthwatch. In September we displayed our plans at the Enfield Town and Country Show, giving local people a further opportunity to find out more about the new hospital.

Healthwatch has been involved this year with improvements to our discharge process and the development of the rehabilitation model.

We have been engaging with different communities as part of our equality and diversity programme, with a variety of community groups contributing to our strategy to deliver our commitment to equality.

We run a high quality and well-attended 'medicine for members' programme. These events update trust members with clinical developments and provide an opportunity for them to give their views on our plans for services.

The biannual environment liaison group is a forum for local residents to discuss relations between the trust and the community in areas such as planning, energy conservation, transport and crime. Our trust chair also meets with residents' associations to discuss matters of local interest. During the year, discussions continued on two proposed projects at the Royal Free Hospital - the planning application for the new Pears Building and the planned major refurbishment of the emergency department.

Help from our friends

We have 714 volunteers aged 16 to 94 who generously give their time to benefit staff, patients and visitors.

The Royal Free Charity, which includes the Barnet Hospital Charity and the Chase Farm Charity, continues to help fund selected clinical research, medical equipment and also 'little touches' that make life better for our patients. It is the first NHS charity to completely fund and manage a hospital voluntary services department.

New volunteering initiatives launched this year include:

- **Young volunteer programme**

We have reduced the minimum age for volunteering to 16 years and since June 2015 we have recruited 135 young volunteers and retained 98 per cent of them. The young volunteers



Some of the Royal Free Charity's young volunteers

are recruited locally and given training and mentoring for a range of roles to support staff and benefit patients, including acting as hospital guides or assisting patients during mealtimes.

They are also invited to take part in a variety of activities, such as food bank collections, tea parties for older people who are lonely and isolated and group discussions on issues around public health and the NHS.

In February 2016, Tulip Siddiq, MP for Hampstead and Kilburn, invited the Royal Free Charity to the Houses of Parliament to celebrate the young volunteers programme.

- **'Reach out for dementia'**

Volunteers are trained as dementia companions, visiting patients on wards who have been referred to the scheme by staff or relatives. The companions primarily talk and listen and engage patients with activities. They can also help out at meal times. Some patients can no longer verbally communicate so part of the volunteer

training is to simply sit in silence, perhaps hold hands with the patient and provide basic comfort near end of life.

- **PAT dogs**

Pets as Therapy (PAT) is a national charity that provides a therapeutic visiting service by trusted volunteers, with their behaviourally assessed animals, to hospitals, hospices, nursing and care homes. Voluntary services and the directorate of nursing worked together to establish a policy and procedure for PAT dogs to visit the Royal Free London. Currently seven volunteers and their pets are visiting patients who enjoy the company of dogs.

- **Lunch and dinner friends**

More than 40 volunteers have been trained this year to act as lunch and dinner friends, supporting staff with preparing and clearing up eating areas, keeping patients company and encouraging and helping them to eat.

- **Meet and greet**

To improve the first experience for patients and visitors, we have prioritised front-of-house volunteers at busy times, to meet and greet patients and visitors and assist with directions.

- **'Satnav guides'**

Volunteers have been given orienteering training in key areas to help them identify lost people and escort them to their destination.

- **Uniformed tops for all volunteers**

To raise the profile of volunteers and in response to recommendations from the Francis Report all our volunteers now wear purple branded tops.

Disclosure as set out in the NHS foundation trust code of governance

How the trust applies the main and supporting principles of the code

In setting its governance arrangements, the trust has regard for the provisions of the revised UK corporate governance code 2014 issued by the Financial Reporting Council, the updated code of governance 2014 issued by NHS Improvement (formerly Monitor) and other relevant guidance where provisions apply to the responsibilities of the trust. The following paragraphs together with the annual governance statement and corporate governance statement explain how the trust has applied the main and supporting principles of the code.

The RFL is committed to maintaining the highest standards of corporate governance. It endeavours to conduct its business in accordance with NHS values and accepted standards of behaviour in public life, which includes the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership (the Nolan principles).

For the year up to 31 March 2016, the trust complied with all the provisions of the code of governance published by Monitor in July 2014 with the exception of paragraphs B.7.1 and D.2.3. which relate to length of terms of office and benchmarking remuneration for the trust chair.

The role of the board of directors

The Royal Free London NHS Foundation Trust's board of directors comprises 11 directors: the chair, five non-executive directors (NEDS) and five executive directors, including the chief executive. All board members have the same general legal responsibilities and have a collective responsibility to act with a

view to promoting the success of the organisation to maximise the benefits for the members of the trust as a whole and for the public.

The board of directors is responsible for a range of matters including the operational performance of the trust, the implementation of strategy and ensuring that its obligations to regulators and stakeholders are met. The decisions reserved for the board of directors and the delegated discharge of its responsibilities are set out under a formal 'scheme of delegation'. Certain matters are specifically reserved for the board of directors to decide, relating to regulation and control, appointments, strategic and business planning and policy determinations; direct operational decisions; financial and performance reporting arrangements and investment policy. Both the scheme of delegation and reservation of powers for the board will be subject to review during 2016/17.

The board of directors reports to a range of regulatory bodies as required on relevant performance and compliance matters and in the prescribed form. It meets its regulatory reporting requirements under the NHS Improvement's risk assessment framework and provides notifications under that regime on a quarterly basis. The board of directors is responsible for ensuring compliance with the trust provider licence, constitution, mandatory guidance issued by NHS Improvement and other relevant statutory requirements. The embedding of the board assurance framework (BAF) to identify potential risks to compliance provides the board with a systematic process of obtaining assurance to support the mitigation of risks.

The board of directors sets the trust's

strategic priorities on an annual basis. The risks aligned to the strategic priorities are again monitored by the board of directors through the board assurance framework (BAF).

All non-executive directors have been in post since the Royal Free London (RFL) became a foundation trust, and since it acquired Barnet and Chase Farm Hospitals NHS Trust (BCF) on 1 July 2014. The council of governors is responsible for the appointment of non-executive directors. During 2015/16, the council voted to extend the term of two non-executive directors.

The removal of a non-executive director or chair from office requires a resolution by a governor, which must be supported by no fewer than five governors and requires the resolution to be approved by three quarters of the members of the council of governors. The circumstances when this can happen are outlined in the trust's constitution.

The executive directors are responsible for the operational management of the trust. Non-executive directors do not have executive powers.

The board of directors' composition is



45.5%



55.5%

Non-executive directors



Mr Dominic Dodd

Chair

Appointed as non-executive director in 2006 and as the chair of the trust in July 2010

Dominic Dodd was formerly an executive director of the Children's Investment Fund Foundation, one of Europe's largest charitable foundations. Prior to that he was a managing partner of Marakon Associates, an international strategy consulting firm. In his capacity as chair he is a director of UCLPartners, Europe's largest academic health science system, of which the Royal Free London is a founder member.

Dominic is chair of the trust board, the strategy and investment committee and the remuneration committee.



Mr Stephen Ainger

Appointed as a non-executive director in November 2011

Stephen Ainger has a background in energy and not-for-profit financial services and has been the chief executive of Partnerships for Renewables (PfR) since 2007, a company that develops, constructs and operates renewable energy projects on public sector land.

He started his career with BP Exploration, where he worked for 24 years in the UK and overseas, including postings in Brazil, Colombia, Spain, Kuwait and Venezuela.

He left BP in 1999 to join the BG Group as a main board director of Transco and, latterly, group director of strategy and business development for the Lattice Group PLC. He left Lattice in 2002 to take up the role of chief executive officer of the Charities Aid Foundation (CAF), one of the principal providers of financial services to UK charities and donors in the UK and overseas.

Stephen chairs the trust's patient safety committee.



Ms Jenny Owen CBE

Appointed as a non-executive director in October 2010 and appointed vice chair and senior independent director in July 2014

Jenny Owen has 36 years' experience of social care in local authorities, central government and regulation. She was previously deputy chief executive and director of adult social care at Essex County Council.

She is an experienced non-executive director who is also on the board of the housing association Housing and Care 21 and the Alzheimer's Society. She is a member of the Association of Directors of Adult Social Care and was president in 2010; Jenny is also a member of the Kings Fund advisory group

Jenny chairs the trust's patient and staff experience committee. She is also vice chair of the trust, a senior independent director and is one of two speaking up guardians.



Ms Deborah Oakley

Appointed as a non-executive director in April 2011

Deborah Oakley has been involved with the NHS since 2007 as a non-executive director of NHS Camden, where she chaired the audit committee for three years. She also served as a non-executive board member of the Health Protection Agency until March 2013. She was appointed to the board of the Medicines and Healthcare Products Regulatory Agency in September 2012 as a non-executive director and sits on its risk and audit committee.

Deborah's career has been in the financial services industry. She worked for 20 years at Newton Investment Management as a senior fund manager and company director. She now works at Veritas Investment Management looking after private client portfolios. She combines this with her public service positions.

Deborah has been involved in a voluntary capacity with a variety of community-based organisations in Camden. Most recently she has been chair of a school parent teacher association and also works as a helper in a homeless night shelter.

Deborah chairs the trust's audit committee.



Professor Anthony Schapira

Appointed as a non-executive director in December 2009

Anthony Schapira was appointed a consultant neurologist at the Royal Free Hospital and the National Hospital for Neurology and Neurosurgery in 1988 and was appointed to the University Chair of Clinical Neuroscience at the University College London (UCL) Institute of Neurology in 1990. He is vice dean of UCL Medical School and director of the Royal Free campus.

His research interests focus on neurodegenerative disease, with special emphasis on Parkinson's and other movement disorders. He is one of the principal investigators on the Medical Research Council (MRC) and the Wellcome Trust programme for neurodegenerative diseases (£5.9 million) and is the principal investigator of a MRC centre of excellence in neurodegeneration (COEN) award.

During his career he has won a number of awards for his research and was elected a fellow of the Academy of Medical Sciences in 1999. He was appointed to the board of the Ministry of Justice, Office of the Public Guardian, in 2012.

Anthony chairs the trust's clinical performance committee.



Mr Dean Finch

Appointed as a non-executive director in April 2014 and resigned on 25 May 2016

Dean Finch has been group chief executive of National Express Group since 2010. Prior to joining National Express, he was group chief executive of Tube Lines from June 2009 after 10 years in senior roles within First Group plc.

He joined First Group in 1999 having qualified as a chartered accountant with KPMG, where he worked for 12 years specialising in corporate transaction support services, including working for the Office of Passenger Rail Franchising on the privatisation of train operating companies. At First Group, he was managing director of the rail division from 2000-2004 and then was appointed to the main board as group commercial director in 2004, before being made group finance director.

With the completion of the Laidlaw acquisition he became chief operating officer in North America before returning to the UK as group chief operating officer.

Dean chairs the trust's finance and performance committee.

Mr Danny Bernstein's tenure as a non-executive director, including his role as chair of the finance and performance committee, ended on 30 June 2014. He was appointed as special advisor to the board for a one year period ending in July 2015.

Executive directors



Mr David Sloman

Chief executive

David Sloman was appointed as the chief executive of the Royal Free London NHS Foundation Trust in 2009. He was formerly chief executive of the Whittington Hospital NHS Trust and before that he was chief executive of NHS Haringey. He has spent his career in healthcare management, most of it in the NHS, although he worked for a number of years in the private healthcare sector.



Ms Caroline Clarke

Chief finance officer and
deputy chief executive

Caroline Clarke was formerly director of strategy at NHS North Central London. Prior to that she was an associate partner in KPMG's health strategy team. She has spent most of her career in NHS finance, having been director of finance at Homerton University Hospital NHS Foundation Trust and City and Hackney Primary Care Trust.

Caroline has been the trust's chief finance officer since 2011. In 2012 she was named finance director of the year by the Healthcare Financial Management Association. She was appointed as the trust's deputy chief executive in 2012.

She is currently a member of the advisory board to the Learning Clinic, and sits on the Chartered Institute of Public Finance and Accountancy health panel.



Professor Stephen Powis

Medical director

Stephen Powis is professor of renal medicine at University College London. He joined the Royal Free Hospital in 1997 as a consultant, becoming the trust's medical director in 2006. His main clinical interest is renal transplantation.

He is the chair of the Association of UK Universities medical directors group and a board member of Merton Clinical Commissioning Group. He is a former non-executive director of North Middlesex University Hospital NHS Trust, which included a period of eight months as acting chair. He is a past chair of the Joint Royal Colleges of Physicians Training Board specialty advisory committee for renal medicine and a former board member of Medical Education England. He was director of postgraduate medical and dental education for UCLPartners from 2010 to 2013.



Ms Deborah Sanders

Director of nursing

Deborah Sanders has worked for the trust since 1994, having trained at the Royal Free Hospital. She was appointed as the trust's director of nursing in 2010. Before that she worked at St Bartholomew's Hospital and the London Chest Hospital. She is also a board member of the Royal Free Hospital Nurses' Home of Rest Trust.



Ms Kate Slemeck

Chief operating officer

Kate Slemeck joined the trust as the director of operations in 2011 before being appointed as chief operating officer in 2012.

Prior to taking up her position at the Royal Free London, Kate was the director of operations at the Whittington Hospital NHS Trust for five years and before that, deputy director of operations. She has over 23 years' NHS management experience, mainly in acute trusts (including Northwick Park Hospital and the Royal Hospital for Neurodisability). She originally trained as an occupational therapist.

Statement about the balance, completeness and appropriateness of the board

The members of the trust board possess a wide range of skills and bring experience gained from NHS organisations, other public bodies and the private sector. The skills portfolio of the directors, both executive and non-executive, includes international strategy, healthcare management, audit, accountancy and social care.

The trust board, alongside the council of governors' nomination committee, continues to consider and monitor the skills and experience of the board and clear succession planning is in place and regularly reviewed. In reviewing the expertise and skills of each director, the non-executive directors are considered to be independent in character and judgement; the board believes it has the correct balance in its composition to meet the requirements of an NHS foundation trust.

Board meetings and directors' attendance

Trust board meetings are held in public unless restrictions under the Freedom of Information Act 2002 require discussions to take place privately. This is detailed on the board agenda which is published, together with the meeting papers on the trust's website, five days prior to the date of meeting and circulated to the council of governors. At the request of the chief executive and with the consent of the chair, members of the divisional board and senior management team routinely attend board meetings in order to help inform debate and discussion. Governors have a standing invitation to attend each formal meeting to observe the work of the board of directors.

Regular informal briefings and presentations on specific topics or services are provided outside the formal meeting structure, to explore complex issues in more depth, in preparation for discussion at future board meetings. The board of directors ensures quality remains a focus of each board agenda and undertakes a comprehensive programme of scheduled 'go see' service visits across the trust sites.

Performance evaluation of the board, including the use of external agencies

A robust process for evaluating the performance of the chair and non-executive directors has been developed by the nominations committee on behalf of the council of governors. The evaluation of the chair's performance is led by the senior independent director, with input from the lead governor and the chief executive on behalf of the executive directors and having regard to the views of the other non-executive directors. The chief executive and non-executive directors' performance is evaluated by the chair taking account of governors' and other directors' input.

The performance of the executive directors is reviewed by the chief executive and considered by the remuneration committee. All executive and non-executive directors have an annual appraisal and a personal development plan which forms the basis of their individual development.

Members of the board undertake personal development and collectively the board holds periodic development sessions during the year. A board development programme has been largely incorporated into the normal working of the board, to ensure that it is relevant and applicable to the board's responsibilities.

The objectives of the development programme are to ensure that the board

- is fit to govern a foundation trust
- is able to set performance standards (informed by research into high performing boards) in all its areas of responsibility
- has an annual process for reviewing performance against these standards that informs individual and collective development needs
- operates as a unitary function and is aware of, and successfully manages, competing priorities and future challenges against the trust's five governing objectives
- advocates a culture of inquiry and improvement that is modelled from the top, including clarity about the values and expected behaviours of the board and thus the whole organisation

The board of directors met on 10 occasions throughout the reporting period. Details of attendance by voting board members are given in the table below:

	Attendance at board meetings (actual/possible)
Non-executive directors	
Dominic Dodd – chair	10 out of 10
Stephen Ainger	9 out of 10
Deborah Oakley	9 out of 10
Jenny Owen	10 out of 10
Anthony Schapira	8 out of 10
Dean Finch	8 out of 10
Executive directors	
David Sloman	10 out of 10
Caroline Clarke	9 out of 10
Stephen Powis	10 out of 10
Deborah Sanders	10 out of 10
Kate Slemeck	9 out of 10

BOARD MEETINGS ARE ALSO ATTENDED BY FIVE OTHER DIRECTORS AND BY FOUR DIVISIONAL DIRECTORS

- Katie Fisher: director of service transformation
- David Grantham: director of workforce and organisational development
- Emma Kearney: director of corporate affairs and communications
- Andrew Panniker: director of capital and estates
- William Smart: chief information officer
- Steve Shaw: divisional director, urgent care
- Robin Woolfson: divisional director, transplant and specialist services
- Mike Greenberg: divisional director, women's, children's and imaging
- George Hamilton: divisional director, surgery and associated services

These additional attendees do not have a vote but bring their specialist advice and expertise to board discussions. The divisional directors are all senior clinicians and bring a clinical and service level perspective to the board.

Steps that members of the board of directors, in particular the non-executive directors, have taken to understand the views of governors and members

NON-EXECUTIVE DIRECTOR ATTENDANCE AT COUNCIL OF GOVERNORS' MEETINGS

During 2015/16, non-executive directors attended council of governors meetings which enabled them to listen to governors' concerns and to respond directly to any questions raised.

PRESENTATIONS TO THE COUNCIL OF GOVERNORS BY NON-EXECUTIVE DIRECTORS

Non-executive directors, in their capacity as chairs of board committees, made presentations to the council of governors on the role and work of those committees. This provided an opportunity for governors to express their views and question the non-executive directors on the performance of the board.

JOINT BOARD OF DIRECTORS AND COUNCIL OF GOVERNORS' MEETINGS

This forum enables board members to focus on specific topics such as planning for the CQC inspection. These sessions also provide an opportunity for all board members to actively engage with the governors and to better understand their views and concerns.

ALIGNMENT OF COUNCIL OF GOVERNORS AND TRUST BOARD PRIORITIES

During the year the board of directors has been working together to better align council and trust priorities so that efforts are directed towards a common aim.

The key priorities identified include:

- developing clinical pathways
- seven-day hospital
- Chase Farm Hospital redevelopment
- new academic developments, including Pears Building
- Royal Free Hospital emergency department redevelopment

This joint working results in effective communication between the staff, directors and governors. In this way governors have direct influence over, and involvement in, key developments such as the redevelopment of Chase Farm Hospital and the Royal Free Hospital emergency department where governors sit on the relevant programme boards overseeing the projects. This collaborative approach provides a way for governors to hold non-executive directors individually to account for the performance of the board in specific areas.

CHAIR

The chair meets monthly with the lead governor which ensures their input is incorporated into the decision-making process.

ANNUAL MEMBERS MEETING

At the annual members meeting held in July 2015, the annual report and accounts were presented and a briefing given on the overall performance of the trust in the previous year. This meeting gave governors the opportunity to engage with members, seek questions on trust business and provide invaluable feedback.

GOVERNOR INVOLVEMENT IN BOARD ACTIVITIES AND OTHER TRUST EVENTS

Governors continue to have observer status on the trust's board quality committees – patient safety, patient and staff experience and clinical performance. These activities also provide governors with a further opportunity to fulfil their statutory responsibility to hold the non-executive directors to account.

In addition, governors are invited to attend a number of events throughout the year which allows them to be directly involved in the workings of the trust and to influence the decisions being made.

Board committees

The board has established the following sub-committees:

- patient safety
- patient and staff experience
- clinical performance
- finance and performance
- audit*
- strategy and investment
- remuneration*
- trust executive

*statutory committees

With the exception of the trust executive committee which is chaired by the chief executive, all committees are chaired by a non-executive director. A number of board responsibilities are delegated either to these committees or individual directors.

The board approves the terms of reference which detail the remit and delegated authority of each committee. Committees routinely report to the board showing how they are fulfilling their duties as required by the board. The audit committee, as the senior independent committee of the board, undertakes a yearly self-assessment of effectiveness and provides an annual report on its performance to the board. With the exception of the trust executive committee, the chair of each committee routinely provides the board with an exception report following each of their meetings.

Patient safety committee

The patient safety committee is an assurance committee of the trust board and is responsible for reviewing systems of control and governance in relation to patient safety, specifically those incidents that can cause 'harm'. The committee's aims are in line with the trust's governing objective to be safe and compliant with our external duties.

The committee met eight times during the reporting period. Two governors attend this committee as observers.

Membership and attendance

	Attendance at meetings (actual/possible)
Non-executive directors	
Stephen Ainger – chair	8 out of 8
Deborah Oakley	6 out of 8
Executive directors	
Stephen Powis	7 out of 8
Deborah Sanders	7 out of 8
Kate Slemeck	5 out of 8

Patient and staff experience committee

The patient and staff experience committee is responsible for seeking and securing assurance on performance in relation to the experience of patients and staff (also one of our governing objectives). The committee monitors performance against key outcomes set by the Care Quality Commission and ensures there is a performance and governance framework, linked to clear consequences for both good and poor performance.

The committee met four times during the reporting period. Two governors attend this committee as observers.

Membership and attendance

	Attendance at meetings (actual/possible)
Non-executive directors	
Jenny Owen – chair	4 out of 4
Professor Anthony Schapira	3 out of 4
Executive directors	
David Sloman	2 out of 4
Deborah Sanders	4 out of 4
Kate Slemeck	3 out of 4

Clinical performance committee

The committee is responsible for seeking and securing assurance that the trust's clinical services, research efforts and education activities achieve the high levels of performance expected of them by the board. Our aim is to be in the top 10% of our relevant peers.

The committee met four times during the reporting period. Two governors attend this committee as observers.

Finance and performance committee

The committee is responsible for seeking and securing assurance that the trust achieves the high levels of financial performance expected by the board. Our aim is to be in the top 10% of our relevant peers.

The committee met 10 times during the reporting period.

In April 2016, the committee was renamed finance, investment and performance. As part of this process, new terms of reference have been approved.

Audit committee

The audit committee is the senior independent non-executive committee of the trust board. It is responsible for monitoring the externally reported performance of the trust and providing independent and objective assurance on the effectiveness of the organisation's governance, risk management and internal control. It also monitors the integrity of the trust's financial statements, in particular the trust's annual report and accounts and the work of internal and external audit and local counter-fraud providers and any actions arising from that work.

The committee met five times during the reporting period.

The internal and external auditors and providers of local counter-fraud services attend all meetings of the committee in addition to the director of finance, although they are not members of the committee. The chief executive and other members of the trust board and executive team

Membership and attendance

	Attendance at meetings (actual/possible)
Non-executive directors	
Anthony Schapira – chair	4 out of 4
Deborah Oakley	3 out of 4
Executive directors	
David Sloman	3 out of 4
Professor Stephen Powis	4 out of 4
Deborah Sanders	4 out of 4

Membership and attendance

	Attendance at meetings (actual/possible)
Non-executive directors	
Dean Finch – chair	10 out of 10
Stephen Ainger	10 out of 10
Executive directors	
Caroline Clarke	10 out of 10
Kate Slemeck	8 out of 10

Membership and attendance

	Attendance at meetings (actual/possible)
Non-executive directors	
Deborah Oakley - chair	5 out of 5
Stephen Ainger	5 out of 5
Dean Finch*	2 out of 5
Jenny Owen	5 out of 5
Executive directors	
Caroline Clarke	5 out of 5

*Mr Finch joined the committee in September 2015

attend the meetings by invitation. The broad knowledge and skills of the members and attendees ensures that the committee is effective. The trust is satisfied that the committee is sufficiently independent.



In April this year, innovative touring company Pop Up Opera performed Bellini's *Romeo and Juliet* at the Royal Free Hospital in aid of cancer charities Cancerkin and Maggie's who joined forces in January this year.

Audit committee annual report

Purpose of the report

The annual report 2015/16 has been prepared for the attention of the board of directors and reviews the work and performance of the audit committee during 2015/16 to satisfy its terms of reference.

The production of the audit committee report represents good governance practice and ensures compliance with the NHS Audit Committee handbook, the principles of integrated governance and NHS Improvement's risk assessment framework.

Overview

The audit committee is the senior independent non-executive committee of the trust board, through which the board ensures that robust and effective internal control arrangements are in place and regularly monitored.

The audit committee receives regular updates of the Board Assurance Framework (BAF) and is therefore able to focus on risk, control and related assurances that underpin the delivery of the organisational key priorities.

The audit committee is responsible for monitoring the externally-reported performance of the trust. It provides independent and objective assurance on:

- the effectiveness of the organisation's governance, risk management and internal control
- the integrity of the trust's financial statements, in particular the trust's annual report and accounts
- the work of internal and external audit and local counter-fraud providers and any actions arising from that work.

Compliance with the terms of reference

The audit committee met five times during the year and is chaired by non-executive director Deborah Oakley. The internal and external auditors and providers of local counter-fraud

services attend all meetings of the committee in addition to the director of finance, although they are not members of the committee. The chief executive and other members of the trust board and executive team attend meetings by invitation. The broad coverage of knowledge and skills of the members and attendees ensures that the audit committee is effective. The trust is satisfied that the audit committee is sufficiently independent.

At the close of every audit committee meeting the members have the opportunity to meet in private with the internal and/or external auditors and providers of local counter-fraud services so that any issues of concern can be raised in confidence.

Membership and attendance is in the table above.

Work and performance of the committee during 2015/16

The audit committee has largely adhered to the work programme agreed in March 2015. All reports scheduled for each committee meeting have been received on time.

During 2015/16, the audit committee has been aware of the key financial, operational and strategic risks facing the trust through regular review of the BAF and via internal sources of assurance and validation through the patient safety and clinical performance committees. The audit committee has reviewed progress reports and evaluated the major findings of internal and external audit work, focusing on the implementation of agreed objectives and recommendations.

The audit committee has also sought greater assurance in a number of areas as outlined below.

- The audit committee requested that an internal audit be undertaken in relation to the trust's processes for assessing safeguarding concerns for child and adult patients. They also asked internal audit to review safeguarding processes in the paediatric urgent care centre at Chase Farm Hospital before the year end. The committee considered it essential to seek

external assurance that these processes were robust, particularly as they had not been subject to an internal audit since the Barnet and Enfield strategy was implemented.

- The audit committee reconsidered the scope and timing of the internal audit on the trust's non-emergency patient transport services in light of the operational issues experienced by patients in the latter part of 2015. It considered it was important to reassess the nature and timing of the audit to ensure that it provided value and meaningful recommendations for the trust's patient transport capability and provided the necessary assurance that the audit committee was seeking.
- As part of its responsibility for assuring other functions, the audit committee has received annual assurance that the clinical audit functions and the overall quality of care provided by the trust was satisfactory. It has continued to be supportive of the work around the automation of clinical data to improve the quality and reliability of the trust's data submission.
- The audit committee sought assurance about the trust's bank and agency usage, noting that this was a high risk on the trust's BAF. It recognised the challenges associated with reducing bank and agency staff but encouraged the trust to pursue initiatives on improving staff retention/recruitment and collaboration with, and learning from, other trusts, whilst maintaining quality and ensuring patient safety. It took assurance that this important issue was receiving the necessary board and executive scrutiny.
- The audit committee sought assurance that the trust's processes for information asset security were robust particularly in the context of the threat of cyber-attacks, an emerging theme that had been raised by the trust's local counter-fraud service. The audit committee recognised the current level of assurance but considered that there was still much to do to

strengthen the trust's processes and that there were a number of risks to the security of the trust's data assets. It considered that this issue was a strategic risk to the trust and recommended to the trust board that this be included as a risk on the BAF. For additional assurance, it requested that an enhanced follow-up of last year's internal audit recommendations in relation to information governance take place during 2015-16 with an internal audit review of information security to follow in the first quarter of 2016-17.

- The audit committee sought assurance on governance arrangements to oversee the redevelopment of Chase Farm Hospital. The audit committee felt assured that the arrangements thus far were robust and was pleased to note that the head of internal audit considered that the processes to date had been managed effectively.
- The audit committee also receives an annual report on the provision of the trust's in-house local security management service (LSMS). The committee considered that more assurance was needed in terms of outcomes, for example how successful the LSMS had been in discharging its duties and how effective this was. In particular, the audit committee was interested in the targeting of personnel in those areas of greatest risk within the trust, for instance emergency departments and maternity.

The committee has received regular reports on counter-fraud activity at the trust, ensuring appropriate action in matters of potential fraudulent activity and financial irregularity. It has continued to seek assurance on learning from whistleblowing incidents and requested that this was recorded as a matter of course in the whistleblowing log presented at each committee. It also approved the trust's revised whistleblowing (speaking up) policy, which had been extensively rewritten in the light of the Francis Report, and incorporated internal audit recommendations.

It has also fulfilled its oversight responsibilities with regard to monitoring the integrity of financial statements and the annual accounts, including the annual governance statement before submission to the board.

The audit committee has considered the following significant issues in relation to the financial statements:

- Management override of controls: the audit committee is aware of the main areas of judgement within the financial statements and the approach taken by management. The committee holds an annual workshop to scrutinise the accounts and receives an analysis of the key movements within the financial statements. The committee also approves any changes to accounting policies.
- Risk of fraud in revenue and expenditure recognition: the finance and performance committee meets monthly and receives detailed reports about the trust's financial position. Where there are variances against budgets, the committee receives additional detail. It also holds an annual workshop to scrutinise divisional budgets. The trust board receives a report on financial performance including an updated year-end forecast at each meeting.

The audit committee also relies on the work of the trust's internal and external auditors to check that key controls are operating effectively.

Review of effectiveness of the audit committee

Members and attendees of the audit committee undertake an annual assessment of the audit committee's effectiveness in discharging its duties. Committee members, local counter-fraud services, internal audit and external audit colleagues plus colleagues from the finance department are asked to rate a series of questions related to behaviours and processes, with each rated from 1 (hardly ever/poor) through to 5 (all of the time/fully satisfactory). Non-audit committee board members are also asked to undertake a short assessment of the audit committee and the assurance it provides to

the board, with each question rated 'strong', 'adequate' or 'needs improvement'. The audit committee ensures that any action taken to help improve the committee's performance in relation to the feedback raised is agreed and acted upon.

The audit committee was asked to consider and approve its self-assessment process for 2015/16 at its May 2016 meeting.

External audit:

Appointment of the trust's external auditors

During the reporting period, the trust's external audit services have been provided by PricewaterhouseCoopers (PwC). The council of governors appointed PwC in September 2012, following a full procurement exercise, for a period of three years with the potential to extend the contract for a further two years. At their meeting on 18 March 2015, the council of governors (CoG) agreed to re-appoint PwC for a further year. The current PwC contract with the trust will terminate following the audit of the 2015/16 statutory accounts in June 2016 and the CoG have extended the contract for a further year.

The committee approved the external audit plan for 2015/16 which outlined how PwC planned to discharge its audit duties for the financial year. The committee also agreed the planned audit fee which was lower than 2014/15 due to additional work as a result of the acquisition of Barnet and Chase Farm Hospitals NHS Trust in July 2014. The audit committee considered the risks which were either significant or elevated in relation to PwC's audit for the year ended 31 March 2016:

- risk of management override of controls
- risk of fraud in revenue recognition
- risk of fraud in expenditure recognition
- valuation of the trust's land and buildings
- new accounting system

- private finance initiatives
- capitalisation of internal costs

Throughout the year, the committee has received and reviewed progress reports from PwC on delivering its responsibilities as the trust's external auditor, together with other matters of interest such as the top health industry issues for 2016 and key technical areas. The audit committee has confirmed throughout the year that the risks identified in the external audit plan are still valid.

Review of effectiveness of the trust's external auditors

The audit committee reviews the effectiveness of the trust's external auditors each year. This is particularly important in a foundation trust because the governors appoint the external auditor and the audit committee and finance staff conduct the evaluation on their behalf.

Audit committee members and senior finance managers were asked to rate 19 statements related to behaviours and processes in the following areas: quality control process; audit team; audit scope; audit fee; audit communications; quality account; and audit governance. An additional rating was also sought from the trust's medical director specifically on the quality account statement.

Responses to the survey were good, with the majority of all responses rated as 'strongly agreeing' or 'agreeing' with the statements made. There were a number of statements which some respondents rated 'neither agree nor disagree'. Two statements received ratings of 'disagree' from some respondents although there was no 'strongly disagree' rating. The comments received were consistent with this:

- The nature of the quality control process through the firm was considered adequate.
- The audit team was considered to have the requisite knowledge to effectively audit the trust, which included drawing on their expertise to advise about wider governance issues and contributing more broadly to

committee meetings.

- The audit scope was adequate in addressing the main financial issues facing the trust and was presented to the committee before the audit started.
- The team advises the committee about significant issues and new developments regarding risk management, corporate governance, financial accounting and related risks and controls on a timely basis.
- External audit discusses the critical accounting policies and passes judgement on whether the accounting treatment is conservative or aggressive.

The chair of the audit committee presented the results of the survey to the CoG in January 2016.

Independence of the external auditor

As external auditors of the trust, PwC is required to be independent of the trust in accordance with the ethical standards established by the UK Auditing Practices Board. PwC has disclosed that it has performed additional work for the trust which is not related to the audit of the financial statements. However, there are safeguards/mitigations in place and its independence and objectivity is not compromised. PwC has also communicated, in reference to relationships and investments, that it does not provide any services, for instance personal tax services, directly to directors or senior management.

Internal audit:

During the reporting period, the trust's internal audit services have been provided by KPMG.

The audit committee received and approved the draft internal audit plan for 2015/16 at its meeting in May 2015. The plan provides evidence to support the Head of Internal Audit Opinion, which in turn contributes to the assurances available to the board in its completion of its annual governance statement.

The head of internal audit opinion

2015/16 was presented to the audit committee in March 2016 and an overall rating of 'significant assurance with minor improvements required' was given on the adequacy of the system of internal control.

The audit committee has been pleased to note that the majority of internal audits for the year have resulted in positive ratings of 'significant assurance with minor improvement potential'. Those related to bank and agency controls and the overall governance procedures that support the CoG in fulfilling their responsibilities received 'significant assurance'. There were five internal audits where limited assurance had been given. These are listed below:

- data quality
- risk management
- cost improvement plans
- access and activity data
- clinical coding

The audit committee received status reports on implementing internal audit recommendations at each meeting. This year the audit committee has focused on the progress made to reduce the number of overdue recommendations.

The audit committee undertakes an annual review of effectiveness of the internal audit provision. The process for the assessment of internal audit effectiveness in 2015/16 will be agreed and the outputs from the review reported to the audit committee in 2016/17.

Limited assurances and significant issues considered

The audit committee focused on audit reports which had received limited assurance and where the risk profile represented significant issues for the trust as noted above. Where appropriate, the audit committee requested the presence of key individuals at their meetings to discuss the current position, to take assurance or note action plans where necessary.

During the course of the year, internal

audit undertook an enhanced follow-up review in respect of information governance and data quality.

A total of 70 recommendations were raised in the course of internal audit's reviews in 2015-16. In addition, 63 recommendations were brought forward at the start of the reporting period. There are 60 recommendations which remain current; of these 32 are overdue. There were two high risk recommendations raised in 2015-16 that have been brought forward and which relate to the completeness and accuracy of cancelled operations data in the Patient Administration System, and the compliance with the defined Quality Impact Assessment and savings planning processes.

Tender waivers and losses and special payments

The audit committee receives reports of all single tender actions at each meeting and requests additional information where it is not satisfied with the explanation provided. Specific assurance has been sought in ensuring value for money, particularly in the context of additive work to existing contracts, tenders over £150,000 in any 12 month period and consultancy service waivers. A report on losses and special payments is also presented to each meeting. Throughout the year bad debts and claims abandoned accounted for the biggest proportion of losses reported to the committee.

Anti-fraud

During the reporting period, the trust's local counter-fraud services have been provided by RSM. The audit committee approves an annual counter-fraud work plan and receives a report at each meeting detailing cases of possible fraud. Progress in respect of proactive work and themed reviews is also reported. These have included the issue of procurement risks, a proactive exercise in relation to the use of bank and agency staff in the context of accurate identification checks and mandate fraud and declaration of interests and gifts and hospitality

processes. The audit committee monitors the implementation of any recommendations made by the providers of local counter-fraud services. It also receives an annual fraud report and benchmarking report as well as a self-assessment against NHS Protect standards.

As part of the audit committee's approval of the external audit plan 2015/16 detailed below, it was asked to provide its views on fraud. The audit committee's responses, taking into account the role of the local counter fraud specialist and the monitoring role played by the audit committee, were accepted by PwC.

The audit committee also undertakes a review of effectiveness of the counter fraud provision annually. The process for the assessment of internal audit effectiveness in 2015/16 will be agreed and the outputs from the review reported to the audit committee in 2016/17.

Accounting policies

The committee considered and approved the trust's position in relation to charitable funds and segmental reporting.

Audit committee report to trust board

Throughout the year, the committee has submitted a regular report to the trust board. The report has covered the key items discussed and decisions taken at the meetings, provided assurance to the board on those quality of care/assurance items chosen by the committee and highlighted any risks to the trust. The confirmed minutes of each meeting are also presented to the trust board.

Priorities for 2016/17

The audit committee will review the following:

- board assurance framework (BAF)
- quality of care and other assurance items
- clinical audit processes

- information and asset security
- NHS Improvement's well-led governance review
- monitoring audit recommendations
- reviewing all audits with a limited assurance rating

Conclusions

The audit committee has considered a much wider spectrum of risk during the year 2015/16. This will continue during 2016/17.

The audit committee has been proactive in requesting reports in areas of concern particularly in non-financial areas. The committee will continue its increased focus during 2015/16 on following up internal and external reports where limited assurance has been given.

Throughout the year the audit committee has remained concerned about the trust's financial position, whilst recognising the achievement of £40million of cost savings during the year. The audit committee noted in particular the deterioration in the trust's cash balance, the reduction in net current assets and the impact on timely payment of suppliers. The committee also noted that management were devoting significant amounts of resource to securing payments from commissioners.

At the year end, the audit committee considered carefully the basis for preparing the accounts on a "going concern" basis. Having reviewed this with the trust's auditors and noted the guidance from Monitor, the audit committee was satisfied that this was the correct treatment.

The audit committee has met its terms of reference as detailed throughout the report.

Strategy and investment committee

The committee is responsible for ensuring that the trust's strategy and investment decisions support the achievement of its governing objectives by taking investment decisions under £3 million and making recommendations to the board for those over £3 million.

The committee met 11 times during the reporting period.

In April 2016, the committee was renamed the shadow group board and new terms of reference were approved.

Membership and attendance

	Attendance at meetings (actual/possible)
Non-executive directors	
Dominic Dodd - chair	11 out of 11
Deborah Oakley	11 out of 11
Stephen Ainger	10 out of 11
Jenny Owen	5 out of 11
Anthony Schapira	9 out of 11
Dean Finch	4 out of 11
Executive directors	
David Sloman	10 out of 11
Stephen Powis	5 out of 11
Caroline Clarke	10 out of 11
Kate Slemeck	5 out of 11
Deborah Sanders	7 out of 11

Remuneration committee

The remuneration committee sets improvement objectives and target levels of performance before the start of the financial year and reviews executive director pay and the previous year's performance once benchmarking and other information become available from other organisations to help inform decisions on pay. The committee reviews the assessments of performance by directors made by the chief executive and of the chief executive by the chair.

Further details concerning the remuneration committee can be found in the remuneration report on page 59.

Membership and attendance

	Attendance at meetings (actual/possible)
Dominic Dodd (chair)	2/2
Stephen Ainger	2/2
Dean Finch	2/2
Deborah Oakley	2/2
Jenny Owen	2/2
Anthony Schapira	2/2

In addition, the director of workforce and OD attends each meeting in an advisory capacity.

Trust executive committee

The committee supports and advises the chief executive in running the trust, meeting the requirements of the operating framework and NHS Improvement's risk assessment framework and strategic priorities and objectives. The committee meets weekly and is chaired by the chief executive.

Council of governors

As an NHS foundation trust we have established a council of governors (CoG), comprising up to 31 elected and appointed governors who provide an important link between the trust, our local communities and key stakeholders by sharing information and views to develop and improve health services. The CoG is an essential part of the trust's decision-making processes to ensure that the trust reflects the interests, needs and wishes of members and partner organisations in the local economy. The trust is accountable to members via the CoG.

The trust's constitution sets out the key requirements in respect of the functioning of the CoG. Its general functions are to:

- hold the non-executive directors individually and collectively to account for the performance of the board of directors
- represent the interests of the members of the trust as a whole and the interests of the public and partner organisations in the governance of the trust

The CoG has a duty to represent the views of trust members and stakeholders, to the board of directors and the management of the trust. The trust keeps the CoG fully informed on all aspects of performance through formal council meetings, attendance by nominated governors at each of the board's three quality committees and other key project programme board meetings. These are explained in more detail below.

The period 1 April 2015 to 31 March 2016 represents the CoG's fourth full year of working and the delivery of its statutory duties.

Membership of the council of governors

Members of the trust, the public, patients and staff are all able to stand as governor candidates to be elected onto the CoG by the members, providing they are 16 years of age and are resident in the constituency for which they are standing. The council also includes appointed representatives from partner organisations and stakeholders from the local area to ensure a representation of views from the communities we serve.

The chair of the CoG is also the chair of the trust board which promotes transparency and encourages the flow of information between the board and CoG.

The composition of the council of governors is:

- 8** elected governors from the patient constituency
- 7** elected public governors who are resident in Camden, Barnet, Enfield or Hertfordshire
- 1** elected public governor who is resident elsewhere in England
- 6** staff governors who must include a member of staff from the three main trust sites, a nurse or midwife, an allied health professional and a doctor
- 9** appointed governors comprising four commissioner governors of whom three will be appointed to represent CCGs or successors (all of which are currently vacant) and one from NHS England. In addition, there are four local authority governors appointed by Camden, Barnet and Enfield councils and Hertfordshire district and county councils and one university governor.

There was a number of movements in the composition of the governors during the year and at 31 March 2016, 27 governors were in place with four vacancies. The changes in the composition of the CoG include the following:

- 1 of 8** elected public governors was removed from the CoG in accordance with the trust's constitution (para 18.3) in July 2015 and this position remained vacant at 31 March 2016
- 2** of the elected staff governors resigned in April and May 2015 and both these posts were filled in May and June 2015 respectively
- 1** appointed local authority governor resigned in July 2015 and a new governor was nominated by the local authority in September 2015
- 3** appointed CCG governors resigned in April 2015, May 2015 and March 2016 and these positions remained vacant at 31 March 2016

The names of governors during the year, including where governors were elected or appointed and their length of appointments are set out on page 58. Further detailed information on individual governors for all constituencies can be found on the trust website.

Lead governor

The CoG elects one of its members to be the lead governor. The lead governor acts as the main point of contact for the chair and trust secretary and between NHS Improvement and the other governors when communication might, in very specific circumstances, be necessary. The lead governor is responsible for receiving from governors and communicating to the chair any comments, observations and concerns expressed by governors regarding the performance of the trust or any other serious or material matter relating to the trust or its business. The lead governor regularly meets with the chair both informally and formally. In addition, the lead governor communicates with other governors through regular email correspondence and informal governor-only sessions.

Following an election in March 2015, Richard Lindley has been in post since April 2015.

Conditions of service for governors

Governors' initial terms of office started on 1 April 2012, the day that the RFL was authorised as a foundation trust. Both elected and appointed governors normally hold office for a period of three years and are eligible for re-election or reappointment at the end of that period. Terms of office may be ended by resolution of the CoG following a procedure laid down in the trust's constitution.

Governor elections

There were no governor elections during the reporting period.

Register of interests

On election or appointment to the CoG, governors must sign a code of conduct and declare material interests held by governors, with no governor holding a position of director and/or governor of any other NHS foundation trust.

Our constitution, which is agreed and adopted by the CoG, outlines the clear policy and fair process for the removal from our CoG of any governor who has an actual or potential conflict of interest which prevents the proper exercise of their duties.

The governors' register of interests is available on the trust's website or in hard copy by contacting the trust secretary.

Formal meetings of the council of governors

Governors are expected to attend all formal CoG meetings and there are provisions in the constitution relating to non-attendance at three consecutive meetings. The CoG met formally on six occasions during 2015/16. All meetings have been held in public and fully in accordance with the trust constitution.

All meetings were chaired by the trust chair, with a good representation of non-executive directors in attendance. There is regular communication with individual directors and questions regarding the performance of individual directors would be channelled through the chair or chief executive as appropriate.

In 2015/16, the CoG did not exercise its power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the trust's performance of its function or the directors' performance of their duties.

With regards to disputes between the CoG and the board, in the first instance, the chair will attempt to resolve the issue informally. In the event this is not possible, the trust has a dispute resolution procedure that should be followed. There have been no such disputes in 2015/16.

The table on page 58 summarises the attendance of governors at formal meetings of the CoG during 2015/16.

Other meetings of the council of governors

The CoG has a number of established sub-committees to support their

duties. Through a working group approach, governors nominate themselves to join relevant sub-groups according to their areas of interest and expertise.

The two sub-committees currently in place are:

- nominations committee
- membership engagement group

Sub-committees allow the CoG to delegate specific areas of work to focus groups of governors to receive assurance and if required, make recommendations to the full CoG, for example in relation to non-executive director pay or recruitment. Each sub-committee reports directly to the full CoG through a chair report presented by the committee chair.

In addition, there were two scheduled joint meetings of the board of directors and the CoG in September 2015 and March 2016, which focused on the trust's strategic planning and operational forward plans.

During 2015/16 the trust and CoG have been working towards better aligning council and trust priorities so that efforts are directed towards a common aim. The long-term key priorities are:

- developing clinical pathways
- seven-day hospital
- Chase Farm Hospital redevelopment
- new academic developments including Pears Building
- Royal Free Hospital emergency department development

In this way governors have direct influence over and involvement in key developments where governors sit on the programme boards overseeing the projects.

Governors continue to have observer status on the trust board's quality committees: patient safety, patient and staff experience and clinical performance.

These activities also provide governors with a further opportunity to fulfil their statutory responsibility to hold the non-executive directors to account.

Duties and functions

The trust's constitution describes a number of statutory responsibilities. This includes some additional powers as a result of amendments to the Health Act 2006 made by the Health and Social Care Act 2012. All of the statutory duties relevant to 2015/16 were satisfactorily discharged.

Duty		Comments
Receive annual accounts, auditor's report and annual report	✓	Received at July 2015 meeting
Appoint and, if appropriate, remove the external auditor	✓	The CoG approved the extension of the external audit contract with PricewaterhouseCoopers (PwC) in January 2016 for a further year
Directors must have regard to governors' views when preparing the plan	✓	A joint board and CoG meeting was held on 10 March 2016 to seek the views of the governors
Appoint and, if appropriate, remove the chair	✓	N/A
Appoint and, if appropriate, remove the other NEDs	✓	N/A
Decide remuneration and terms and conditions for chair and other NEDs	✓	During 2015/16 the CoG accepted a recommendation from the nominations committee that remuneration levels for the chair and NEDs should remain unchanged
Approve appointment of chief executive	✓	No new appointments were made in 2015/16
Approve significant transactions	✓	No significant transactions required approval in 2015/16
Approve an application by the trust to enter into a merger, acquisition, separation or dissolution	✓	No such applications occurred in 2015/16
Decide whether the trust's non-NHS work would significantly interfere with its 'principle purpose'	✓	Minor constitutional changes were considered by the CoG in July 2015 and formally approved in March 2016

Delivery of other duties and functions of the council of governors

The governors have general duties in relation to holding the board of directors to account for the performance of the trust via the non-executive directors and representing the interests of the members and the public.

A range of mechanisms are in place to support the governors with this role.

- Ten public board meetings have been held and governor attendance at these has been strongly promoted.
- The trust ensures that the governors receive the papers for board meetings one week ahead of the meeting and the minutes on a timely basis.
- All formal meetings of the CoG now include an update from the chief executive on operational performance and other key issues, with an opportunity for governors to ask questions. In addition, there have been governor development sessions and specific workshops on financial management, the external audit process and the Care Quality Commission's inspection regime where the NEDs have outlined how they seek assurance and hold the executive directors to account.
- Governors are consulted on the development of forward plans for the trust and any significant changes to the delivery of the trust's business plan.
- Non-executive directors regularly meet with governors, for example through attendance at CoG meetings, at board and quality committee meetings and during 'go see' visits to clinical areas.

During 2015/16, most of the trust's governors attended at least one of the public board meetings.

The work of the membership engagement group (see below) is considered to be key to the governors' other general duty of representing the interests of the members and the public.

Nominations committee

The nominations committee is responsible for determining and administering the recruitment process for the appointment and remuneration of the chair and non-executive directors of the trust, recommending the preferred candidates to the CoG. The committee receives reports on the performance appraisal of the chair and non-executive directors and recommends remuneration for these roles.

The committee is chaired by the trust chair and membership comprises four governors (one public elected, one patient elected and two appointed), with the senior independent director attending as requested. The committee has met on five occasions during 2015/16 and attendance is detailed in the table to the right.

2015/16	Constituency	Attendance at committee meetings
Name		Actual/possible
Dominic Dodd	chairman	5/5
Peter Atkin	patient	5/5
Peter Christian	appointed	3/3
Judy Dewinter	patient	5/5
Hans Stauss	appointed	5/5
Jenny Owen	senior independent director	1/1

During the year, and with delegated authority from the CoG, the nominations committee has:

- overseen the process for the extension of a term of appointment to a second term for two non-executive directors, making recommendations as appropriate to the full CoG
- reviewed the chair and non-executive remuneration levels for 2015/16. Bearing in mind current market rates, a recommendation was made to the CoG that the chair's remuneration be increased to reflect the enlarged size of the trust and the comparable remuneration paid in similar foundation trusts but that no adjustments should be made to non-executive directors. The CoG supported both recommendations. Further details about the remuneration of the non-executive directors can be found in the remunerations report
- started a competitive recruitment process for one additional non-executive director.

Membership and engagement group

The CoG has established a membership and engagement group, whose main role is to recommend strategies to the CoG for the recruitment of, and engagement with, trust members.

The membership and engagement group met on seven occasions during the year:

2015/16	Constituency	Attendance at committee meetings
Members:		
Frances Blunden	patient	7/7
Richard Lindley	public	7/7
Liz Aston-Gregg	membership manager	5/6
Co-opted members:		
Prof Montgomery	patient	1/1
Linda Davies	patient	2/2
Judy Dewinter	patient	4/4
Dominic Dodd	NED representative	4/7
John Kireru	staff	1/1
Dr Patrick McGowan	staff	4/4
CLlr Richard Olszewski	appointed	3/3

Membership

The trust is accountable to local people who can become members of the RFL, where they can help ensure the trust is providing the most suitable services when and where they are needed. Members' views are represented at the CoG by the 27 governors listed previously. The governors' constituencies cover patients, staff, partner organisations and public members.

Since becoming a foundation trust in April 2012, the membership has grown to 24,138 members, including staff.

Membership community

Our membership community is made up of public, patient and staff constituencies:

Public: voluntary and free of charge and open to anyone aged 16 years or over

Patient: open to people over 16 years of age who have been a patient of the trust within six years of becoming a member

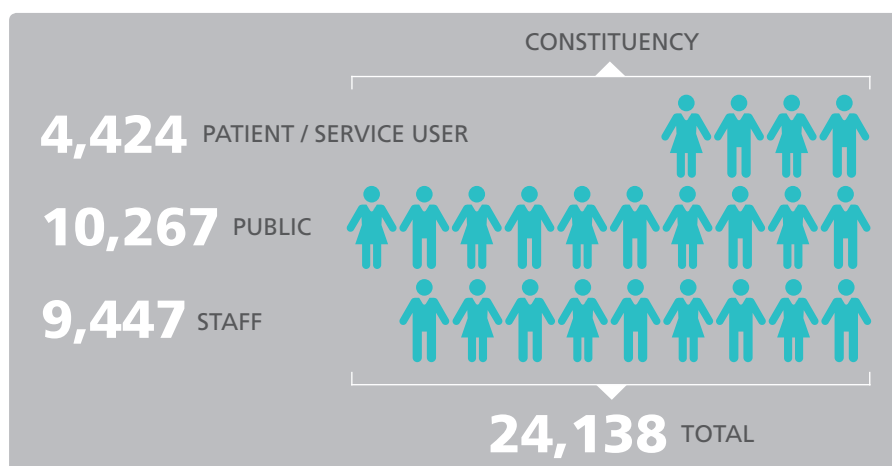
Staff: open to individuals who are employed by the trust under a contract of employment including temporary or fixed-term (minimum 12 months). All qualifying staff are automatically members unless they choose to opt out. The staff constituency is sub-divided into four classes:

- staff located at each of the three hospitals
- nursing and midwifery
- medical
- allied health professionals

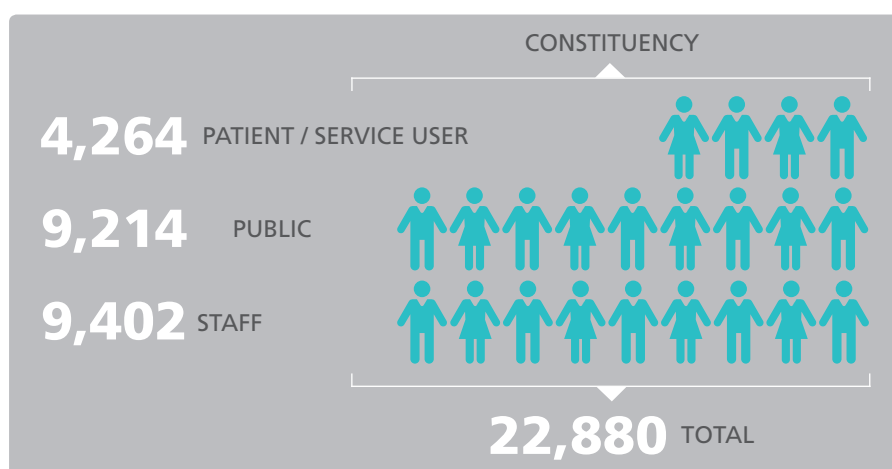
Building our membership

We have not tried to increase our membership this year, but to ensure that it remains stable and engaged.

Membership figures 2016



Membership figures 2015



Keeping members informed

Whilst the trust's membership strategy is currently under review, the aim of the trust is to have a membership which will allow us to develop a more locally accountable organisation, delivering healthcare services that reflect the needs of the local communities. Membership supports the trust in increasing local accountability through communicating directly with current and future patients and service users.

In turn, services are developed which reflect the needs of our local communities and loyalty within the local communities is encouraged.

As part of the ongoing membership strategy review, it is proposed that an annual revision will be introduced to prevent any drift in

implementation of the strategy once it has been agreed and to ensure that it is flexible and responsive to changes in the priorities of the trust and in the wider health economy.

We have an active programme of members' engagement including:

- a monthly members' e-newsletter which keeps members informed about key developments, trust news and dates of upcoming meetings
- regular 'medicine for members' talks, covering a range of health related subjects and hosted by a governor
- a dedicated members' area on the trust's website which includes information on the CoG and what it means to be a member or governor
- an annual members meeting (last held in July 2015)

Diversity and representation

As part of the membership joining process, applicants are asked to provide demographic data so that the trust can ensure that its membership reflects the communities it serves. Whilst a sizeable proportion of applicants choose not to volunteer this information, membership profiling has been conducted independently by the Electoral Reform Service on the trust's behalf and in accordance with the Code of Governance (E.1.6) to ensure that membership growth is as inclusive and proportional as possible.

Monitoring, evaluating, learning and improving

The monitoring and evaluation of progress against the trust's membership strategy has primarily been conducted through the governors' membership engagement group (MEG). The focus of the MEG in 2015/16 has primarily been monitoring the growth and representativeness of the membership and shaping the format and content of membership engagement activities.

Contact procedures for members

Members are encouraged to contact the trust and local governors with enquiries or questions about the running of the trust, or to request information on how to get more involved. The contact details for the membership support office are published on the trust website. Alternatively, members can contact governors by emailing a dedicated inbox at rf.governors@nhs.net or by contacting the membership office on telephone number 020 3758 2116.

In addition, members' and public views and opinions are canvassed by governors at key membership and trust events, including the annual members' meeting. Event information is available on the trust website and also promoted via our membership newsletter.

Code of Governance disclosure statement

The trust board has overall responsibility for the administration of sound corporate governance throughout the trust and recognises the importance of a strong reputation.

The RFL has applied the principles of the NHS foundation trust code of governance (the code) on a comply or explain basis. The code, most recently revised in July 2014, is based on the principles of the UK corporate governance code issued in 2012.

The board of directors conducts an annual review of the code to monitor compliance and identify areas for further development. The board has confirmed that, with the exception of the following provisions the trust has been compliant with the code:

B.7.1 In exceptional circumstances, non-executive directors may serve longer than six years (two three-year terms following licensing of the FT) but subject to annual re-appointment.

The chair was appointed by the council of governors in July 2010. His term of office was set to expire, at which point he will have served six years as a non-executive and chair. The CoG decision in this respect was based on a combination of factors including his outstanding contribution and performance in a significantly enlarged group following the successful acquisition of Chase Farm and Barnet hospitals in 2014. The re-appointment of the chair beyond one year would provide the necessary leadership and stability during a significantly challenging period. The nomination committee and the CoG were clear that the significant ambition of the trust, in a current strategic climate of considerable future challenge and expected change, warranted a vital need for stability in leadership of the board of directors.

Four non-executive directors were also re-appointed beyond six years during 2014/15 and 2015/16 for a period of one year.

D.2.3 The code states that the council of governors should consult external professional advisers to market test

the remuneration levels of the chair and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive. However, in view of the costs associated with this, the council of governors resolved that the board secretary should undertake a benchmarking exercise instead. This was completed in spring 2015.

Governors' attendance at council of governors' meetings between 1 April 2015 and 31 March 2016

Name	Constituency	Term of office began	Term of office ends	Attendance actual/ possible
Peter Atkin	patient	1 Oct 2014	30 Sept 2017*	4/6
Frances Blunden	patient	1 Oct 2014	30 Sept 2017	6/6
Montgomery Cole	patient	1 Oct 2014	30 Sept 2017	4/6
Judy Dewinter	patient	1 April 2015	30 Sept 2017*	5/6
Vanessa Gearson	patient	1 Oct 2014	30 Sept 2017	3/6
David Myers	patient	1 Oct 2014	30 Sept 2017*	6/6
David Brown	public	1 Oct 2014	30 Sept 2017	1/6
Stephen Cameron	public	1 April 2015	30 Sept 2017*	3/6
Sue Cullinan	public	1 Oct 2014	30 Sept 2017	5/6
Linda Davies	public	1 April 2015	30 Sept 2017*	6/6
Derek French	public	1 Oct 2014	31 July 2015	2/2
Anthony Isaacs	public	1 Oct 2014	30 Sept 2017*	5/6
Richard Lindley (lead governor)	public	1 Oct 2014	30 Sept 2017	6/6
Richard Stock	public	1 Oct 2014	30 Sept 2017	5/6
Morvarid Woollacott	public	1 Oct 2014	30 Sept 2017	4/6
Jude Bayly	staff	1 Oct 2014	30 Sept 2017*	6/6
Ann Brizan	staff	1 June 2015	30 Sept 2017	4/5
Becky Lawson	staff	1 Oct 2014	30 Sept 2017	5/6
Patrick McGowan	staff	1 Oct 2014	30 Sept 2017	4/6
Gary Watts	staff	1 Oct 2014	31 May 2015	1/1
Frances White	staff	1 Oct 2014	29 April 2015	0/0
John Kireru	staff	19 May 2015	30 Sept 2017	5/5
Tony Wolff	staff	1 Oct 2014	30 Sep 2017	4/6
Peter Christian	Haringey CCG	1 April 2012	22 March 2016	5/6
Helena Hart	Barnet Council	1 April 2012	31 July 2015	2/2
Will Huxter	NHS England	11 Nov 2014	30 Sep 2017	6/6
Ayfer Orhan	Enfield Council	19 Nov 2014	30 Sep 2017	2/6
Richard Olszewski	Camden Council	22 Jan 2015	30 Sep 2017	2/6
David Riddle	Barnet CCG	1 April 2012	30 April 2015	0/0
Hans Stauss	UCL	1 April 2012	30 Sep 2017	3/6
Lesley Watts	NHS East and North Herts CCG	11 Nov 2014	31 May 2015	0/1
William Wyatt-Lowe	Hertfordshire County Council	22 Dec 2014	30 Sep 2017	6/6
Peter Zinkin	Barnet Council	14 Sep 2015	30 Sep 2017	3/4

*Elected for a second term

Remuneration report

Annual statement on remuneration

Directors' remuneration was reviewed in 2014 in the light of the trust's acquisition of Barnet and Chase Farm Hospitals NHS Trust. This led to an increase in directors' pay from 1 July 2014 to reflect the new scale and scope of their responsibilities for the expanded trust. The detail of board level salaries is provided at page 62 and there is more about how the directors' salaries are determined below. Overall the acquisition has delivered savings on the board and director level costs of both predecessor organisations following the dissolution of the board that ran Barnet and Chase Farm hospitals and associated director level posts.

There was no increase in remuneration in 2015/16 for any director, bar the medical director who was awarded a national gold award.

Executive directors' remuneration policy

The pay of executive directors is reviewed and determined by the trust's remuneration committee which is made up of non-executive directors. The annual review is based on:

- an analysis of comparable salaries and remuneration in other organisations
- overall executive team performance
- the general context of NHS pay awards to other staff groups.

No performance-related pay or bonuses or other incentive payments are currently made in addition to, or separate from, the annual salary. The remuneration committee aims to pay competitively but not excessively for high quality directors, typically within the upper quartile of expected salaries across comparable organisations. It does not, at present, believe that incentive schemes or bonus payments would offer any advantage or increase directors' performance.

Remuneration components – directors	Review process	How it supports objectives
Basic salary	Reviewed annually by the remuneration committee based on comparable salaries and executive director performance in the context of wider NHS pay	Attracts high calibre executives through pay that is competitive with other trusts. Rewards performance at a fair and not excessive rate in line with trust progress and NHS salaries generally
Taxable benefits	No allowances or payments made in addition to basic salary	Treats executive directors the same as other staff
Annual performance related bonuses or incentive payments	None made	Short-term incentive payments are not made as it is not thought these would improve performance and may in fact detract from long term objectives. Treats executive directors the same as other staff
Long-term performance related bonuses or incentive payments	None made	Long-term incentive payments are not made as it is not felt these are currently required to motivate executive directors. Treats executive directors as other staff



Artist's impression of the new Chase Farm Hospital out-patients department

Executive directors' notice periods and payments for loss of office

Directors are appointed subject to a notice period of three months and benefit from NHS terms and conditions relating to any severance payment for reasons of redundancy (as outlined in schedule 16 of the agenda for change terms and conditions of service). There is no contractual entitlement to a severance payment in any other circumstances.

Other staff employed by the trust are paid under national terms and conditions of service for the relevant NHS staff (agenda for change or the national medical terms and conditions of service). Rates of pay are determined by the government on the advice of the NHS pay review bodies or in negotiation with NHS trade unions.

Non-executive directors' remuneration

Pay and allowances for the chairman and non-executive directors are determined by the trust's nominations committee and approved by the council of governors. Payments to the chair and non-executive directors are disclosed in the table below. The payments are comparable to those made by other foundation trusts. The non-executive directors and chairman are office holders and the terms of their appointments are such that they receive no severance or other payments at the end of their term of office. Details of their remuneration and expenses are set out below.

Remuneration committee

The committee sets improvement objectives and target levels of performance before the start of the financial year and reviews executive director pay and the previous year's performance once benchmarking and other information becomes available from other organisations to help inform decisions on pay. The committee reviews the assessments of performance by directors made by the chief executive and of the chief executive by the chairman.

Further information on directors' attendance at the remuneration committee is shown on p51.

Details of directors' remuneration are set out in the tables below.

Service contract obligations

There are no executive directors engaged under service contracts or those that give rise to 'loss of office' payments. All directors are employed substantively and benefit from standard NHS redundancy terms.

Statement of consideration of employment conditions elsewhere in the foundation trust

There was no increase in executive director remuneration in 2015/16.

Consultancy expenditure

The trust spent £5.3 million in 2015/16 (£5.1m in 2014/15) on consultancy. This includes payments for specialist services and advice that is not available in-house, such as estates, information technology and taxation.

Policy on the use of off-payroll engagement

The trust uses off-payroll engagements (contractors) for some tasks and roles. Interim cover may be required for an established role or if specialist skills are required or work is of a short duration. The use of contracts is subject to approval by senior managers and is regularly reviewed by the trust's senior pay group.

The following information on pages 61 to 63 have been subject to audit.

High paid off-payroll engagements

Table 1: For all off-payroll engagements as of 31 March 2016, for more than £220 per day that last for longer than six months

Existing engagements as of 31 March 2016	38
Number that have existed for less than one year at time of reporting	18
Number that have existed for between one and two years at time of reporting	18
Number that have existed for between two and three years at time of reporting	1
Number that have existed for between three and four years at time of reporting	1
Number that have existed for four or more years at time of reporting	-

All existing off-payroll engagements outlined above have, at some point, been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax. Where necessary, that assurance has been sought.

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016, for more than £220 per day and that last for longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016	28
Number of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance payments obligations	28
Number for whom assurance has been requested	28
Number for whom assurance has been received	26
Number for whom assurance has not been received	2
Number that have been terminated as a result of assurance not being received	-

Table 3: For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016

Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, during the financial year	-
Number of individuals who have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements	12

	2015/16						2014/15					
	Salary and fees	Taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	Pension-related benefits ³	Total	Salary and fees	Taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	Pension-related benefits ³	Total
	(in bands of £5,000)	(total to the nearest £100)	(in bands of £5,000)	(in bands of £5,000)	(in bands of £2,500)	(in bands of £5,000)	(in bands of £5,000)	(total to the nearest £100)	(in bands of £5,000)	(in bands of £5,000)	(in bands of £2,500)	(in bands of £5,000)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Mr Dominic Dodd	60-65	-	-	-	-	60-65	55-60	-	-	-	-	55-60
Mr Stephen Ainger	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
Mr Danny Bernstein¹	-	-	-	-	-	-	0-5	-	-	-	-	0-5
Ms Jenny Owen	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
Ms Deborah Oakley	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
Professor Anthony Schapira	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
Mr Dean Finch²	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
Mr David Sloman	245-250	-	-	-	-	245-250	240-245	-	-	-	232.5-235.0	475-480
Ms Caroline Clarke	175-180	-	-	-	35.0-37.5	215-220	175-180	-	-	-	62.5-65.0	240-245
Professor Stephen Powis³	230-235	-	-	-	5.0-7.5	235-240	205-210	-	-	-	-	205-210
Ms Deborah Sanders	155-160	-	-	-	37.5-40.0	195-200	150-155	-	-	-	82.5-85.0	235-240
Ms Kate Slemeck	155-160	-	-	-	47.5-50.0	205-210	150-155	-	-	-	72.5-75.0	225-230

¹ Danny Bernstein's term as a non-executive director came to an end with effect from June 2014. He has since been engaged as a special advisor to the board to undertake some specific work, but not in a non-executive director capacity. His total remuneration as a special advisor in bands of £5,000 is £5-10. He left the trust in 2015.

² Stephen Powis' salary includes a national clinical excellence award. He is employed by UCL Medical School and his salary is recharged to the trust.

³ The pension related benefit is calculated as:
Increase = ((20 x PE) + LSE) – ((20 x PB) + LSB) – employee pension contributions where:

- PE is the annual rate of pension that would be payable to the director if s/he became entitled to it at the end of the financial year
- PB is the annual rate of pension, adjusted for inflation, that would be payable to the director if s/he became entitled to it at the beginning of the financial year
- LSE is the amount of lump sum that would be payable to the director if s/he became entitled to it at the end of the financial year
- LSB is the amount of lump sum, adjusted for inflation, that would be payable to the director if s/he became entitled to it at the beginning of the financial year.

If the pension benefit results in a negative increase, ie a decrease, this is reported as nil.

Pay multiples

The mid-point of the banded remuneration of the highest paid director at the Royal Free London NHS Foundation Trust in the financial year 2015/16 was £247,500 (2014/15: £242,500). This was 6.8 times (2014/15: 7.0 times) the median remuneration of the workforce, which was £36,255 (2014/15: £34,478). In 2015/16, five employees (2014/15: three employees) received remuneration in excess of the highest paid director.

Annualised remuneration ranged from £79 to £331,253; (2014/15: £392 to £253,017).

Pension benefits of executive directors

Name	Title	Real increase/ (decrease) in pension at age 60 (bands of £2,500)	Real increase/ (decrease) in lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2016 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2016 (bands of £5,000)	Cash equivalent transfer value at 31 March 2015 (rounded to the nearest £000)	Real increase/ (decrease) in cash equivalent transfer value (rounded to the nearest £000)	Cash equivalent transfer value at 31 March 2016 (rounded to the nearest £000)
		£000	£000	£000	£000	£000	£000	£000
David Sloman	Chief executive	-	-	-	-	-	-	-
Caroline Clarke	Director of finance and deputy chief executive	2.5-5.0	-	45-50	125-130	687	35	730
Stephen Powis	Medical director	0-2.5	5-7.5	75-80	230-235	1,496	47	1,561
Deborah Sanders	Director of nursing	2.5-5.0	7.5-10.0	40-45	130-135	731	54	794
Kate Slemeck	Executive director of operations	2.5-5.0	0-2.5	30-35	90-95	517	46	569

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

A cash equivalent transfer value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.


A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in a former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee, including the value of any benefits transferred from another pension scheme or arrangement and uses common market valuation factors for the start and end of the period.

It must be noted that the figures taken at 31 March 2012 have been revised as per the December 2011 government actuarial data. Therefore they do not use the common valuation factors, as described above, for the beginning and end of the period.

Further information on the employee benefits costs to the trust can be found in note 7 of the annual accounts.



David Sloman
Chief executive
25 May 2016

On 16 March 2016, the Chancellor of the Exchequer announced a change in the superannuation contributions adjusted for past experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report. Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS pension scheme are based on the previous discount rate and have not been recalculated.

Staff report

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

	Permanent	Other	2015/16 Total	2014/15 Total
	Number	Number	Number	Number
Medical and dental	618	854	1,472	1,478
Ambulance staff	-	-	-	-
Administration and estates	1,912	86	1,998	1,915
Healthcare assistants and other support staff	1,342	32	1,374	1,383
Nursing, midwifery and health visiting staff	2,655	70	2,725	2,751
Nursing, midwifery and health visiting learners	-	-	-	29
Scientific, therapeutic and technical staff	756	36	792	731
Healthcare science staff	227	10	237	451
Social care staff	-	-	-	-
Agency and contract staff	-	665	665	756
Bank staff	-	1,081	1,081	654
Other	-	-	-	-
Total average numbers	7,510	2,834	10,344	10,148
Of which:				
Number of employees (WTE) engaged on capital projects	38	38	76	75

Reporting of compensation schemes - exit packages 2015/16

Exit package cost band (including any special payment element)	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
<£10,000	12	3	15
£10,001 - £25,000	3	5	8
£25,001 - 50,000	5	-	5
£50,001 - £100,000	1	-	1
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	21	8	29
Total resource cost (£)	£397,000	£79,850	£476,850

Reporting of compensation schemes - exit packages 2014/15

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	5	6	11
£10,001 - £25,000	2	3	5
£25,001 - 50,000	7	-	7
£50,001 - £100,000	1	-	1
£100,001 - £150,000	2	-	2
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	17	9	26
Total resource cost (£)	£649,506	£47,000	£696,506

Exit packages: other (non-compulsory) departure payments

	2015/16		2014/15	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	8	80	9	47
Exit payments following employment tribunals or court orders	-	-	-	-
Non-contractual payments requiring Treasury approval	-	-	-	-
Total	8	80	9	47
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	-	-	-	-

Following the acquisition of Barnet and Chase Farm Hospitals NHS Trust in July 2014, our workforce comprises more than 10,000 members of staff. About 1,500 are doctors and dentists and about 2,700 are nurses and midwives.

After a number of consultations and restructures, including the move of many non-clinical support functions to Enfield Civic Centre, most teams are now working in integrated structures. The majority of workforce policies and procedures have been harmonised and we have successfully integrated the different cultures of the three hospitals, based on our world class care values.

In spite of the significant changes that have taken place, our 2015 national staff survey results showed a positive rating for Royal Free London, although the response rate of 38% was lower than the average of 41% for acute trusts in England.

The staff survey results will be reviewed against our current staff experience enhancement plan to ensure progress continues in the appropriate areas.

Our annual equality information report was published in January 2016, which includes our performance against the workforce race equality standards. An improvement action plan is in place. The report also highlights in detail our progress with equality delivery schemes and how we are promoting diversity and inclusion across a workforce of more than 100 different nationalities.

Living our values

At the Royal Free London, our ambition is to offer our patients and staff world class care and expertise.

Our world class care (WCC) values were devised by our patients and staff and should underpin everything we do. We ask our staff to be positively welcoming, actively respectful, clearly communicating and visibly reassuring to all patients and colleagues every day.

Embedding the WCC values across the expanded trust was a focus for 2015/16. More than 1,000 staff contributed to the development of a behavioural framework, 'living our values', which was launched in April 2015. The WCC values were incorporated into the appraisal and recruitment processes and included in training sessions. Corporate induction includes a 20 minute session on the values, with a 'living our values' behavioural framework provided for all new starters.

The culture steering group continued its work in supporting the development of the WCC culture. Focus groups were held across the three main hospitals. Positive themes that emerged included improved executive visibility and better communications. Areas of

concern included feeling stretched by competing priorities, permanent staff shortages, capacity and financial constraints.

Staff engagement

It was clear from the WCC focus groups that staff at the three hospitals have different experiences of the trust. At Chase Farm Hospital people felt less engaged; at Barnet Hospital the experience was mixed, with some staff feeling less engaged and others stating that there were now better opportunities for them; staff based at the Royal Free Hospital felt the most engaged.

Overall, the staff survey shows that the trust continues to have reasonably high levels of staff engagement, in line with the average rating for acute trusts in England.

Staff motivation at work, one of the elements that make up the staff engagement rating in the staff survey, scored higher than average. This is a positive result, given the major change transformation programmes that have taken place recently.

Staff engagement has become more complex due to the expansion of the organisation. To help meet this challenge, over the past year we have introduced directors' listening surgeries and focused on specific activities, identified in the staff experience enhancement plan, such as:

- sending reminders to managers whose staff have overdue appraisals
- introducing appraisal training for all line managers
- implementing a quarterly staff friends and family test (FFT), mapping behaviours to our world class care values and relaunching the staff world class care and Oscars awards
- harmonising the trust's bullying and harassment policy and procedures, reviewing the facilitation and mediation service and training more staff as mediators
- introducing lesbian, gay, bisexual and transgender (LGBT), black and minority ethnic (BME) and disability staff networks and introducing board level mentors for all BME staff at band 8a and above (as

a pilot group). Recruitment and selection training will help us to achieve diverse interview panels, supporting our commitment to improve the workforce race equality standards

- implementing a harmonised 'staff wellbeing and managing stress' policy and a dedicated case management approach to support staff returning to work from long-term sick leave

Supporting disabled employees

The following trust policies applied to disability rights in this financial year:

- Recruitment and selection policy and guidance – for full and fair consideration to applications for employment made by disabled persons
- Mandatory training – appropriate training for all staff including disabled employees
- Appraisal and pay progression policy – for career development and promotion of all staff including disabled employees

Keeping staff informed

Staff receive regular communications through a variety of channels, including:

- Freemail – a weekly bulletin sent to all staff via email
- Freepress – a monthly staff magazine distributed to all sites
- Freenet – the intranet, updated daily and available to staff across all sites
- chief executive briefings – a monthly face to face briefing, open to all staff, at each of our hospital sites and the Enfield civic centre. This is then communicated via video and written channels on the intranet

There are also regular forums where senior managers hear feedback and ideas from different groups of staff, including:

- junior doctors
- new starters
- clinical directors and service line leads
- senior leadership

Staff survey

The annual national NHS staff survey was conducted between September and December 2015.

This was the second national survey for the expanded Royal Free London. Rather than using a sample of staff, all staff have had the opportunity to contribute. As a result 3,184 responses were received, which helped to provide a broad reflection of staff experience across each of the trust's hospitals.

The following tables show the trust's top five and bottom five scores compared with other NHS acute trusts in the 2015 survey.

	2015		2014		Trust improvement/ deterioration
	Trust	National average	Trust	National average	
Response rate					
	38%	41%	44%	42%	6% decrease
Top five ranking scores					
KF22. Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months	12%	14%	13%	14%	1% decrease
KF12. Quality of appraisals	3.17/5	3.05/5	Not directly comparable as components of KF changed in 2015	Not directly comparable as components of KF changed in 2015	Statistically significant positive change in KF. In the best 20% of acute trusts.
KF18. Percentage of staff feeling pressure in the past three months to attend work when feeling unwell	55%	59%	27%	26%	28% increase
KF13. Quality of non-mandatory training, learning or development	4.06/5	4.03/5	Not directly comparable as components of KF changed in 2015	Not directly comparable as components of KF changed in 2015	
KF2. Staff satisfaction with the quality of work and patient care they are able to deliver	4.00/5	3.93/5	Not directly comparable as components of KF changed in 2015	Not directly comparable as components of KF changed in 2015	
Bottom five ranking scores					
KF21. Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	76%	87%	77%	87%	1% decrease
KF20. Percentage of staff experiencing discrimination at work in last 12 months	18%	10%	18%	11%	No change
KF26. Percentage of staff experiencing harassment, bullying or abuse from staff in past 12 months	34%	26%	31%	23%	3% increase
KF9. Effective team working	3.66/5	3.73/5	3.71/5	3.74/5	0.5 point decrease
KF8. Staff satisfaction with level of responsibility and involvement	3.84/5	3.91/5	3.82/5	n/a	0.2 point increase

Changes in staff survey results

The following scores have either improved or deteriorated since the 2014 staff survey results:

Where staff experience has improved	Trust score 2014	Trust score 2015
KF4. Staff motivation at work	3.88 out of 5	3.96

Where staff experience has deteriorated	Trust score 2014	Trust score 2015
KF16. Percentage of staff working extra hours	71%	75%
KF26. Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	31%	34%
KF31. Staff confidence and security in reporting unsafe clinical practice	3.68/5	3.61/5
KF27. Percentage of staff / colleagues reporting most recent experience of harassment, bullying or abuse	38%	34%

Areas for improvement

Although the trust has taken action in the past year on bullying and harassment, equality and diversity and staff health and wellbeing, the 2015 staff survey results clearly show that staff experience in these areas has deteriorated. Actions are being taken to address this including:

1. Bullying and harassment

The four routes for remedy under the bullying and harassment pathway are:

Route A: talking directly to the person concerned

Route B: facilitated conversation

Route C: mediation conversation

Route D: investigation in accordance with trust policy

We have doubled the number of trained mediators and facilitators over the past year to help support routes B and C.

The trust will need to investigate further the reasons why there is a reduction in staff confidence and security in reporting unsafe clinical practice. Over the past year the trust has strengthened its reporting mechanism and the patient safety programme continues.

2. Equality and diversity

As an employer and a provider of services, the trust is committed to promoting equality, diversity and inclusion, as well as reducing health inequalities and eliminating unlawful discrimination.

Following consultation, the trust set in place its staff experience and enhancement plan (SEEP), which includes an action plan for equality, diversity and inclusion. The patient and staff safety committee, equality steering committee and the equality, diversity and inclusion staff working group focus on actions to address discrimination and provide a working environment that is free from abuse, harassment and bullying.

The trust has two key workforce equality objectives in line with the NHS equality delivery system (EDS2) as follows:

- A representative and supported workforce
- An inclusive leadership

The trust has published its annual equality information report to demonstrate how equality is embedded within all employment policies and procedures within the organisation and an action plan has been set in place to address identified gaps. Equality and diversity training at the Royal Free London is mandatory at induction and our current compliance rate is 76%. <http://www.royalfree.nhs.uk/about-us/equality-and-diversity/equality-and-diversity-documents/>

To support the trust's equality action plan, a series of initiatives has been put in place:

- More than 110 senior leaders and managers, including the trust board, have received unconscious bias training. The first groups to be trained were those who scrutinise and deliver operational processes that impact on equality and diversity decisions, including the workforce team, equality steering committee and the equality, diversity and inclusion working group members.
- A board level mentoring scheme for black and minority ethnic (BME) managers in pay bands 8a–9 was launched in October 2015. The objective of the 12 month programme is to create a culture of inclusivity, trust, belonging, understanding, support and encouragement for BME staff, inspiring them to perform to their highest ability.
- A total of 80 BME managers have been trained in the recruitment and selection process and further training sessions will be put in place later in 2016.
- The trust has implemented

lesbian, gay, bisexual and transgender (LGBT), BME and disability staff networks, providing mutual support and representation for staff. Regular meetings and social activities are held on all sites to encourage participation.

- Regular reviews of employee relations cases for nurses and midwives are conducted, to ensure consistency in the process of identifying cases that progress from investigation to formal hearing. These reviews will be evaluated to identify impact.
- The trust chairman, the chief executive and executive and non-executive directors have held BME staff listening sessions during the past six months. The sessions have been well-attended and will continue, with feedback reviewed in the next 12 months.
- The director of nursing held a band 7 conference in September 2015 on workforce race equality standards (WRES). The programme was well-attended and there will be a follow-up session next year.
- The trust is now in the top 50% of employers taking part in Stonewall's top 100 UK employers assessment scheme. Since signing up to the scheme in 2014, our position rose significantly in 2015. The initiative aims to ensure employment policies, training and development, systems and processes are robust and enable LGBT staff to reach their potential at work.

3. Staff health and wellbeing

The trust's occupational health and wellbeing centre provides quality-assured and evidence-based occupational health services to promote staff wellbeing and effectiveness. The services are provided by a multi-disciplinary team of specialist occupational health doctors, nurses, clinical psychologists, physiotherapists, and administrators.

The occupational health psychology service offers assessment and intervention, such as cognitive behavioural therapy, to help address stress disorders and support staff returning to work from illness. To underpin this work, we have implemented a staff wellbeing and managing stress policy, with a series of workshops held for managers and staff.

The occupational health physiotherapy service treats a wide variety of musculoskeletal disorders, including muscle, nerve, joint and ligament complaints. The service provides physiotherapy needs assessment and supports staff returning to work.

All staff have access to an employee assistance programme available every day to support their emotional and wellbeing needs. In addition, staff family members have access to telephone counsellors for assistance with immediate issues. Further support is available for staff around financial and other benefits.

The occupational health and wellbeing centre co-ordinated the annual flu vaccination programme which resulted in 30% of staff being vaccinated.

A staff health and wellbeing day was held across all three hospitals in September 2015 attended by more than 1,000 members of staff. Health professionals, internal departments and external companies provided information stands and activities including back and shoulder massages, reiki, tai chi and table tennis. Advice was available on maintaining a healthy lifestyle, weight management, alcohol awareness, smoking cessation, coping with pressure and the benefits available to staff working at the Royal Free London.

Future priorities and targets

The trust's executive committee has had an initial discussion on the results of the 2015 staff survey. Before priorities are confirmed, further discussion and engagement is required with board committees, notably the patient and staff experience committee and with the wider staff and management and leadership teams. The aim is to agree actions and an updated staff experience enhancement plan by the end of May 2016.

Employee relations

Partnership working with trade unions is well embedded in the trust. The joint negotiating and consultative committee is the forum for discussion with trade unions and is supported by a policy forum and other working groups. The trust has developed positive relationships and trade union representatives are given time to undertake their work.

This year the bullying and harassment policy, staff wellbeing and management of stress policy, speaking up policy and procedure and the staff e-roster policy have been harmonised across the three hospitals. The appeals procedure has been reviewed.

Workforce development

Throughout 2015 and 2016 we have worked to maintain the trust's record of excellence in education, training and development.

Undergraduate medical education

The Royal Free Hospital has a distinguished history of undergraduate medical education; each year we train around 600 medical students, mainly in years four to six of the curriculum.

Several members of our faculty were individually recognised by UCL for their excellence in teaching and one was awarded an Excellence in Medical Education Award for his outstanding contribution to undergraduate teaching.

Postgraduate medical education

We work with our partners to ensure that our doctors are educated, trained and motivated to world class standards. Our organisation is one of the largest post-graduate training institutions in the country with more than 600 postgraduate trainees at foundation, core and higher grades.

Nursing, midwifery and allied health professional education

We support the training of more than 300 student nurses every year and have helped hundreds of our nurses to access post-registration education and development through university-based programmes. We have also introduced a direct employment scheme to improve our recruitment of newly registered nurses.

The trust continues to support the development of healthcare assistants (HCA), through further roll-out of our care certificate programme, the expansion of our in-house diploma centre and external accreditation for our in-house training programmes.

Wider workforce development

In 2015/16 the trust invested significant funding, received from Health Education England, in staff training and development. In total, 110 applications for £105,000 of study leave funding were approved for the continuing personal and professional development of non-medical staff which enabled staff to participate in opportunities such as postgraduate and masters programmes.

Monthly Schwartz Centre Rounds® have continued throughout 2015-16 open to all staff, clinical and non-clinical. These were developed to improve relationships between clinical care-givers and their patients by developing insight into non-clinical aspects of care and enhancing communication and teamwork.

Leadership

Strong leadership and developing future leaders is crucial to the success of our organisation.

A leadership and talent framework supports development from board to ward with a range of programmes. These are supplemented by an online leadership toolkit, developed to provide tools and techniques to help those responsible for leading others carry out their role effectively.

The foundation programme of the framework, step up to lead, was launched in September 2015. This innovative multi-disciplinary programme, which included 87 FY2 doctors and 63 non-medical staff, is aimed at those who are not yet in formal leadership roles. Along with leadership development, step up to lead includes training in quality improvement.

Other programmes are in place to support leadership development at all levels in the trust:

- A leadership programme designed for nurses and midwives who are excelling in their roles was launched in February 2016. The aim is to develop an internal pool of talented band 6 nurses and midwives so that they are better prepared for ward manager roles.
- Two cohorts of a service line management programme were delivered in 2015/16. This programme brought together multi-disciplinary staff to learn about strategy, culture, operational control, innovation and improvement.
- A programme to support clinical directors continued through 2015/16.
- The leadership forum arranges outside speakers to deliver lunchtime presentations for

staff. During 2015/6 speakers included Alastair McLellan, editor of Health Service Journal and Yvonne Coghill OBE, director for workforce rate equality standards implementation.

- The trust regularly brings together senior leaders within the organisation to build a 'leadership community' and discuss the organisation's strategy, performance and development.

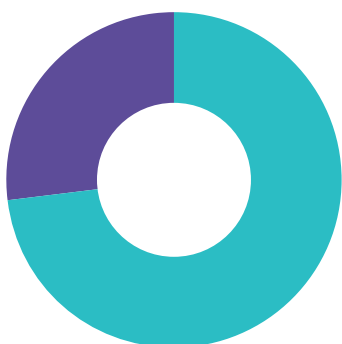
Workplace nursery

The trust has three Ofsted-registered nurseries based at Barnet Hospital, Chase Farm Hospital and the Royal Free Hospital, providing high quality childcare for staff members' children aged six months to five years.

CELEBRATING OUR STAFF

The annual staff achievement awards, the Oscars, are linked to our world class care values and celebrate the dedication, hard work and commitment of teams and individuals. This year we received a record number of nominations, with more than 250 staff invited to attend the awards ceremony.

Our workforce as at 31 March 2016



Total staff

Gender	Trust total	% of trust total
Female	6,915	73.20
Male	2,532	26.80
Total	9,447	100.00



Senior managers

Gender	Trust total	% of trust total
Female	234	65.36
Male	124	34.64
Total	358	100.00

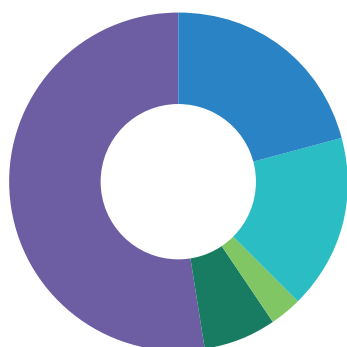


Directors

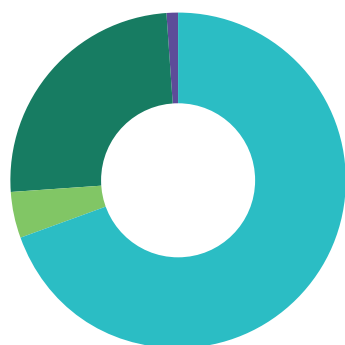
Gender	Trust total	% of trust total
Female	5	55.56
Male	4	44.44
Total	9	100.00



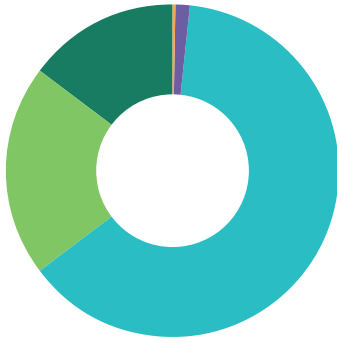
Annual report staff group	Trust total	% of trust total
Allied health professionals	563	5.96
Back office functions	762	8.07
Clinical support staff	2,705	28.63
Estates and ancillary	307	3.25
Healthcare scientists	261	2.76
Medical and dental	1,575	16.67
Nursing and midwifery registered	2,906	30.76
Other clinical	332	3.52
Students (nursing and midwifery)	36	0.38
Total	9,447	100



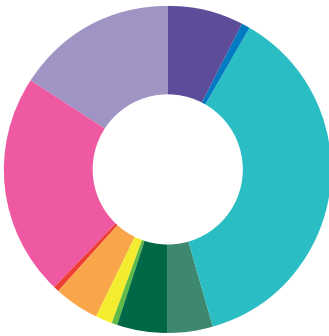
Ethnic origin	Headcount	%
TOTAL ASIAN	1,992	21.09%
Any other Asian background	840	8.89%
Bangladeshi/British Bangladeshi	80	0.85%
Chinese	150	1.59%
Indian/British Indian	800	8.47%
Pakistani/British Pakistani	122	1.29%
TOTAL BLACK	1,574	16.68%
African/black British African	1,004	10.65%
Black/black British other	173	1.83%
Caribbean/black British Caribbean	397	4.20%
TOTAL MIXED	271	2.89%
Any other mixed/multiple ethnic background	100	1.06%
White and Asian	64	0.70%
White and black African	47	0.50%
White and black Caribbean	60	0.64%
TOTAL OTHER	660	6.99%
TOTAL WHITE	4,950	52.44%
White British	3,470	36.73%
White Irish	363	3.88%
White other	1,117	11.82%
TOTAL	9,447	100.00%



Disabled	Headcount	%
No	6,578	69.63%
Not declared	414	4.38%
Undefined	2,371	25.10%
Yes	84	0.89%
Total	9,447	100.00%



Sexual orientation	Headcount	%
Bisexual	51	0.54%
Gay	114	1.21%
Heterosexual	5,956	63.05%
Undefined	1,935	20.48%
Undisclosed	1,391	14.72%
Total	9,447	100.00%



Religion	Headcount	%
Atheism	725	7.67%
Buddhism	75	0.79%
Christianity	3,506	37.11%
Hinduism	434	4.59%
Islam	479	5.07%
Jainism	32	0.34%
Judaism	164	1.74%
Sikhism	38	0.40%
Other	432	4.58%
Undefined	2,070	21.92%
Undisclosed	1,492	15.79%
Total	9,447	100.00%



Age group	Headcount	%
Under 20	23	0.24%
21-25	629	6.66%
26-30	1,398	14.80%
31-35	1,231	13.03%
36-40	1,269	13.43%
41-45	1,270	13.44%
46-50	1,184	12.53%
51-55	1,080	11.43%
56-60	796	8.43%
61-65	425	4.50%
66-70	120	1.28%
71+	22	0.23%
Total	9,447	100.00%

Sickness table - calculation based on information from electronic staff record

Average wte* 2014/15	Days per year	Weekend days	Bank Holidays	Annual leave	Non working days	Total working days per wte	Total working days available	Cumulative absence rate	Total days lost	Average days lost
8754.00	365.00	104.00	8.00	29.00	141.00	224.00	1960896.00	3.49%	68435.27	7.82

Average wte 2015/16	Days per year	Weekend days	Bank holidays	Annual leave	Non working days	Total working days per wte	Total working days available	Cumulative absence rate	Total days lost	Average days lost
8598.00	365.00	104.00	8.00	29.00	141.00	224.00	1925952.00	3.38%	65097.18	7.57

* whole time equivalent

Staff sickness absence

Total days lost: this is the total working days lost for staff working for the trust during the year.

Total staff years: a full-time employee working all year is equivalent to one staff year. For part-time workers, the ratio of their contracted hours to those of a full-time employee is used to scale the total potential staff year. This is done in the following way:

- contracted hours/standard hours: if an employee starts or leaves employment within the year, this is also used to 'scale' the staff year. The location of the date worked within a 365-day calendar (366 for a leap year) is used: end day- start day -1 / 365.

(In this equation, the end day and start day are the numerical days within the year – i.e. 1 January is 1 and 31 December is 365. The "-1" adjusts the figure so that it is inclusive; ie for an employee working all year we would have $365 - (1 - 1) = 365$.)

Where employees change their working patterns during the year (e.g. moving from full-time to part-time working) they will have multiple records in the personnel data collection. The analysis will utilise these records as separate personnel. Once the proportion of a staff year worked by each employee has been determined, these should be totalled to arrive at the "total staff years" figure.

Average working days lost: the average working days lost should be calculated as the total days lost divided by the total number of staff years.

Statement of the chief executive's responsibilities as the accounting officer of the Royal Free London 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 Monitor.

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

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

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



David Sloman
Chief executive
25 May 2016

Annual governance statement 2015/16

Scope of responsibility

As accounting officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, 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 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 a continuous process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Royal Free London NHS Foundation Trust (RFL), to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in the RFL for the year ended 31 March 2016 and up to the date

of approval of the annual report and accounts.

Capacity to handle risk

As chief executive, I have overall responsibility for risk management within the trust, for meeting all statutory requirements and adhering to the guidance issued by NHS Improvement and the Department of Health in respect of governance.

The trust executive committee, which I chair, has the remit to ensure the adequacy of structures, processes and responsibilities for identifying and managing key risks facing the organisation, prior to board discussion.

The board brings together the corporate, financial, workforce, clinical, information and research governance risk agendas. The board assurance framework (BAF) ensures that there is clarity about the risks that may impact on the trust's ability to deliver its strategic objectives together with any gaps in control or assurance.

Day to day management of risks is undertaken by operational management, who are charged with ensuring risk assessments are undertaken proactively throughout their area of responsibility and remedial action is carried out where problems are identified. There is a process of escalation to executive directors, relevant committees and governance groups for risk where there are difficulties in implementing mitigations.

The board committee structure is detailed further on pages 44 to 51.

Each committee has terms of reference and each of these was

reviewed by the respective committee and formally re-adopted by the board in February 2016 for scope, responsibilities and membership. Groups and committees reporting to each board committee are also detailed in the terms of reference. There is a comprehensive scheme





The new endoscopy unit at Chase Farm Hospital

of delegation which details items reserved by the board, those delegated to committees and those delegated to individuals. This covers a wide range of responsibilities and includes the Care Quality Commission standards and NHS Improvement's licence conditions.

The trust performance report is reviewed by both the finance and

performance committee and the trust board at each meeting. Where there is sustained adverse performance in any indicator, this is reviewed in detail at the appropriate board committee. Further indicators relating to the quality of patient care are reviewed at the 'quality committees' - patient and staff experience, patient safety and

clinical performance.

The operational responsibility for the trust's risk management agenda is overseen by the patient safety committee which enables patient, staff and corporate risk issues to be brought together and reported as a whole. Cross-reporting takes place between the patient safety committee, audit

committee, finance and performance committee and clinical performance committee to enable the full risk profile to be considered.

The process of identification, assessment, analysis and management of risks (including incidents) is the responsibility of all staff across the trust and particularly of all managers. The process for the identification, assessment, reporting, action planning, review and monitoring of risks is detailed in the trust risk management strategy and has been central to the improvements made in this important area of our work during the year.

Board members receive training in risk management and an overview of the risk systems. Staff receive training in identification, analysis, evaluation and reporting of risk. Training at induction covers the wider aspects of governance. The emphasis of our approach is increasingly on the proactive management of risk and ensuring that risk management plans are in place for all key risks.

The risk and control framework

The risk assessment and management policy describes our approach to risk management and outlines the formal structures in place to support this approach. The strategy was reviewed to ensure that it was appropriate for the enlarged trust and updated in December 2015.

This policy sets out the key responsibilities and accountabilities to ensure that risk is identified, evaluated and controlled. The board has overall responsibility but it delegates the work to the patient safety committee, which is chaired by a non-executive director.

At the RFL, risk is considered from the perspective of clinical risk, organisational risk and financial risk. The management of these risks is approached systematically to identify, analyse, evaluate and ensure economic control of existing and potential risks posing a threat to our patients, visitors and staff and

the reputation of the organisation. We recognise it is not possible to eliminate all elements of risk. The use of risk registers is fundamental to the control process.

Each division maintains a risk register containing clinical and non-clinical risks. All unresolved divisional risks are placed on divisional risk registers, which are monitored on a quarterly basis via the divisional quality safety boards (DQS). At the DQS boards, staff review and agree risk scoring and where extreme risks (scoring 15 or above) are confirmed, these will also be reviewed for potential inclusion on the trust risk register.

The trust risk register contains risks which might prevent the trust from achieving its corporate objectives. It includes risks where the score is confirmed as 15 or above following review by the patient safety and risk team in conjunction with the risk owner. Any risk scoring 15 or above or any strategic risk will be reflected in the BAF.

Risks are identified through third party inspections, recommendations, comments and guidelines from external stakeholders and internally through incident forms, complaints, risk assessments, audits (both clinical and internal), information from the patient advice and liaison service, benchmarking, claims and national survey results.

External stakeholders include the CQC, NHS Improvement, the Health and Safety Executive (HSE), the NHS Litigation Authority (NHSLA), the Medicines and Healthcare Products Regulatory Agency, the Information Commissioner's Office and health analytics company Dr Foster Intelligence.

The divisional boards ensure that operational staff identify and mitigate risk. Corporate committees provide internal assurance to the trust board that the mitigations are effective and the risks are adequately controlled. Risk is monitored and communicated via these committees reporting to the patient safety committee and ultimately the board. Our clinical audits, internal audit programme and external reviews of the organisation

(clinical pathology accreditation review, NHSLA assessment, HSE and CQC inspection) are the sources used to provide assurance that these processes are effective and risk monitoring is fully embedded.

The audit committee oversees and monitors the performance of the risk management system. Internal auditors (KPMG) and external auditors (PwC) work closely with this committee. KPMG undertakes reviews and provides assurances on the systems of control operating within the trust; two reviews of our risk processes were undertaken during 2015.

Risks to the trust's governing objectives are identified and tracked in the BAF along with the mitigating actions taken in the preceding quarter and those planned for the next year. The BAF is reviewed in a number of forums and quarterly by the trust board. Risks are graded as low, moderate, high and extreme. Any high or extreme risks require reporting within 24 hours of identification of the risk followed by appropriate action.

Responsibility for each risk is assigned to an individual executive with oversight by a designated board committee. By the year end, the BAF had tracked 22 risks which could potentially impact one of the trust's governing objectives.

The BAF also identifies three 'great risks' which summarise the key themes of the other risks which could potentially impact on a number of our governing objectives. These are:

- system relationships – encompassing the complexity of relationships between commissioners, providers, central bodies and other care providers and their impact on our ability to focus on delivering our own governing objectives
- pressures on staff – including risks around staff vacancies, managing agency staff and the increasing pressure being felt by staff, leading to less satisfaction at work
- transformational change – transformational change is

required to improve services to ensure that they continue to be sustainable; however there is a significant risk that shorter term demands and a lack of collaborative working compromise our ability to effect this change.

The results of internal audit reviews are reported to the audit committee which ensures system weaknesses are addressed. Procedures are in place to monitor the implementation of control improvements and to undertake follow-up reviews if systems are deemed less than adequate. Internal audit recommendations are robustly tracked via reports to the audit committee. The counter-fraud programme is also monitored by the audit committee.

Quality governance arrangements

As part of the governance arrangements, the board is satisfied that plans are in place and sufficient to ensure compliance with the CQC registration requirements.

The trust has adopted a robust framework of measurement and assurance for each standard by judging whether compliance is being achieved, reporting quarterly compliance to both the trust executive and the patient safety committee.

Sources of assurance include:

- quarterly review of CQC standards including action plans
- papers and minutes to the trust executive committee
- papers and minutes to the patient safety committee
- internal audit review of arrangements to ensure CQC compliance found adequate assurance for our arrangements as reported in January 2014

The trust has developed a quality guide which articulates how the trust ensures the provision of high quality services for its patients. It describes what quality means for the trust and how the trust sets a culture of quality

and high standards throughout the organisation. It complements both the trust's annual quality report, which reports on the quality of our services over a specific 12 month period and the annual complaints, litigation, incident, PALS and safety report which demonstrates themes in these processes and the learning undertaken during the year to prevent further risks. The quality guide is revised annually.

The trust had its quality governance arrangements comprehensively reviewed by Monitor as part of the authorisation process and has further developed our corporate and divisional processes following the acquisition. This process will continue to ensure we strengthen and robustly embed our quality governance structures and processes across the enlarged organisation.

Information governance

Information governance (IG) provides the framework for handling information in a secure and confidential manner. Covering the collection, storage and sharing of information, it will provide assurance that personal and sensitive data is managed legally, securely, efficiently and effectively in order to deliver the best possible care and service.

The chief information officer chairs the information governance group, the principal body overseeing the management of information risks. This group has a reporting line into the trust executive committee and oversees submission of the trust's information governance toolkit.

The trust's control and assurance processes for information governance include:

- the information governance group that reported in 2015/16 to the risk, governance and regulation committee at executive level and later to the board's patient safety committee
- the key structures in place, principally the senior information asset owners covering all patient and staff personal data areas

- a trained Caldicott Guardian, a trained senior information risk owner (SIRO) and a trained data protection officer
- a risk management and incident reporting process
- staff training
- information governance risk register
- an information governance toolkit that scored 68% (green satisfactory rating)
- internal audit review of the information governance toolkit

The SIRO's annual report for 2015/16 will be submitted to the patient safety committee in June 2016. Public bodies publish details of personal data-related incidents in their annual reports. In the NHS these details must be published in a specified form. That form has been changed with effect from this year and so the numbers in this year's report are not comparable with those published in last year's report.

In 2015/16 there were two serious incident (on 16 July 2015 and 14 December 2015), and several other incidents (see the following table). Incidents classified at a low severity rating are excluded from public bodies' reports.

Summary of serious incidents requiring investigations involving personal data as reported to the Information Commissioner's Office in 2015/16:

Date of incident	Nature of incident	Nature of data involved	Number of data subjects potentially affected	Notification steps
14 Dec 2015	Medical notes lost during office move	Patient confidential data (PCD) and sensitive data	157	Strategic executive information system (STEIS) and Information Commissioner's Office (ICO)
26 August 2015	A member of trust staff emailed patient data to the correct recipient at a commissioning support unit (CSU) but to a non-secure email address.	PCD	105	STEIS and ICO
16 July 2015	Sack of confidential waste was mistakenly included in general waste for disposal.	PCD	100+ (estimate)	STEIS and ICO
2 July 2015	NHS numbers were present within the address window for a number of hospital out-patient letters.	NHS numbers	30,000	STEIS and ICO
16 April 2015	Trust medical device that was sent for auction was found to be storing patient information by the auctioneers	PCD	2,850	STEIS and ICO

Summary of other personal data related incidents in 2015/16

Category	Breach type	Total
A	Corruption or inability to recover electronic data	0
B	Disclosed in error	11
C	Lost in transit	1
D	Lost or stolen hardware	1
E	Lost or stolen paperwork	1
F	Non-secure disposal – hardware	0
G	Non-secure disposal – paperwork	0
H	Uploaded to website in error	0
I	Technical security failing (including hacking)	0
J	Unauthorised access/disclosure	2
K	other	0

The corporate information governance risk register had one red rated risk (at 20) relating to cyber security and intrusion detection. This is being addressed via a cyber-security assessment and remediation programme.

The clinical performance committee is responsible for seeking and securing assurance that the trust's clinical services, research efforts and education activities achieve the high levels of performance expected of them by the board, namely "outcomes consistently in the top 10% in the UK versus relevant peers". Its scope includes:

- clinical outcomes, including three trust clinical priorities - (C.difficile rates, MRSA rates and hospital standardised mortality ratio (HSMR)) - and clinical performance metrics for each clinical business unit
- research productivity and educational effectiveness
- quality accounts
- outcomes achieved and management approach taken (including, but not limited to, accountabilities, processes, clinical governance arrangements, audit, information, training and development, consequences)

The clinical performance committee recommends to the board outcome measures that should be tracked and monitors these same outcomes at both trust and service line level. Part of the role of the committee is to seek assurance that the management approach to achieving consistently high performance is robust and therefore likely to justify confidence in future performance. It seeks to understand lessons learned through comparison between service lines that perform well and those that perform less well. It also organises and prepares evidence for the signing of NHS Improvement self-certifications on 'board statements – clinical quality'.

The clinical performance committee can commission detailed reviews of specialties where there may be a concern regarding clinical quality.

Each clinical division has a quality and safety board that regularly reviews key performance metrics in its area to identify and take action on local risk.

Risk registers are maintained within each clinical division and, along with other sources of information such as incident forms, audit and benchmarking, are used to populate the corporate risk register.

The trust's quality, innovation, productivity and prevention (QIPP) programme is integral to the quality improvement process and all QIPP projects are assessed for their potential impact on quality before and after implementation, including a detailed quality impact assessment. The board monitors a set of specific trust-wide quality metrics that may be adversely affected by cost improvement projects.

The trust's patient safety programme was launched in October 2014, to address specific patient safety themes formulated both from external guidance (eg surgical safety) and internal trends (eg medicines safety) by using continuous quality improvement methodology. The programme is led by the chief finance officer and each workstream has a clinical champion and workstream lead, as well as leads from the individual teams involved in day-to-day care. Core training for junior medical staff is now informed by the learning from serious incidents

There is a comprehensive programme of 'go see' visits, in which board directors and governors are paired with clinical areas that they visit on a regular basis. All staff are encouraged and reminded to complete incident report forms across a number of formal training programmes and also through regular local reinforcement via team managers and multi-disciplinary team meetings.

The trust participates in national in-patient and out-patient surveys and 'patient experience trackers' are used throughout the organisation to collect contemporaneous feedback from service users.

Stakeholders

Stakeholders have many opportunities to become involved in the work of the trust and to raise issues relating to risks which impact upon them.

Forums which they use include:

PATIENTS AND THE PUBLIC

- the patient advice and liaison service (PALS)
- the complaints team
- specific patient representative groups
- friends and family test
- the work of the local overview and scrutiny committees
- annual public meeting of the board
- the national patient survey programme
- local Healthwatch
- patient experience sub-group of council of governors
- council of governors' membership engagement group

STAFF

- annual NHS staff survey
- quarterly staff friends and family test (FFT)
- staff experience sub-group
- joint staff committee
- consultant staff committee
- monthly chief executive briefings
- executive and non-executive teams' go-see visits and shadowing
- junior doctors' executive forum

HEALTH PARTNERS

- work as a founding member of UCLPartners
- regular discussion of key issues and performance management arrangements with primary care trusts, clinical commissioning groups and GPs
- stakeholder membership of trust working groups, for example from the voluntary sector
- joint strategic planning meetings with healthcare partners

The Royal Free London NHS Foundation Trust is registered with and licensed by the Care Quality Commission (CQC), the independent regulator of health and adult social care services in England.

We are required to demonstrate compliance with the CQC's 16 essential standards across every service we provide. As at the date of this statement, the trust is fully compliant with the registration requirements of the CQC.

With regards to the trust's provider licence with NHS Improvement and specifically in relation to condition four (FT governance), the board is satisfied the trust fully complied with this licence condition and did not identify any principle risks to compliance.

The trust board is responsible for the periodic review of the overall governance arrangements, both clinical and non-clinical, to ensure that they remain effective. The governance arrangements were comprehensively reviewed externally in 2012 as part of the foundation trust authorisation process and found to be robust. Strengthened board committee arrangements were introduced in early 2014 in response to both the Francis Report and Care Quality Commission (CQC) changes. Also, as part of the acquisition of Barnet and Chase Farm Hospitals NHS Trust in 2014, a risk assessment and external accountants' review took place which provided further assurance.

In accordance with the NHS Improvement's Risk Assessment Framework there is a requirement for all foundation trusts to carry out an external review of their governance every three years. The trust intends to commission an external well-led governance review during 2016/17.

Pension membership

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 members' pension scheme records are accurately updated in accordance with the timescales detailed in the regulations.

Equality and diversity

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

Carbon reduction delivery plans

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

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

The trust has a range of processes to ensure that resources are used economically, efficiently and effectively. This includes clear and effective management and supervision arrangements for staff and the presentation of monthly finance and performance reports to the finance and performance committee, trust executive committee and to the board.

The trust has an agreed risk-based annual audit programme with the trust's internal auditors. These audit reports are aimed at evaluating our effectiveness in operating in an efficient and effective manner and are focused on reviewing our operational arrangements for securing best value and optimum use of resources in respect of the services we provide. Our external auditors are required as part of their annual audit to satisfy themselves the trust has made proper arrangements for securing economy,

efficiency and effectiveness in its use of resources and report by exception if in their opinion the trust has not.

Annual 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 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.

The quality report and quality accounts are critical to providing information to the public as well as stakeholders on the quality of care provided. An important aspect of developing our quality accounts is that its contents are developed by talking to groups of interested parties and for their views to be reflected in our final report. The trust has produced six successive quality accounts since 2010 and the development of our 2015/16 quality report and quality accounts aim to develop these through leadership of the three governing priorities for quality:

- patient safety
- clinical effectiveness
- patient experience

In order to set our high-level quality objectives for 2016/17, the trust will undertake a series of engagement exercises with stakeholders; for example our members' council and our staff participated in an online survey during March 2016 to provide feedback for our 2016/17 priorities.

In January 2016 the clinical performance committee discussed possible clinical effectiveness priorities for 2016/17 and agreed the pathway to determine which priority to set. The user and staff experience committee the same month discussed the possible patient experience priorities for 2016/17 and there were similar discussions by our patient safety committee. We hosted an engagement event with external and internal stakeholders during

February 2016. Following this work, our executive committee proposed our 2016/17 quality improvement priorities to the board in April 2016 and approved the data for reporting in our draft quality accounts to assure consistency and accuracy with performance data received during 2015/16.

Review of effectiveness

As accounting officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of its effectiveness is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the 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, clinical performance committee and patient safety committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the board assurance framework (BAF) and on the controls reviewed as part of the internal audit work. My review of the effectiveness of the system of internal control is informed by executives and managers within the organisation, who have responsibility for the development and maintenance of the system of internal control and the assurance framework. The BAF itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its objectives have been reviewed.

The assurance framework has been reviewed by the trust's internal auditors. They have confirmed that a BAF has been established which is designed and operating to meet the requirements of the 2015/16 annual governance statement. Their opinion provided 'substantial assurance with minor improvements required' that there is an effective system of internal control to manage the principal risks identified by the organisation and stated that no significant issue remained outstanding at the year-end which would impact that opinion.

The board reviews risks to the delivery of the trust's performance objectives through monthly monitoring and discussion of the performance in the key areas of finance, activity, national targets, patient safety and quality and workforce. This enables the executive board and the board to focus and address key issues as they arise.

The audit committee oversees the effectiveness of the trust's overall risk management and internal control arrangement. On behalf of the board, it independently reviews the effectiveness of risk management systems in ensuring all significant risks are identified, assessed, recorded and escalated as appropriate. The audit committee regularly receives reports on internal control and risk management matters from the internal and external auditors and is supported in this oversight role by the work of the clinical performance committee.

None of the internal or external auditors' reports considered by the audit committee during 2015/16 raised significant internal control issues. There is a full programme of clinical audit which is agreed by the clinical performance committee.

In February 2016, the CQC undertook a planned comprehensive trust-wide inspection across our three main hospitals, Barnet, Chase Farm and the Royal Free. At the time of our inspection, no immediate actions were requested by the CQC and their final inspection report is expected to be issued in June/July 2016.

The responsibility for compliance with the CQC essential standards is allocated to lead executive directors who are responsible for maintaining evidence of compliance. The trust is addressing all areas of under-performance and non-compliance either through external inspections and patient and staff surveys, raised by stakeholders, including patients, staff, governors and others or identified by internal peer review.

From a regulatory perspective, as at 31 March 2016, the trust failed to meet the cancer 62-day wait for first treatment and the A&E four-hour standard wait target and was allocated a financial risk rating of 1 under NHS Improvement's risk assessment framework. In quarter 1, the trust was placed under review for its governance risk rating due to a capacity rating of 1.

Conclusion

The board is committed to continuous improvement of its governance arrangements to ensure that systems are in place that ensure risks are correctly identified and managed and that serious incidents and incidents of non-compliance with standards and regulatory requirements are escalated and are subject to prompt and effective remedial action so that the patients, service users, staff and stakeholders of the RFL can be confident in the quality of the service we deliver and the effective, economic and efficient use of resources.

My review confirms that, other than those mentioned above, Royal Free London NHS Foundation Trust has sound systems of internal control with no significant internal control issues having been identified in this report.



David Sloman
Chief executive
25 May 2016



"I can now live my life in exactly the way I want. There isn't anything I can't do and that is down to the care at the Royal Free Hospital."

Meet Ant

Ant Babajee, who has been living with HIV since 2007, praises the pioneering work of the Ian Charleson Day Centre (ICDC).

Ant, 38, has been receiving care at the ICDC at the Royal Free Hospital for the past eight years.

He said that, although it was devastating to be given his diagnosis, with support from staff at the ICDC, and HIV charity the Terrence Higgins Trust, he has “turned it into a very small part” of his life.

Patients diagnosed with HIV can now expect a normal life expectancy – but only if they are diagnosed early and commit to the right treatment.

“It is never going to feel ok getting an HIV diagnosis,” said Ant, who is also a campaigner and trustee of the Terrence Higgins Trust. “It is emotionally devastating. There is no cure for HIV but there is life-saving medication – that is why getting tested is so important. HIV in 2016 is something that you can live with and live with successfully.”

When Ant started treatment it involved taking a combination of antiretroviral drugs, which are drugs that stop the virus replicating. After six months of treatment the virus dropped to undetectable levels, so it cannot be transmitted to anyone else.

In 2012 Ant was offered the chance to take part in a clinical trial for monotherapy, which involved him taking just one class of antiretroviral drug in order to keep his virus levels down, rather than a combination of drugs.

“For me, taking part in the trial was really successful,” said Ant. “The virus levels remained undetectable for the two year period of the trial, so I have continued to take just one class of antiretrovirals known as protease inhibitors. I take two tablets every day and that’s it. I know the staff at the ICDC are world leaders when it comes to research and it felt good to be involved in that study.”

Ant now sees staff at the ICDC only once every six months for a check-up and they send him results of any tests by email.

“I find that really convenient as it means I only have to come in once,” said Ant.

“I know if patients feel more comfortable they can come back in to collect their results but this way works for me.

“The staff at the ICDC have always been so supportive; I can’t praise them enough. They place so much importance on involving me in the decisions about my care; they are just fantastic. I know I wouldn’t be where I am if it were not for the support they have given me over the years. I can now live my life in exactly the way I want. There isn’t anything that I can’t do and that is down to the care at the Royal Free Hospital.”

Meet Thelma

In 2012 Thelma Gouge, 72, was referred to Barnet Hospital's radiology department for a lung biopsy in order to confirm a cancer diagnosis.

At any other hospital in the country this procedure would have involved the patient being admitted to a hospital bed for at least six hours to monitor for lung collapse. If her lung had collapsed, she would have been treated with a traditional chest drain, requiring her to remain in hospital for several days until her lung re-expanded.

However, clinicians at Barnet Hospital are the first in the country to treat lung collapse with a small, compact device called the Heimlich valve chest drain (HVCD), which fits under clothes and allows patients to be treated safely and effectively in their own home and in a fraction of the time.

Thelma said: "It didn't take long to fit the HVCD and I was able to go home wearing it straight after. All I had to do was keep testing myself and once my lung had re-inflated I was able to pop back to the hospital to have it taken out. I didn't even have to make an appointment.

"The benefits of the HVCD became obvious when I had a biopsy at another hospital as part of a trial for a new cancer treatment and my lung collapsed. There they used the traditional chest drain, which was cumbersome and uncomfortable. I had to take painkillers and stay in hospital for three days. After I was discharged, my lung collapsed again. I went back to Barnet Hospital to have the Heimlich drain put in and once again was allowed to return home straight afterwards."

She added: "I'm a carer for my husband, Michael, so it's very important for me to be able to go home. That's my priority, and I'm able to do that with the portable chest drain. You can do anything with it. You have to be careful and you don't want to knock it about. But apart from that you just carry on as normal.

"It was empowering to be able to control my own care."



**"It was empowering
to be able to control
my own care."**

Annual Accounts

Foreword to the accounts

The accounts for the year ended 31 March 2016 are prepared in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.



David Sloman

Chief Executive

Date: 25 May 2016

Independent auditors' report to the Council of Governors of the Royal Free London NHS Foundation Trust

Report on the financial statements

Our opinion

In our opinion, the Royal Free London NHS Foundation Trust's (the "trust") financial statements (the "financial statements"):

- give a true and fair view of the state of the trust's affairs as at 31 March 2016 and of its income and expenditure and cash flows for the year then ended 31 March 2016; and
- have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.

What we have audited

The financial statements comprise:

- the Statement of Financial Position as at 31 March 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash flows for the year then ended;
- the Statement of Changes in Taxpayer's Equity for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report and Accounts 2015/16 (the "Annual Report"), rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is the NHS Foundation Trust Annual Reporting Manual 2015/16 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Our audit approach

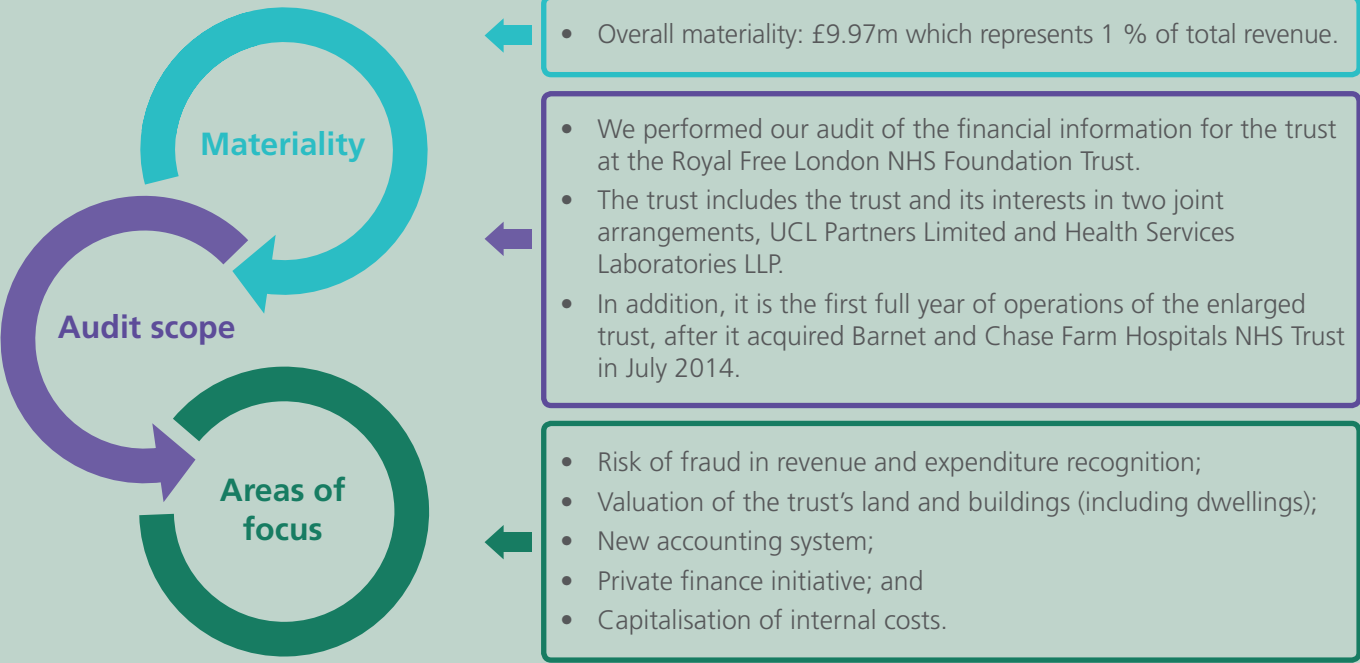
Context

The Royal Free London NHS Foundation Trust's main activities are based at the Royal Free Hospital, Barnet Hospital and Chase Farm Hospital.

The trust provides a full range of hospital services to the local community including emergency and intensive care, medical and surgical care, elderly care, paediatric and maternity care as well as diagnostic and clinical support. The trust also provides a network of services in other hospitals and centres across north London and Hertfordshire. The trust is a regional centre for kidney and liver diseases, including transplants, as well as having a high level isolation unit.

Our 2015/16 audit was planned and executed having regard to the fact that the trust's operations were largely unchanged in nature from the previous year. In light of this, our approach to the audit in terms of scoping and areas of focus was largely unchanged other than the inclusion of two additional areas of focus which related to:

- The trust undertaking two significant construction projects during 2015/16, being the redevelopment of Chase Farm Hospital as well as the redevelopment of the Accident and Emergency department at the Royal Free Hospital.
- The trust implemented a new accounting system at the beginning of the financial year in migrating two legacy systems into one new system.



The scope of our audit and our areas of focus

We conducted our audit in accordance with the National Health Service Act 2006, the Code of Audit Practice and relevant guidance issued by the National Audit Office on behalf of the Comptroller and Auditor General (the “Code”) and, International Standards on Auditing (UK and Ireland) (“ISAs (UK & Ireland)”).

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as “areas of focus” in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	How our audit addressed the area of focus
<p>Risk of fraud in revenue and expenditure recognition</p> <p><i>See note 1 to the financial statements for the trust's disclosures of the related accounting policies, judgements and estimates relating to the recognition of revenue and expenditure, and notes 2 to 5 for further information.</i></p> <p>Under ISA (UK&I) 240 there is a (rebuttable) presumption that there are risks of fraud in revenue recognition. We extend this presumption to the recognition of expenditure in the NHS in general.</p> <p>The main source of revenue for the trust is from contracts with commissioning bodies in respect to healthcare services, under which revenue is recognised when, and to the extent that, healthcare services are provided to patients. This is contracted through a Service Level Agreement ('SLA').</p> <p>We focused on this area because there is a heightened risk due to:</p> <ul style="list-style-type: none"> the trust being under increasing financial pressure. Whilst the trust is looking at ways to maximise revenue and reduce expenditure, there is an incentive for the trust to recognise as much revenue as possible in 2015/16 and defer expenditure to 2016/17. the operating position of the trust and therefore the further risk that the directors may defer recognition of expenditure (by under-accruing for expenses that have been incurred during the period but which were not paid until after the year-end) or not record expenses accurately in order to improve the financial results. <p>We considered the key areas of focus to be:</p> <ul style="list-style-type: none"> recognition of revenue and expenditure; manipulation of journal postings to the general ledgers; and recognition and measurement of estimates. 	<p>Recognition of revenue and expenditure</p> <p>We evaluated and tested the accounting policy for revenue and expenditure recognition to ensure that it is consistent with the requirements of the NHS Foundation Trust Annual Reporting Manual 2015/16 and we noted no issues in this respect.</p> <p>Where revenue or expenditure was recorded through journal entries, we traced the journal to patient records or invoices on a sample basis to establish whether a service had been provided or a sale occurred. We did not identify any transactions that were indicative of fraud in the recognition of revenue or expenditure.</p> <p>We tested patient activity revenue by agreeing the amounts recognised in the revenue statements to contracts and to the trust's patient activity systems to ensure that amounts were contractually due, reflected actual activity and to confirm when the activity occurred.</p> <p>We tested a sample of other revenue by tracing the transaction to invoices or other correspondence, and using our knowledge and experience in the sector, to determine whether the revenue was recognised in the correct period. Items of other revenue included private patient revenue, overseas patient revenue, education and training and research and development.</p> <p>Similarly, for expenditure, we selected a number of payments made by agreeing them to the supplier invoices received to ensure they were recognised at the correct value and in the correct period.</p> <p>Furthermore, we performed testing to make sure there were no unrecorded liabilities by agreeing large payments made and invoices received after the year end to supporting documentation and checking that, where they related to 2015/16 expenditure, an accrual was recognised appropriately.</p> <p>Lastly, we evaluated the extent and results of the trust's engagement with the NHS agreement of balances exercise at the year-end. Where we noted differences for the trust in the NHS agreement of balances, we corroborated the reason for the difference by considering correspondence between the trust and the other NHS body. We noted no significant issues.</p> <p>Manipulation of journal postings to the general ledgers</p> <p>Our journals work was carried out using a risk based approach across the general ledger used by the trust. We used data analysis techniques to identify the journals that had higher risk characteristics.</p> <p>We found the journals posted to be supported by that documentation, consistent with it and recognised in the correct accounting period.</p> <p>Recognition and measurement of estimates</p> <p>We evaluated and tested the trust's accounting estimates focusing on:</p> <ul style="list-style-type: none"> the valuation of the trust's property, plant and equipment; the useful economic lives of the trust's property, plant and equipment; the provisions recognised at year-end; the provision for impaired receivables; and deferred revenue at year-end. <p>We challenged the assumptions made by the trust using invoices, contracts, surveyor reports, restructuring plans and correspondence where applicable, and noted no material issues.</p> <p>In particular, we considered the current year activity for each estimate to assess whether the estimates recognised in the prior year balance sheet had been optimistic. From the testing performed, we consider the accounting estimates to be appropriate.</p>

Area of focus	How our audit addressed the area of focus
<p>Valuation of the trust's land and buildings (including dwellings)</p> <p><i>See note 1 to the financial statements for the trust's disclosures of the related accounting policies, judgements, estimates, and use of experts relating to the valuation of the trust's land and buildings (including dwellings), and note 15 for further information.</i></p> <p><i>The trust is required to regularly revalue its assets in line with the NHS Foundation Trust Annual Reporting Manual 2015/16.</i></p> <p>We have focused on this area due to the material nature of this balance, and the consequent impact on the financial statements were it to be materially misstated.</p> <p>As at the balance sheet date in 2015/16, the trust's land and buildings (including dwellings) are valued at £450 million (2014/15: £422 million). The financial statements show a revaluation gain of £22 million through the Statement of Changes in Taxpayer's Equity (2014/15: £5 million).</p> <p>All property, plant and equipment is measured initially at cost, with land and buildings (including dwellings) subsequently measured at fair value.</p> <p>Valuations are performed by a professionally accredited expert, in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual, and performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the balance sheet date.</p> <p>The specific areas of risk are:</p> <ul style="list-style-type: none"> • accuracy and completeness of detailed information on assets provided to the valuation expert – most significantly the floor plans, on which the valuation of hospital properties is routinely based; • the methodology, assumptions and underlying data used by the valuation expert; and • the accounting transactions resulting from this valuation. 	<p>We obtained and read the relevant sections of the valuation performed by the trust's Valuers. We used our own valuations expertise to evaluate and challenge the assumptions and methodology applied in the valuation exercise. We found the assumptions and methodology applied to be consistent with our expectations.</p> <p>We checked that the valuer had a UK qualification, was part of an appropriate professional body and was not connected with the trust.</p> <p>We considered, based on our knowledge of the trust obtained during our audit, whether the trust had any future plans that would impact on the usage (and, hence, valuations) of the properties. Our testing did identify any such matters.</p> <p>We tested the underlying data (upon which the valuation was based) back to floor plans for a sample of properties. We found the valuation to have been based on up to date floor areas.</p> <p>We checked that the change in valuation was disclosed in the Annual Report and correctly reflected in the trust's workings and the general ledger. This we did by testing a sample of asset values which had increased or decreased by checking the trust had posted the journals to account for the valuation correctly, and found that, for all assets tested, the revaluation had been posted accordingly in the general ledger.</p> <p>We physically verified a sample of assets to confirm existence and in doing so considered whether there was any indication of physical obsolescence which would indicate potential impairment; our testing did not identify any such indicators.</p>

Area of focus	How our audit addressed the area of focus
<p>New accounting system</p> <p>Following the acquisition of Barnet and Chase Farm Hospitals NHS Trust in 2014/15 by the trust, there existed two general ledgers.</p> <p>At the start of the financial year in April 2015, the trust adopted a new general ledger. It migrated the data held on the two legacy general ledgers to this new general ledger.</p> <p>There is an inherent risk that data migrated from one system to another system may have been deleted, transferred incorrectly or corrupted.</p> <p>This is heightened on account of how the migration was from two legacy general ledgers.</p>	<p>We obtained the trust's reconciliation from the legacy general ledgers to the new general ledger.</p> <p>We checked the accuracy and completeness of the trust's reconciliation by fully re-performing the reconciliation.</p> <p>In addition, we obtained the closing balances from the legacy general ledgers, and then confirmed these balances were transferred across accurately to the new general ledger as the opening balances. We noted no significant variances.</p> <p>We obtained the trust's mapping document for the new general ledger. We checked that the mapping from the legacy general ledgers to the new general was consistent. We noted no issues.</p>

Area of focus	How our audit addressed the area of focus
<p>Private finance initiative ('PFI')</p> <p><i>See note 1 to the financial statements for the trust's disclosures of the related accounting policies, judgements, estimates, and use of experts relating to the recognition and valuation of the Trust's PFI, and note 30 for further information.</i></p> <p>Following the acquisition of Barnet and Chase Farm Hospitals NHS Trust during 2014/15, the trust took ownership of a PFI in relation to Barnet Hospital. Barnet Hospital operates under a PFI arrangement with Metier Healthcare, which began in February 1999 under a 33-year contract for the provision of a fully managed hospital.</p> <p>The PFI has been recognised as an "on-statement of financial position service concession contracts" under IFRIC 12. As a result, the underlying assets are recognised as property, plant and equipment at their fair value, together with an equivalent finance lease liability.</p> <p>In 2014/15, we understood the nature of the arrangement in place to confirm we were comfortable with its recognition. We noted no issues.</p> <p>However, in understanding the PFI model, we noted the incorrect application of construction costs and lifecycle costs within the model on which the accounting is based.</p> <p>Building upon our work in 2014/15, the trust engaged a Specialist to consider the key assumptions required in order to undertake a full financial analysis. The Specialist created an updated financial model.</p> <p>As a result of this work, the trust has:</p> <ul style="list-style-type: none"> restated its finance lease creditor for the PFI arrangement as at 1 April 2015 based on the updated model; and included a net credit adjustment of £5 million to operating expenditure in year. 	<p>Updated PFI model</p> <p>We obtained and read the relevant sections of the work performed by the trust's PFI Specialist. We used our own PFI expertise to evaluate and challenge the assumptions and methodology applied in the remodelling exercise. We found the assumptions and methodology applied to be consistent with our expectations.</p> <p>We checked that the PFI Specialist had a UK qualification, was part of an appropriate professional body and was not connected with the trust.</p> <p>Net credit adjustment</p> <p>We evaluated and tested the accounting treatment of the PFI to ensure that it is consistent with the requirements of the NHS Foundation Trust Annual Reporting Manual 2015/16 and we noted no issues in this respect.</p> <p>We checked that the net credit adjustment made to operating expenditure in year was disclosed in the annual report and correctly reflected in the trust's workings and the general ledger. No issues were identified.</p> <p>We checked that the trust correctly disclosed the PFI in its financial statements. No issues were identified.</p>

Area of focus	How our audit addressed the area of focus
<p>Capitalisation of internal costs</p> <p><i>See note 1 to the financial statements for the trust's disclosures of the related accounting policies, judgements and estimates, relating to the capitalisation of expenditure, and note 15 for further information.</i></p> <p>The trust is required to capitalise its expenditure in line with the NHS Foundation Trust Annual Reporting Manual 2015/16.</p> <p>The trust undertook two significant construction projects during 2015/16, being the redevelopment of Chase Farm Hospital as well as the redevelopment of the Accident and Emergency department at the Royal Free Hospital.</p> <p>Capitalisation of staff costs and borrowing costs on new developments are an area of judgement and subjectivity. Such costs may only be capitalised if they are incremental and are directly attributable to an asset that provides a benefit, be that economic or increased service potential, to the trust.</p> <p>During 2015/16, the trust capitalised £7 million of staff costs (2014/15: £5 million). However, the trust did not capitalise any borrowing costs in 2015/16, which is consistent with 2014/15.</p> <p>The trust will be capitalising staff costs over the course of the redevelopment works.</p>	<p>We evaluated and tested the accounting policy for the capitalisation of expenditure (including staff and borrowing costs) to ensure that it is consistent with the requirements of the NHS Foundation Trust Annual Reporting Manual 2015/16 and we noted no issues in this respect.</p> <p>We tested a sample of new capital additions in the year to confirm they had been valued correctly. This involved agreement back to supporting invoice. We noted no issues.</p> <p>We also specifically tested a sample of staff salaries which were capitalised in the year to confirm they have been valued and allocated as capital correctly. This involved agreement back to payslips and understanding the role of the individual whose costs have been capitalised. We noted no issues.</p> <p>For borrowing costs, as no costs were capitalised, no testing was required.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the trust, the accounting processes and controls, and the environment in which the trust operates.

The trust comprises a single entity with all books and records retained at the finance team in Enfield Civic Centre. We conducted our audit at the headquarters. We focussed our work on the areas of focus described above.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£9.97m (2015: £9.08m)
How we determined it	1% of revenue (2015: 1% of revenue)
Rationale for benchmark applied	We applied this benchmark, which is a generally accepted measure when auditing not-for-profit organisations. This is because we believe this to be the most appropriate financial measure of the performance of the Foundation Trust. We believe this is the appropriate benchmark to calculate overall materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £425k (2015: £425k) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Other reporting in accordance with the Code

Opinions on other matters prescribed by the Code

In our opinion:

- 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;
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16; and
- the part of the Staff Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.

Other matters on which we are required to report by exception

We are required to report to you if, in our opinion:	
<ul style="list-style-type: none"> information in the Annual Report is: <ul style="list-style-type: none"> materially inconsistent with the information in the audited financial statements; or apparently materially incorrect based on, or materially inconsistent with, our knowledge of the trust acquired in the course of performing our audit; or otherwise misleading. 	We have no exceptions to report.
<ul style="list-style-type: none"> the statement given by the directors on page 33, in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance, that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the trust's performance, business model and strategy is materially inconsistent with our knowledge of the trust acquired in the course of performing our audit. 	We have no exceptions to report.
<ul style="list-style-type: none"> the section of the Annual Report on page 47, as required by provision C.3.9 of the NHS Foundation Trust Code of Governance, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee. 	We have no exceptions to report.
<ul style="list-style-type: none"> the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 or is misleading or inconsistent with information of which we are aware from our audit. We have not considered whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls. 	We have no exceptions to report.
We are also required to report to you if:	
<ul style="list-style-type: none"> we have referred a matter to Monitor under paragraph 6 of Schedule 10 to the NHS Act 2006 because we had reason to believe that the trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or 	We have no exceptions to report.
<ul style="list-style-type: none"> we have issued a report in the public interest under paragraph 3 of Schedule 10 to the NHS Act 2006. 	We have no exceptions to report.

Arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code we are required to report to you if we are not satisfied that the trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016. We have nothing to report as a result of this requirement.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.

Our responsibility is to audit and express an opinion on the financial statements in accordance with the National Health Service Act 2006, the Code, and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Council of Governors of the Royal Free London NHS Foundation Trust as a body in accordance with paragraph 24 of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Responsibilities for securing economy, efficiency and effectiveness in the use of resources

Our responsibilities and those of the trustees

The trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We are required under paragraph 1(d) of Schedule 10 to the NHS Act 2006 to satisfy ourselves that the trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report to you where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code, having regard to the criterion determined by the Comptroller and Auditor General as to whether the trust has proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary.

Certificate

We certify that we have completed the audit of the financial statements in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Code.



Lynn Pamment (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers
LLP Chartered Accountants and Statutory Auditors
London
27 May 2016

- (a) The maintenance and integrity of the Royal Free London NHS Foundation Trust website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of comprehensive income for year ended 31 March 2016

	NOTE	2015/16 £000	2014/15 £000
Operating income from patient care activities	3	857,405	764,186
Other operating income	4.1	103,507	102,338
Exceptional operating income	4.2	35,740	41,210
Total operating income from continuing operations		996,652	907,734
Operating expenses	5.1	(1,015,413)	(908,971)
Operating surplus/(deficit) from continuing operations		(18,761)	(1,237)
Finance income	10	202	290
Finance expenses	11.1	(6,453)	(4,394)
Gain on disposal of property, plant and equipment	13	6,774	11,051
PDC dividends payable		(14,607)	(11,533)
Net finance costs		(14,084)	(4,586)
Share of profit in joint arrangements	18	1,435	-
Gains arising from transfers by absorption		-	186,835
(Deficit) /surplus for the year		(31,410)	181,012
OTHER COMPREHENSIVE (EXPENSE)/INCOME			
Will not be reclassified to income and expenditure:			
Impairments	6	(56,034)	(6,602)
Revaluations	15.1, 15.2	77,855	11,956
Total comprehensive (expense)/income for the period		(9,589)	186,366

Note to the Statement of Comprehensive Income

The board of directors primarily review the trust performance on the basis of the earnings before interest, taxation, depreciation and amortisation.

Earnings before interest, taxation, depreciation and amortisation		26,317	31,158
Income from donated assets	4.1	126	-
Depreciation on property, plant and equipment	5.1	(26,598)	(23,290)
Amortisation on intangible assets	5.1	(2,463)	(2,139)
Investment income	10	202	290
Finance expenses	11.1	(6,453)	(4,394)
Public dividend capital dividends payable		(14,607)	(11,533)
		(23,476)	(9,908)
Gain on disposal of property, plant and equipment	13	6,774	11,051
Loss on disposal of property, plant and equipment		-	(737)
Loss on disposal of intangible assets		-	(1,581)
Impairments of property, plant and equipment	6	(16,143)	(4,648)
Share of profit in joint arrangements	18	1,435	-
(Deficit) before gains arising from transfers by absorption		(31,410)	(5,823)
Gains arising from transfers by absorption		-	186,835
Retained (deficit)/surplus for the year		(31,410)	181,012

Statement of financial position as at 31 March 2016

	NOTE	31 March 2016 £000	31 March 2015 £000
NON-CURRENT ASSETS			
Intangible assets	14.1, 14.2	9,420	7,218
Property, plant and equipment	15.1, 15.2	527,601	487,878
Investments in associates and joint ventures	18	10,313	2,252
Trade and other receivables	20.1	820	6,704
Total non-current assets		548,154	504,052
CURRENT ASSETS			
Inventories	19	9,019	9,622
Trade and other receivables	20.1	162,652	94,898
Non-current assets for sale and assets in disposal groups	21	8,392	16,592
Cash and cash equivalents	22.1	15,725	94,573
Total current assets		195,788	215,685
CURRENT LIABILITIES			
Trade and other payables	23.1	(166,630)	(130,471)
Other liabilities	24	(9,218)	(6,990)
Borrowings	25	(2,967)	(2,727)
Provisions	27	(6,879)	(9,513)
Total current liabilities		(185,694)	(149,701)
Total assets less current liabilities		558,248	570,036
NON-CURRENT LIABILITIES			
Trade and other payables	23.1	(402)	(400)
Other liabilities	24	(3,938)	(4,106)
Borrowings	25	(59,391)	(72,991)
Provisions	27	(6,456)	(6,424)
Total non-current liabilities		(70,187)	(83,921)
Total assets employed		488,061	486,115
FINANCED BY			
Public dividend capital		408,761	397,226
Revaluation reserve		180,245	163,008
Income and expenditure reserve		(100,945)	(74,119)
Total taxpayers' equity		488,061	486,115

The notes on pages 103 to 139 form part of these accounts.

The accounts on pages 99 to 139 were approved by the Board on 25 May 2016 and signed on its behalf by:

David Sloman
Chief executive
25 May 2016

Statement of changes in taxpayers' equity for the year ended 31 March 2016

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2015				
- brought forward	397,226	163,008	(74,119)	486,115
(Deficit) for the year	-	-	(31,410)	(31,410)
Impairments	-	(56,034)	-	(56,034)
Revaluations	-	77,855	-	77,855
Transfer to retained earnings on disposal of assets	-	(4,584)	4,584	-
Public dividend capital received	11,535	-	-	11,535
Taxpayers' and others' equity at 31 March 2016	408,761	180,245	(100,945)	488,061

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2014 - brought forward	193,538	55,927	(6,767)	242,698
Surplus for the year	-	-	181,012	181,012
Transfers by absorption: transfers between reserves	146,637	103,708	(250,345)	-
Other transfers between reserves	-	(1,981)	1,981	-
Impairments	-	(6,602)	-	(6,602)
Revaluations	-	11,956	-	11,956
Public dividend capital received	57,051	-	-	57,051
Taxpayers' equity at 31 March 2015	397,226	163,008	(74,119)	486,115

Information on reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

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

Income and expenditure reserve

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

Statement of cash flows for the year ended 31 March 2016

	NOTE	2015/16 £000	2014/15 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating surplus/(deficit)		(18,761)	(1,237)
Non-cash income and expense:			
Depreciation and amortisation	5.1	29,061	25,429
Impairments and reversals of impairments	6	16,143	4,648
Loss on disposal of non-current assets		-	2,318
Income recognised in respect of capital donations	4.1	(126)	-
(Increase)/decrease in receivables and other assets		(77,288)	13,194
Decrease /(increase) in inventories		603	(522)
Increase/(decrease) in payables and other liabilities		41,492	(17,592)
(decrease) in provisions		(2,693)	(208)
Other movements in operating cash flows		199	72
Net cash generated from/(used in) operating activities		(11,370)	26,102
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		202	290
Purchase and sale of financial assets		(6,625)	(2,252)
Purchase of intangible assets		(2,799)	-
Purchase of property, plant, equipment and investment property		(66,125)	(40,939)
Sales of property, plant, equipment and investment property		29,947	-
Receipt of cash donations to purchase capital assets		126	-
Net cash (used in) investing activities		(45,274)	(42,901)
CASH FLOWS FROM FINANCING ACTIVITIES			
Public dividend capital received		11,535	57,051
Movement on loans from the Department of Health		(1,578)	10,000
Capital element of finance lease rental payments		(113)	(225)
Capital element of PFI, LIFT and other service concession payments		(11,669)	(881)
Interest paid on finance lease liabilities		(1,360)	(1,130)
Interest paid on PFI, LIFT and other service concession obligations		(4,093)	(2,363)
Other interest paid		(879)	(821)
PDC dividend paid		(14,047)	(12,754)
Net cash generated (used in)/from financing activities		(22,204)	48,877
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(78,848)	32,078
Cash and cash equivalents at 1 April		94,573	61,686
Cash and cash equivalents transferred under absorption accounting		-	809
Cash and cash equivalents at 31 March	22.1	15,725	94,573

Notes to the accounts

1 Accounting policies and other information

Basis of preparation

Monitor is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the FT ARM which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the FT ARM 2015/16 issued by Monitor. The accounting policies contained in that manual follow IFRS and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

Going concern

After making enquiries, the directors have a reasonable expectation that the NHS foundation trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

1.1 Interests in other entities

Associates

Associate entities are those over which the trust has the power to exercise a significant influence. Associate entities are recognised in the trust's accounts using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, e.g. share dividends, are received by the trust from the associate.

Joint ventures

Joint ventures are arrangements in which the trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement.

Joint ventures are accounted for using the equity method.

1.2 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 the trust is contracts with commissioners in respect of health care services. Income relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay.

Where income is received for a specific activity which is to be delivered in a subsequent 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 sums due under the sale contract.

1.3 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. It is not possible for the NHS foundation trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

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 the method of payment.

1.4 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.

1.5 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably;
- the item has a cost of at least £5,000 or collectively a number of items have a cost of at least £5,000 and individually have 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; and
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Measurement

Valuation

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

All assets are measured subsequently at fair value. Land and buildings used for the trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any impairment, subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- land and non-specialised buildings – market value for existing use
- specialised buildings – depreciated replacement cost

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets. Where the location requirements of the service being provided can be met, the approach can value on an alternative site.

Properties in the course of construction for service or administration purposes are carried at cost less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by international accounting

standard IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Subsequent expenditure

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

Depreciation

Items of property, plant and equipment are depreciated 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. Assets in the course of construction are not depreciated until the asset is brought into use.

Revaluation gains and losses

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

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

Gains and losses recognised in the revaluation reserve are reported in the statement of comprehensive income as an item of other comprehensive income.

Impairments

In accordance with the FT ARM, impairments that arise from 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.

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

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

Derecognition

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

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

Private finance initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as on-statement of financial position by the trust. In accordance with 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 service charge is recognised in operating expenses and the finance cost is charged to finance costs in the statement of comprehensive income.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- Payment for the fair value of services received
- Payment for the PFI asset, including finance costs
- Payment for the replacement of components of the asset during the contract "lifecycle replacement"

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within "operating expenses".

PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the trust's approach for each relevant class of asset in accordance with the principles of IAS 16.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to finance costs within the statement of comprehensive income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the

lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the statement of comprehensive income.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ("lifecycle replacement") are capitalised where they meet the trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a "free" asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the trust 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 the trust's statement of financial position.

Useful economic lives of property, plant and equipment

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

Land - infinite

Buildings excluding dwellings 2 - 95 years

Dwellings 4 - 95 years

Plant and machinery 5 - 20 years

Transport equipment - 7 years

Information technology 3 - 5 years

Furniture and fittings - 7 years

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

1.6 Intangible assets

Recognition

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

Internally generated intangible assets

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

Expenditure on research is not capitalised.

Expenditure on development is capitalised 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

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

Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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

Amortisation

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

Useful economic life of intangible assets

All intangible assets have finite lives and as such are amortised on a straight line basis over their useful economic life. The useful life is reviewed at each annual reporting date. The trust's intangible assets have not been revalued at 31 March 2016 or 31 March 2015 as they are considered unique. As such there is no revaluation reserve relating to intangible assets.

1.7 Revenue government and other grants

Government grants are grants from government bodies other than income from commissioners or NHS trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the statement of comprehensive income to match that expenditure. This is considered to be a reasonable approximation to current cost.

1.8 Inventories

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

1.9 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 the trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, ie, 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 above/below.

All other financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument.

Derecognition

All financial assets are derecognised when the rights to receive cash flows from the assets have expired or the trust 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 as "fair value through income and expenditure", loans and receivables or "available-for-sale financial assets".

Financial liabilities are classified as "fair value through income and expenditure" or as "other financial liabilities".

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, the trust 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.

1.10 Leases

Finance leases

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

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

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost

is charged to finance costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

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.

1.11 Provisions

The NHS foundation trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the statement of financial position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS foundation trust 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 the NHS foundation trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS foundation trust is disclosed at note 27 but is not recognised in the NHS foundation trust's accounts.

Non-clinical risk pooling

The NHS foundation trust participates in the property expenses scheme and the liabilities to third parties scheme. Both are risk pooling schemes under which the trust pays an annual contribution to 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.

1.12 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 28 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 28, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.13 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 the NHS foundation trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.14 Value added tax

Most of the activities of the NHS foundation trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.15 Corporation tax

NHS foundation trusts can be subject to corporation tax in respect of certain commercial non-core healthcare activities they undertake in relation to the Finance Act 2004 amended S519A Income and Corporation Taxes Act 1988. The trust does not undertake any non-core healthcare activities which are subject to corporation tax, therefore does not have a corporation tax liability.

1.16 Foreign exchange

The functional and presentational currencies of the trust are pound sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the statement of financial position date:

- monetary items (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
- 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.

1.17 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 FReM.

1.18 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However, the losses and special payments note (note 32) is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.19 Transfers of functions to/from other NHS bodies/ local government bodies

For functions that have been transferred to the trust from another NHS and/or local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain or loss corresponding to the net assets and liabilities transferred is recognised within income or expenses, but not within operating activities.

For property plant and equipment assets and intangible assets, the cost and accumulated depreciation/amortisation balances from the transferring entity's accounts are preserved on recognition in the receiving entity's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the receiving entity makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the trust has transferred to another NHS or local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss or gain corresponding to the net assets and liabilities transferred is recognised within expenses or income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2015/16.

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

The HM Treasury FReM does not require the following standards and interpretations to be applied in 2015/16.

IFRS 11 (amendment) - acquisition of an interest in a joint operation

IAS 16 (amendment) and IAS 38 - depreciation and amortisation

IAS 16 (amendment) and IAS 41 - bearer plants

IAS 27 (amendment) – equity method in separate financial statement

IFRS 10 (amendment) and IAS 28 (amendment) - sale or contribution of assets

IFRS 10 (amendment) and IAS 28 (amendment) - investment entities applying the consolidation exception

IAS 1 (amendment) - disclosure initiative

IFRS 15 revenue from contracts with customers

Annual improvements to IFRS: 2012-15 cycle

IFRS 9 - financial Instruments

1.22 Critical accounting estimates and judgements

The following are the critical judgements and key assumptions or estimates that management has made in the process of applying the trust's accounting policies and that have the most significant effect on the amounts recognised in the accounts.

Valuation of land and buildings

The trust's land and building assets are valued on the basis explained in note 1.5 and note 17 to the accounts. Montagu Evans provided the trust 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 notes 15 and 17 to the accounts. Future revaluations of the trust's property may result in further changes to the carrying values of non-current assets.

Provisions

Provisions have been made for legal and constructive obligations of uncertain timing or amount as at the reporting date. These are based on estimates using relevant and reliable information as is available at the time the accounts 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 the trust's provisions are detailed in note 27 to the accounts.

Impairment of receivables

The trust impairs different categories of receivables at rates determined by the age of the debt. Additionally specific receivables are impaired where the trust deems it will not be able to collect the amounts due. Amounts impaired are disclosed in note 20.2 to the accounts.

Consolidation of charitable funds

The trust has assessed its relationship to the charitable fund and determined that it is not a subsidiary. This is because the trust has no power to govern the financial and operating policies of the charitable fund so as to obtain the benefits from its activities for itself, its patients or its staff.

1.23 Research and development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the statement of comprehensive income on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation on a quarterly basis.

2 Operating segments

The chief operating decision maker of the organisation has been determined as the trust board, which receives financial information for the organisation as a whole entity. Accordingly, no segmental information is provided in these accounts.

3 Operating income from patient care activities

3.1 Income from patient care activities (by nature)

	2015/16 £000	2014/15 £000
Elective income	108,751	93,992
Non elective income	146,913	126,074
Outpatient income	127,290	108,557
A & E income	28,611	24,010
Other NHS clinical income	413,550	385,473
Community services income from CCGs and NHS England	4,415	-
Private patient income	23,254	22,867
Other clinical income	4,621	3,213
Total income from activities	857,405	764,186

3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2015/16 £000	2014/15 £000
CCGs and NHS England	821,645	727,715
Local authorities	3,236	4,581
Department of Health	-	92
Other NHS foundation trusts	1	105
NHS trusts	50	81
NHS other	4,598	5,532
Non-NHS: private patients	23,254	22,867
Non-NHS: overseas patients (chargeable to patient)	2,344	1,063
NHS injury scheme (was Road Traffic Accident)	1,999	1,512
Non NHS: other	278	638
Total income from activities	857,405	764,186
Of which:		

3.3 Overseas visitors (relating to patients charged directly by the NHS foundation trust)

	2015/16 £000	2014/15 £000
Income recognised this year	2,344	1,063
Cash payments received in-year	1,285	465
Amounts added to provision for impairment of receivables	648	590
Amounts written off in-year	118	272

4.1 Other operating income

	<u>2015/16</u> £000	<u>2014/15</u> £000
Research and development	7,541	7,535
Education and training	42,120	42,110
Receipt of capital grants and donations	126	-
Charitable and other contributions to expenditure	123	554
Non-patient care services to other bodies	9,552	7,221
Rental revenue from operating leases	1,386	1,558
Other income	42,659	43,360
Total other operating income	103,507	102,338

Other income of £55,740k (2014/15: £43,360k) includes the sale of goods, monies received in respect of transitional relief, income disputes resolved in the year, distinction awards, UCL medical school service level agreement, testing support income, car parking income and other balances.

4.2 Exceptional operating income

	<u>2015/16</u> £000	<u>2014/15</u> £000
Support from the Department of Health for mergers	22,740	41,210
Other	13,000	-
	35,740	41,210

The trust received exceptional income in revenue funding during 2015/16 (£35,740k) and 2014/15 (£41,210k). This funding was provided to the trust to meet those costs of acquiring Barnet and Chase Farm Hospitals NHS Trust, to support the development of transforming its clinical services and to cover the historic debt position of the acquiree.

Under the terms of its provider license, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	<u>2015/16</u> £000	<u>2014/15</u> £000
Income from services designated (or grandfathered) as commissioner requested services	824,881	706,836
Income from services not designated as commissioner requested services	32,524	57,350
Total	857,405	764,186

The trust has not disposed of land and buildings assets used in the provision of commissioner requested services during the year ended 31 March 2016 nor the year ended 31 March 2015.

5.1 Operating expenses

	2015/16 £000	2014/15 £000
Services from NHS foundation trusts	4,093	5,298
Services from NHS trusts	12,252	8,967
Services from CCGs and NHS England	80	84
Services from other NHS bodies	2,770	3,140
Purchase of healthcare from non NHS bodies	43,747	14,927
Employee expenses - executive directors	1,161	1,187
Remuneration of non-executive directors	144	155
Employee expenses - staff	510,273	451,282
Supplies and services - clinical	72,573	73,224
Supplies and services - general	14,707	14,441
Establishment	4,949	6,639
Research and development	5,248	7,006
Transport	9,667	8,437
Premises	38,750	29,458
Increase in provision for impairment of receivables	5,437	25,416
(Decrease)/increase in other provisions	(1,886)	470
Change in provisions discount rate(s)	(50)	299
Inventories written down	45	49
Drug costs (non inventory)	8,449	12,458
Drugs inventories consumed	203,335	174,091
Rentals under operating leases	1,850	1,682
Depreciation on property, plant and equipment	26,598	23,290
Amortisation on intangible assets	2,463	2,139
Impairments	16,143	4,648
Audit fees payable to the external auditor		
audit services- statutory audit	134	161
other auditor remuneration (external auditor only)	13	15
Clinical negligence	20,475	11,408
Loss on disposal of non-current assets	-	2,318
Legal fees	530	1,345
Consultancy costs	5,297	5,114
Internal audit costs	156	197
Training, courses and conferences	1,655	2,665
Patient travel	721	270
Car parking and security	786	426
Redundancy	397	650
Early retirements	99	1,144
Hospitality	149	149
Insurance	933	761
Losses, ex gratia and special payments	-	94
Other	1,270	13,467
Total	1,015,413	908,971

5.2 Limitation on auditor's liability

The limitation on auditors' liability for external audit work is £1m (2014/15: £1m).

6 Impairment of assets

	2015/16 £000	2014/15 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	16,143	4,648
Total net impairments charged to operating surplus / deficit	16,143	4,648
Impairments charged to the revaluation reserve	56,034	6,602
Total net impairments	72,177	11,250

The impairments recognised above arise as a result of the revaluation exercise undertaken in the year, as described in note 17.

7 Employee benefits

	Permanent £000	Other £000	2015/16 Total £000
Salaries and wages	351,374	43,162	394,536
Social security costs	33,455	2,785	36,240
Employer's contributions to NHS pensions	46,824	2,127	48,951
Termination benefits	397	-	397
Agency/contract staff	-	43,326	43,326
Total gross staff costs	432,050	91,400	523,450
Recoveries in respect of seconded staff	-	-	-
Total staff costs	432,050	91,400	523,450
Of which			
Costs capitalised as part of assets	3,430	3,793	7,223

7.1 Retirements due to ill-health

During 2015/16 there was one early retirement from the trust agreed on the grounds of ill-health (two in the year ended 31 March 2015). The estimated additional pension liabilities of these ill-health retirements is £62k (£121k in 2014/15).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

7.2 Directors' remuneration

The aggregate amounts payable to directors were:

	2015/16 £000
Salary	1,089
Taxable benefits	-
Performance related bonuses	-
Employer's pension contributions	98
Total	1,187

Further details of directors' remuneration can be found in the remuneration report.

8 Pension costs

Past and present employees are covered by the provisions of the two NHS pension schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State 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, which are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the

methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The last published actuarial valuation undertaken for the NHS pension scheme was completed for the year ended 31 March 2012.

The scheme regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the scheme actuary and appropriate employee and employer representatives as deemed appropriate.

9 Operating leases

Note 9.1 Royal Free London NHS Foundation Trust as a lessor

Operating lease income of £1,386k (2014/15: £1,558k) arises principally to leasing parts of the Royal Free London's buildings.

	<u>2015/16</u> £000	<u>2014/15</u> £000
Operating lease revenue		
Minimum lease receipts	1,386	1,558
Total	1,386	1,558
	<u>31 March</u> <u>2016</u> £000	<u>31 March</u> <u>2015</u> £000
Future minimum lease receipts due:		
- not later than one year	1,384	1,547
- later than one year and not later than five years	3,011	4,734
- later than five years	685	901
Total	5,080	7,182

9.2 Royal Free London NHS Foundation Trust as a lessee

The operating lease payments recognised in expenses principally include the energy centre, imaging equipment contracts and the lease of office. The energy centre contract is for 15 years with no option to extend and no option to purchase the machinery. The equipment remains the property of the contractors for the period and also on contract expiry. The imaging equipment contract is for seven years; there is currently no plan to extend the lease or purchase the equipment at the end of the lease period. The office lease is for 10 years and was entered into during 2015/16.

	<u>2015/16</u> £000	<u>2014/15</u> £000
Operating lease expense		
Minimum lease payments	1,850	1,682
Total	1,850	1,682
	<u>31 March</u> <u>2016</u> £000	<u>31 March</u> <u>2015</u> £000
Future minimum lease payments due:		
- not later than one year	1,942	1,630
- later than one year and not later than five years	4,778	4,237
- later than five years	4,578	4,035
Total	11,298	9,902
Future minimum sublease payments to be received	-	-

10 Finance income

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

	<u>2015/16</u>	<u>2014/15</u>
	£000	£000
Interest on bank accounts	202	290
Total	202	290

11.1 Finance expenses

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

	<u>2015/16</u>	<u>2014/15</u>
	£000	£000
Interest expense:		
Loans from the Department of Health	909	821
Finance leases	1,360	1,066
Main finance costs on PFI and LIFT schemes obligations	4,093	2,427
Total interest expense	6,362	4,314
Other finance costs	91	80
Total	6,453	4,394

11.2 The late payment of commercial debts (interest) Act 1998

	<u>2015/16</u>	<u>2014/15</u>
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

12 Better Payment Practice Code

Measure of compliance	2015/16		2014/15	
	Number	£000	Number	£000
Non-NHS payables				
Total non-NHS trade invoices paid in the year	231,559	514,387	174,005	448,253
Total non-NHS trade invoices paid within target	126,921	260,801	149,969	353,819
Percentage of non-NHS trade invoices paid within target	54.81%	50.70%	86.19%	78.93%
NHS payables				
Total NHS trade invoices paid in the year	3,005	58,259	5,125	52,236
Total NHS trade invoices paid within target	436	3,460	3,205	37,843
Percentage of NHS trade invoices paid within target	14.51%	5.94%	62.54%	72.45%

The better payment practice code requires the trust to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

13 Gain on disposal of property, plant and equipment

During the year the sale of Coppetts Wood Hospital and surplus land at Chase Farm Hospital ("Parcel C") gave rise to profit on disposal of £6,774k (Coppett's Wood Hospital £4,000k, Parcel C £2,774k). As no services were provided from these sites and due to its material nature, the trust has reported this directly on the face of the statement of comprehensive income.

An additional £797k profit on the sale of Parcel C has been deferred until the remaining cash proceeds are received. The proceeds will be paid to the trust when the vacant possession of the remaining part of Parcel C is transferred to the purchaser. This is expected to be during 2019/20.

14.1 Intangible assets - 2015/16

	Software licences	Licences and trademarks	Development expenditure	Total
	£000	£000	£000	£000
Valuation/gross cost at 1 April 2015 - brought forward	2,418	-	6,027	8,445
Additions	-	126	2,673	2,799
Reclassifications	-	-	1,866	1,866
Gross cost at 31 March 2016	2,418	126	10,566	13,110
Amortisation at 1 April 2015 - brought forward	715	-	512	1,227
Provided during the year	705	-	1,758	2,463
Amortisation at 31 March 2016	1,420	-	2,270	3,690
Net book value at 31 March 2016	998	126	8,296	9,420
Net book value at 1 April 2015	1,703	-	5,515	7,218

14.2 Intangible assets - 2014/15

	Software licences	Licences and trademarks	Development expenditure	Total
	£000	£000	£000	£000
Valuation/gross cost at 1 April 2014 - as previously stated	584	-	6,420	7,004
Transfers by absorption	583	-	-	583
Reclassifications	1,251	-	4,822	6,073
Disposals / derecognition	-	-	(5,215)	(5,215)
Valuation/gross cost at 31 March 2015	2,418	-	6,027	8,445
Amortisation at 1 April 2014 - as previously stated	151	-	2,178	2,329
Transfers by absorption	393	-	-	393
Provided during the year	171	-	1,968	2,139
Disposals / derecognition	-	-	(3,634)	(3,634)
Amortisation at 31 March 2015	715	-	512	1,227
Net book value at 31 March 2015	1,703	-	5,515	7,218
Net book value at 1 April 2014	433	-	4,242	4,675

All intangible assets have finite lives and as such are amortised on a straight line basis over their useful economic life. The useful life is reviewed at each annual reporting date. The trust's intangible assets have not been revalued at 31 March 2016 or 31 March 2015 as they are considered unique. As such there is no revaluation reserve relating to intangible assets.

15.1 Property, plant and equipment - 2015/16

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant and machinery £000	Transport equipment £000	Information technology and fittings £000	Furniture £000	Total £000
Valuation/gross cost at 1 April 2015 - brought forward	122,779	299,229	192	24,817	101,745	43	34,379	3,570	586,754
Additions	-	20,239	-	36,194	5,611	-	465	-	62,509
Impairments	(53,875)	(18,289)	(13)	-	-	-	-	-	(72,177)
Elimination of accumulated depreciation on revaluation	-	(14,241)	(9)	-	-	-	-	-	(14,250)
Reclassifications	-	15,925	-	(18,318)	478	-	49	-	(1,866)
Revaluations	54	77,745	56	-	-	-	-	-	77,855
Disposals / derecognition	-	-	-	-	(682)	-	(45)	(1)	(728)
Valuation/gross cost at 31 March 2016	68,958	380,608	226	42,693	107,152	43	34,848	3,569	638,097
Accumulated depreciation at 1 April 2015 - brought forward	-	-	-	-	74,117	43	23,052	1,664	98,876
Provided during the year	-	14,241	9	-	7,869	-	4,315	164	26,598
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Elimination of accumulated depreciation on revaluation	-	(14,241)	(9)	-	-	-	-	-	(14,250)
Transfers to/from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals/derecognition	-	-	-	-	(682)	-	(45)	(1)	(728)
Accumulated depreciation at 31 March 2016	-	-	-	-	81,304	43	27,322	1,827	110,496
Net book value at 31 March 2016	68,958	380,608	226	42,693	25,848	-	7,526	1,742	527,601
Net book value at 1 April 2015	122,779	299,229	192	24,817	27,628	-	11,327	1,906	487,878

15.2 Property, plant and equipment - 2014/15

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2014 - as previously stated	67,126	146,683	194	9,936	61,914	43	16,262	3,073	305,231
Transfers by absorption	73,494	195,782	2,415	1,097	40,022	-	17,091	585	330,486
Additions - purchased/leased/grants/donations	-	2,176	-	39,581	1,717	-	251	3	43,728
Impairments	-	(11,202)	(48)	-	-	-	-	-	(11,250)
Elimination of accumulated depreciation on revaluation	-	(54,228)	(2,369)	-	-	-	-	-	(56,597)
Reclassifications	-	8,062	-	(25,797)	4,808	-	6,895	(41)	(6,073)
Revaluations	-	11,956	-	-	-	-	-	-	11,956
Transfers to/from assets held for sale	(13,092)	-	-	-	-	-	-	-	(13,092)
Disposals / derecognition	(4,749)	-	-	-	(6,716)	-	(6,120)	(50)	(17,635)
Valuation/gross cost at 31 March 2015	122,779	299,229	192	24,817	101,745	43	34,379	3,570	586,754
Accumulated depreciation at 1 April 2014 - as previously stated	-	-	-	-	43,550	43	10,432	1,418	55,443
Transfers by absorption	-	42,646	2,220	-	30,894	-	13,062	67	88,889
Provided during the year	-	11,582	149	-	6,990	-	4,322	247	23,290
Reclassifications	-	-	-	-	(631)	-	667	(36)	-
Elimination of accumulated depreciation on revaluation	-	(54,228)	(2,369)	-	-	-	-	-	(56,597)
Disposals / derecognition	-	-	-	-	(6,686)	-	(5,431)	(32)	(12,149)
Accumulated depreciation at 31 March 2015	-	-	-	-	74,117	43	23,052	1,664	98,876
Net book value at 31 March 2015	122,779	299,229	192	24,817	27,628	-	11,327	1,906	487,878
Net book value at 1 April 2014	67,126	146,683	194	9,936	18,364	-	5,830	1,655	249,788

15.3 Property, plant and equipment financing - 2015/16

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2016									
Owned	68,958	275,216	226	42,693	24,877	-	7,526	1,742	421,238
Finance leased	-	6,918	-	-	418	-	-	-	7,336
On-SoFP PFI contracts and other service concession arrangements	-	88,802	-	-	-	-	-	-	88,802
Donated	-	9,672	-	-	553	-	-	-	10,225
NBV total at 31 March 2016	68,958	380,608	226	42,693	25,848	-	7,526	1,742	527,601

Note 15.4 Property, plant and equipment financing - 2014/15

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2015									
Owned	122,779	216,328	192	24,817	26,063	-	11,327	1,891	403,397
Finance leased	-	8,948	-	-	573	-	-	-	9,521
On-SoFP PFI contracts and other service concession arrangements	-	65,403	-	-	-	-	-	-	65,403
Donated	-	8,550	-	-	992	-	-	15	9,557
NBV total at 31 March 2015	122,779	299,229	192	24,817	27,628	-	11,327	1,906	487,878

Note 16 Donations of intangibles

During the year £126k was donated as assets to the trust (2014/15: £nil)

17 Revaluations of property, plant and equipment

A valuation exercise was carried out on the trust's land and buildings by Montagu Evans. The purpose of this exercise was to determine a fair value for those assets as at 31 March 2016 (2014/15: valuation by Montagu Evans).

The valuation was undertaken having regard to 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 8th edition.

Fair value is defined as "the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date." Fair values are determined as follows:

- For non-specialised operational assets, this equates in practice to existing use value (EUV), as defined below.
- For specialised operational assets, if there is no market-based evidence of fair value because of the specialised nature of the property and the item is rarely sold, except as part of a continuing business, fair value is estimated using a depreciated replacement cost approach subject to the assumption of continuing use.

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 UKVS 1.3 as "the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion –

assuming that the buyer is granted vacant possession of all parts of the asset required by the business and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost."

Where a non-specialised operational property is valued to fair value reflecting the market value assuming continuance of existing use, the total value has been apportioned between the residual amount (the land) and the depreciable amount (the building).

Depreciated replacement cost (DRC) is the valuation approach adopted for reporting the value of specialised operational property for financial accounting purposes. RICS GN 6, entitled 'depreciated replacement cost method of valuation for financial reporting', at para 2.3 defines DRC as "the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation."

Those buildings which qualify as specialised operational assets and therefore fall to be assessed using the DRC approach, have been valued on a modern equivalent asset (MEA) basis.

In addition, the valuers have taken account of RICS Valuation Information Paper No. 10 (VIP10): the DRC method of valuation for financial statements. This guidance covers both interpretation of site location and gross internal area. The guidance asks the valuer to consider whether the actual site remains appropriate and this will normally depend on the locational requirements of the service that is being provided.

The valuation has as a result reduced the site of Barnet Hospital (from 9.455 hectares (ha) to 5.121 ha) to exclude redundant buildings, buildings occupied by third parties, and any landscaping which would not be required. Chase Farm Hospital was also reduced (from 9.1 ha to 4.8 ha) to reflect the theoretical area required to support the future refurbished hospital. The land value at

the Royal Free Hospital reduced due to the theoretical relocation within the borough and the effect of moving office accommodation to existing use valuation.

VIP (10) guidance also states that where DRC is being used to value specialised property it will rarely be appropriate to cost a modern reproduction of the asset. The value of the property should normally be based on the cost of a modern equivalent asset that has the same service potential as the existing assets and then adjusted to take account of obsolescence.

18 Investments in associates and joint ventures

Details of the trust's investments in joint arrangements are as follows.

UCL Partners Limited

The trust holds a 20% interest in UCL Partners Limited (UCLP), a company limited by guarantee in the UK, 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. The contributions paid by the trust are included within operating expenditure.

The most recent available signed financial statements for UCLP have been prepared for the year ended 31 March 2015; the reported assets, liabilities, revenues and profit/loss are not material to the trust.

Health Services Laboratories LLP (HSL LLP)

The trust holds a 24.5% equity stake in HSL LLP and is accounted for as a joint venture. The main purpose of the entity is to provide pathology services.

The movements in investment values for these joint arrangements for the trust is as follows.

	31 March 2016 £000	31 March 2015 £000
Carrying value brought forward	2,252	-
Acquisitions in year	6,626	2,252
Share of profits	1,435	-
Carrying value carried forward	10,313	2,252

19 Inventories

	31 March 2016 £000	31 March 2015 £000
Drugs	5,436	5,863
Consumables	3,458	3,485
Energy	125	274
Total inventories	9,019	9,622

Inventories recognised in expenses for the year were £203,511k (2014/15: £174,286k). Write-down of inventories recognised as expenses for the year were £45k (2014/15: £49k).

20.1 Trade and other receivables

	31 March 2016 £000	31 March 2015 £000
Current		
Trade receivables due from NHS bodies	138,999	78,310
Receivables due from NHS charities	1,298	1,009
Other receivables due from related parties	-	196
Capital receivables	-	16,000
Provision for impaired receivables	(43,966)	(50,228)
Prepayments (non-PFI)	2,311	7,097
Accrued income	20,583	14,454
Interest receivable	4	4
PDC dividend receivable	-	215
VAT receivable	3,744	2,474
Other receivables	39,679	25,367
Total current trade and other receivables	162,652	94,898
Non-current		
Prepayments (non-PFI)	820	873
PFI prepayments:		
Capital contributions	-	5,831
Lifecycle replacements	-	-
Total non-current trade and other receivables	820	6,704

The majority of trade is with clinical commissioning groups and NHS England, as commissioners for NHS patient care services. As these organisations are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

20.2 Provision for impairment of receivables

	2015/16 £000	2014/15 £000
At 1 April as previously stated	50,228	19,746
Transfers by absorption	-	7,418
Increase in provision	20,272	25,416
Amounts utilised	(11,699)	(2,352)
Unused amounts reversed	(14,835)	-
At 31 March	43,966	50,228

The trust impairs receivables based on age and any specific details known. Transfers by absorption relate to the provision acquired by the trust on acquisition of Barnet and Chase Farm Hospitals NHS Trust.

20.3 Analysis of impaired receivables

	31 March 2016		31 March 2015	
	Trade receivables	Other receivables	Trade receivables	Other receivables
	£000	£000	£000	£000
Ageing of impaired receivables				
0 – 30 days	7,798	143	15,627	492
30 – 60 Days	1,185	145	2,594	225
60 – 90 days	2,022	150	3,377	145
90 – 180 days	3,634	932	6,092	403
More than 180 days	25,188	2,769	10,270	11,003
Total	39,827	4,139	37,960	12,268

Ageing of non-impaired receivables past their due date

0 – 30 days	17,107	1,752	3,208	3,567
30 – 60 Days	13,957	1,589	6,777	2,643
60 – 90 days	7,759	1,464	7,380	1,202
90 – 180 days	28,697	1,906	12,489	2,300
More than 180 days	2,584	787	6,250	7,185
Total	70,104	7,498	36,104	16,897

21 Non-current assets for sale and assets in disposal groups

	2015/16 Total £000	2014/15 Total £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	16,592	3,500
Plus assets classified as available for sale in the year	-	13,092
Less assets sold in year	(8,200)	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	8,392	16,592

During the year land at Coppetts Wood Hospital and surplus land at Chase Farm Hospital (Parcel C) was disposed of.

Surplus land at Chase Farm Hospital ("Parcel A") was reclassified as held for sale as at 31 March 2015 as it was surplus to trust requirements. Agreement has not yet been reached over the sale of the land but it is expected to be sold during 2016/17.

22.1 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2015/16 £000	2014/15 £000
At 1 April	94,573	61,686
Transfers by absorption	-	809
Net change in year	(78,848)	32,078
At 31 March	15,725	94,573
Broken down into:		
cash at commercial banks and in hand	350	245
cash with the Government Banking Service	15,375	94,328
Total cash and cash equivalents as in SoFP	15,725	94,573

Note 22.2 Third party assets held by the NHS foundation trust

The Royal Free London NHS Foundation Trust held cash and cash equivalents which relate to monies held by the foundation trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2016 £000	31 March 2015 £000
Bank balances	12	4
Total third party assets	12	4

23.1 Trade and other payables

	31 March 2016 £000	31 March 2015 £000
Current		
Receipts in advance	242	324
NHS trade payables	21,888	13,730
Amounts due to other related parties	-	99
Other trade payables	41,651	17,391
Capital payables	7,930	11,546
Social security costs	5,616	4,997
Other taxes payable	6,157	5,399
Other payables	9,739	9,874
Accruals	73,062	67,111
PDC dividend payable	345	-
Total current trade and other payables	166,630	130,471
Non-current		
Amounts due to other related parties	402	400
Total non-current trade and other payables	402	400

23.2 Early retirements in NHS payables above

	31 March 2016 £000	31 March 2016 Number	31 March 2015 £000	31 March 2015 Number
The payables note above includes amounts in relation to early retirements as set out below:				
- to buy out the liability for early retirements over five years	-	-	-	-
- number of cases involved	-	-	-	-
- outstanding pension contributions	7,312	-	6,683	-

24 Other liabilities

	31 March 2016 £000	31 March 2015 £000
Current		
Deferred goods and services income	-	1,537
Other deferred income	9,050	5,285
Lease incentives	168	168
Total other current liabilities	9,218	6,990
Non-current		
Lease incentives	3,938	4,106
Total other non-current liabilities	3,938	4,106

25 Borrowings

	31 March 2016 £000	31 March 2015 £000
Current		
Loans from the Department of Health	1,578	1,578
Obligations under finance leases	175	161
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	1,214	988
Total current borrowings	2,967	2,727
Non-current		
Loans from the Department of Health	26,844	28,422
Obligations under finance leases	7,852	7,979
Obligations under PFI, LIFT or other service concession contracts	24,695	36,590
Total non-current borrowings	59,391	72,991

The trust has an unsecured loan of £28,422k (2014/15: £30,000k). The loan was taken out in two instalments, the first for £20,000k on 24 March 2014 and the second for £10,000k in 6 October 2014. The loan is for a 20-year term, from the date of the first tranche, at an interest rate of 2.96%. Repayments commenced on 18 September 2015.

26 Royal Free London NHS Foundation Trust as a lessee

Obligations under finance leases where Royal Free London NHS Foundation Trust is the lessee.

	31 March 2016 £000	31 March 2015 £000
Gross lease liabilities	31,800	33,050
of which liabilities are due:		
- not later than one year;	1,262	1,250
- later than one year and not later than five years;	4,590	4,763
- later than five years.	25,948	27,037
Finance charges allocated to future periods	(23,773)	(24,910)
Net lease liabilities	8,027	8,140
of which payable:		
- not later than one year;	175	161
- later than one year and not later than five years;	264	438
- later than five years.	7,588	7,541
Contingent rent recognised as an expense in the period	213	-

The trust has entered into two contracts to lease accommodation under finance leases, whereby the assets were made available for use and rental payments commenced on 1 April 2000 and 1 June 2005. The trust also holds finance leases for various miscellaneous equipment.

27 Provisions for liabilities and charges analysis

	Pensions - other staff	Legal	Redundancy claims	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2015	6,460	254	3,194	6,029	15,937
Change in the discount rate	(45)	-	-	(5)	(50)
Arising during the year	144	-	94	326	564
Utilised during the year	(553)	-	(158)	(46)	(757)
Reversed unused	-	(44)	(1,732)	(674)	(2,450)
Unwinding of discount	84	-	-	7	91
At 31 March 2016	6,090	210	1,398	5,637	13,335
Expected timing of cash flows:					
- not later than one year;	138	210	1,398	5,133	6,879
- later than one year and not later than five years;	552	-	-	19	571
- later than five years.	5,400	-	-	485	5,885
Total	6,090	210	1,398	5,637	13,335

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 relate to an action against the trust which is not covered by the NHS Litigation Authority. IAS 37 allows for the non-disclosure of further information which may prejudice the outcome of litigation.

Redundancy claims relate to staff that are on the redeployment register.

Other provisions includes sums held in respect of additional charges arising from provision of services, dilapidations associated with leases and other contractual challenges. No further information has been disclosed as IAS 37 allows the withholding of information which may seriously prejudice the trust.

27.1 Clinical negligence liabilities

At 31 March 2016, £237,853k was included in provisions of the NHSLA in respect of clinical negligence liabilities of Royal Free London NHS Foundation Trust (31 March 2015: £119,657k).

28 Contingent assets and liabilities

	31 March 2016 £000	31 March 2015 £000
Value of contingent liabilities		
NHS Litigation Authority legal claims	(112)	(143)
Gross value of contingent liabilities	(112)	(143)
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	(112)	(143)
Net value of contingent assets	-	-

29 Contractual capital commitments

	31 March 2016 £000	31 March 2015 £000
Property, plant and equipment	15,164	14,385
Total	15,164	14,385

30 On-SoFP PFI, LIFT or other service concession arrangements

Barnet Hospital operates under a PFI arrangement with Metier Healthcare which began in February 1999 under a 33-year contract for the provision of a fully managed hospital. This is recognised in the statement of financial position and is included as part of the trust estate for the purposes of revaluation.

The land at Barnet Hospital remains the property of the trust during the contract period. The building transfers to the trust at the end of the contract period subject to payment of consideration.

The PFI contract is also responsible for the provision of managed technology services, non-clinical hotel services and equipment and building maintenance services at Barnet Hospital. These costs are recorded in operating expenses within the relevant expenditure headings.

During this financial year, the trust reviewed the modelling assumptions in the light of the existing “on balance sheet” accounting treatment and engaged Deloitte LLP to consider the key assumptions required in order to undertake a full financial analysis. Deloitte LLP were able to create a financial model to produce the accounting entries under IFRS and compare these against the historic entries.

The remodelling resulted in less interest in total for the duration of the contract (£97,513k to £89,736k), although at a higher rate (from 8.14% to 15.18%) and a reduced capital creditor at 1 April 2015.

As a result of this work the trust has restated its finance lease creditor for the PFI arrangement as at 1 April 2015 and a net credit adjustment of £4,898k was made to operating expenditure in year:

	1 April 2015 £000	31 March 2015 £000
Closing finance lease creditor	26,963	37,693
PFI prepayment	-	5,832
Net finance lease	26,963	31,861
Adjustment to operating expenditure	(4,898)	

30.1 Imputed finance lease obligations

The trust has the following obligations in respect of the finance lease element of on-statement of financial position PFI and LIFT schemes:

	31 March 2016 £000	31 March 2015 £000
Gross PFI, LIFT or other service concession liabilities of which liabilities are due	56,780	65,063
- not later than one year;	5,147	5,333
- later than one year and not later than five years;	20,588	21,332
- later than five years.	31,045	38,398
Finance charges allocated to future periods	(30,871)	(27,485)
Net PFI, LIFT or other service concession arrangement obligation	25,909	37,578
- not later than one year;	1,214	988
- later than one year and not later than five years;	7,001	5,386
- later than five years.	17,694	31,204

30.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

The trust's total future obligations under these on-SoFP schemes are as follows:

	31 March 2016 £000	31 March 2015 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	407,606	358,972
Of which liabilities are due:		
- not later than one year;	25,475	26,219
- later than one year and not later than five years;	101,902	84,464
- later than five years.	280,229	248,289

30.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the trust's expenditure in 2015/16:

	31 March 2016 £000	31 March 2015 £000
Unitary payment payable to service concession operator	27,273	15,346
Consisting of:		
- interest charge	4,093	2,427
- repayment of finance lease liability	1,054	-
- service element	22,126	12,919
Total amount paid to service concession operator	27,273	15,346

31 Financial instruments

31.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the service provider relationship that the trust has with clinical commissioning groups and the way those organisations are financed, the NHS trust is not exposed to the degree of financial risk faced by business entities. In addition, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. Financial assets and liabilities are typically generated by day-to-day operational activities rather than being held to change the risks facing the trust in undertaking its activities. The trust does not undertake speculative treasury transactions.

The trust's treasury management operations are carried out by the finance department, within parameters defined formally within the trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the trust's internal auditors.

Currency risk

The trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The trust has no overseas operations. The trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The trust borrows from government for capital expenditure, subject to affordability. The borrowings are for up to 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the trust's income comes from binding contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31 March 2016 and 31 March 2015 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The trust's operating costs are incurred under contracts with clinical commissioning groups, which are financed from resources voted annually by Parliament. The trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The trust is therefore not exposed to significant liquidity risks.

31.2 Financial assets

	Loans and receivables
	£000
Assets as per SoFP as at 31 March 2016	
Trade and other receivables excluding non financial assets	156,597
Cash and cash equivalents at bank and in hand	15,725
Total at 31 March 2016	172,322

	Loans and receivables
	£000
Assets as per SoFP as at 31 March 2015	
Trade and other receivables excluding non financial assets	84,950
Cash and cash equivalents at bank and in hand	94,573
Total at 31 March 2015	179,523

31.3 Financial liabilities

	Other financial liabilities
	£000
Liabilities as per SoFP as at 31 March 2016	
Borrowings excluding finance lease and PFI liabilities	28,422
Obligations under finance leases	8,027
Obligations under PFI, LIFT and other service concession contracts	25,909
Trade and other payables excluding non financial liabilities	155,316
Provisions under contract	3,750
Total at 31 March 2016	221,424

	Other financial liabilities
	£000
Liabilities as per SoFP as at 31 March 2015	
Embedded derivatives	-
Borrowings excluding finance lease and PFI liabilities	30,000
Obligations under finance leases	8,140
Obligations under PFI, LIFT and other service concession contracts	37,578
Trade and other payables excluding non financial liabilities	119,989
Other financial liabilities	-
Provisions under contract	3,746
Total at 31 March 2015	199,453

31.4 Maturity of financial liabilities

	31 March 2016	31 March 2015
	£000	£000
In one year or less	161,631	130,407
In more than one year but not more than two years	3,796	7,486
In more than two years but not more than five years	13,339	24,152
In more than five years	42,658	37,408
Total	221,424	199,453

31.5 Fair values of financial assets at 31 March 2016

	Book value	Fair value
	£000	£000
Non-current trade and other receivables excluding non financial assets	-	-
Other investments	-	-
Other	-	-
Total	-	-

31.6 Fair values of financial liabilities at 31 March 2016

	Book value	Fair value
	£000	£000
Non-current trade and other payables excluding non financial liabilities	402	402
Loans	26,844	26,844
Other	33,936	33,936
Total	61,182	61,182

32 Losses and special payments

	2015/16		2014/15	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	-	-	11	11
Bad debts and claims abandoned	325	274	520	691
Stores losses and damage to property	2	45	6	51
Total losses	327	319	537	753
Special payments				
Compensation payments	-	-	1	2
Ex-gratia payments	111	71	113	55
Total special payments	111	71	114	57
Total losses and special payments	438	390	651	810
Compensation payments received		-		-

The amounts are reported on an accruals basis excluding provisions for future losses.

There were no cases individually over £300k in the year (2014/15: none).

33 Events after the reporting date

There have been no adjusting or non-adjusting events since the balance sheet date to the date of signing these accounts.

34 Related parties

During the year none of the Department of Health ministers, trust board members or members of the key management staff, trust governors or parties related to any of them, has undertaken any material transactions with Royal Free London NHS Foundation Trust.

The Department of Health is regarded as a related party. During the year ended 31 March 2016 and 31 March 2015 the trust has had a significant number of material transactions with the department, and with other entities for which the department is regarded as the parent department. In addition, the trust has had a number of material transactions with other government departments and other central and local government bodies.

Transactions with government bodies greater than 0.5% of trust income, together with all transactions for other related parties, are as follows:

	Receivables		Payables	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
University College London Hospitals NHS Foundation Trust	3,296	1,871	4,633	3,706
Barts Health NHS Trust	1,310	264	4,878	2,217
NHS Barnet CCG	20,824	10,333	1,774	1,360
NHS Brent CCG	243	3,176	205	329
NHS Camden CCG	8,541	4,291	529	391
NHS East And North Hertfordshire CCG	1,022	1,319	79	263
NHS Enfield CCG	14,721	10,378	396	436
NHS Haringey CCG	4,927	4,660	84	68
NHS Harrow CCG	100	1,552	140	120
NHS Herts Valleys CCG	1,920	5,258	251	251
NHS Islington CCG	2,135	2,075	92	31
NHS England	53,680	25,282	83	218
Health Education England	2,350	246	217	-
NHS Litigation Authority	-	-	16	24
NHS Property Services	-	-	2,991	3,545
Department of Health (excl. PDC dividends)	1,384	248	-	193
HM Revenue & Customs	-	2,474	11,773	10,396
NHS pension scheme	-	-	7,312	6,684
HSL Laboratories	283	-	-	-
UCL Partners Limited	219	84	134	99
Royal Free Charity	762	1,009	-	-
BMI Healthcare (Kings Oak)	18	112	-	-

34 Related parties (continued)

	Income		Expenditure	
	2015/16	2014/15	2015/16	2014/15
	£000	£000	£000	£000
University College London Hospitals NHS Foundation Trust	1,463	4,637	3,081	3,612
Barts Health NHS Trust	2,906	2,562	8,931	9,032
NHS Barnet CCG	182,008	163,951	-	138
NHS Brent CCG	17,810	17,194	-	-
NHS Camden CCG	63,492	63,470	19	-
NHS East And North Hertfordshire CCG	24,829	18,886	-	-
NHS Enfield CCG	81,752	62,054	-	-
NHS Haringey CCG	20,036	16,832	-	-
NHS Harrow CCG	9,730	8,450	-	-
NHS Herts Valleys CCG	48,463	37,536	-	-
NHS Islington CCG	11,456	10,689	-	-
NHS England	338,225	311,248	62	35
Health Education England	42,440	39,516	3	1
NHS Litigation Authority	1,038	-	21,081	12,041
NHS Property Services	-	-	4,013	2,820
Department of Health (excl. PDC dividends)	23,954	30,256	5	380
HM Revenue & Customs	-	-	36,240	29,810
NHS pension scheme	-	-	48,951	40,245
HSL Laboratories	2,844	-	25,257	-
UCL Partners Limited	426	323	315	199
Royal Free Charity	2,211	646	1,674	1,031
BMI Healthcare (Kings Oak)	199	768	809	-

Quality Account

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Part one: delivering on quality

Statement on quality from the chief executive

As one of the UK's first hospitals offering treatment free at the point of need, the Royal Free London NHS Foundation Trust (RFL) is committed to providing exceptional patient care, cutting-edge research, excellence in teaching and a positive patient experience. Since our foundation in 1828, we have made significant contributions to the development of new and better therapies, advances in medical procedures and medical education. We are justifiably proud of our heritage, but we are also committed to continual improvement of our services.

It is therefore my great pleasure to once again introduce our annual quality report. The aim of this is to assure our local population, our patients and our commissioners that we provide high-quality clinical care to our patients. It also shows where we could perform better and what we are doing to improve.

Each year we set a number of high-level quality objectives for the upcoming 12 months. Part three of this report provides details of how we performed against last year's objectives. Personally I have been extremely impressed by our patient safety programme, whose work underpinned some of those objectives. One of the highlights of the year was a visit to the trust by Dr Don Berwick, founder of the Institute for Healthcare Improvement (IHI), during which we presented some of the improvements achieved by this programme. Over the years the IHI has made a huge contribution to patient safety, initially in the USA but now internationally. Don met with members of our patient safety team and staff of ward 10 West who presented their work on diabetes

improvement. Don was extremely impressed by their work and our staff were proud to be able to showcase their improvements.

I am always aware that in addition to our overall quality objectives, a great deal of other improvement work goes on within the trust. This year, as part of the preparation for this report, I asked each of our four clinical divisions to highlight the quality achievements they are most proud of. Those achievements are listed in part two, together with some examples of comments patients have made about using our services.

The last year has been our second year as an enlarged organisation following the acquisition of Barnet and Chase Farm Hospitals NHS Trust (BCF) in July 2014. We have continued to make improvements across all our hospital sites, but I would particularly like to highlight the rebuilding of Chase Farm Hospital. Previously, I reported that we were busy developing plans for the new hospital. This year I am pleased to report that the funding for the new hospital has been fully approved and planning consent granted, and work is well underway on the foundations of the new hospital. Once completed in 2018, this will provide a state-of-the-art healthcare facility which will deliver clinical services of the highest quality.

In December 2015 our board approved a new quality strategy. The aim of this is to introduce large numbers of staff to methods of continuous improvement - in other words provide them with the skills they need to make things better. Components of this project are included in our objectives for the

upcoming year, described in part two, and I will be particularly excited to see these come to fruition.

Finally, I should note that the trust underwent a major inspection by the Care Quality Commission (CQC) at the beginning of February this year. This was part of the CQC's revised inspection programme introduced three years ago and this is the first time the trust has been inspected using this new methodology. Although we have not yet received the outcome of the inspection, including our ratings, I was so very proud of the welcome our staff gave to the inspection team. It was uplifting to witness just how many were keen to show the CQC what they do - in fact there was a real sense of disappointment in areas that the CQC were unable to visit. As chief executive, I could not have asked for a better response to the inspection and I am profoundly grateful to all our staff for this.

I hope you enjoy reading the rest of the report which I believe demonstrates our continuing commitment to providing high quality care.

I confirm that to the best of my knowledge the information provided in this document is accurate.



David Sloman
Chief executive

25 May 2016

Part two: priorities for improvement and statements of assurance from the board

In this section of the quality report we present a review of our performance and progress made during 2015/16 against the key areas that were identified for improvement in 2014/15. We also show how we have monitored and reported on the progress made and provide data relating to our performance on specifically defined measures as presented within the section, statements of assurance from the board.

We are justifiably proud of our heritage, but we are also committed to continual improvement of our services.

2015/16 quality improvement priorities

In 2014/15, following consultation with our key stakeholders we agreed to focus on three key priorities for 2015/16. Progress was monitored and reported at our board level committees for patient safety, patient experience and clinical effectiveness.

Table 1: quality domains, associated committees and chosen priorities

Quality domain	Relevant committee	Chosen priorities for 2015/16
Patient experience	Patient and staff experience committee (PSEC)	Priority one: delivering world class experience
Clinical effectiveness	Clinical performance committee (CPC)	Priority two: improving in-patient diabetes
Patient safety	Patient safety committee (PSC)	Priority three: improving our focus for safety

Priority one: delivering world class experience

Our overall aim is to provide an excellent experience for our patients, which is intrinsically linked with our culture, the way we engage with our patients, carers and staff and the improvements we prioritise.

In autumn 2015, we published our four-year patient experience strategy which focused on making improvements for those who use our services, their carers and families.

We also have raised awareness of patients' issues across teams and through individual patients' experiences which have been communicated as stories.

Our aim is to have patient stories at all levels in the organisation, which includes strategic, divisional and ward levels. Patient stories are used to make improvements within our women, children and imaging division and plans are in place to embed this across the trust.

Specific areas identified were:

- improving the experience of those with a diagnosis of dementia
- identifying and improving the experience of carers
- enhancing the experience of people diagnosed with cancer

What was our aim during 2015/16?	What did the trust achieve in 2015/16?
To appoint four patient experience champions from our consultant surgeons and physicians.	We submitted a report to the medical director regarding the implementation of 'patient experience champions' from our consultant surgeons and physicians and we are in the process of identifying the champions.
To ensure that 100% of in-patient and day care wards respond to their patient experience data with publically displayed responses from staff.	Each ward and department display 'you said, we did' responses to patient experience feedback which are updated each quarter.
To provide each in-patient and day care wards with improvement targets mapped to feedback from patients and carers.	Each ward and department has a target for response rate and recommendation rate.
To develop and publish a list of patient experience 'never events' (things that should never happen).	Discussions were held with staff and patients regarding 'never events' and 'always events' (to differentiate from the safety 'never events' and allow greater integration with our world class care values). We will continue to publish the list during 2016/17, in partnership with NHS England.
To train staff in advanced facilitation and feedback interpretation for patient and carer focus groups.	This training is currently being evaluated.
To achieve the Macmillan Quality Environment Mark ® across all our hospital sites.	The Macmillan Quality Environment Mark ® has already been awarded for the information centre located at the Royal Free Hospital. Barnet and Chase Farm hospitals and their information centre/pods and future developments are currently being reviewed and discussed in partnership with Macmillan.
To establish a patient reference group for those with a cancer diagnosis, ensuring that service improvements are important to them and informed by their input.	A variety of support and reference groups met in 2015/16, including renal cancer and prostate cancer groups. These provided a forum for patient support between service users and health care professionals as well as feedback for service improvement.
To produce and implement a specifically designed carers' point of information display at each hospital.	Discussions were held with carer organisations and carers regarding the type of information that would be useful if displayed at each hospital. A carers card is being developed, which will help identify carers and be coupled with training for staff. We will continue to develop this further during 2016/17.

During 2015/16 we also chose to focus on other key areas to support our aim to provide an excellent experience for our patients. These included:

Additional areas of focus:	What did the trust achieve?
Consulting with carers on whether and how they want to receive training on safeguarding adults.	Discussions were held with carer organisations and carers regarding what learning materials would be useful to support their awareness on safeguarding, deprivation of liberty and mental capacity.
Ensuring that 20% of our in-patient wards will have undertaken the triangle of care self-assessment.	We are designing a new protocol for carers and people with dementia which includes access to professionals and appropriate information.
Producing a care and compassion film for staff as a training aid filmed from the perspective of a carer.	The film has been produced and is now being used in training for multi-disciplinary staff groups.
Increasing the number of dementia awareness trainers.	We have introduced a new clinical teaching programme that equips frontline members of staff in role modelling and dementia clinical skills. The teaching programme moves away from traditional classroom teaching towards training delivered in the relevant clinical areas.
In partnership with the Picker Institute, develop and conduct surveys for carers of people with dementia.	The Picker Institute facilitated focus groups with carers to enable them to design a survey to be delivered in May 2016.
Undertaking the eligibility and readiness assessment for the information standard certification and set a timeframe for achieving certification.	We successfully appointed a patient information manager to support the information standard certification assessment.

Additional measures to deliver world class experience

Processes are now in place to further support patient experience initiatives.

At divisional level this includes:

- Quarterly patient experience (PE) reports are provided which collate all PE related information such as friends and family test (FFT) results, qualitative comments, patient advice and liaison service (PALS) and complaints, areas of good practice and changes made as a result of patient feedback. These are discussed at the divisional quality safety boards (DQSB). Output from discussions are cascaded into the service lines and monitored by the PE team and divisional director of nursing (DDoN).
- DDoN provides FFT results to every ward on a weekly basis including patient carer comments, whilst our matrons oversee change.
- Discussions on PE are a standing item at our matrons' meetings.
- An ongoing project is analysing the scores of emergency department FFTs. All qualitative data is analysed and compared between our hospitals and with similar trusts in London, then shared with the directorate. Heads of nursing are cascading the results to their departments together with staff FFTs and workforce analysis.
- The trust is part of the national cancer survey; local surveys have also been

instigated by London Cancer looking at PE with respect to chemotherapy units. FFT was rolled out in the unit at the RFH and is also being rolled out into satellite sites at Chase Farm and Finchley Memorial hospitals. Site-specific cancer patient user-groups are now up and running and a successful pilot collating PE feedback is running at the Royal Free Hospital with the possibility of a full roll-out. We have also successfully staged specific clinical nurse specialist discussion forums with respect to PE, to share good practice.

- Dementia work is progressing well, driven by the trust's dementia lead. There is increasing awareness across our hospitals and the 'anchor' scheme has been rolled out. We have dementia friendly wards and have instigated John's campaign with regards to the role of carers. We have regular carers' events and now have 24 hour carer visiting in pilot sites.

Additional changes made as a result of patient feedback:

- PE information displayed in all clinical in-patient areas and in our emergency department. It is now being rolled out into out-patient areas as well
- children's FFT piloted and now implemented successfully
- parents' experience feedback led to improved funding for neonatal wards and provision of recliner chairs for parents
- FFT instigated for obstetric care, particularly at Barnet Hospital, and increased numbers of returns have been maintained
- feedback from patient user groups in obstetric care led to improvement to patient information on our website and there has been engagement in design and review
- a PE user group is involved in changes in maternity services including the implementation of a named midwife throughout the patient's medical journey

What are our next steps?

We will continue our work to deliver world class experience for our patients and have agreed priorities for improvement for 2016/17 which are outlined in the relevant section of this report.

Other measures undertaken to support dementia care

Over 25% of all acute hospital beds across the NHS are occupied by a person living with dementia. These patients face unique challenges when admitted to hospital, with statistics showing that they are more likely to stay in hospital longer, have falls and develop delirium. They frequently require residential care placements as a consequence of these factors.

Given the gravity and the complexity of the problem, any meaningful strategy required the following components:

- A comprehensive approach to reviewing and improving care structures.
- Time-limited, achievable goals/ milestones.
- A proactive dementia implementation group of professionals who commit to achieving goals with the support of the executive team.

This year a new 12 month strategy for dementia care was launched by the group, comprising three workstreams each focused on one of the main stakeholders in world class dementia care: patients and their carers, staff and the organisation.

Among the achievements so far:

Patients and carers

- We have launched John's campaign (the right for carers of people with dementia to be welcomed onto wards outside visiting hours) across the elderly wards at the Royal Free and Barnet hospitals.
- We have developed a 'passport' that entitles carers of people with dementia to staff reductions in the canteen, reduced parking costs, free massages and companionship from our dementia volunteers.

- We held the first of three 'living with dementia' events which took place at the Royal Free Hospital in February. The event was a drop-in evening for carers, with talks from chief executive David Sloman, nurses and the dementia lead. Colleagues from various community groups including Alzheimer's Society, Age UK, Camden and Barnet Carers and advocacy services as well as hospital staff ran advice stalls and provided information to those in attendance. Further events are planned next year.
- We are building close links with community dementia advisers in Camden and Barnet to establish a more integrated support system for carers to help the transition between hospital and home.

In the future we are:

- developing a protocol for those caring for people with dementia addressing the specific challenges these carers face; information packs will be available
- extending John's Campaign to Chase Farm Hospital and additional wards outside of elderly care wards
- designing and launching a 'carers welcome' campaign in our hospitals to raise awareness of their value to the trust, increase empathy and improve the care delivered to carers when they visit

Staff

After the successful dementia discharge pilot SHINE was permanently established at the trust, the Health Foundation awarded a grant to project lead Danielle Wilde to disseminate and embed key learning points from the project.

Danielle designed a protocol for replicating world class dementia care, 'the CAPER toolkit' (collateral, assessment, partnership, enablement and risk-positivity).

There are many 'champion' schemes across the health sector, so the name 'anchor' was chosen. The anchor scheme identifies key frontline staff groups, many of whom have high levels of patient contact and low levels

of training opportunity (domestic staff, nursing assistants and ward clerks) and provides them with a six week programme of training around dementia. This training is delivered in clinical areas and focuses on practical tools and strategies.

The wards now run a programme of drop-in teaching sessions during which the dementia lead runs 15 minute teaching sessions over the course of an afternoon. This approach allows ward staff to cover each other for short periods of time therefore access learning that rotas and staffing levels can sometimes make difficult.

The process and practice of 'specialing' patients is being redesigned by a working party led by a deputy director of nursing. This work seeks to improve the experience of complex patients by driving up quality and avoiding unnecessary interventions.

Also, a group of staff visited De Hogeweyk in Amsterdam, the world's first dementia village. The trip was organised by the team at Chase Farm Hospital seeking inspiration for their dementia garden. They were struck by the success and relative low cost of a 'social approach' to care and are now working on adapting this model to the hospital environment.

Training of our staff continues. Between April 2015 and April 2016, 521 staff members received tier one and two dementia training.

Organisational

- We can now flag that a patient has dementia on our electronic patient administration system and this is currently being piloted at front of house (TREAT, HOT clinics) and on two care of the elderly wards. As well as making sure that staff know a patient has dementia, it will also allow us to collect more accurate data.
- A review of coding has been undertaken and the hundreds-long coding list has now been distilled into a favourites list of 20, alongside a doctor-led review of codes disseminated to junior doctors which should also help improve the quality of our data.

- The forget-me-not scheme (where staff are alerted to the specific needs of a person with dementia by the depiction of a forget-me-not by their name on the ward board) is now fully operational across all elderly care wards and extensively throughout Barnet Hospital and Chase Farm Hospital.
- We have designed an electronic system to translate the dementia flag from Cerner into a forget-me-not on the nursing handover sheets which will allow nurses to identify people with dementia on their wards and meet their needs better.

In the future we will:

- design and launch a delirium pathway for use across all hospitals. This work will involve a delirium awareness-raising campaign, a new protocol for the prevention, detection and treatment of delirium and a new care bundle for those presenting with a suspected delirium.

Priority two: improving in-patient diabetes

Most patients with diabetes in our hospitals are admitted for reasons other than their diabetes. However, we made a commitment that every in-patient with diabetes should have safe, effective diabetes care.

In 2014/15 diabetes was selected as a priority for the trust, which has continued in 2015/16, expanding to include further elements of diabetes care and extending to our three hospitals. In 2013 Barnet Hospital did not participate in the national diabetes study so no data for Barnet Hospital is presented below.

What was our aim during 2015/16?	What did we achieve?												
Reduce prescription errors by 20%	<p>We were concerned that the incidence of prescription errors at the Royal Free Hospital (RFH) was high, relative to other English hospitals.</p> <p>Compared to 2013, we have reduced prescription errors at the hospital by 28%, and therefore achieved our aim.</p> <p>Compared nationally, our performance at the RFH no longer lies in the lowest quartile. Barnet Hospital has fewer prescription errors than average.</p> <table><tr><th>Prescription errors (Eng 22.0%)</th><th>2015</th><th>2013</th><th>Change</th></tr><tr><td>Royal Free Hospital</td><td>24.3%</td><td>33.8%</td><td>-28.1%</td></tr><tr><td>Barnet Hospital</td><td>15.6%</td><td>-</td><td>-</td></tr></table>	Prescription errors (Eng 22.0%)	2015	2013	Change	Royal Free Hospital	24.3%	33.8%	-28.1%	Barnet Hospital	15.6%	-	-
Prescription errors (Eng 22.0%)	2015	2013	Change										
Royal Free Hospital	24.3%	33.8%	-28.1%										
Barnet Hospital	15.6%	-	-										
Reduce severe hypoglycaemia episodes by 20%	<p>We were concerned that the incidence of severe hypoglycaemia events at the RFH was high relative to other English hospitals.</p> <p>Compared to 2013, during the audit period in 2015 we have reduced the incidence of severe hypoglycaemia events at the hospital by 55.2%, and have therefore achieved our aim. This improvement means that the RFH was in the group of best-performing hospitals in the recent audit.</p> <p>The incidence of severe hypoglycaemia events at Barnet Hospital was 20%.</p> <table><tr><th>Prescription errors (Eng 22.0%)</th><th>2015</th><th>2013</th><th>Change</th></tr><tr><td>Royal Free Hospital</td><td>6.5%</td><td>14.5%</td><td>-55.2%</td></tr><tr><td>Barnet Hospital</td><td>20%</td><td>-</td><td>-</td></tr></table>	Prescription errors (Eng 22.0%)	2015	2013	Change	Royal Free Hospital	6.5%	14.5%	-55.2%	Barnet Hospital	20%	-	-
Prescription errors (Eng 22.0%)	2015	2013	Change										
Royal Free Hospital	6.5%	14.5%	-55.2%										
Barnet Hospital	20%	-	-										
Achieving 30% foot assessments within 24 hours of admission	<p>We were concerned that we did not perform timely foot assessments at the RFH as well as other English hospitals. We aimed to improve to match the national average.</p> <p>We currently undertake foot assessments on 40% of in-patients with diabetes within 24 hours of admission to RFH. At Barnet Hospital, our performance on the same measure is 23%. Both sites perform above average for English hospitals.</p> <table><tr><th>Prescription errors (Eng 22.0%)</th><th>2015</th><th>2013</th><th>Change</th></tr><tr><td>Royal Free Hospital</td><td>40%</td><td>6.5%</td><td>+515%</td></tr><tr><td>Barnet Hospital</td><td>23.1%</td><td>-</td><td>-</td></tr></table>	Prescription errors (Eng 22.0%)	2015	2013	Change	Royal Free Hospital	40%	6.5%	+515%	Barnet Hospital	23.1%	-	-
Prescription errors (Eng 22.0%)	2015	2013	Change										
Royal Free Hospital	40%	6.5%	+515%										
Barnet Hospital	23.1%	-	-										

What was our aim during 2015/16?	What did we achieve?												
Reduce hospital-acquired foot ulcers by 10%	<p>In the last six months (October 2015 to March 2016) the trust reported three incidents of hospital-acquired foot ulcers in comparison to eight in the previous six months (April 2015 to September 2015). It was not possible to ascertain if the incidents reported during 2015/16 solely related to diabetic patients.</p> <p>For the period April–September 2014 the trust used an older system so it was not possible to gather this information to make a full year by year comparison.</p>												
Improve patient satisfaction scores by 10%	<p>We were concerned that patient satisfaction at the RFH falls below that of other English hospitals.</p> <p>We are disappointed that the work we have done to improve diabetes care has not led to an improvement in reported patient satisfaction at RFH.</p> <p>Satisfaction with our service at Barnet Hospital has improved by 17% compared to 2012.</p> <p>We will undertake further work to understand the causes in order to inform further efforts and learn from the improvements made at Barnet Hospital.</p> <table><tr><th>Prescription errors (Eng 22.0%)</th><th>2015</th><th>2013</th><th>Change</th></tr><tr><td>Royal Free Hospital</td><td>73.1%</td><td>76.2%</td><td>-4%</td></tr><tr><td>Barnet Hospital</td><td>83.2%</td><td>-</td><td>-</td></tr></table>	Prescription errors (Eng 22.0%)	2015	2013	Change	Royal Free Hospital	73.1%	76.2%	-4%	Barnet Hospital	83.2%	-	-
Prescription errors (Eng 22.0%)	2015	2013	Change										
Royal Free Hospital	73.1%	76.2%	-4%										
Barnet Hospital	83.2%	-	-										
To participate in the national diabetes in-patient audit at all eligible hospitals	<p>The trust successfully participated in a snapshot audit on the 21-25 September 2015. Collectively 154 cases were submitted from Barnet and Royal Free hospitals to the national diabetes in-patient audit. (Chase Farm Hospital did not participate in the audit as they did not meet the specified criteria.)</p>												

- a new diabetes in-patient booklet
- new simplified alerts from glucometers to help staff recognise and escalate patients for early review

Data so far has demonstrated that there is increasing compliance with using both pathways and patients are having more timely control of abnormal blood sugars. The next phase of work is reviewing the impact of the pathways on patient outcomes such as reduction in length of stay and capturing patient feedback on their experience. With ward data being collected by the diabetes nurse champions, instant feedback is being used to plan further changes.

The multi-disciplinary approach has shown earlier identification of high risk patients, better recognition, escalation and management by ward staff and improved diabetes awareness and safety on ward 10 West.

In the future we will:

- continue to work towards providing every patient with safe and effective diabetes care; we recognise the scores for Barnet Hospital are disappointing so we will continue to focus on how we can improve the hospital's performance in this area.

Improving diabetes: a quality improvement project

As part of our patient safety programme (PSP), diabetes care is a key workstream and a high priority for the Royal Free London. The 10 West diabetes improvement pilot began a year ago, following a serious incident on the ward.

Using a collaborative approach with improvement methodology, staff were empowered to help make changes to their clinical area. Recommendations were then made to address issues from the serious incident including improved recognition and escalation treatment of hyperglycaemia (high blood sugar levels).

We have developed a hyperglycaemia management pathway which was tested using an improvement science methodology plan and small tests of change on the ward. As part of the pathway, clearer guidance around increasing diabetes medications, including insulin, was created. A separate pathway focusing on recognition and treatment of low blood sugars (hypoglycaemia) was tested in a similar format. Other key improvements from the pilot include:

- testing of a hypoglycaemia box
- new dosing guidance for increasing diabetes medication
- new insulin table guidance
- new colour-coded blood sugar charts

Priority three: improving our focus for safety

In response to the national patient safety initiative we have set out the actions that we will undertake in response to the five 'sign up to safety' pledges and have created a local safety improvement plan to enable us to deliver our patient safety programme over the next three years.

We have enhanced our capacity by investing in our quality governance structure with more staff employed over the last year. This will mean that we are better able to learn from incidents, particularly serious incidents, in a timely manner. Actions, lessons and challenges from serious incidents are fed into the patient safety programme workstreams to enable a joined up trust-wide approach.

Patient safety programme

The patient safety programme includes the development of capability, capacity and culture across the trust over the next two years. From December 2015, the patient safety programme has been fully established, and is starting to affect some significant changes by engaging frontline staff directly in improvements in their own areas. We have identified new pilot wards/areas for improvement work on falls, sepsis, deteriorating patient, diabetes, acute kidney injury and safer surgery.

We continue to review whether these clinical areas are the most appropriate for our focus and this is undertaken via the patient safety committee where complaints, litigation, claims, incidents and PALS information are triangulated to ensure that the patient safety themes identified are still relevant.

Alongside this the trust is starting to implement the Quality Strategy to develop capacity and capability in quality improvement training for frontline staff. We know that in the staff survey quality improvement was an area where staff did not feel able to contribute. With investment in staff and training via the quality strategy we expect to show a significant improvement in this area over the next few years.

Safer surgery

Our goal is to improve compliance with all aspects of the 'five steps to safer surgery'* guidance to 95% by 31 March 2016 *(this is explained in our glossary of definitions and terminology).

The trust reported 10 never events during 2015/16 across two of our key hospitals.

Each of these incidents has been investigated under the serious incident framework, with immediate actions taken where relevant to prevent reoccurrence.

We have been disappointed at the number of never events reported this year, but believe that this is due in part to increased awareness of these types of incidents. We have identified that there is a theme around retained objects and are addressing this by trialling a number of approaches via the safer surgery workstream. These approaches have been informed by observational audits and staff suggestions and include new boards to record swab and instrument counts and amendment of checklists and processes to support staff.

What was our aim during 2015/16?	What did we achieve?
<p>We aimed to achieve this by delivering the following milestones:</p> <ul style="list-style-type: none"> • identification of process issues to enable surgeons to attend the first and fifth step • identification of clinical leaders in all our hospital sites • review of solutions to staff flow and challenges • consolidate the World Health Organisation (WHO) policy across all our hospitals • review and refresh workshop to use successes and failures to identify how to move to 95% compliance in all five steps 	<p>During 2015/16, we identified that compliance to safer surgery was only measured consistently for steps 2, 3 and 4 and that data for steps 1 and 5 were poor and unreliable.</p> <p>In order to take this workstream forward we have developed ways to measure and improve compliance with all five steps and have amended our timeframe to allow these developments to embed.</p> <p>Unfortunately, we have reported 10 never events during 2015/16, nine of which relate to surgery. Therefore, our new goal is to improve compliance with the five steps to safer surgery to 95% and to reduce the number of surgical never events by at least 50% by 31 March 2018.</p> <p>In September 2015, new guidance on National Safety Standards for Invasive Procedures (NatSSIPs) was published, to help trusts implement safer surgery checklists in non-surgical areas.</p> <p>We are therefore intending to include this within our approach as we develop our Safer Surgery improvement plan over the next two years.</p>

Falls

Our goal is to reduce falls by 25%, as measured by incidents reported on Datix (our electronic database) by 31 March 2018.

Our key objectives will be:

- to fully embed the existing improvement programmes for falls prevention across all wards
- to assess new methods and technology (eg electronic patient sensors) to reduce falls risk

What was our aim during 2015/16?	What did we achieve?
<p>We aimed to achieve this by delivering the following milestones:</p> <ul style="list-style-type: none"> • set-up a trust-wide falls working group - to carry out root cause analysis of incidents, identify risk factors and areas for improvement • identify falls champions in each clinical service line across all hospitals • introduction of falls screening tool (based on National Patient Safety Agency's STRATIFY programme) and falls prevention plan (care bundle approach) by division across all hospitals • continue staff education and development on falls prevention • create sharing process to enable learning from falls incidents, especially serious incidents • consolidate updated falls-related policies and post falls protocol across all sites • set-up falls awareness events and training with trust-wide Multi-Disciplinary Team (MDT) falls study day • initiate falls podiatry assessment pathway 	<p>We have achieved all our 2015/16 milestones.</p> <p>Following the publication of the 2015 national audit of falls (England and Wales) audit, there is now data on both the rate of falls and the rate adjusted measure of harm from falls.</p> <p>We review our trust-wide (and ward-specific) rates of falls and harm from falls per 1,000 bed days each month. The average trust falls rate of 5.5 has dropped since 2013 to 4.7 as compared to the national average of 6.63/1,000 bed days.</p> <p>Our observation is that there has been significant variation in the last year, including an increased rate to 6.1 in January 2016 (above the upper control limit), which reduced in February. Additionally, there has been a gradual decline in the rate of harm from falls per 1,000 bed days (from a relatively high rate of 0.22 in early 2013) to a consistent average of 0.10, which is lower than half the original rate.</p> <p>We have also undertaken a project that aims to reduce trust falls by 25% and reduce harm from falls by 20% by March 2018. Eleven clinical areas at the Royal Free, Barnet, Chase Farm and Edgware Community hospitals are participating in the improvement programme. These are: Capetown/ Adelaide, Edgware Neuro Rehab, Beech, Quince, Rowan, Juniper, 7 East A, 7 West, 8 East, 8 West and 10 East.</p>

Acute kidney injury (AKI)

Our goal is to increase the number of patients who recover from AKI within 72 hours of admission by 25% by 31 March 2018 and target:

- 25% reduction in AKI mortality
- 25% reduction in length of stay
- 25% reduction in stage 1 AKI that progresses to AKI stage 2 or 3

What was our aim during 2015/16?	What did we achieve?
<p>We aimed to achieve this by delivering the following milestones:</p> <ul style="list-style-type: none"> • education of staff by app, website and e-learning • identification of access to baseline informatics in pilot areas • identification of AKI clinical leaders in pilot areas • process mapping in pilot areas to understand patient flow and challenges • introduction of STOP AKI diagnostic and care bundle in pilot areas • introduction of outreach system for moderate AKI using the patient at risk and resuscitation team (PARRT) as well as telemedicine senior renal support in pilot areas • monitoring of AKI data, review of progress and continual plan-do-study-act (PDSA) cycles for improvement • Review and refresh workshop to use successes and failures to identify how to move to 95% compliance 	<p>During 2015/16, the initial quality improvement work with AKI has focused on setting up the learning sets with trust-wide participation and engaging with an analytical provider to start to review and analyse the data needed to identify the patients.</p> <p>Work is in progress to scope the education package for all MDT staff. Various educational sessions will be delivered - simulations, face to face sessions, e-learning, case study based, webinars, etc. From September 2015 we have been collecting and analysing baseline data for the Royal Free Hospital. This data is reviewed on a monthly basis at the trust's AKI group.</p> <p>There is also a plan in place to start data collection and analysis at Barnet Hospital.</p> <p>We are currently developing a questionnaire to evaluate patient experience and wellness to develop a sustainable incremental process to gain regular patient feedback.</p> <p>We now have clinical leads and champions for all pilot areas. We have successfully completed process mapping across all pilot areas which has provided us with an insight on gaps and potential bottlenecks that we need to overcome to have an effective AKI patient pathway. This has led to the development of our driver diagram and action plans.</p> <p>The STOP AKI diagnostic and care bundle is under development. We are just starting the introduction of a registrar-led outreach review of those patients with moderate AKI identified via our data. This work is still under development with PDSA cycles, with the plan to use PARRT outreach and telemedicine.</p>

Patient deterioration

Our goal is to reduce the number of cardiac arrests to less than 1 per 1,000 admissions by 31 March 2018.

What was our aim during 2015/16?	What did we achieve?
<p>We aimed to achieve this by delivering the following milestones:</p> <ul style="list-style-type: none"> • initiate case note review of selected 2,222 calls and deaths and feed back lessons learnt to staff. • identify baseline data required at ward level and create process to feed back to staff in a timely manner. • provide staff training on situation-background-assessment recommendation (SBAR) and early warning score (EWS) monitoring. • identify pilot areas. • identify ward-based champions in pilot areas. • educate staff to undertake ward-based case note review. • review education programmes for clinical staff to further identify current courses that can include SBAR and EWS training. • monitor implementation of SBAR and EWS and use process mapping to consider where interventions are best placed for improvement. 	<p>We have identified three adult pilot wards following a review of cardiac arrest rates and incidents. We will be conducting a multidisciplinary mortality review within these areas, to challenge decision making and shared learning.</p> <p>Clinical leads have been identified and will support the process of recruiting of ward-based champions.</p> <p>Data on peri-arrests, cardiac arrests and PARRT referrals will be shared with pilot wards, reinforcing ward engagement by providing information that is relevant to the staff along with the activity that occurs in their area.</p> <p>The trust has achieved a ward-based cardiac arrest rate of 1 per 1,000 admissions. The most recent annual national cardiac arrest audit report (for 2015/16) demonstrates that the ward-based cardiac arrest rate for the Royal Free Hospital is 1 per 1,000 (data only available for three quarters of the year) and for Barnet Hospital is 0.6 per 1,000.</p> <p>The deteriorating patient workstream has been subject to a review in the last six months and its milestones have been significantly amended. A new IHI improvement collaborative approach is now being implemented by using the IHI breakthrough series collaborative model.</p>

Our newest pilot areas are A&E and maternity at Barnet Hospital, where their champions are collecting data and feeding back to staff directly.

Unborn baby deterioration

Our goal is to reduce the number of incidents relating to deterioration of the unborn baby, to two incidents per year between January 2015 and March 2018.

We have introduced the 'Risky Business' newsletter within our maternity department that shares lessons learnt from incidents at Barnet Hospital and the Royal Free Hospital.

What was our aim during 2015/16?	What did we achieve?
<p>We aimed to achieve this by delivering the following milestones:</p> <ul style="list-style-type: none"> • identify baseline data required at ward level and create process to feedback to staff in a timely manner • determine CTG interpretation skills baseline by staff survey • identify champions 	<p>Our work has initially focused on identifying baseline data required at ward level and creating processes to feed back to staff in a timely manner.</p> <p>Baseline data has been collected from incidents to provide a themed analysis to understand current barriers. The baseline data has been shared with staff at audit and perinatal meetings and will be absorbed into the online maternity "lesson of the week" feedback processes.</p> <p>Ward engagement with clinical leads is underway to facilitate the forming of an unborn baby working group.</p> <p>We have also increased our K2 training for midwives, so that this is now an integral part of skills training across both hospitals and includes cardiotocograph (CTG) interpretation skills. We are reviewing evidence to ensure that our key drivers for change reflect best practice and national standards. Supplemental to CTG and acid base training, we also have bi-annual specialist education sessions.</p> <p>Following successful behavioural analysis for adult patient deterioration, we will be using the same model of staff interviews to understand barriers and levers for this workstream. We have identified our initial champions to support this initiative.</p>

Sepsis

Our goal is to reduce severe sepsis-related serious incidents by 50% across all hospitals (A&E and maternity) by 31 March 2018.

In the future:

- Our quality improvement priorities are supported by the patient safety programme team. The team was recruited from December 2015 and it is expected that significant improvements within all the workstreams will occur during 2016/17. We have agreed priorities for improvement for 2016/7 which are part of our three year plan and are outlined in the relevant section of this report

What was our aim during 2015/16?	What did we achieve?
<p>We aimed to achieve this by delivering the following milestones:</p> <ul style="list-style-type: none"> • staff training in sepsis recognition in Barnet Hospital's A&E and maternity departments • Testing of improvement tools: sepsis trolley, sepsis safety cross, sepsis grab bag, sepsis checklist sticker • Introduction of sepsis improvement tools: severe sepsis 6 protocol • monitoring of data and PDSA cycle improvements • review of improvement to attain 95% compliance 	<p>We have achieved all our 2015/16 milestones which means that we standardised the use of the sepsis protocol in 10 pilot wards across the trust.</p> <p>Our two newest pilot ward areas are A&E and maternity at Barnet Hospital, where their champions are collecting data and using this to feed back to staff directly. The compliance data show significant improvements.</p> <p>PDSA cycles of improvements are continual within pilot areas and the champions are assisting and developing this process.</p> <p>During 2015/16, we joined the UCLP patient safety sepsis collaborative to share ideas and provide opportunities for further learning.</p> <p>Staff training in sepsis recognition was undertaken in maternity and the emergency department at Barnet Hospital, and the sepsis improvement tools were introduced in May and August 2015 respectively.</p> <p>The compliance data show significant improvements.</p>

Priorities for improvement 2016/17

Figure 1: overview of our consultation process

The initial proposed quality priorities were generated within our relevant committees and were then consulted on with our key stakeholders.

The stakeholders' event was attended by over 70 people and included representatives from Healthwatch, members of the joint overview and scrutiny health committee, patient representatives and members of the council of governors.

A trust wide survey was undertaken in March with members, staff and patients participating. Almost 200 responses were received.

The Trust Executive Committee (TEC) considered the responses and agreed the three priorities for 2016/17, prior to approval by the trust board.

In order to provide the best possible care to our patients, each year we set three quality improvement priorities for the year ahead which will be reported and monitored at our board level committees and our trust board throughout 2016/17. The priorities fall within the three quality domains of patient experience, clinical effectiveness and patient safety, which were drawn from our intelligence, performance and discussions.

Building on the progress that we have made during 2015/16, our priorities for improvement for 2016/17 will continue to support the values and governing objectives and our underpinning quality strategy.

Our consultation process

As part of our consultation process, external stakeholders, the council of governors, patients and staff were invited to share their views on our proposed priorities and were also asked if there were any other priorities that the trust should consider for 2016/17.

Our quality strategy

Our new quality strategy was approved by the trust board in November 2015 and spans all three domains of quality: patient experience, clinical effectiveness and patient safety. This year we are therefore including priorities spanning all three domains focused on key initial steps for implementation of the quality strategy itself (See appendix 1 - our quality strategy).

The strategy centres on equipping large numbers of staff with the skills they require to make continuous improvement central to their daily work and to ensure the organisation supports them in their improvement efforts. In this way, the trust's improvement work will energise staff and have maximum impact for patients and families.

Our overarching quality priorities for 2016/17

- For the trust board and senior leadership to work on their collective development, enabling them to provide effective leadership for improvement across our hospitals.
- To use a diagnostic tool assessing our readiness for quality improvement, helping us prioritise and focus our work to implement the quality strategy.
- To begin to build our trust-wide improvement team and faculty whose job is to support quality improvement work at the frontline across the trust.

Priority one: patient experience priorities for improvement 2016/17

During 2016/17 we will continue to deliver on our mission and principles as outlined in our patient experience strategy; to support this we have agreed on a number of initiatives.

Through our patient and staff experience committee (PSEC) we will monitor, measure and report progress. The committee reports quarterly to the trust board.

Our chosen priorities for 2016/17 are:

- to publish an annual report; to include a statement of dementia care on progress against the trust dementia strategy and fixed dementia care (Alzheimer's Society report) metrics
- to allow flexible visiting times for carers of people living with dementia on 100% of in-patient wards
- to achieve trust certification for The Information Standard by 2018
- to ensure that 95% of patients (identified as end of life) have an end of life care bundle in place.

Priority two: clinical effectiveness priorities for improvement 2016/17

Through the clinical performance committee we will monitor, measure and report progress. The committee reports quarterly to the trust board.

Improving clinical effectiveness – outcomes for patients – is core to the trust's quality strategy and improvement work, as highlighted in our overarching quality priorities for 2016/17. We know from the results from the National Audit of Dementia that this is one of the areas for improvement, so we have selected the additional priority of dementia care within our clinical effectiveness priorities:

- to further enhance and support dementia care initiatives across the trust, as previously identified in the national audit of dementia (NAD) 2013 and more recently in the pilot for national dementia 2015/16
- linked with our patient experience priorities on dementia, we will work to improve our discharge co-ordination for patients with dementia and their carers
- develop those metrics which will enable us to measure improvements in dementia care

Priority three: patient safety priorities for improvement 2016/17

Through the patient safety committee we will monitor, measure and report progress. The committee reports quarterly to the trust board.

Our aim is to become a zero avoidable harm organisation by 2020, initially by reducing the level of avoidable harm at the Royal Free London NHS Foundation Trust (as measured by incidents relating to NHS Legislation Authority claims) by 50% by 31 March 2018. Our targets are focused on our three year plan and we will be delivering key milestones along the way,

The measures for next year, set out below, will be represented in the following year's accounts and will show each area against a three year trajectory, together with relevant milestones.

Our chosen priorities for 2016/17 are:

SAFER SURGERY

- To improve compliance with the five steps to safer surgery to 95% by 31 March 2018.
- To reduce the number of surgical never events by 31 March 2018.

Our 2016/17 milestones:

- by scaling up our plan-do-study-act (PDSA) cycles, we will develop locally driven methods to robustly embed the quality of the content within steps 1 and 5 (the brief and debrief) in the theatre lists across all hospitals
- we will co-design and test interventions to improve team culture and 'buy in' across general theatres, particularly during sign in, time out and sign out (steps 2,3,4). This will include the co-designing and implementation of a local theatre/surgery faculty to build human factors skills and knowledge capabilities
- we will co-ordinate the development of an organisational framework for implementation and co-design of local national standards for invasive surgical related procedures

FALLS PREVENTION

- To achieve a 20% reduction of falls per 1,000 bed days by 31 March 2018.

Our 2016/17 milestones:

- we will continue to harmonise documentation relating to falls risk assessment, so that we can introduce a falls package that includes the falls assessment, 'specialing' assessment, care plan, bedrail assessment and post-fall checklist
- we will develop an amended 'immediate post falls care guideline' that can work across all hospitals
- we will continue with the trust-wide IHI learning sessions and increase our informal meetings to enable monthly peer review, sharing and challenge

ACUTE KIDNEY INJURY (AKI)

- To reduce 30-day-mortality following admission and increase proportion of patients who recover renal function (from 20% of baseline creatinine) by 25%, and improving patient experience and wellness scores by 31 March 2018.

Our 2016/17 milestones:

- we will co-design and deliver an educational package to build capability and knowledge around recognition and treatment of AKI
- we will co-design a care bundle package to support the local clinical teams to deliver interventions specific to AKI pathology, such as hypo-perfusion, toxicity, obstruction and primary renal disease
- we will develop a reliable creatinine review and response system

DETERIORATING PATIENT (DP)

- To reduce the number of cardiac arrests to less than 1 per 1,000 admissions by 31 March 2018.
- To reduce the number of incidents of deterioration relating to unborn babies by 31 March 2018.

Our 2016/17 milestones:

- five pilot wards have been identified across the trust (including obstetrics) where we will trial specific change interventions such as SBAR handover quality, ward rounds, board rounds and safety huddles. These interventions will be measured so that staff receive timely feedback and PDSA cycles of improvement can be enacted
- we will introduce ward-based metrics, such as ward cardiac arrest rates, so that staff can understand their baseline data and have real-time feedback on progress
- we will undertake targeted casenote review and audit of patient deaths (both unexpected and expected) in the pilot ward areas involving ward staff alongside members of deteriorating patient workstream. Areas for improvement and lessons learnt will be shared back with ward staff
- we are setting up the 'unborn baby working group' and will map out ideas for change/improvement. This will include the identification of a clear aim and process measures
- we will identify pilot area champions within Barnet and Royal Free hospitals' labour wards

SEPSIS

- To reduce severe sepsis-related serious incidents by 50% across all hospitals by 31 March 2018.

Our 2016/17 milestones:

- we will use continual PDSA cycles to improve our compliance in the newer pilot ward areas such as Barnet Hospital's emergency department and maternity
- we will test the behavioural theory-identified recommended modifications for improvement: standardisation of education sessions, partnership agreement, and frequently asked questions guidance in our pilot ward and measure this in practice
- we will further develop the sepsis champion role in pilot areas to enable long term sustainability in all 10 pilot wards

Statements of assurance from the board

This section contains eight statutory statements of assurance from the board, regarding the quality of services provided by the Royal Free London NHS Foundation Trust.

Where relevant we have provided additional information that provides local context to the information provided in the statutory statements.

Review of services

Quality is monitored in each of our four clinical divisions, with regular reviews of safety, clinical effectiveness and patient experience. Assurance is provided from each division to our strategic quality committee.

During 2015/16, the Royal Free London NHS Foundation Trust (RFL) provided and/or sub-contracted 38 relevant health services.

The RFL has reviewed all the data available on the quality of care in 38 of these relevant health services.

The income generated by the relevant health services reviewed in 2015/16 represents 97% of the total income generated from the provision of relevant health services by the RFL for 2015/16.

Participating in clinical audits and national confidential enquiries

The trust continues to participate in clinical audit programmes and steps are taken to review our processes, ensuring that we have demonstrable evidence of changes made to practices.

During 2015/16 44 national clinical audits and two national confidential enquiries covered relevant health services that the RFL provides.

During that period the RFL participated in 98% (43/44) of national clinical audits and 100% (2/2) of national confidential enquiries of the national clinical audits and national confidential enquiries that it was eligible to participate in.

The national clinical audits and national confidential enquiries that the RFL participated in, and for which data collection was completed during 2015/16, are listed in table 2, alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Table 2: participation in national clinical audits and national confidential enquiries

National clinical audits for inclusion in quality report 2015/16	Data collection completed in 2015/16	Eligibility to participate	Participation 2015/16	Rate of case ascertainment (%)
British Thoracic Society (BTS): adult community acquired pneumonia audit – BTS 2014/15	√	√	√ BH	n=33/30 (110%)
		x	x CFH	N/A
		√	√ RFH	n=40/30 (133%)
BTS: emergency use of oxygen	√	√	√ BH	n=48
		x	x CFH	N/A
		√	√ RFH	n=46
BTS: paediatric asthma	√	√	√ BH	n=40/20 (200%)
		x	x CFH	N/A
		√	√ RFH	n=14/20 (70%)
Cancer: national bowel cancer audit 2013/14	x	√	√ BH	n=199/208 (96%)
		x	x CFH	N/A
		√	√ RFH	n=98/90 (109%)
Cancer: national lung cancer audit 2014	x	√	√ BH	n=106
		x	x CFH	N/A
		√	√ RFH	n=113
Cancer: national oesophago-gastric cancer audit 2012-2014	x	√	√ BH	n=112 (71-80%)
		x	x CFH	N/A
		√	√ RFH	n=67 (81-90%)
Cancer: national prostate cancer audit 2014/15	x	√	√ BH	n=91 (21%)
		√	√ CFH	
		√	√ RFH	n=19 (90%)
College of Emergency Medicine (CEM): procedural sedation in adults – RCEM	√	√	√ BH	n=42
		x	x CFH	N/A
		√	√ RFH	n=46
CEM: VTE risk in lower limb immobilisation	√	√	√ BH	n=12
		x	x CFH	N/A
		√	√ RFH	n=45
CEM: vital signs in children	√	√	√ BH	n=101
		x	x CFH	N/A
		√	√ RFH	n=42
Chronic obstructive pulmonary disease audit programme: pulmonary rehabilitation	√	x	x BH	N/A
		x	x CFH	N/A
		√	√ RFH	n=10
Diabetes: national diabetes audit (NDA) 2014/15	√	√	√ BH	n=371
		√	√ CFH	n=626
		√	√ RFH	n=1533
Diabetes: national foot care in diabetes audit 2014/15	√	x	x BH	N/A
		x	x CFH	N/A
		√	√ RFH	n=41
Diabetes: national diabetes in-patient audit (NaDIA)	√	√	√ BH	n=55
		x	x CFH	N/A
		√	√ RFH	n=103

National clinical audits for inclusion in quality report 2015/16	Data collection completed in 2015/16	Eligibility to participate	Participation 2015/16	Rate of case ascertainment (%)
Diabetes: national paediatric diabetes audit (NPDA) 2014/15	√	√	√ BH	n=69
		√	√ CFH	n=57
		√	√ RFH	n=48
Diabetes: national pregnancy in diabetes 2014	x	√	√ BH	n=17
		x	x CFH	N/A
		√	√ RFH	n=20
Falls and fragility fractures audit programme (FFFAP): national audit of in-patient falls	√	√	√ BH	n=32/30 (107%)
		x	x CFH	N/A
		√	√ RFH	n=33/30 (110%)
FFFAP: fracture liaison service database – patient audit	x	√	√ BH	N/A
		x	x CFH	N/A
		x	x RFH	N/A
FFFAP: national hip fracture database 2015	√	√	√ BH	n= 370
		x	x CFH	N/A
		√	√ RFH	n= 196
Heart: national audit of percutaneous coronary interventions 2014	x	x	x BH	N/A
		x	x CFH	N/A
		√	√ RFH	n=829
Heart: cardiac rhythm management 2014/15	x	√	√ BH	n= 295
		x	x CFH	N/A
		√	√ RFH	n= 267
Heart: myocardial infarction national audit project (MINAP) 2014/15	x	√	√ BH	n=254
		x	x CFH	N/A
		√	√ RFH	n=561
Heart: national heart failure audit 2014/15	x	√	√ BH	n=402
		x	x CFH	N/A
		√	√ RFH	n=260
ICNARC: national cardiac arrest audit (NCAA) 2014/15	x	√	x BH	n=0
		x	x CFH	N/A
		√	√ RFH	n= 251
ICNARC: case mix programme: adult critical care 2014/15	x	√	√ BH	n = 813
		x	x CFH	N/A
		√	√ RFH	n = 1104
Inflammatory bowel disease (IBD) biological therapy audit (adult)	√	√	√ BH	n= 47
		x	x CFH	N/A
		√	√ RFH	n=0
IBD biological therapy audit (paediatric)	√	x	x BH	N/A
		x	x CFH	N/A
		√	x RFH	n=0
National complicated diverticulitis audit (CAD)	√	x	x BH	N/A
		x	x CFH	N/A
		√	RFH	n=16/15 (107%)

National clinical audits for inclusion in quality report 2015/16	Data collection completed in 2015/16	Eligibility to participate	Participation 2015/16	Rate of case ascertainment (%)
National elective surgery PROMs: four operations (Apr-15 to Sep-15)	x	✓	✓ BH	n=532 (43.6%)
		✓	✓ CFH	
		✓	✓ RFH	
National emergency laparotomy audit (NELA)	✓	✓	✓ BH	n=10 (5%)
		x	x CFH	N/A
		✓	✓ RFH	n=100 (83%)
National joint registry 2015	✓	✓	✓ BH	n= 42
		✓	✓ CFH	n=573
		✓	✓ RFH	n=427
National neonatal audit programme (NNAP) 2014	x	✓	✓ BH	n=1082
			x CFH	N/A
			✓ RFH	n=309
National pulmonary hypertension audit 2014/15	x	x	x BH	N/A
		x	x CFH	N/A
		✓	✓ RFH	n=1080
NHS Blood and Transplant (NHSBT): audit of lower gastrointestinal bleeding and the use of blood	✓	✓	✓ BH	n=15 (100%)
		x	✓CFH	
		✓	✓ RFH	n=8 (100%)
NHSBT: audit of patient blood management in scheduled surgery	✓	✓	✓ BH	n=23 (100%)
		✓	✓CFH	n=8 (100%)
		✓	✓ RFH	n=30 (100%)
NHSBT: audit of red cell and platelet transfusion in adult haematology patients	✓	✓	✓ BH	n=32 (100%)
		✓	✓CFH	n=15 (100%)
		x	x RFH	N/A
NHSBT: UK Transplant Registry Elective: 2014/15 Superurgent: 2010/15	✓	x	x BH	N/A
		x	x CFH	N/A
		✓	✓ RFH	n=106 (100%)
Ophthalmology: adult cataract surgery	x	✓	✓ BH	N/A
		✓	✓ CFH	N/A
		✓	✓ RFH	N/A
UK Parkinson's audit: neurology	✓	✓	✓ BH	n= 33/20 (165%)
		x	x CFH	N/A
		✓	✓ RFH	n= 20/20 (100%)
UK Parkinson's audit: elderly care	✓	x	x BH	N/A
		x	x CFH	N/A
		✓	✓ RFH	n= 20/20 (100%)
UK Parkinson's audit: physiotherapy	✓	✓	✓ BH	n= 20/10 (200%)
		x	x CFH	N/A
		✓	✓ RFH	n= 10/10 (100%)
UK Parkinson's audit: speech language therapy	✓	✓	✓ BH	n=0
		x	x CFH	N/A
		✓	✓ RFH	n=0

National clinical audits for inclusion in quality report 2015/16	Data collection completed in 2015/16	Eligibility to participate	Participation 2015/16	Rate of case ascertainment (%)
UK Parkinson's audit: occupational therapy	√	√	√ BH	n=0
		x	x CFH	N/A
		√	√ RFH	n=0
Renal replacement therapy (renal registry) 2014	x	x	x BH	N/A
			x CFH	N/A
			√ RFH	n=2239
Rheumatoid and early inflammatory arthritis	√	√	√ BH	n=33
		√	√ CFH	n=10
		√	√ RFH	n=7
Sentinel stroke national audit programme (SSNAP) 2014/15	x	√	√ BH	n=167 (90+%)
		√	√ CFH	
		√	√ RFH	n=147 (90+%)
Trauma audit research network (TARN) 2014/15	x	√	√ BH	n=78 (29.4%)
		x	x CFH	N/A
		√	√ RFH	n=193 (100.5%)
National vascular registry 2014	x	x	x BH	N/A
		x	x CFH	N/A
		v	√ RFH	n=246
Adult asthma (BTS)	x	√	N/A	N/A
Adult cardiac surgery	√	x	N/A	N/A
Chronic kidney disease in primary care	√	x	N/A	N/A
Congenital heart disease (paeds)	√	x	N/A	N/A
Cystic fibrosis registry	√	x	N/A	N/A
Head and neck cancer audit (DAHNO)	x	x	N/A	N/A
Mental health clinical outcome review programme	√	x	N/A	N/A
National audit of dementia	x	√	N/A	N/A
National audit of intermediate care	√	x	N/A	N/A
Non-invasive ventilation audit - BTS	x	√	N/A	N/A
Paediatric intensive care (PICANet)	√	x	N/A	N/A
Paediatric pneumonia audit - BTS	x	√	N/A	N/A
Prescribing observatory for mental health	√	x	N/A	N/A

The Royal Free London NHS Foundation Trust also participated in the following national audits by submitting data in 2015/16:

National audit title
End of life care audit
British Association of Urological Surgeons: nephrectomy audit
British Association of Urological Surgeons: percutaneous nephrolithotomy audit
British Association of Urological Surgeons: stress urinary incontinence
National audit of cardiac rehabilitation
British Association of Endocrine and Thyroid Surgeons: thyroid and parathyroid surgery
NHS Blood and Transplant: kidney transplantation audit
NHS Blood and Transplant: potential donor audit
Royal College of Anaesthetists: perioperative anaphylaxis

Clinical Outcome Review Programme (previously the National Confidential Enquiries and Centre for Maternal and Child Death Enquiries):				
NCEPOD: acute pancreatitis		✓	✓ BH	n= 10/10 (100%) clinical questionnaire
		x	x CFH	
	✓	✓	✓ RFH	n=10/10 (100%) casenotes n= 3/3 (100%) organisational audit
NCEPOD: mental health acute	x	✓	✓ BH	N/A
		✓	✓ CFH	N/A
		✓	✓ RFH	N/A
NCEPOD – non-invasive ventilation	x	✓	✓ BH	N/A
		x	x CFH	N/A
		✓	✓ RFH	N/A
NCEPOD: young people's mental health	x	✓	✓ BH	N/A
		✓	✓ CFH	N/A
		✓	✓ RFH	N/A
Maternal, newborn and infant: maternal programme 2014	✓	✓	✓ BH	n=1
		x	x CFH	N/A
		✓	✓ RFH	n=2
Maternal, newborn and infant: perinatal programme 2014	✓	✓	✓ BH	n=TBC
		x	x CFH	N/A
		✓	✓ RFH	n=TBC

The reports of 44 national clinical audits were reviewed by the provider in 2015/16 and the RFL intends to take the following actions to improve the quality of health care provided:

Actions to improve the quality of healthcare provided:

- We are working towards the outcomes from the national clinical audits being presented at our strategic clinical governance and clinical risk committee (CGCRC).
- We are working with our four clinical divisions to ensure that any key findings are reviewed and raised within the relevant divisional forum.

(A full list of specific actions are presented in table 3)

Table 3: Details of specific actions undertaken as the result of a national clinical audit

National clinical audit	Actions to improve quality
The national diabetes (core) adults	The diabetes team is working with database provider Diamond to improve data collection for the 2016 audit.
The national audit of diabetes in-patients (NaDIA) 2013	The NaDIA report for the 2015 audit has been recently published and is currently under review. Improvements noted for foot assessments.
The national prostate cancer audit 2014-15 has published its organisational report and first year annual report	Full compliance recorded against audit report findings. Actions to improve data entry for performance status and to consider increasing joint clinics to improve patient access, as recommended by NICE.
BAUS audit data by individual surgeon	Reflecting the overall figures for the centre there were no individual outliers for the safety parameters.
Safeguarding – Section 11 Children Act Audits completed for Enfield, Barnet and Camden Safeguarding Children Boards	On-going monitoring against section 11 continues to be led by the LSCB. The trust is compliant with section 11 of the Children Act. Most recent section 11 audit completed and returned to BSCB on 19 January 2016 with actions to improve effectiveness where identified.
The national oesophago-cancer audit (NOGCA) report published in December 2015	The NOGCA report has shown a deficit in case ascertainment. An amber for case ascertainment (71%–80% range) against expected HSCIC HES-based estimate. However, the HES data has been reported as out of date. The deficit has been raised with the clinical area for feedback.
Rheumatoid and early inflammatory arthritis report (first cohort) published January 2016.	There have been issues with resource for recruitment and data entry at both RFH and BH, achieving only six at RFH and 24 at BH. The action plan includes a business case for an additional clinical nurse specialist to improve patient flow into early inflammatory arthritis (EIA) clinics, patient education and assistance with audit.
Patient report outcome measures (PROMS):	<p>Actions to support this will include:</p> <ul style="list-style-type: none"> obtaining data of actual number of procedures undertaken to compare with figures amending processes at Barnet Hospital and Chase Farm Hospital for all submissions to come through governance team reviewing where pre-operative questionnaires are completed
The CQC maternity survey was published in December 2015	<p>The following actions are to be put in place:</p> <ul style="list-style-type: none"> the promotion of normality and the range of choice for women with regard to maternal positions in labour the promotion of the full range of communication strategies including the use of interpreting/translation services to facilitate women's understanding to ensure women receive consistent support and encouragement for infant feeding by promoting staff awareness via departmental meetings the maternity services are working toward UNICEF level 3 accreditation with an assessment due in April 2016

National clinical audit	Actions to improve quality
British Thoracic Society (BTS): asthma in children audit	<p>To improve the care provided to paediatric asthma patients, the trust is undertaking a pilot project with Camden commissioners that will develop nurse-led clinics and improve referral pathways.</p> <p>The 2015 BTS audit results are currently under review and a trust-wide action plan is in development to support further improvement.</p>
Maternal deaths – mothers and babies reducing risk through audit and confidential enquiries across the UK (MBRRACE-UK)	<p>While the trust meets the majority of recommendations made, a trust-wide action plan is already in place to support further improvement. The following guidelines are currently under review to ensure all recommendations are met: maternal death guideline, maternity outliers' guideline and postnatal care and discharge guideline.</p>
Perinatal deaths – MBRRACE UK	<p>While the trust meets the majority of recommendations made, a cross-site action plan has been developed to support further improvement. In line with this, the following guidelines are currently under review: maternity risk management strategy, pregnancy loss guideline, reduced foetal movements guideline and triage and maternity day assessment unit/day assessment unit guideline.</p>
Epilepsy in children	<p>To support further improvement the trust has already taken the following action:</p> <ul style="list-style-type: none"> • restructuring of clinics to ensure prompt patient review • appointing a new consultant with an interest in epilepsy to improve the frequency that routine reviews can be offered
National paediatric diabetes audit	<p>The following actions are being investigated by the trust to improve the care, outcomes and experiences of children with diabetes:</p> <ul style="list-style-type: none"> • more intensive input by paediatric diabetes specialist nurses for patients with poor blood sugar control • services integrated and existing resources used more efficiently • additional resources from adult diabetes specialists, diabetes specialist nurses and paediatricians • increased mental health and dietetic provision, and better use of technology
The National Neonatal Audit Programme (NNAP)	<p>Barnet Hospital demonstrated good practice, meeting all the standards recommended by NNAP. The Royal Free Hospital had mixed results and a review of the audit data is currently underway by the relevant stakeholders. An action plan will be developed to support further improvement.</p>
Delirium/cognitive assessment – emergency department	<p>The audit demonstrated that while cognitive impairment is frequently considered, it is more likely to be documented when the medical assessment part of the clerking pro forma is used. In addition the following areas were highlighted for improvement: provision of information to GPs, documentation of discussions with carers and documentation of early warning score on observation chart.</p> <p>To improve practice, it is proposed that the medical assessment part of the clerking pro forma is used in the emergency department, and that the following details are added to the pro forma: a tick box for relatives, a prompt to record the early warning score and a section on GP discharge letters.</p>

National clinical audit	Actions to improve quality
Re-audit of pain in children – emergency department	<p>Following the original Royal College of Emergency Medicine (RCEM) audit, leaflets were developed containing information on analgesia and pain-scoring, which are distributed to all parents presenting with children.</p> <p>As a result of the re-audit and to improve further, two emergency department nurse champions have been recruited who lead on a monthly audit of pain-scoring and analgesia. The results are displayed on the governance notice boards.</p> <p>In addition, a separate audit to establish the time of analgesia from triage has been completed and, as a result, a business case put forward for a further paediatric emergency department nurse to do triage.</p>
Re-audit of feverish children – emergency department	<p>The audit demonstrated that, overall, the recording of all observations has improved, whilst indicating that there is still room for improvement in the recording of blood pressure and the consistency with which vital signs are taken within 20 minutes.</p> <p>A number of developments have been implemented since the audit to improve further. These include the opening of a paediatric ED at Barnet Hospital; 24-hour availability of paediatric nursing staff, which has facilitated a dedicated service that enables all children to be appropriately assessed in a timely manner; greater integration with the co-located paediatric assessment unit; and good recruitment and retention of paediatric nursing staff.</p>
Asthma in children – emergency department	<p>While the trust is achieving many of the standards set, improvement actions are planned to address the recording of vital signs taken within 20 minutes. This includes the development of an inter-departmental pro forma that allows best practice to be consistently achieved.</p>
Ureteric colic – emergency department	<p>Areas for improvement highlighted by the audit include the recording of a pain score, timely provision of analgesia and re-evaluation of pain.</p> <p>To improve practice an acute assessment unit pathway and referral documentation, used to enter patients into the ambulatory clinic, were launched in August 2015. The pathway is working well and there is a very good working relationship with the urology team. In addition 24-hour CT scanning availability has ensured same day diagnosis and treatment is optimised.</p>
Trauma audit and research network (TARN) – emergency department	<p>More trauma patients are surviving compared to expected, based on the severity of their injury at both Barnet and Royal Free hospitals.</p>
Falls – health services for elderly people	<p>As a result of the audit, the following actions to improve were taken or are in progress: enhanced bays are provided; a recruitment drive continues, with good staff retention on wards noted; falls prevention plans are included in every care bundle; all falls are reported as adverse incidents as part of a robust post-falls process; following a fall, neurological observations are taken for a minimum of 24 hours and for up to 48 hours when clinically indicated; falls management is audited on the wards every month, and more formally twice a year; and post falls review to be addressed specifically with medical staff.</p>

National clinical audit	Actions to improve quality
Sentinel stroke national audit programme (SSNAP) – neurology	<p>Performance at the Royal Free Hospital has steadily improved and the following actions agreed to improve further:</p> <ul style="list-style-type: none"> • improved access to speech and language therapy for patients who have suffered a stroke • the implementation of six-monthly reviews of patients in the community <p>In accordance with the pan-London acute stroke pathway, patients presenting with acute stroke are referred to the nearest hyper acute stroke unit (HASU), rather than being admitted to a local acute stroke unit such as Barnet. The acute stroke unit at Barnet Hospital has admitted an unexpectedly high number of patients. As a result the trust is currently working with the national lead and external partners, including the London Ambulance Service, to understand the reasons for this and to ensure patients are referred to the appropriate unit in the first instance.</p> <p>In addition the Royal Free Hospital HASU will be implementing 'refer-a-patient' a referral management system paid for by University College London Hospital.</p>
British Thoracic Society: pleural procedures audit – respiratory	<p>The audit demonstrated that when compared to the national average patients are more than twice as likely to have their chest drains inserted by a consultant, are more likely to be supported by a member of nursing staff and are more likely to undergo the procedure in a dedicated room.</p> <p>To improve further, oncology is referring pleural disease patients directly to the respiratory service to be managed by a respiratory physician and new chest drain documentation has been implemented on the respiratory ward. This documentation, which has substantially improved the quality of record keeping, will be rolled out to some of the other wards that host these patients.</p> <p>In addition the trust will be recruiting patients as part of two NIHR sponsored clinical trials in improving outcomes for patients with pneumothoraces and malignant pleural effusions.</p>
Chronic obstructive pulmonary disease (COPD) – respiratory	<p>The trust performed in the top quartile nationally for this audit, with excellent performance noted for patients reviewed on admission by a senior clinician and the provision of integrated care with primary care.</p> <p>The Camden service redesign project is in progress, providing the opportunity for the trust to address some of the shortcomings identified in the audit, for example access to an early supported discharge scheme and access to specialist respiratory care during the evening and at weekends. Proposals for a new COPD service are currently being assessed by Camden clinical commissioning group (CCG).</p>
Lung cancer - respiratory	<p>At Barnet Hospital there are now two reserved slots for CT scans for lung cancer target patients seen on the same day in cancer clinic. As a result all patients now have CT chest/staging before bronchoscopy.</p>

Clinical audit remains a key component of improving the quality and effectiveness of clinical care, ensuring that safe and effective clinical practice is based on nationally agreed standards of good practice and evidence-based care.

The trust remains committed to delivering safe and effective high quality patient centred services, based on the latest evidence and clinical research. Through our four clinical divisions, work is in progress to dovetail our clinical audits and quality improvement initiatives which will provide better outcomes for our patients.

The reports of 231 local clinical audits were reviewed by the provider in 2015/16 and the RFL intends to take the following actions to improve the quality of healthcare provided.

Actions to improve the quality of healthcare provided:

- To ensure that all local audits are monitored effectively throughout our clinical divisions, with an increased focus on identifying the outcomes and embedding recommendations
- To ensure that any key themes which cross divisions are addressed appropriately

(A full list of specific actions are presented in table 4)

Table 4: Details of specific actions undertaken as the result of a local clinical audit

Local clinical audit	Actions to improve quality
To compare local practice to hospital guidelines for the need for thromboprophylaxis	Actions taken have included: consultants reminding junior staff, liaising with pharmacy/thrombophilia, drug chart venous thromboembolism (VTE) section to be placed next to tinzaparin prescribing section, and review dates to be placed within VTE prescription section.
Improving patient experience of cannulation/phlebotomy using USS guidance	To improve the technical ability of junior doctors in venepuncture and cannulation by utilising ultrasound guided techniques, subsequently improving patient experience.
Use of PET in the investigation of paraneoplastic neurological syndromes.	Local guidelines formulated for more judicious use of investigations including CT and PET imaging in suspected paraneoplastic disease.
Re-audit of acute management of epididymo-orchitis at the Royal Free Hospital	Acute epididymo-orchitis is a clinical syndrome that is characterised by pain, swelling and inflammation of epididymis with or without involvement of the testes. The re-audit demonstrated improvement in sexual health history taking, genito-urinary medicine (GUM) clinic referral, urinalysis and appropriate prescription of antibiotics. To improve practice further a care pathway in ED will be developed and implemented to ensure long-term sustainable improvement in acute management of epididymo-orchitis.
Re-audit of vancomycin and gentamicin levels in dialysis patients	While the re-audit demonstrated sustained improvement had been achieved since the previous round, the following actions will be taken to improve further: <ul style="list-style-type: none"> • antibiotic levels will be checked at each dialysis session so dose can be adjusted according to policy • the microbiology department will phone out most high levels (both vancomycin and gentamicin). These will also be checked by the team requesting the test
Audit of antibiotic levels	The data was found to support the International Society for Peritoneal Dialysis statement that adequate serum vancomycin concentrations can be achieved with intermittent dosing (single dose every five days), but cannot guarantee therapeutic peritoneal dialysate effluent (PDE) levels in the treatment of peritoneal dialysis-associated peritonitis (PDP). Intermittent dosing of vancomycin may not consistently result in PDE concentrations markedly greater than minimal inhibitory concentration (MIC) of many important pathogens. Although the clinical significance of this finding remains to be determined, it is suggested that it may be beneficial to give smaller but more frequent doses of PDE vancomycin (continuous dosing) for adults with PDP (as is currently recommended for children).

Local clinical audit	Actions to improve quality
Recreational drug use in men who have sex with men (MSM) and HIV testing uptake	<p>As a result of the audit the following actions have been taken to improve practice:</p> <ul style="list-style-type: none"> the drugs involved in chemsex have been defined a clinic pro forma has been introduced a monthly report of HIV testing offered and uptake in MSM and black Africans has been initiated and included on the agenda for management meetings report on outcomes of men who disclose chemsex expected summer 2016
Severe maternal sepsis	<p>Each maternity unit uses the sepsis 6 care bundle, modified for maternity patients. There is a designated lead for sepsis 6 to promote and embed practice who provides multidisciplinary training and education on maternal sepsis and the sepsis 6 care bundle.</p> <p>To support further improvement, guidelines will be harmonised across hospitals; an obstetric sepsis casenote sticker and a maternal sepsis toolkit will be introduced on each labour ward. Further, regular audit will be undertaken to identify opportunities for improvement and facilitate shared learning.</p>
Sepsis in children	<p>Audit of the paediatric sepsis 6 pathway, which aims to raise awareness and enable early identification and appropriate management of feverish children, demonstrates good practice.</p> <p>To improve further the entry criteria for the sepsis 6 pathway has been expanded to include more at risk children. The guideline is being revised accordingly.</p>
Situational awareness for everyone (the SAFE programme) – a two-year collaborative programme involving 12 hospitals including the Royal Free Hospital. Led by the Royal College of Paediatrics and child health, the programme aims to reduce the number of preventable deaths in children	<p>Brief “huddles” have been implemented. These are regular five-minute briefings, whereby all the professionals looking after a child come together and share information about the child’s clinical status and care. The aim is to enhance situational awareness, thereby improving early identification of signs of deterioration and preventing missed diagnoses. Staff feedback has been positive and more patients have been referred for intensive care support as a result of this process.</p> <p>To support further improvement:</p> <ul style="list-style-type: none"> the use of paediatric early warning scores (PEWS) and the unified handover tool (SBAR) will be re-audited the patient whiteboard will be re-designed to better highlight patients at risk the clinical notes of patients who received intensive or high dependency care will be reviewed to identify potential improvements to safety
Delivery of individualised care in our neonatal service	<p>Based on evidence that suggests that babies have better long-term outcomes if they have “individualised care” rather than traditional neonatal care, the neonatal unit is pioneering the delivery of this new style of neonatal care, emphasising the importance of the baby’s environment and the various stimulations to which babies are exposed.</p> <p>To support further improvement, a culture of individualised care will be embedded. Staff and parent satisfaction with the environment provided for babies and general feedback will be regularly reviewed and adjustments made as required.</p>
Asthma education in schools – A joint project between the trust, University College London, Asthma UK and local schools to improve asthma symptom awareness	<p>As a result of this programme nearly 3,000 local school children have shown improved awareness of asthma symptoms, with short term asthma knowledge scores improving from 4/13 to 11/13.</p> <p>To support further improvement, measures are currently being developed to assess impact on quality of life, and attendance at school, primary care and emergency department.</p>
NICE guidance on intravenous fluid therapy for adult in-patients	<p>To support improvement, the design of the fluid prescribing chart will be amended to improve intravenous fluid prescribing and documentation. A teaching programme for medical students and junior doctors will be provided to support the implementation of the updated chart and the NICE guidance. A local audit of the trust guideline is currently in progress.</p>

Local clinical audit	Actions to improve quality
Magnesium sulphate for fetal neuroprotection in premature infants	While the number of preterm births is increasing, the survival rate of such infants has improved, but the prevalence of cerebral palsy has increased. In light of recently published evidence that suggests that magnesium sulphate given to mothers shortly before delivery can reduce the risk of cerebral palsy and protect motor function in infants, guidance on use of this therapy for foetal neuroprotection has been developed and introduced at the trust. To support further improvement, work is underway to identify all women whose babies might benefit from this therapy and to monitor the levels of this medication which reach babies' blood.
Choice of place of birth audit	To support further improvement across hospitals, the place of birth guideline will be harmonised and guideline events held to disseminate the guideline.
Consent in maternity procedures audit	The audit demonstrated good practice over consent for emergency/elective caesarean sections and for repair of third/fourth degree tears. To improve the consent process for manual removal of placenta, a patient information leaflet will be developed.
Health records audit	The audit demonstrated areas of good practice. To improve further, the newly developed cross-site maternity notes will be rolled out across both Barnet and the Royal Free hospitals; the list of approved abbreviations will be disseminated to staff via departmental email and supervisors of midwives at both hospitals will promote the key messages of the audit via the supervisor of midwives' newsletter.
Infectious diseases in pregnancy: timely referral and assessment of women who screen positive for hepatitis B	The audit demonstrated good practice across hospitals. To improve further a designated lead (specialist midwife) for infectious diseases pregnancy service at Barnet Hospital has been appointed mirroring the service provided at Royal Free Hospital; and joint antenatal clinic/hepatitis clinics are available at both hospitals.
Instrumental vaginal delivery audit	To support further improvement the instrumental vaginal delivery pro forma will be amended to include more detail on the indication for instrumental delivery, birth weight, admissions to the neonatal unit and failed instrumental deliveries.
Termination of pregnancy documentation audit	To support further improvement across sites the termination of pregnancy guideline will be harmonised and an audit of the harmonised guideline will be undertaken once embedded.
Management of third and fourth degree tears	In light of the audit results and to improve further, the perineal trauma guideline will be reviewed and harmonised, and include explicit documentation standards for staff; and standards on documentation will be promoted via the 'Risky Business' newsletter and at departmental meetings. Continuous audit will be used to monitor performance.
Use of oxytocin audit	At the Royal Free Hospital, areas of good practice identified include patient assessment, management plan and oxytocin administration. To improve further at Barnet Hospital the syntocinon sticker will be rolled out and a guideline event held to promote the harmonised oxytocin use for augmentation and induction of labour guidelines.
Consultant ward round – acute medicine	As a result of the audit, a pro forma was introduced that includes prompts for the required specialty bed, estimated length of stay and resuscitation decision making. The introduction of the pro forma has led to a notable and sustained improvement in the quality of documentation and it is now included within the emergency admissions document.
Patient at risk (PAR) score recordings – acute medicine	The PAR score is an early warning score used to identify patients at risk of deterioration who need prompt assessment and intervention. As a result of the audit a magnetic red warning triangle was introduced that is placed by at risk patients on the acute medical ward whiteboards to aid identification and improve patient management.
Re-audit of medical assessment unit (MAU) outliers – acute medicine	Actions previously taken to improve include the provision of MAU consultant outlier ward rounds four days a week, with an additional MAU consultant provided for all outliers on a Monday and an improved Freenet (intranet) list that enables staff to see the blood results of all outlying patients.

Local clinical audit	Actions to improve quality
Re-audit of NICE i/v fluid prescribing guidance CG174 – acute medicine	<p>The re-audit demonstrated improvements for:</p> <ul style="list-style-type: none"> • appropriate resuscitation and reassessment: 500mL bolus crystalloid prescribed, expert help sought after 2000mL and ongoing fluid management plan documented • maintenance fluids: appropriate prescription of 'glucose needs', accurate 25-30ml/kg/day water prescription and fluid management plan details <p>Actions taken to improve further include:</p> <ul style="list-style-type: none"> • fluid prescription chart reviewed, updated and rolled out trust-wide • work undertaken with trust lead on IV fluids, consultants in surgery and medicine, and chief pharmacist to ensure appropriate guidance on fluid prescribing included on chart • teaching session provided to juniors and seniors on the fluid management plan. Teaching now provided via consultant meetings and on ward rounds • accuracy of documentation is reinforced with junior doctors on ward rounds • ward teams prescribe 24 hours of IV fluids during the round where possible. This is re-enforced via the in-patient drug chart which was modified to include clear prompts and instructions to review a patient's fluid status and if possible prescribe 24 hours of fluids and via ward rounds <p>The actions above also cover electrolyte, glucose and volume prescribing guidelines.</p>
Non-ST-segment elevation (NSTEMI) acute coronary syndrome (ACS) – audit of NICE guidance – cardiology	<p>Revised NICE guidelines (September 2014) for the treatment of high risk NSTEMI have suggested that all patients should have angiography within 72 hours of first hospital admission. An audit of all high risk ACS patients entering the pathway shows that:</p> <ul style="list-style-type: none"> • all ACS patients from Barnet are now under-going angiography and percutaneous coronary intervention at the Royal Free Hospital via a facilitated pathway involving risk assessment utilising a combined Royal Free ACS pathway • timely inter-hospital transfers are achieved by a dedicated paramedic ambulance contract (SATS) allowing "treat and return" • the audit of "high risk" patients with NSTEMI who had angiography within 24 hours of first admission to hospital is collected via the trust's MINAP submission and will be reviewed following publication of the national report in July 2016
Heart failure – audit of NICE guidance – cardiology	<p>New NICE guidelines for in-patient heart failure (October 2014) state that all patients should have specialist cardiology input ideally on a cardiology ward and are seen within two weeks of discharge by a specialist heart failure team. To improve practice:</p> <ul style="list-style-type: none"> • a business case has been written for nursing resource to support an in-patient heart failure service at the trust integrating Royal Free and Barnet hospitals • the model of care will be to admit all new heart failure patients under cardiology for the first 72 hours with joint care from health services for elderly people • a new integrated care pathway for in-patient heart failure has been agreed and will be launched once the business case is approved
Headache in adults – emergency department	<p>Areas for improvement include documentation of neurological exam, headache onset history and diagnosis. Training on headache guidelines to be provided to all staff at induction and via teaching programme.</p>
Re-audit of head injury in adults (NICE Guidance) – emergency department	<p>The re-audit demonstrated that the percentage of patients receiving a CT scan head within one hour of major risk being identified has improved from 12.5% to 70%. To improve further education on the NICE head injury guideline will be provided to all staff at induction and via teaching.</p>

Local clinical audit	Actions to improve quality
Re-audit of catheter problems – emergency department	<p>The re-audit demonstrated that attendance for re-catheterisation has decreased by 24%.</p> <p>This improvement has been driven by the introduction of a standardised protocol and provision of community training sessions; the provision of additional types of catheters and new trolleys set up; the provision of staff and patient education; and the implementation of an ambulatory clinic.</p> <p>Patient feedback shows that they are happy with the information provided on catheter care, however, to improve further the multi-disciplinary team is working to improve the community training and a 'patient passport' will be created.</p>
Pressure ulcers – health services for elderly people (HSEP)	<p>The audit demonstrated that very few pressure ulcers are acquired on the HSEP wards. This is in part due to the success of healthcare assistant (HCA) to HCA handover; the consistent completion of pressure ulcer assessments on the wards; the quality of handover from other wards; and training provided to HSEP nurses on complex wound management. To improve further a practice nurse educator has been recruited who will look at additional pressure ulcer care training for nurses.</p>
Pain in people with dementia – health services for elderly people	<p>Pain in people with dementia is increasingly recognised as both under-assessed and under-treated. To improve recognition and management of pain a new training programme is being piloted on elderly care wards across hospitals.</p> <p>The material covered in this training includes recognising pain in people with dementia, using the Abbey Pain scale to measure pain and ensuring appropriate analgesia use within this population. This material is also taught on the dementia study day which is trust-wide and available to all staff.</p>
Re-audit of cuff pressure audit – intensive care unit (ICU)	<p>Endotracheal tube cuff pressure can lead to tracheal mucosa injury. In light of this, an audit of the frequency of endotracheal tube cuff pressure measurement and the incidence of high pressures was undertaken.</p> <p>To improve practice, an alert has been programmed into the electronic patient record that highlights to staff if a measurement has not been recorded within a certain timeframe and if the pressure recorded is above the level deemed safe. These changes have increased frequency of pressure measurement by 50%, while the percentage of pressure measurements recorded above the safe level has halved.</p>
Transfusion delays – ICU	<p>An audit of the process from prescription to initiating transfusion was undertaken to identify the causes of any delay. As a result of the audit the electronic patient record has been modified to streamline and automate the process as far as possible. This has resulted in a 28% reduction in delays.</p>
Transfers – ICU	<p>The transfer team audited staff knowledge on transfer guidelines, documentation and equipment. To improve practice a cross-site multi-disciplinary transfer training course has been developed that will train ICU staff in inter-hospital transfer. The training will be rolled out to other departments, including the emergency department, and is in the process of obtaining official accreditation.</p>
Quality improvements in epilepsy care – neurology	<p>The trust is working with Camden CCG to establish community clinics with multidisciplinary team input. Audit is planned for patient satisfaction, changes in the epilepsy severity score, frequency of emergency department attendances and cost benefit analysis.</p> <p>In addition work is ongoing with the CCG to establish "patient passports" for frequent ED attendees who have "blackouts" (episodes of transient loss of consciousness) to provide fast-track services for these patients with warning signs of decompensation. The aim is to prevent emergency department attendance by providing a telephone or clinic appointment as an alternative and having a clear action plan for emergency treatments.</p> <p>So far patient passports have been completed for patients with a learning disability in partnership with Barnet and Camden learning disability services.</p>

Local clinical audit	Actions to improve quality
Parkinson's disease: plans for improving care and services – neurology	<p>The Royal Free London neurology service and the University College London Institute of Neurology at the Royal Free campus host a department with an international reputation for leading Parkinson disease (PD) research and treatment. To improve the care and management provided to these patients locally:</p> <ul style="list-style-type: none"> • PD clinics in neurology have been re-organised for all patients with a referral for PD to be seen by PD consultants in one clinic on the same day to allow equitable access to the PD specialist nurse, and consultant opinion and access to allied health services as needed • a multi-disciplinary team meeting preceding the clinic was set up to highlight patients' potential needs and assessments, which also provided an excellent opportunity of registrar teaching. This pilot was successful with excellent satisfaction rates and timely referrals to services, and a business plan has been written to allow for the joint clinic with allied health services to continue and to expand access to PD consultants and specialist nurses to all patients with PD • the trust is working with Barnet CCG as well as Camden CCG to develop a new model of integrated care for patients with PD <p>In 2016/217 the service aims to reduce waiting times for new patient appointments with PD; provide regular access to a PD consultant and PD nurse specialists in clinic when needed and improve integrated care in the community.</p>
Re-audit of Motor Neurone Disease Association (MND) standards of care audit – neurology	<p>The re-audit demonstrated improvements for:</p> <ul style="list-style-type: none"> • post clinic launch - improvements noted in 6/12 key areas • pre-clinic launch - percentage of patients seen for a follow up appointment within two weeks post diagnosis has improved to 58%, with 85% seen within three weeks. <p>The development of the MND co-ordinator role has improved communication between acute and community services.</p>
Valproate use in women of childbearing age. An audit of Medicines and Healthcare Products Regulatory Agency (MHRA) guidance – neurology	<p>The audit highlighted the need for better written information for all women of childbearing age who take valproate; better counselling on the risks of ADHD, autism, congenital malformations and folic acid was needed. To improve practice, a patient information leaflet has been developed and clinicians are responsible for completing the clinician and patient checklist, which is filed in the patient notes.</p>
Use of electromyogram (EMG) studies in neuropathies – neurology	<p>This audit found that two thirds of patients required lower limb EMG studies in the investigation of neuropathies as well as nerve conduction studies. The findings did not support physiologist-led clinics for screening lower limb referrals as EMGs were required for the majority of patients.</p>
Re-audit of antibiotic prescribing quality on new drug chart – pharmacy	<p>The re-audit demonstrated improvements in documentation of indication for antibiotics (27% to 90%) and duration (35% to 47%) as well as overall compliance to the antibiotic guidelines (77% to 90%).</p>
Audit of allergy status interventions on paediatric out-patient prescriptions – pharmacy	<p>The following actions have been agreed to improve practice: provide feedback and support to clinical groups to encourage full and proper completion of allergy status recording; process to be monitored regularly measuring improvements to determine efficacy of interventions.</p>
Compliance with hepatitis B virus (HBV) screen for patients starting rituximab therapy – pharmacy	<p>90% of patients were screened for HBV before initiating rituximab. Pharmacy team will work with clinical teams reminding them of the importance of screening for HBV prior to initiating rituximab.</p>

Local clinical audit	Actions to improve quality
Audit of discrepancy meetings – radiology	The purpose of discrepancy meetings is to facilitate collective learning from radiology discrepancies and errors and thereby improve patient safety. As a result of the audit the radiology team will review and update the terms of reference against the standards set by the Royal College of Radiologists.
Provision of information on the density of kidney stones – radiology	To improve practice triggers have been put in place to assist radiologists provide information completely and consistently.
Asthma in adults – respiratory	<p>Following the publication of the national review of asthma deaths:</p> <ul style="list-style-type: none"> • ‘wheeze plans’ are being made more accessible in high-priority areas • documentation for patients who present with asthma at the emergency department at the Royal Free Hospital has been amended to ensure that important information on checking inhaler technique, accessing smoking cessation services and follow-up arrangements are readily available to staff at the point of care • all new doctors receive training on treating asthma and the importance of inhaler use, smoking cessation and specialist nurse services, as well as using the department asthma documentation – the Asthma Sticker • regular departmental training is provided for treatment, documentation and appropriate referral <p>Recent figures show that 27% of patients who present in the ED with asthma are admitted and will be reviewed by the respiratory team, 34% are referred from ED to the respiratory nurse or out-patients, with the remaining patients advised to see a GP within three days.</p> <p>As part of specialised commissioning for difficult asthma cases, an asthma MDT will be starting in June 2016.</p>
Discharge summary audit in response to patient safety alert on the quality and timeliness of communication with patients’ GPs when discharged from hospital (issued by NHS England, August 14) – trust-wide	In line with the audit findings and recommendations made by the patient safety alert a new hospital-wide process is being launched whereby any changes to tablets to take away will be corrected electronically by the pharmacist and reprinted without the need for a new signature from a doctor, so that the dispensed discharge prescription and the paper photocopy for the patient notes and GP will mirror the electronic copy.
Virtual fracture clinic	<p>A virtual fracture clinic system was introduced at the Royal Free Hospital and Barnet Hospital as a pilot starting February 2016. The benefit of the system is to reduce unnecessary new patient attendees to the fracture clinic as many common benign conditions can be safely discharged with advice. Early expert review (next working day) by an extended scope practitioner (ESP) and orthopaedic consultant also allows appropriate timing and placement for patients who do need to attend in person.</p> <p>The benefit to the patient is earlier review, more senior early input, reduction of unnecessary out-patient visits and improved overall quality of care.</p> <p>The trust is auditing the service and liaising with both finance and CCG’s re-costing and benefits of the pilot.</p>

Local clinical audit	Actions to improve quality
Waiting times in fracture clinic	<p>The most common patient complaint in trauma and orthopaedics involves waiting times in both fracture and elective orthopaedic clinics which are frequently over-booked. Complaints also involve lack of clinician time with patients as a result.</p> <p>Following the move to clinic 14, the environment has improved, while delays for x-rays has been identified as an area for further improvement. This was audited and system changes introduced to improve this, which has been beneficial. Improving accuracy of patient booking procedures, availability of ultrasound, for example, as a one stop investigation and further improvement of the patient flow within the clinic and radiology can be achieved.</p> <p>Work is continuing with further audits and service changes (eg dedicated orthopaedic clinic booking staff) in these fields, and we should be able to improve the patient experience and quality of care at the same time.</p>
Patient experience and staggered lists in theatres	<p>In order to improve patient experience in elective surgery a number of changes have been actioned:</p> <ul style="list-style-type: none"> • using the WHO checklist to lock down the order of the list • having a single point of contact (day surgery unit co-ordinator) on the day surgery ward. The list order should be told to the DSU co-ordinator, who is also told which patients are allowed to drink or eat and until what time • moving toward a morning/afternoon stagger for patients on an all-day list to prevent patients coming to hospital at 7am and waiting until 4.30pm on DSU before being seen • exploring ways by which fasting and starvation times can be further minimised • an explanatory video showing patients what to expect when they come in for day surgery to be put onto the trust's website <p>This work is ongoing. Data collection will be repeated at the Royal Free Hospital and initial data collection will take place at Chase Farm Hospital in April 2016.</p>
Do not attend (DNA) improvement	<p>A quality improvement project (QIP) is currently underway aimed at lowering the number of patients who DNA their appointments in maxillofacial and orthodontics. Higher DNA rates are having an adverse impact on patients as unused appointment slots are unnecessarily extending waiting lists and causing delays in appointment times. Early interventions have shown that reminder calls to a sample of patients four days in advance of their appointment reduced DNAs by 80%. This intervention will now be applied to all of the patients in the high risk DNA category. It is anticipated that this will reduce DNAs by approximately 50% in this category by September 2016. This will then allow for a significant reduction in appointment delays for all maxillofacial and orthodontics patients.</p>
Informed consent for local anaesthetic procedures	<p>Audit undertaken to assess whether patients have sufficient information to understand their treatment and plan their recovery. Overall patients reported that they had a good experience and that they are happy with the existing consent process. The provision and quality of existing written information will be considered to improve the consent process further.</p>

Local clinical audit	Actions to improve quality
Stable glaucoma audit – NICE guidance	<p>The aim of the audit was to assess how well the stable glaucoma service meets NICE guidance on information provision to patients being followed up for glaucoma and for their clinical assessment.</p> <p>The audit demonstrated good performance for a range of standards including information provision on diagnosis and clinical assessment, with 92% of patients reporting they would recommend the service to their family and friends.</p> <p>To improve further the following actions are being considered:</p> <ul style="list-style-type: none"> • ensure patients know how to instil eye drops • make time to discuss eye condition, including prognosis • measure central corneal thickness (CCT) if results not available • ensure gonioscopy is carried out at first assessment
World Health Organisation (WHO) checklist audit – update	<p>The audit results demonstrate that the following are documented using the WHO checklist in 96% to 98% of cases: signed and dated, time out signed and patient's label present. To improve further, continued education and training will be available to all relevant members of the operative team.</p>

Participating in clinical research

Involvement in clinical research demonstrates the trust's commitment to improving the quality of care we offer to the local community as well as contributing to the evidence base of healthcare both nationally and internationally. Our participation in research helps to ensure that our clinical staff stay abreast of the latest treatment possibilities and active participation in research leads to better patient outcomes.

Our reputation attracts outstanding staff and researchers from many different countries. The close collaboration between staff and the research department of the medical school is one of our unique strengths – patients are involved in research allowing our staff to provide the best care available while working to discover new cures for the future.

The number of patients receiving relevant health services provided or sub-contracted by the RFL in 2015/16 that were recruited during that period to participate in research approved by a research ethics committee was 8,420.

The figure includes 2,348 patients recruited into studies on the NIHR portfolio and 6,072 patients recruited into studies that are not on the NIHR portfolio. This figure is higher than that reported last year.

CQUIN payment framework

The RFL income in 2015/16 was not conditional on achieving quality improvement and innovation goals through the Commissioning for Quality and Innovation payment framework because the trust chose to opt for the default tariff rollover (DTR) rather than the enhanced tariff option (ETO).

Registration with the Care Quality Commission (CQC)

The RFL is required to register with the Care Quality Commission (CQC) and its current registration status is registered. RFL has no conditions on registration.

The CQC has not taken enforcement action against RFL during 2015/16.

The RFL has not participated in any special reviews or investigations by the CQC during the reporting period.

In February 2016, we had our planned comprehensive hospital inspection from the CQC and the report is expected later in the year. Ahead of the inspection process, we were asked to inform the CQC about our performance. Full details are presented in part 3 of this report under the section, our local improvement plans (page 212).

Information on the quality of data

This section refers to data that we submit nationally.

The RFL submitted records during 2015/16 to the secondary uses service (SUS) for inclusion in the hospital episode Statistics (HES) which are included in the latest published data.

The percentage of records in the published data that included the patients' valid NHS numbers was:

% of records	2014/15	2015/16
For admitted patient care	98.8%	98.6%
For out-patient care	99.2%	98.6%
For accident and emergency care	92.6%	94.4%

Data which included the patients' valid General Medical Practice Code was:

% of records	2014/15	2015/16
For admitted patient care	99.8%	99.95%
For out-patient care	99.9%	99.96%
For accident and emergency care	99.9%	99.94%

Information governance (IG)

The RFL information governance assessment report overall score for 2015/16 was 68% and was graded green.

	2014/15	2015/16
Information governance assessment report score	70%	68%
Overall grading	satisfactory	satisfactory

The data for 2015/16 shows a 2% decrease in comparison to our 2014/15 data.

Payment by results

The RFL was not subject to the payment by results clinical coding audit during the reporting period by the Audit Commission.

Data quality

The trust continues for focus on this area to ensure that high quality information is available to support the delivery of safe, effective and efficient clinical services. A data quality improvement plan was undertaken in February 2016 and approved by KPMG (internal audit).

The Royal Free London NHS Foundation Trust will be taking the following actions to improve data quality:

We will ensure that key factors identified in our data quality improvement plan are reviewed and monitored.

This includes:

- ensuring that regular meetings are held with our clinicians and clinical coding teams to review the data
- ensuring that effective feedback is provided to the coding team following audits

Review of core indicators

This section of the report presents our performance against 10 core indicators that have been nationally set in line with the NHS outcomes framework. These set out indicators must be included in this report, showing the national average and the performance of the highest and lowest trust.

The Royal Free London NHS Foundation Trust (RFL) acquired Barnet and Chase Farm Hospitals NHS Trust (BCF) on 1 July 2014. Prior to this date the RFL was not accountable for the performance of BCF.

The data and commentary in the following tables represents the most recent data available from the nationally prescribed data source (Health and Social Care Information Centre, unless stated otherwise) however in accordance with NHS conventions, data prior to the acquisition has now been merged, effectively combining the Royal Free London NHS Foundation Trust and Barnet and Chase Farm Hospitals NHS Trust for the periods both before and after 1 July 2014.

There are a number of exceptions to this, which include the following metrics:

- patient-reported outcome measures for RFL exclude Barnet and Chase Farm hospitals data for the periods 2013/14 and 2014/15.
- the trust's commissioning for quality and innovation indicator score for RFL excludes BCF data for the period 2013/2014 and includes BCF data for the period 2014/15

Details are presented on the following core indicators:

- summary hospital-level mortality indicator (SHMI)
- palliative care coded
- patient reported outcome measures (PROMS)
- re-admission within 28 days of discharge
- responsive to personal needs of our patients
- recommending friends and family to use our services (staff)
- recommending friends and family to use our services (patients)
- venous thromboembolism (VTE)
- clostridium difficile
- patient safety incidents

Summary hospital-level mortality indicator (SHMI)

SHMI is a clinical performance measure which calculates the actual number of deaths following admission to hospital against those expected. It includes the majority of hospital-admitted activity, takes into consideration mortality that occurs up to 30 days post discharge and does not adjust for palliative care episodes; it is therefore a more comprehensive indicator than the hospital standardised mortality ratio (HSMR).

Indicator	October 13 to September 14	October 14 to September 15	National performance	Highest trust	Lowest trust
The value and banding of the summary hospital-level mortality indicator for the trust.	85.25 (8th out of 136)	86.23 (9th out of 136)	100*	65.16	117.74

*SHMI is a case mix adjusted relative risk; each organisation is compared with itself where a score of 100 would indicate performance exactly as expected

Actions to be taken to improve performance

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons: the data has been sourced from the Health and Social Care Information Centre, referenced by Dr Foster Intelligence in Mortality Comparator.

For the 12 month period ending September 2015 the trust ratio was 86.23 or 13.67% better than expected. For this period the RFL had the ninth lowest relative risk amongst 136 acute non-specialist trusts.

Consistent and equitable standards of care are confirmed by analysis of the SHMI score which is significantly better than expected at all our hospitals.

The trust has taken the following actions to improve this score and so the quality of its services by:

- providing a monthly SHMI report to the trust board and a quarterly report to the clinical performance committee
- investigating any statistically significant variations in the mortality risk rate taking appropriate action and a providing a feedback report to the trust board and the clinical performance committee at their next meetings

Palliative care coded

Indicator	October 13 to September 14	October 14 to September 15	National performance	Highest trust	Lowest trust
The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the trust for the reporting period.	28.4%	25.4%	26%	52.9%	12.4%

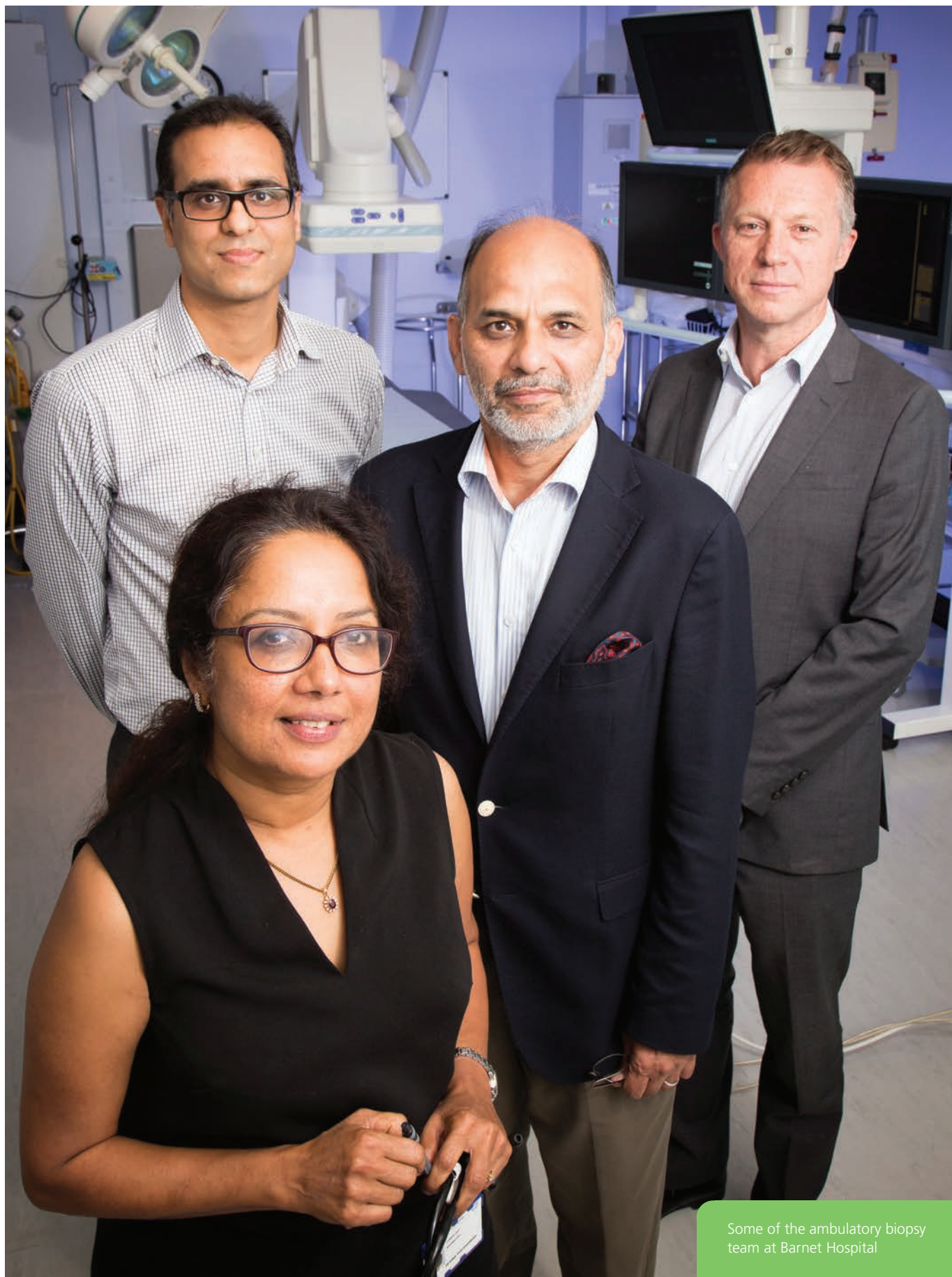
Actions to be taken to improve performance

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reason: the data has been sourced from the Health and Social Care Information Centre.

The percentage of patient deaths with palliative care coded at either diagnosis or specialty level is included as a contextual indicator to the SHMI indicator. This is on the basis that other methods of calculating the relative risk of mortality make allowances for palliative care whereas the SHMI does not take palliative care into account.

The Royal Free London NHS Foundation Trust intends to take the following actions to improve this percentage and so the quality of its services by:

- presenting a monthly report to the trust board and a quarterly report to the clinical performance committee detailing the percentage of patient deaths with palliative care coding
- any statistically significant variations in percentage of palliative care coded deaths will be investigated with a feedback report provided to the trust board and the clinical performance committee at their next meetings



Some of the ambulatory biopsy team at Barnet Hospital

Patient reported outcome measures scores (PROMS)

Patient reported outcome measures ask patients about their health and quality of life before they have an operation and about their health and the effectiveness of the operation afterwards. This helps hospitals measure and improve the quality of care provided.

Indicator	2013 – 2014 (RFL)	2014 – 2015 (RFL)	National performance	Highest trust	Lowest trust
Patient reported outcome measures scores for:					
(i) groin hernia surgery	Low number rule applies	Low number rule applies	0.09	0.15	0.02
(ii) varicose vein surgery	Low number rule applies	Low number rule applies	0.10	0.15	0.04
(iii) hip replacement surgery	0.37	0.39	0.43	0.54	0.26
(iv) knee replacement surgery	0.28	0.28	0.33	0.40	0.22

Actions to be taken to improve performance

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons: the data has been sourced from the Health and Social Care Information Centre and compared to internal trust data.

A negative score indicates that health and quality of life has not improved whereas a positive score suggests there has been improvement.

For two of the indicators, groin hernia and varicose vein surgery, national data has not been made available. This is on the basis that the sample size is so small there is a potential risk that individual patients could be identified; the "low numbers rule" exclusion therefore applies.

While the trust is not receiving a negative score against any of the outcome measures hip and knee replacement surgery patient feedback was identified as a risk in May 2015 by the Care Quality Commission (CQC) in their Intelligent Monitoring Report based on the 2013/14 data.

The RFL intends to take the following actions to improve this score and so the quality of its services by:

- reviewing the initial consultation process to ensure that expected outcomes are clear and patient expectations are realistic, improving patient information to ensure that risks and benefits are outlined clearly and reviewing information provided at discharge to help patients achieve good outcomes post-operatively

Patient reported outcome measures scores (PROMS)

Indicator	2013 – 2014 (RFL)	2014 – 2015 (RFL)	National performance	Highest trust	Lowest trust
The percentage of patients readmitted to the trust within 28 days of discharge for patients aged:	Note: trusts with zero readmissions have been excluded from the data				
(i) 0 to 15	8.3%	10.1%	9.6%	4.4%	16.4%
(ii) 16 or over	6.4%	9.0%	9.9%	6.5%	16.8%

Actions to be taken to improve performance

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons: the data has been sourced from Dr Foster Intelligence, a leading provider of healthcare variation analysis and clinical benchmarking and compared to internal trust data. The Dr Foster data-set used in this table presents the trust performance against the Dr Foster University Hospitals peer group (specialist providers whose data is not unavailable are excluded).

The RFL has taken the following actions to improve this percentage, and so the quality of its services, by:

- carefully monitoring the rate of emergency readmissions as a measure for quality of care and the appropriateness of discharge. A low or reducing rate of readmission is seen as evidence of good quality care. (In relation to adults the re-admission rate is lower (better) than the peer group average)
- undertaking detailed enquiries into patients classified as readmissions with our public health doctors, working with GP's and identifying the underlying causes of readmissions

The relative risk of readmission as an emergency within 28 days of a previous discharge (actual versus expected) across the trust is statistically significantly lower (better) than expected once factors such as the patient case mix, age and pre-existing co-morbidities are considered.

In relation to adults the re-admission rate is lower (better) than the peer group average. The trust has undertaken detailed enquiries into patients classified as readmissions with our public health doctors, working with GP's, identifying the underlying causes of readmissions.

This is supporting the introduction of new clinical strategies designed to improve the quality of care provided and reduce the incidence of readmissions. In addition the trust has identified a number of data quality issues affecting the readmission rate, including the incorrect recording of planned admissions. The trust is working with its staff to improve data quality in this area.

Responsiveness to personal needs of our patients

Indicator	2013 – 2014 (RFL)	2014 – 2015 (RFL)	National performance	Highest trust	Lowest trust
The trust's commissioning for quality and innovation indicator score with regard to responsiveness to the personal needs of its patients during the reporting period.	67.4	68.6	68.9	86.1	59.1

Actions to be taken to improve performance

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons: the data has been sourced from the Health and Social Care Information Centre and compared to published survey results.

The NHS has prioritised, through its commissioning strategy, an improvement in hospitals responsiveness to the personal needs of its patients. Information is gathered through patient surveys. A higher score suggests better performance. Trust performance is just below (worse than) the national average.

The Royal Free London NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services, by:

- developing a comprehensive patient experience improvement plan overseen by the patient and staff experience committee, a sub-committee of the trust board.
- during February 2016 the trust was inspected by the Care Quality Commission. The inspection was designed to assess the trust services against the following key questions:
 - Are they safe?
 - Are they effective?
 - Are they caring?
 - Are they responsive to people's needs?
 - Are they well-led?

Once the Care Quality Commission inspection report is received, the trust will identify which service elements require strengthening or improvement with the trust board and patient and staff experience committee overseeing targeted action including improvements in its responsiveness to the personal needs of patients if this is required.

Recommending friends and family to our services

The 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.

The data below show information for staff and patients who would recommend our trust to their friends and family.

Staff who would recommend the trust to their friends or family

Indicator	2013 – 2014 (RFL)	2014 – 2015 (RFL)	National performance	Highest trust	Lowest trust
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.	71.0%	72.1%	69.1%	85.4%	45.9%

Actions to be taken to improve performance

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons: the data has been sourced from the Health and Social Care Information Centre and compared to published survey results.

Each year the NHS surveys its staff and one of the questions looks at whether or not staff would recommend their hospital as a care provider to family or friends. The trust performs significantly better than the national average on this measure.

The RFL has taken the following actions to improve this score, and so the quality of its services, by:

- activities to enhance engagement of staff, resulting in an increase of the percentage of staff who would recommend their hospital as a care provider to family or friends.
- Implementing the world class care programme which embodies the core values of welcoming, respectful, communicating and reassuring. These are the four words that describe how we interact with each other and our patients. For the year ahead the continuation of our world class care programme anticipates even greater clinical and staff engagement

Patients who would recommend us to their friends and family

Indicator	2013 – 2014 (RFL)	2014 – 2015 (RFL)	National performance	Highest trust	Lowest trust
Friends and family test scores for in-patients and patients discharged from A&E departments	85%	78%	85%	99%	49%

Actions to be taken to improve performance

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons: the data has been sourced from the Health and Social Care Information Centre and compared to internal trust data.

The Royal Free London NHS Foundation Trust has taken the following actions to improve its percentage, and so the quality of its services:

- there has recently been a strong push from the trust's frontline services for additional information on results. On reading their weekly scores and comments, clinical and support staff often wish to make improvements or consider why a failing is being reported
- the friends and family test is increasingly used as a learning tool for teams and departments to improve their services

Venous thromboembolism

Venous thromboembolism (VTE) is the formation of blood clots in the vein. Many deaths in hospital result each year from venous thromboembolism (VTE); these deaths are potentially preventable and the government has therefore set hospitals a target requiring 95% of patients to be assessed in relation to risk of VTE.

Indicator	April 2015- June 2015	Jul 2015 – Sept 2015	National performance (Jul-Sep 2015)	Highest trust (Jul – Sep15)	Lowest trust (Jul – Sep15)
The percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period.	97.0%	96.3%	95.8%	100%	75.0%

Actions to be taken to improve performance

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons: the data has been sourced from the Health and Social Care Information Centre and compared to internal trust data.

The RFL performed better than the 95% national target and performed better than the national average.

The RFL intends to take the following actions to improve this percentage, and so the quality of its services, by:

- The trust reports its rate of hospital acquired thromboembolism (HAT) to the quarterly meeting of the clinical performance committee.
- Any significant variations in the incidence of HAT are subject to investigation with a feedback report provided to the clinical performance committee at its next meeting.
- The thrombosis unit also conducts a detailed clinical audit into each reported case of HAT with findings shared with the wider clinical community.

Clostridium difficile (C.diff) infection

C. difficile can cause severe diarrhoea and vomiting and the infection has been known to spread within hospitals particularly during the winter months. Reducing the rate of C.diff infections is a key government target.

Indicator	RFL (2014–2015)	RFL (2015–2016)	National performance (2015)	Highest trust (2015)	Lowest trust (2015)
The rate per 100,000 bed days of cases of C.diff infection that have occurred within the trust amongst patients aged two or over.	17.5	20.4	15.5	1.12	65.4

Actions to be taken to improve performance

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reason: the data has been sourced from the Health and Social Care Information Centre.

RFL performance was higher (worse) than the national average during 2014/15. However from April 2015 the trust's regulator, Monitor, started assessing performance in relation to those infections deemed to result from "lapses in care". Against this measure of performance the trust has been compliant with its national trajectory for the entirety of 2015/16. However comparative data is not available for "lapses in care" infections.

The RFL has taken the following actions to improve this score, and so the quality of its services:

- in order to demonstrate robust governance and ensure performance improvement during 2015/16 the trust provides detailed C. difficile infection data to both the monthly trust board and quarterly clinical performance committee meetings

the data provides a view of all infections as well as the subset relating to "lapses in care". In addition the trust also provides comparative views of the infection data comparing the rate at the Royal Free London NHS Foundation Trust against teaching trusts and all acute providers.

Patient safety incidents

Indicator	RFL (April 14-Sept 2014)	RFL (Oct 2014-March 2015)	National performance Oct 2014-March 2015)	Highest trust	Lowest trust
The number and rate of patient safety incidents that occurred within the trust during the reporting period.	5,614 (31.4)	5,734 (34.7)	4,539 (37)	12,784 (62.5)	443 (3.75)
The number and percentage of such patient safety incidents that resulted in severe harm or death.	40 (0.71%)	43 (0.75%)	22.7 (0.37%)	2 (0.11%)	128 (5.2%)

Actions to be taken to improve performance

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reason: the data has been sourced from the national reporting and learning system (NRLS). The data presents total patient safety incidents as well as the rate per 1,000 bed days. In relation to patient safety incidents resulting in severe harm and death the data presented is both the total number of such incidents and the rate against total patient safety incidents.

The National Patient Safety Agency regard the identification and reporting of incidents as a sign of good governance, with organisations reporting more incidents potentially having a better and more effective safety culture. The trust reported a similar rate of incidents to the national average for the period October 2014 to March 2015.

The Royal Free London NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services, by:

- developing a patient safety campaign with the aim of focusing on improving the patient safety culture, including encouraging staff to report incidents and providing timely feedback to staff on the outcomes and learning resulting from incident investigations
- putting in place robust processes to capture incidents. However there are risks at every trust relating to the completeness of data collected for all incidents (regardless of their severity) as it relies on every incident being reported. While we have provided training to staff and there are various policies in place relating to incident reporting, this does not provide full assurance that all incidents are reported. We believe this is in line with all other trusts

There is also clinical judgement in the classification of an incident as 'severe harm' as it requires moderation and judgement against subjective criteria. This can be evidenced as classifications can change once they are reviewed. Therefore, the number of severe incidents could change from that shown here due to this review process.

Quality achievements during 2015-16

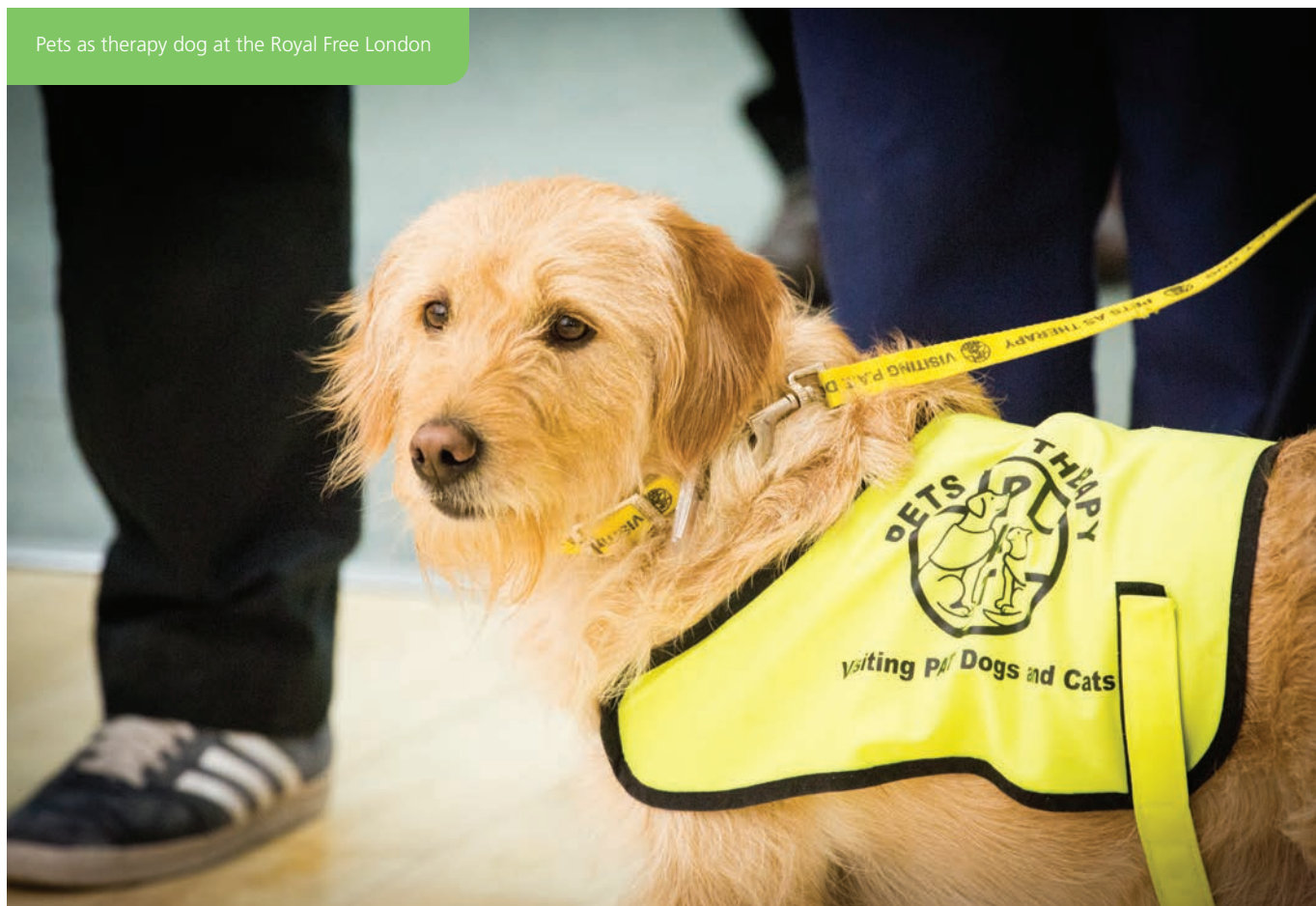
We remain committed to providing patients with world class expertise and local care, underpinned by our five governing objectives. Our four clinical divisions have made several key achievements of which we are proud and which support our commitment to providing quality services to improve the experience and outcomes for our patients.

Our four clinical divisions are:

Name of division	Services covered within each division
Surgery and associated services (SAS)	Trauma and orthopaedics, ophthalmology, general and emergency surgery, pain management, therapy services, audiology, orthodontics, colorectal, vascular surgery, anaesthetics, theatres, ambulatory care, plastic surgery, breast care, maxillofacial, ENT and audiology
Transplant and specialist services (TaSS)	Nephrology, urology, diabetes and endocrinology, haematology, oncology, liver transplant, hepatology, infection and immunity, gastroenterology, pathology, out-patient services, renal transplant
Urgent care (UC)	Cardiology, pharmacy, acute respiratory, neurology and stroke medicine, critical care, emergency department, North London Breast Screening Services (NLBSS); elderly medicine
Women, children and imaging (WCI)	Children's services which includes paediatrics and neonatology; women's services, which include obstetrics and gynaecology; imaging, radiology and nuclear medicine, radiological physics and radiation safety

This section of the report outlines some of the quality achievements that we have made during 2015-16 and a list of positive comments that we have received from our patients.

Pets as therapy dog at the Royal Free London



1 Examples from our surgery and associated services (SAS) division

Improving our plastic surgery service

Our plastic trauma service is one of the specialised trauma centres in London. The service recognised that improvements could be made through patient pathways to reduce time from referral/injury to treatment and length of stay.

WHAT DID WE DO?

- Appointed a locum to see patients who had been waiting a long time to be seen.
- Reallocated the theatre list if a consultant was away on leave.
- Appointed a trauma co-ordinator to manage the flow of patients through the plastics trauma clinic.
- Moved the service to a dedicated ward (5NA) which has input from specialised medical and nursing teams to treat our patients.
- Our consultants currently work a six-day routine pattern with two elective operating lists on Saturdays.

WHAT WERE THE OUTCOMES?

- Patients are waiting less time for their treatment.
- There is a dedicated registrar on the ward every day of the week and the nursing staff are specially trained to care for our patients.
- Our patients have a wider choice for their surgery dates, which also improves our 18 weeks target.

Improving our pain services

The pain team is a part of the surgery and associated services (SAS) division and during 2015/16, the service has made significant improvements in the management of pain for our patients. This supports our aim to deliver better experiences and outcomes for our patients.

WHAT DID WE DO?

- Reviewed the triage and referral system for pain management physiotherapy, streamlining the process.
- Introduced group work in pain physiotherapy and set up a physio-led short intensity pain management programme.
- Ran an eight week programme and several workshops for staff on 'mindfulness' (stress reduction).

WHAT WERE THE OUTCOMES?

- Achieved a reduction in waiting times for pain management physiotherapy from 24 to four weeks.
- A waiting list reduction also released additional time for our physiotherapist to undertake more one-to-one sessions.
- Improved outcomes for some complex patients as a result of the peer support gained from being treated in a group setting.
- Introduced a greater variety of treatment options for pain management physiotherapy.
- Supported staff, helping them deal with stress in their work and home lives.

2 Examples from our transplant and specialist services (TaSS) division

A new endoscopy unit

We built a new £2 million endoscopy unit which opened in December 2015 at Chase Farm Hospital. Our patients are offered a choice to use either our services at the Royal Free or Chase Farm hospitals. Barnet Hospital will continue to provide in-patient and emergency endoscopy services only. There has been significant improvement in the number of patients being given an endoscopy within the six-week target. In August last year the number of patients seen within six weeks was 49% and by March 2016 that figure had risen to 97%. Work is now beginning on phase three of the endoscopy redesign project which will see services expanded at the Royal Free Hospital (RFH).

WHAT DID WE DO?

- We built a dedicated endoscopy unit which has greater capacity than the previous unit, to provide care for our patients.
- Provided twice as many treatment rooms as well as private recovery rooms, each with en-suite facilities.
- The unit is the first in the country to use a patient tracking system.
- The private recovery rooms all have an integrated monitoring system that allows staff to monitor patients' conditions confidentially from outside their room or from the central system in the reception area.

WHAT WERE THE OUTCOMES?

- Provided an improved service to patients at Chase Farm Hospital.
- Staff are able to monitor patients more closely with the tracking system.
- Shorter waiting times for our patients.
- Increased privacy and dignity for our patients.

“I am delighted that we have opened this new unit, which means we can offer a better service to our patients. We have more capacity, which means waiting times will be cut and we will also offer patients private recovery rooms. The new unit will have all the latest equipment and technology and will be a more spacious and pleasant environment for our patients and staff.”

Dr Doug Thorburn, clinical director of gastroenterology

3 Examples from our urgent care (UC) division

Improving our dementia services

In 2015, we successfully appointed a dementia lead and have undertaken various initiatives to support dementia care across the trust. This has included the launch of our dementia strategy and our staff-led project on Larch Ward at Barnet Hospital.

WHAT DID WE DO?

- We transformed Larch Ward into a dementia-friendly ward, helping to give patients a sense of place and creating a ward environment that is easier to navigate.
- The £330,000 project was inspired by an initial charitable donation from the Mayor of Barnet, who selected Barnet Hospital dementia care as one of his chosen charities.

WHAT WERE THE OUTCOMES?

- Each bed bay has its own theme to ensure patients have a sense of place and ensure that they are able to easily locate their bay.
- The ward has enhanced lighting and signage, clearly visible calendars and clocks and positioned grab rails.
- New wood flooring enables patients to navigate around the ward with more independence.

“These changes will make a real difference to patients on Larch Ward. Not all of our patients have dementia, but many of them do. We are making changes that research has shown will help patients feel less agitated, which will help their recovery and means they can return home sooner.”

Kate Hennessey, ward sister

Examples of collaborative working between TaSS and UC division

In line with our governing objectives to provide excellent outcomes through our clinical services, research and teaching, our nursing staff have delivered several teaching presentations. This included teaching on Ebola and gaining accreditation on a new course to support patients in liver care.

WHAT DID WE DO?

- In September 2015, we successfully delivered a presentation to the British Association for Critical Care Nurses on “Delivering world class care to the critically ill Ebola patient” led by Jane Woollard (head of nursing), Breda Athan (senior matron) and Ollie Carpenter (clinical practice educator).
- In January 2016, this session was also presented to 150 student nurses at Middlesex University .

WHAT WERE THE OUTCOMES?

- Juanita Nittla and Cariona Flaherty (senior educators), in collaboration with Linda Greenslade, nurse consultant for liver transplantation, have collectively been leading on the ICU liver course accreditation at the University of Greenwich due to the decommissioning of the Kings University liver course.
- The first course is due to run in April 2016 and there will be representation from nursing staff from our intensive care unit and from our medical wards in our TASS division attending.



4 Examples from our women, children and imaging (WCI) division

Innovative approach to lung biopsy for early detection of lung cancer

The RFL has won an award from the NHS Innovation Challenge Prize for cancer care. The initiative aimed to improve patient experience and outcomes by eliminating delays in lung cancer diagnosis, while reducing time spent in hospital, and costing 90% less.

WHAT DID WE DO?

- Recognised that radiology-led management of lung biopsy could offer a solution, without the need for hospital beds.
- Created an innovative lung biopsy service in 2011 to reduce delay in diagnosis for our patients.

WHAT WERE THE OUTCOMES?

- Lung biopsies are performed using an early discharge protocol, without pre-emptively booking hospital beds.
- It has enabled us to perform lung biopsies in patients declined elsewhere.
- The cost of an uncomplicated biopsy is significantly lower as the patient simply goes home after 30-60 minutes.

Improving the safety culture on our children's ward - twice daily multi-disciplinary ward safety huddles

The quality improvement project was led by Dr Jane Runnacles and our multi-disciplinary SAFE team. The project built on the knowledge that children in the United Kingdom experience higher morbidity and mortality than those in comparable health systems.

WHAT DID WE DO?

- We implemented the Cincinatti children's "huddle" technique, a 10 minute open exchange of information between all staff, to encourage information sharing and equip professionals with the skills to identify children at risk of deterioration.
- Using the model for improvement we designed and tested a safety huddle pro forma to be completed by the nurse in charge during the huddle. In October 2014 we tested morning huddles and adapted the process before implementing evening huddles six weeks later.
- Since October 2014 morning ward safety huddles occur 100% of the time, and since January 2015 evening huddles also occur 100% of the time.
- We designed a "MONTY the penguin" acronym (inspired by a Christmas TV advert) to motivate the staff with credit card size reminders of our criteria.
- Our nurse champion redesigned our patient board for the ward with "watchers" highlighted.
- Monthly safety crosses are completed and entered onto the Institute for Health Improvement (IHI) extranet to produce run charts of cardio-respiratory arrests, transfers to high dependency and to intensive care.



WHAT WERE THE OUTCOMES?

- A survey of staff showed 100% found the huddle process useful. Comments included: "improved knowledge of patients on the ward", "real sense of support", "pre-empts problems", "highlights patients at risk". Qualitative case studies have demonstrated the impact of our huddles (eg highlighting a safeguarding concern the medical team were not aware of).
- All cases of deterioration are reviewed monthly using the rapid evaluation of cardio-respiratory arrests with lessons for learning (RECALL) tool and cross-reference to our safety huddle records.
- The ward safety huddles have improved situational awareness and empowered all staff, however junior, to raise concerns.
- Having the safety huddles has also improved team working with the opportunity to learn about colleagues, consistent with published findings that huddles lead to empowerment and sense of community, creating a culture of collaboration and enhanced capacity for eliminating harm.

Other measures that we have taken on 6 North (our paediatric ward) include:

WHAT DID WE DO?

- Appointed quality improvement (QI) champions to improve paediatric early warning score (PEWs) chart compliance, learning from deterioration and disseminating to the team.
- Since May 2015, bedside whiteboards have been introduced to improve communication with parents.
- Engaging parents in ward safety culture, through leaflets and noticeboards designed for parents.

WHAT WERE THE OUTCOMES?

- 6 North Ward has used PEWs charts since 2010 to help recognise a deteriorating child and escalate concerns. PEWs chart compliance has increased from 70% to 100% by engaging all nurses on the ward and training student nurses.
- A junior charge nurse on the ward has been a PEWs 'champion' since January 2015, reviewing 20 charts per month as part of the SAFE project.
- A daily plan is agreed with patients and/or parents and listed on the whiteboard during the morning ward round (for example times of medication/tests and parents' schedules).
- The play specialists have engaged patients in the design of these boards and are champions for the daily plan boards on the ward.
- Information about the SAFE programme including data is displayed.
- A 'safety checklist' leaflet has been co-designed by a junior doctor with parents to educate them on recognising deterioration and empowering them to speak up if they are concerned.
- Multi-disciplinary notes of all patients who have required high dependency care or transfer to intensive care are analysed on a monthly basis using the RECALL tool.
- A junior doctor champion spreads learning via a new quarterly risk newsletter to all paediatric staff.

Innovation to reduce the risk of third and fourth degree tears – OASIS

Between 2000 and 2012 there was an increase from 1.8% to 5.9% in England in obstetric anal sphincter injuries (OASIS) and associated morbidity. This has led to a focus on possible preventative strategies.

The project aimed to explore how to achieve a slow delivery of the baby's head and shoulders through effective support, communication and perineal protection and therefore reduce the risk of third and fourth degree tears.

WHAT DID WE DO?

- A multi-disciplinary group comprising senior midwives, obstetricians and educationalists was convened to review current evidence and local practices and formulate a strategy to address any issues identified.
- The rates are monitored monthly at Barnet Hospital and the Royal Free Hospital via the north central London maternity dashboard.

WHAT WERE THE OUTCOMES?

- Antenatal perineal massage was not being routinely promoted.
- Interventions that have significantly been shown to be associated with a reduced rate of OASIS include antenatal perineal massage, use of warm compress, 'hands on' technique, slow delivery of the baby's head and correct episiotomy technique.
- Lack of consistency between midwives and doctors as to what they understood and practiced in relation to both 'hands on' and 'hands off'.
- Midwives and doctors were poor in determining the correct angle for episiotomy.
- With exceptions, active pushing was encouraged during the delivery of the head and shoulders.

Innovations

Education	Mandatory workshop for all midwives and obstetricians
Practice changes	Antenatal perineal massage
	Use of warm compress in second stage
	Controlled delivery of the head and shoulders
	Introduction of episissors to facilitate accurate mediolateral episiotomy
Supervision	Consultant obstetrician supervision of instrumental delivery between 8am and 11pm
	Band 7 supervision of normal births against set audit tool
Audit	Instrumental delivery
	Ongoing OASIS
Information to women/ training	Information for women on antenatal perineal massage and warm compress

Results

To date, around 90% of staff across the organisation have attended the mandatory programme. Feedback on the training has been extremely positive, with staff welcoming any practice changes that might help reduce OASIS rates. The rates of third and fourth degree tears are reported on the dashboard and there have been significant improvements. This is monitored as part of the maternity action plan.

Mandatory workshops

A key component of the programme was staff education. All staff were required to attend a half day workshop led by senior midwives and obstetricians on current trends in OASIS and preventative strategies.

Aim	To promote evidence-based practice with respect to the delivery of the baby in an attempt to minimise the risk of severe perineal trauma
Objectives	<p>To share local and nation trends and practices</p> <p>To review current evidence in relation to reducing risk of OASIS:</p> <ul style="list-style-type: none"> • place of birth • antenatal perineal massage • perineal support (hands on/hands off) • warm compresses • position • communication • directed versus non-directed pushing • the use of episiotomy <p>To provide a forum to undertake 'practical hands on' support with a training model</p> <p>To provide training and guidance for all staff on the use of episissors</p>



Professor Brian Davidson, who is leading a project to establish the world's first national tissue bank for pancreatic cancer at the Royal Free Hospital

Positive comments from our patients

During 2015/16 we received positive feedback from our patients which supports our values. Through our values we aim to ensure that we are welcoming, respectful, reassuring and communicative. Our values were chosen by our patients and staff and underpin all we do.

The comments have been themed according to our values and were taken from the results of our friends and family test and national in-patient survey.

Positively welcoming...

"The nurses involved were very nice, caring and supportive, making me feel comfortable."

"The medical care from the doctors was exceptional."

"I'm happy. The doctors and staff are good to me. I'm happy with them. They look after me well, thank you very much."

"From the time I went in for my operation until I went home, they were very caring and they also looked after my husband while he was waiting for me. The nursing staff were great!"

"Had an accident and received very swift treatment, with the operation taking place the following day."

"I was much impressed by the high level of care I received from both the medical and domestic staff on my ward; it turned a stressful experience into a relaxed time."

"I was extremely well cared for by doctors and consultants. These services were world class and excellent."

"The care I received was the best. That includes nurses and doctors - they were all wonderfully caring."

positively  welcoming
actively  respectful
clearly  communicating
visibly  reassuring

Actively respectful...

"Nothing was ever too much trouble for the nurses. Didn't matter what time of the day or night you needed them, they were always there for you."

"Pleasant and helpful staff seemed to be very busy and in demand, but they appeared to cope well."

"Greatly impressed by the thorough and prompt attention."

"Nurses were very good, emotional support was given and they paid great attention to me. Doctors were reliable and trustworthy."

"I watched three nurses come to help a fellow patient who knocked the water jug over in the middle of the night. They didn't shout, just politely told her that they were there to help and told her not to worry when she got distressed."

"There was one nurse who was really nice and made all us patients laugh. Laughter is definitely good for the soul."

Clearly communicating...

"The staff and doctors were excellent. They answered all my questions."

"Everyone was very kind; even cleaners found time to say a few words and always had a smile."

"The surgeon was friendly and made me comfortable. All staff were polite, approachable and provided a good service of care."

"All staff, medical, nursing, catering and cleaning were polite, helpful and friendly. Most always had a smile on their face and asked how I was."

"The kindness and understanding of the nursing staff were exceptional. They work such long hours with such responsibility – all praise and thanks to them."

"Nurses could answer the bell quicker, but this isn't a criticism – I know they are busy."



Chief executive David Sloman at the trust's dementia advice event with the twiddlemuff, a knitted muff with items such as buttons, zips and beads attached to it that a patient with dementia can twiddle in their hands to provide a source of visual, tactile and sensory stimulation

Visibly reassuring...

"I'd had this type of operation before so I knew what to expect, but was still kept informed about all aspects throughout my stay in hospital."

"The consultants took more care this time and communication with the consultant in charge of care was fantastic."

"All information was fully explained and I was well looked after."

"My surgery was fully explained to me by the surgeon who was reassuring, kind and efficient. Equally, the anaesthetist introduced himself and after that I was totally unaware of anything and woke up on the ward."

"I attended a joint clinic a few weeks before my surgery where I received information on exactly what would happen. There was plenty of time to ask questions too, so I felt well prepared."

"I do not feel that I could have received better treatment anywhere else. From the consultant to the nurses on the ward everyone was very knowledgeable and knew exactly what to do to get me home as quickly as possible."

"During my stay I was treated both personally and medically with a very high degree of excellence."

"I am lucky to have such an amazing surgeon that I can put all of my faith in. I choose to have treatment at this particular hospital and am so glad I made this choice."

"The care, dedication and professionalism of the staff at every level cannot be praised too highly."

Part three: review of quality performance

This section of the quality report presents an overview of the quality of care offered by the trust based on performance in 2015/16 against indicators and national priorities selected by the board in consultation with our stakeholders.

The indicators also follow the three quality domains: patient safety, clinical effectiveness and patient experience.

Our external auditors PricewaterhouseCoopers LLP (PwC) are required under Monitor's '2015/16 Detailed Guidance for External Assurance on Quality Reports' to perform testing on two national indicators. A detailed definition and explanation of the criteria applied for the measurement of the indicators tested by PwC is included below.

Data quality definitions

The following information includes the definitions of the quality indicators which were subject to the external assurance process.

The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways:

Descriptor: The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the period.

Numerator: The number of patients on an incomplete pathway at the end of the reporting period who have been waiting no more than 18 weeks.

Denominator: The total number of patients on an incomplete pathway at the end of the reporting period.

Indicator format: The indicator is calculated as the arithmetic average for the monthly reported performance for April 2015 to March 2016 and is reported as a percentage.

The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways is: 88.13%.[Ⓐ]

Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge:

Descriptor: The percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.

Numerator: The total number of patients who have a total time in A&E of four hours or less from arrival to admission, transfer or discharge. Calculated as (total number of unplanned A&E attendances) – (total number of patients who have a total time in A&E over four hours from arrival to admission, transfer or discharge).

Denominator: The total number of unplanned A&E attendances

Indicator format: The indicator is calculated as the arithmetic average for the monthly reported performance for April 2015 to March 2016 and is reported as a percentage.

The percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge for the period of April 2015 to March 2016 is: 93.39%.[Ⓐ]

Overview of the quality of care in 2015/16

We continue to develop our world class care programme which is designed to improve patient and staff experience.

As a consequence of the Royal Free London's acquisition of Barnet and Chase Farm Hospitals NHS Trust in July 2014, the trust inherited a number of deep-seated challenges particularly in relation to meeting our regulators' standards for cancer and 18-week waiting times.

During the course of 2015/16 significant progress has been made in terms of validating historically poor data. During June 2015 we re-established national reporting for 18-weeks and modernising cancer tumour site pathways, particularly in relation to urology.

This winter has seen unprecedented pressure on accident and emergency departments and urgent care pathways. At the Royal Free Hospital there was a 16.7% growth in all attendances and a 22.7% growth in ambulance attendances during January 2016 compared to January 2015. At Barnet Hospital there was a 12.8% growth in all attendances and a 12.7% growth in ambulance attendances.

Despite this extremely challenging operating environment, for the period April to December 2015 the trust achieved 95.4% compliance against the 95% four hour standard. Over this period, the trust's three emergency departments recorded the third highest performance against the standard when compared with the 18 London non-specialist acute providers.

We are ranked sixth best performing against the two main measures of mortality risk (hospital standardised mortality ratio and the summary hospital-level mortality indicator) compared to our peer group of 26 English teaching trusts.

We continue to develop our world class care programme, which is designed to improve patient and staff

experience and we have retained our focus on safety by continuing to promote our patient safety programme.

We have also concentrated our efforts on modernising our services and upgrading our estate. 2015/16 has seen a huge emphasis on cancer tumour site modernisation with many high-risk patients now able to receive diagnostic tests and biopsies on the same day as their first out-patient appointment. In terms of the estate we are now well on the way to rebuilding the Royal Free Hospital A&E department with the planning application for the new build at Chase Farm Hospital recently approved. These projects, and many others, will ensure we continue to deliver world class care for our patients.

Our focus for 2016/17 is in ensuring that all parts of our diverse trust reach and maintain the standards of the best performing hospital sites. Key challenges will include returning to compliance with the A&E four-hour standard, cancer 62-days from GP referral target and the 18-weeks from referral to treatment target.

Performance against key national indicators

The charts and commentary contained in this report represents the performance for all three of our hospitals (ie including the performance in aggregated form across all hospitals where services are provided by the trust). This approach has been taken to ensure consistency with the prescribed indicators the trust is mandated to include in the quality accounts. The prescribed indicators data is sourced from the Health and Social Care Information Centre where in the majority of cases are also aggregated.

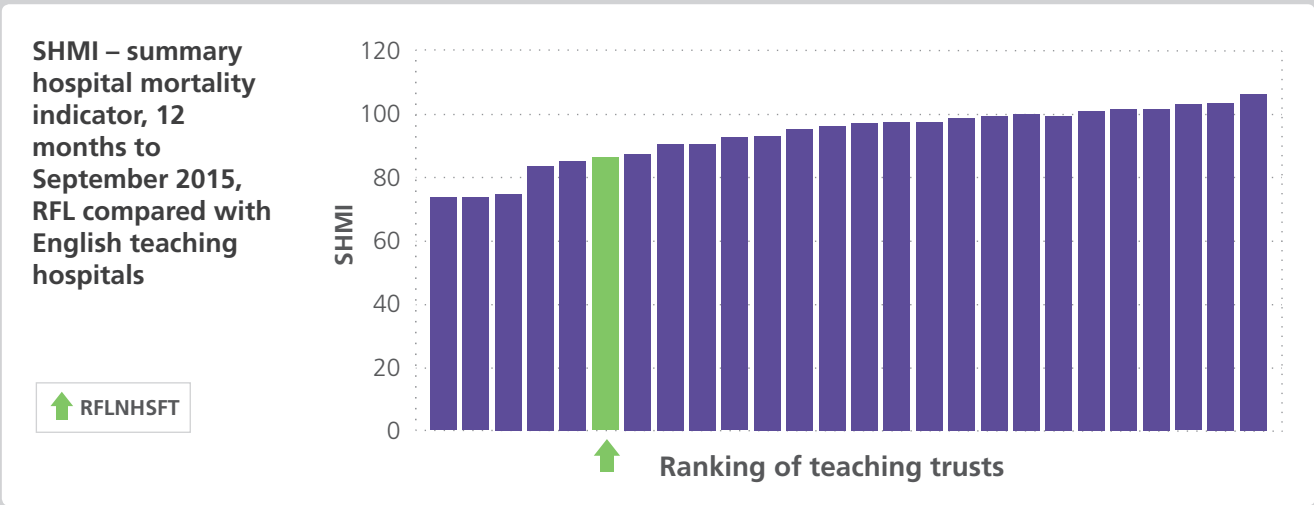
Where possible, performance is described within the context of comparative data which illustrates how the performance at the trust differs from that of our peer group of English teaching hospitals. The metrics reproduced in this section are a list of well-understood metrics that help measure clinical outcomes, operational efficiency, waiting times and patient safety.

(To note: last year's Quality Report 2014/15 only carried data for the Royal Free Hospital. As the Royal Free London NHS Foundation Trust has only been in existence since July 2014 there is no historical data with which to compare this year's. In future years we will reflect historical data.)

Relevant quality domain	Quality performance indicators
Patient safety	<ul style="list-style-type: none">• summary hospital mortality indicator (SHMI)• hospital standardised mortality ratio (HSMR)• methicillin-resistant staphylococcus aureus (MRSA)• C. difficile
Clinical effectiveness	<ul style="list-style-type: none">• referral to treatment (RTT)• A&E performance• day case rate• in-patient length of stay• cancer waits• readmissions
Patient experience	<ul style="list-style-type: none">• last minute cancellations• delayed transfer of care• friends and family test

Patient safety indicators

The prescribed indicators are sourced from Dr Foster Intelligence, NHS Statistics and the Health and Social Care Centre where the majority of cases are also aggregated.

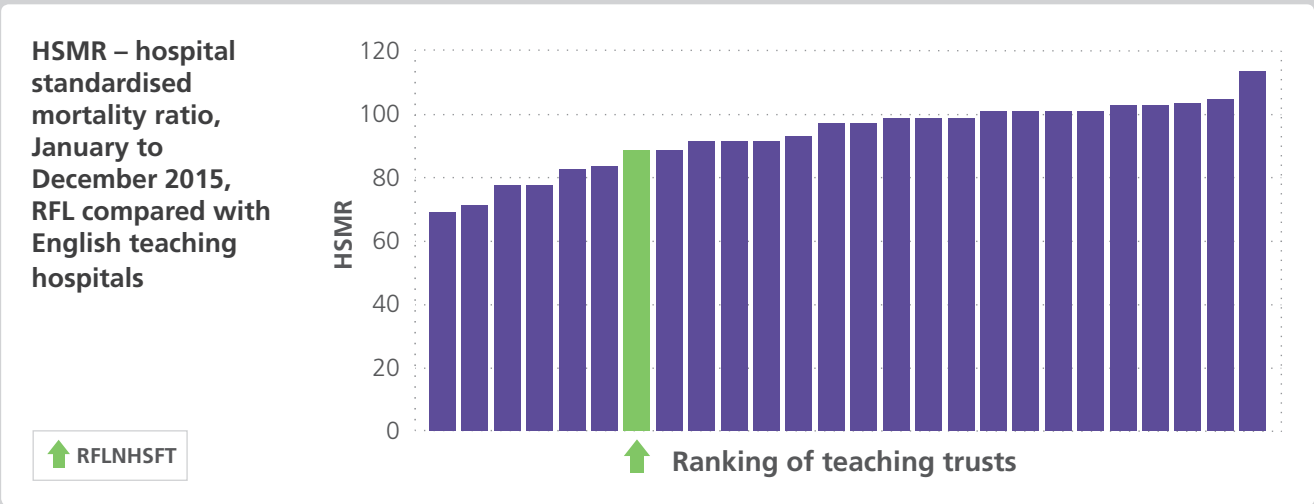


SHMI (summary hospital mortality indicator) is a clinical performance measure which calculates the actual number of deaths following admission to hospital against those expected. This expression of mortality risk includes all diagnoses groups and mortality occurring up to 30 days post discharge.

The observed volume of deaths is shown alongside the expected number (case mix adjusted) and this calculates the ratio of actual to expected deaths to create an index of 100. A relative risk of 100 would indicate performance exactly as expected. A relative risk of 95 would indicate a rate 5% below (better than) expected with a figure of 105 indicating a performance 5% higher (worse than) expected.

SHMI data is presented for the 12 months ending September 2015 and therefore covers the 12 month period after the acquisition of BCF. For this period the trust’s SHMI ratio was 86.23 or 13.77% better than expected and the trust had the sixth lowest relative risk amongst the 26 large English teaching hospitals.

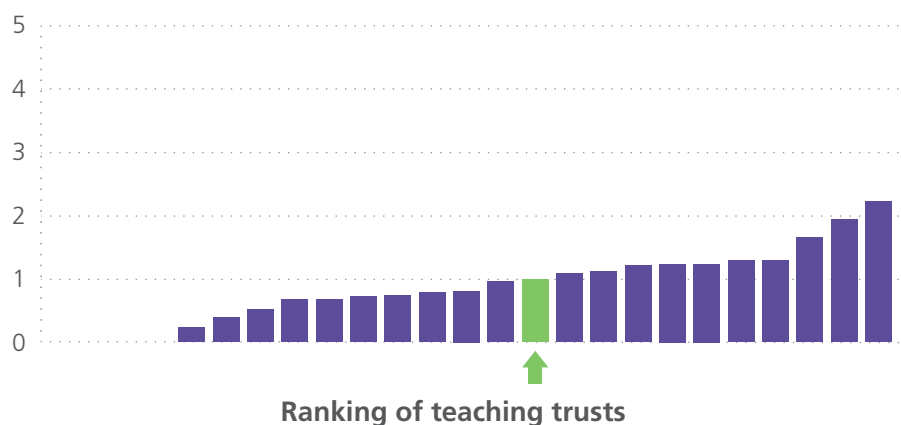
(Data source: Dr Foster Intelligence/Health and Social Care Information Centre)



The HSMR (hospital standardised mortality ratio) includes 56 diagnoses groups responsible for 80% of deaths and only includes in-hospital mortality. Data shows that for the 12 months to the end of December 2015, RFL recorded the seventh lowest relative risk of mortality of any English teaching trust with a relative risk of mortality of 88.8 which is 12.2% below (statistically significantly better than) expected.

(Data source: Dr Foster Intelligence/Health and Social Care Information Centre)

English teaching hospitals MRSA rate per 100,000 bed days, 12 months to March 2016



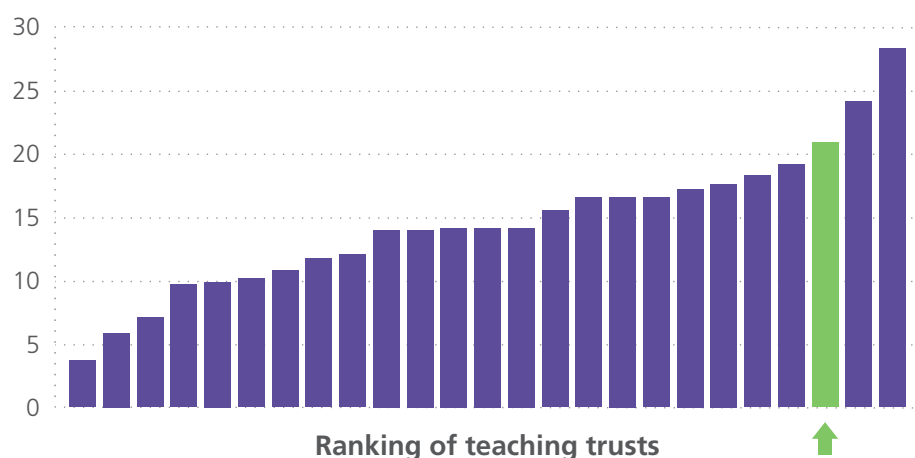
↑ RFLNHSFT

MRSA is an antibiotic-resistant infection associated with admissions to hospital. The infection can cause an acute illness particularly when a patient's immune system is compromised due to an underlying illness. Reducing the rate of MRSA infections is key to ensuring patient safety and is indicative of the degree to which hospitals prevent the risk of infection by ensuring cleanliness of their facilities and good infection control compliance by their staff.

In the 12 months to the end of March 2016 the trust reported four MRSA bacteraemias. Against the 25 teaching trusts, we ranked 15th with a rate of 0.92 bacteraemias per 100,000 bed days.

(Data source: Trust assigned MRSA bacteraemias from Public Health England and bed days from NHS England KH03).

English teaching hospitals C.diff rate per 100,000 bed days, 12 months to March 2016



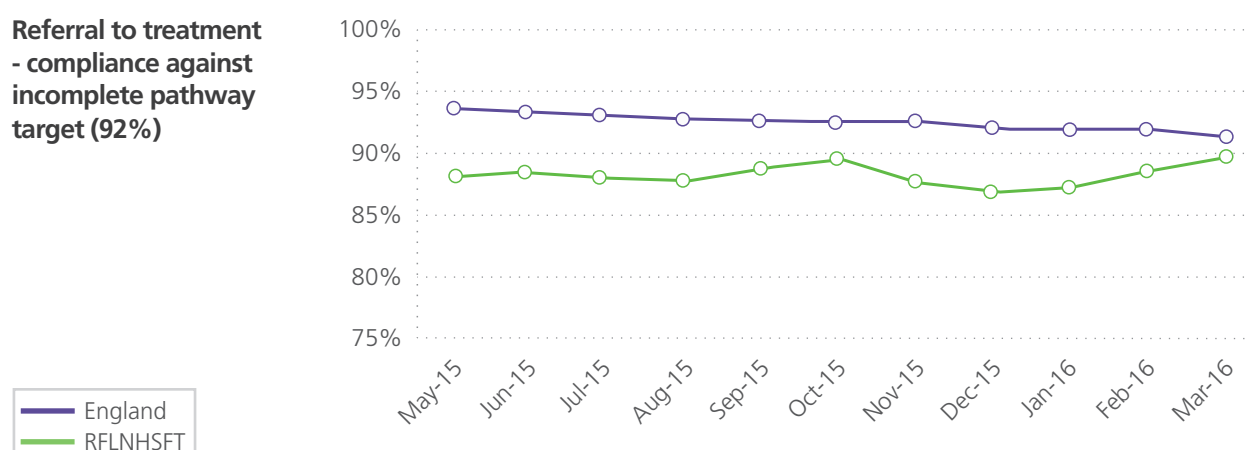
↑ RFLNHSFT

In relation to **C.diff** the trust's regulator, Monitor, assesses performance in relation to those infections deemed to result from "lapses in care". Against this measure of performance the trust has been compliant with its national trajectory for the entirety of 2015/16.

However comparative data is not available for "lapses in care" infections. Looking at all infections, including those not resulting from "lapses in care", RFL is ranked 23rd out of 25 English teaching hospitals for the period April to March 2016 with a reported position of 20.9 per 100,000 bed days.

(Data source: Public Health England)

Referral to treatment - compliance against incomplete pathway target (92%)



Prior to the acquisition, RFL identified significant data quality and accuracy issues in relation to the BCF referral to treatment 18-week data. (There was no nationally reported data for the legacy BCF organisation from September 2103; however when we resumed reporting in May 2015 we had full confidence in the cleanliness of our data.)

One of the largest data validation exercises in NHS history was carried out, resulting in 1.9 million pathways being extracted from the BCF patient administration system of which 75,090 required manual validation to determine true referral to treatment status and waiting time. During this process it was not possible to report performance against the referral to treatment indicators.

In May 2015 reporting resumed. However from September 2015 onwards, the NHS decided to focus reporting on pathways where the patient has yet to receive treatment and is actively waiting as the single measure of compliance with the NHS Constitution. For incomplete (open) pathways the national standard requires that no more than 8% of patients should be waiting longer than 18 weeks for treatment ie 92% should be waiting less than 18 weeks.

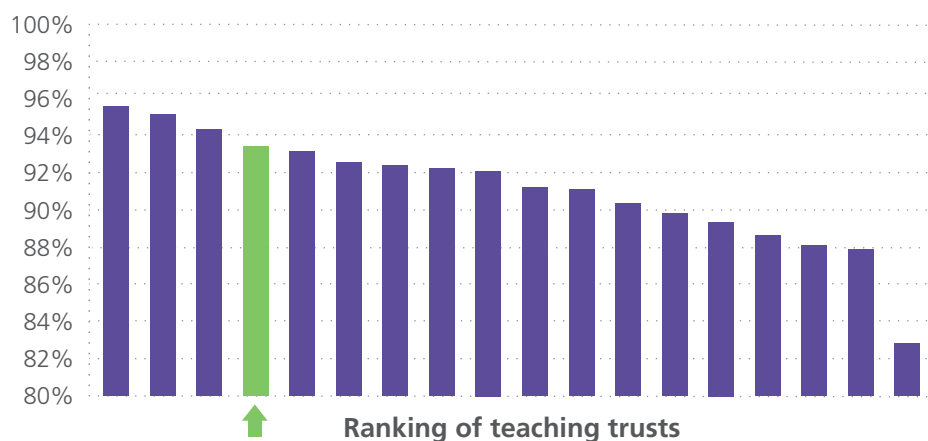
Following the data validation and recovery exercise described, a significant volume of long-waiting pathways was identified at Barnet and Chase Farm hospitals. A significant recovery project structure and trajectory were put in place with the aim of ensuring compliance with the 92% standard is achieved by quarter 2 of 2016. The trust is making good progress in delivering the recovery programme.

However, for the 11 months for which data exists, the Royal Free London reported a greater proportion of patients waiting longer than 18 weeks at the end of each month when compared to the average performance of English acute trusts.

(Data source: National Health Service England)

Emergency department performance against a four-hour standard, April 2015 to March 2016, RFL comparison to other London providers with emergency departments.

↑ RFLNHSFT



The accident and emergency department is often the patient's point of arrival, especially in an emergency when patients are in need of urgent treatment.

The graph summarises the RFL's performance in meeting the four-hour maximum wait time standard set against the performance of London A&E departments.

The national waiting time standard requires trusts to treat, transfer, admit or discharge 95% of patients within four hours of arrival. A higher percentage in the graph is indicative of shorter waiting-times. During the period April 2015 to March 2016 the trust achieved 93.44% compliance against the 95% four hour standard.

Over this period, the trust's three emergency departments recorded the fourth highest performance against the standard when compared with the 18 London non-specialist acute providers.

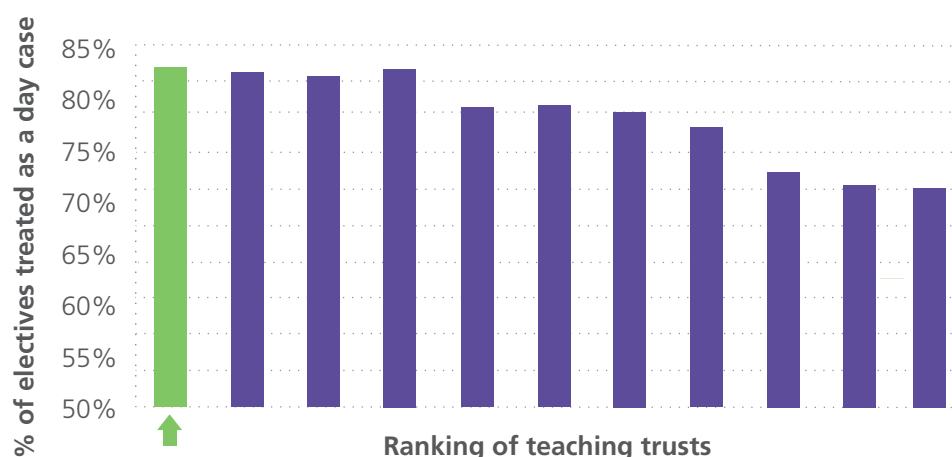
Pressure on A&E's has been increasing with more people than ever before using A&E to access urgent healthcare.

In response the trust has invested heavily in modernising and extending its emergency services which includes rebuilding the Royal Free Hospital's A&E department.

(Data source: National Health Service England)

Day case rate, January to December 2015, RFL compared with selected large teaching trusts

↑ RFLNHSFT



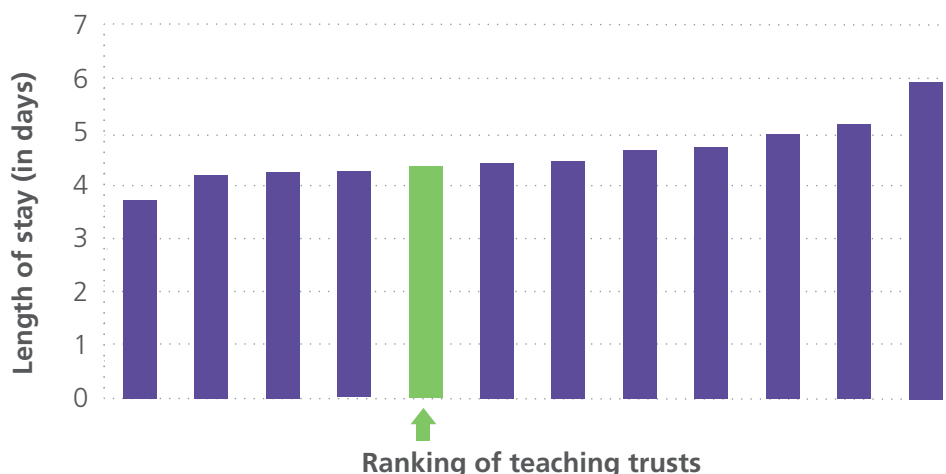
Day cases are procedures that allow you to come to hospital, have your treatment and go home on the same day. A high day case rate is seen as good practice both from a patient's perspective and in terms of efficient use of resources.

During the period covering calendar year 2015, the Royal Free London NHS Foundation Trust treated 83% of elective admissions as day cases. This was the highest proportion across the group of large teaching providers.

(Date source: Dr Foster Intelligence)

In-patient length of stay, January to December 2015, RFL compared with selected large teaching trusts.

↑ RFLNHSFT



Length of stay is also an important efficiency indicator with, in most cases, a shorter length of stay being indicative of well organised and effective care. Between January and December 2015 the trust reported the fifth lowest average length of stay across the large teaching provider peer group.

It is important to note that when producing comparative data of this type a variety of data quality issues will influence all trusts' data and operational models will differ significantly between trusts as well as between trust hospitals.

(Data source: Dr Foster Intelligence)

National cancer targets

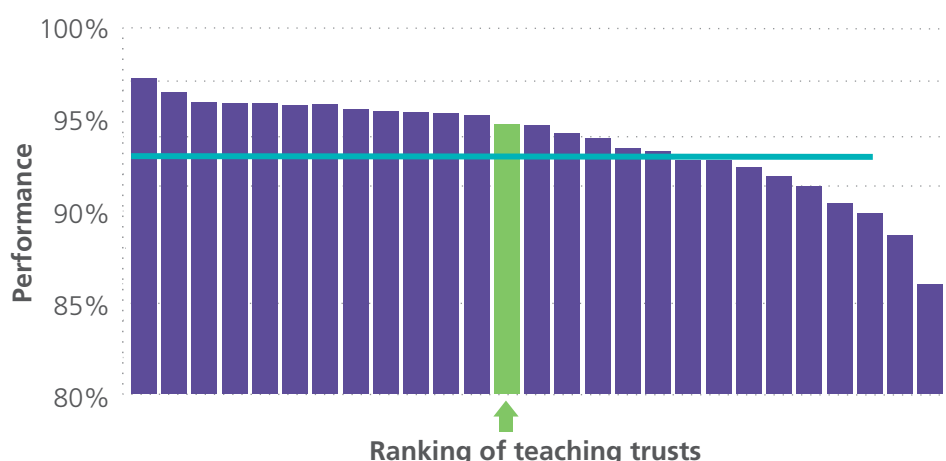
National targets require 93% of patients urgently referred by their GP to be seen within two weeks, 96% of patients to be receiving first treatment within 31 days of the decision to treat and 85% of patients to be receiving first definitive treatment within 62 days of referral.

Clinical evidence demonstrates that the sooner patients urgently referred with cancer symptoms are assessed, diagnosed and treated the better the clinical outcomes and survival rates.

National data is provided for the full year 2015/16.

All cancer two-week wait performance, 2015 to 2016, RFL compared with English teaching trusts.

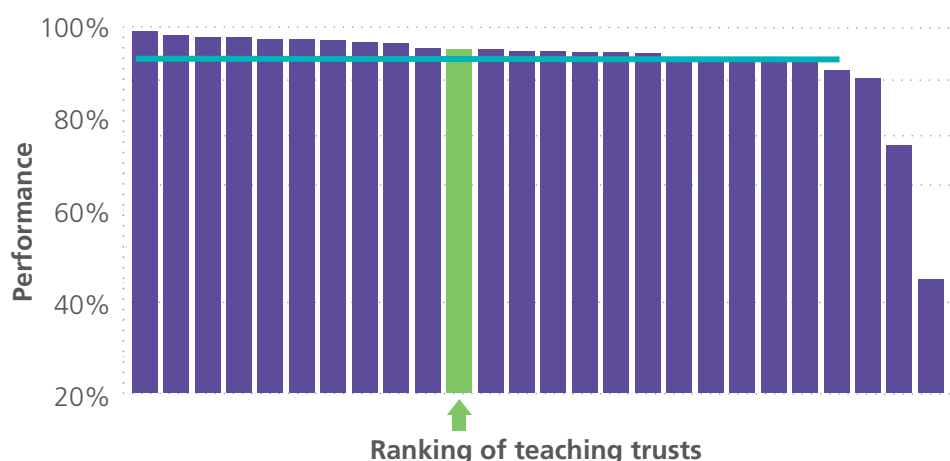
↑ RFLNHSFT



Over this time, the trust performed better than the national targets in relation to the two-week standards and the 31-day standard. However, the trust did fail the two-week wait standards in quarter 4 (January to March 2016). The main factors influencing performance included reduced capacity over Christmas and the new year as well as patients declining appointments during this period. Latest data suggests performance has recovered with targets achieved for quarter one 2016-17.

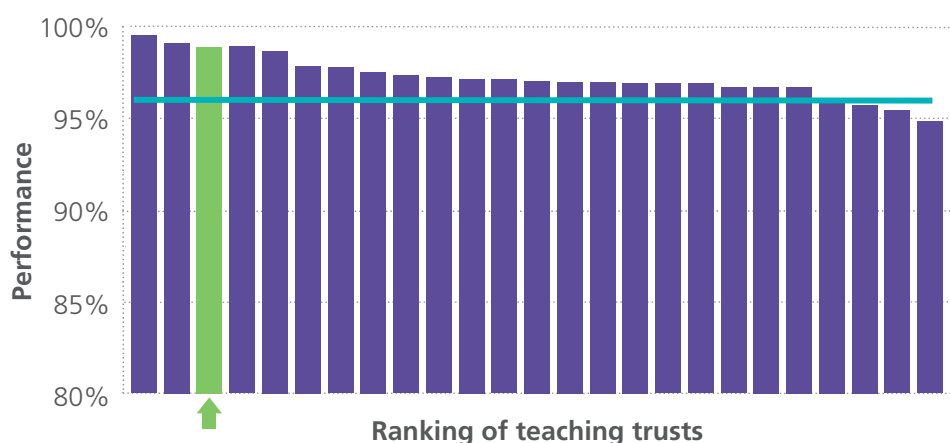
Breast urgent referral two-week wait performance, 2015 to 2016, RFL compared with English teaching trusts.

↑ RFLNHSFT



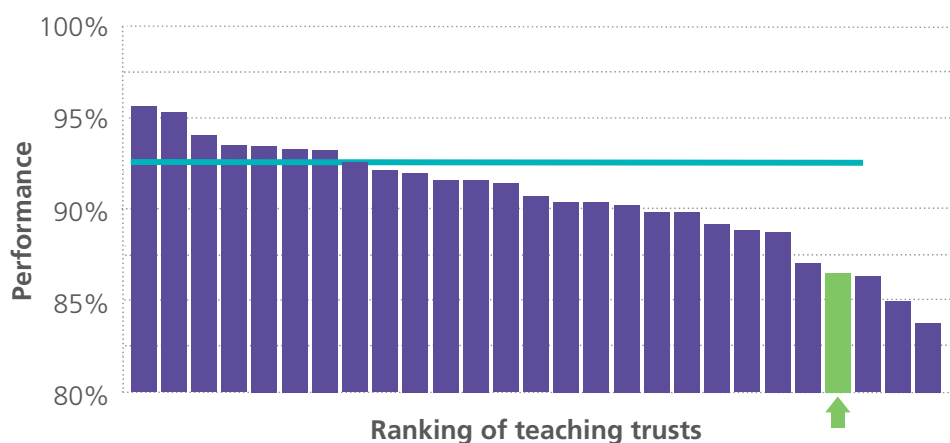
First definitive treatment within 31 days of a cancer diagnosis - performance RFLNHSFT comparison with English teaching trust (2015-16)

↑ RFLNHSFT



First definitive treatment for cancer within 62 days of an urgent GP referral, 2015-2016, RFL compared with English teaching trusts

↑ RFLNHSFT



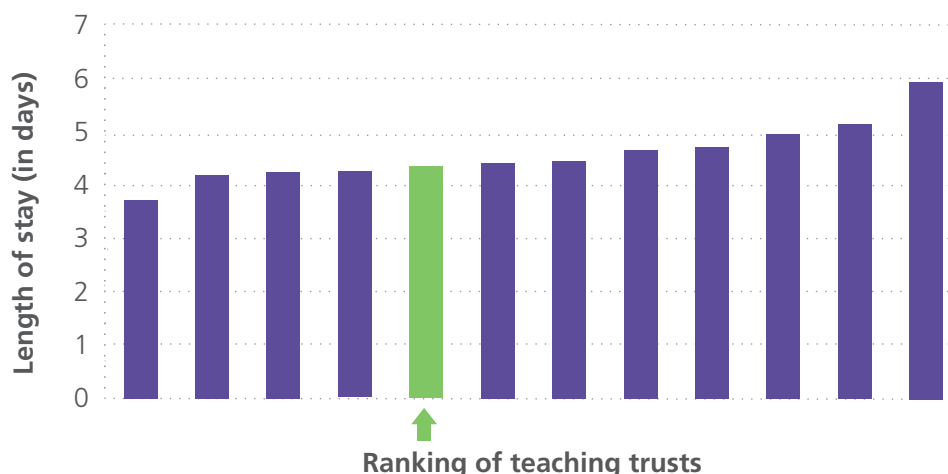
Additionally, the trust underperformed against the 62 day standard. This is a planned fail of the indicator while the trust undertakes backlog clearance as part of its recovery plan. Significant improvement has been achieved for the initially most challenged tumour sites of urology (prostate) and skin. Diagnostic and other pathway delays have been identified and are being addressed. The tumour sites that remain challenged are urology (renal) for which we are the north east and north central tertiary centre; however pathway referrals are often received late from other providers resulting in breaches. Hepatobiliary (HpB) is also a challenged tumour site and we are working with referrers and the service to review and restructure to reduce the incidence of patients breaching. The trust's recovery trajectory delivers compliance during the first half of 2016/17.

The graphs present the Royal Free London NHS Foundation Trust performance relative to English teaching trust performance and the relevant national target.

(Data source: National Health Service England)

Relative risk of emergency readmission within 28 days of previous discharge, up to the 12 months ending December 2015, RFL compared with English teaching hospitals

↑ RFLNHSFT



The RFL carefully monitors the rate of **emergency readmissions** as a measure for quality of care and the appropriateness of discharge. The hospital is working with commissioners, GPs and local authorities to provide enablement and post-discharge support to reduce the rate of readmissions.

A low, or reducing, rate of readmission is seen as evidence of good quality care.

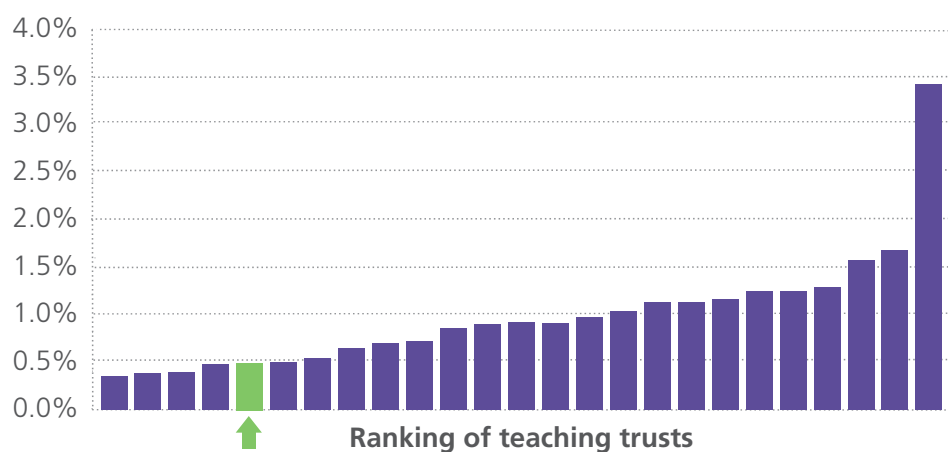
The chart presents the rate over the 12 month period shown; over this period the trust had the third lowest relative risk of readmission across the English teaching hospital peer group of 25 providers.

(Data source: Dr Foster Intelligence)

Patient experience indicators

Last minute cancellations as a percentage of elective admissions, January – December 2015, RFL compared with English teaching hospitals

↑ RFLNHSFT



Cancelling operations on the day of, or following admission, is upsetting for patients and results in longer waiting times for treatment.

For the 12 months reported, from January to December 2015, the trust cancelled admission for 471 patients at the last minute for non-clinical reasons. This translates into a rate of seven cancellations per 1,000 admissions.

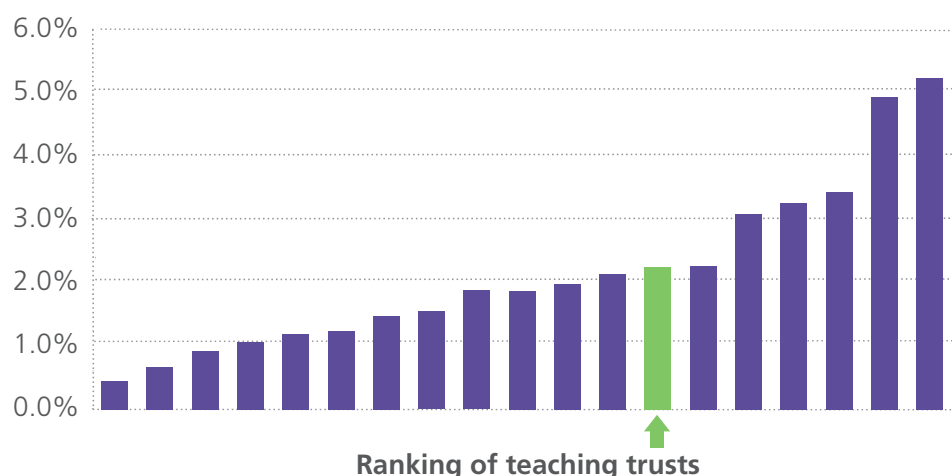
As a ratio, the trust rate of 0.7% is the fifth lowest rate of cancellations across the English teaching hospitals peer group.

Internal analysis shows that the cancellation rate was highest at the Royal Free Hospital at 0.9% and lowest at Barnet and Chase Farm hospitals (0.5%).

(Data source: NHS England)

Delayed transfers of care as proportion of bed days, 2015-16, RFL compared with acute London trusts

↑ RFLNHSFT



Delayed transfers occur when patients no longer need the specialist care provided in hospital but instead require rehabilitation or longer term care in the community. A delayed transfer is when a patient is occupying a hospital bed due to the lack of appropriate facilities in the community or because the hospital has not properly organised the patient's transfer.

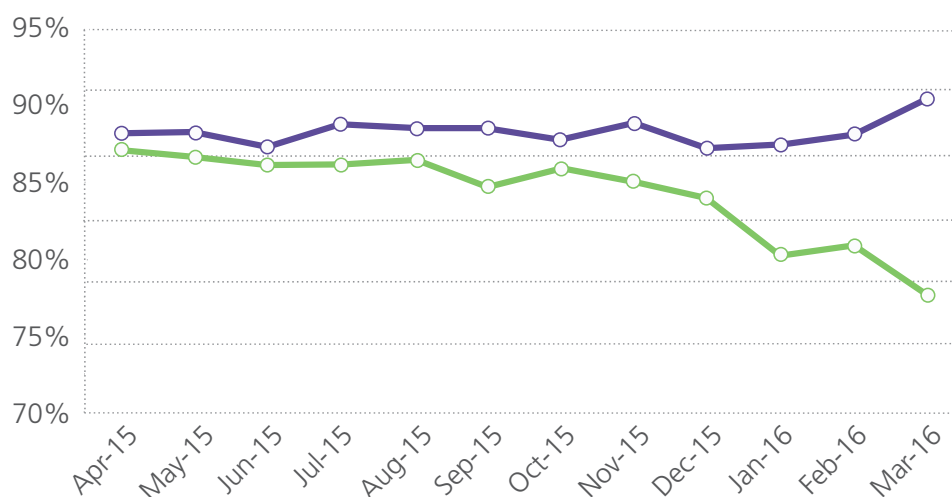
This results in wasted hospital resources and inappropriate care for the patient, so the aim is to reduce the rate of delayed transfers.

For the period April 2015 to March 2016, the trust recorded a delayed transfer rate of 2.2% resulting in a ranking of 13th when compared to the 128 London acute provider trusts.

(Data source: NHS England)

Friends and family test score, 2015-16, proportion of patients who would recommend the hospital to friends and family.

IP
AE



The friends and family test (FFT) was introduced in April 2013. Its purpose is to track and improve patient experience of care. This has already been reported on in the section review of core indicators. The data source is: Health and Social Care information Centre.

FFT aims to provide a simple, headline metric which, when combined with follow-up questions, can be used to drive cultural change and continuous improvements in the quality of care received by NHS patients. Across England the survey covers 4,500 NHS wards and 144 A&E services.

We are not commissioned to provide community services under the auspices of a community services contract or any of those services that are associated with a community provider. However we do provide services in the community, largely out-patient and ambulatory, across Camden, Barnet and Enfield.

Our local improvement plans

This section contains additional areas of our local improvement plans and data on our performance with our cancer targets. This also includes Care Quality Commission (CQC), patient safety and complaints and our most recent NHS staff survey. Throughout 2015/16 we have undertaken additional measures to support our delivery of world class expertise and local care and plans are in place to drive this.

Care Quality Commission

This year, we had a planned comprehensive hospital inspection in February 2016 across our three hospitals, Barnet, Chase Farm and the Royal Free. The inspection report is due later in the year and at the time of our inspection the CQC did not request that we undertake any immediate actions.

Ahead of the inspection process, the CQC asked us to tell them about our performance against each of the five key questions. Below is the information provided to the CQC setting out our view of our performance.

Which services or areas of the trust do you consider to be good or outstanding?



Safe

We have a strong patient safety programme. An example of its work is the award winning sepsis 6 quality improvement programme, designed by clinical staff in response to a series of serious incidents.



Effective

We have maintained a strong emergency department performance across the trust despite the challenging operational environment. We have low mortality rates with no weekend variation. We regularly participate in around 50 national audits with outcomes reviewed at board level.



Caring

We have hundreds of comments from patients on a weekly basis telling us our staff are caring.



Responsive

The trust inherited a large referral to treatment time (RTT) waiting list issue when we acquired BCF in July 2014 which we have systematically addressed. Our approach, particularly the clinical harm review process, is regarded by NHS England as best practice. We have successfully led the national NHS response to Ebola while facing significant operational challenges.



Well-led

We have a stable senior leadership team with a strong record of delivery of clear strategic objectives. Board governance is well established with a clear strategy and values, developed by staff and patients and embedded throughout the trust. We acquired BCF two years ago with no serious issues – it was widely recognised as one of the most successful recent NHS mergers. We buddied Basildon and Thurrock University Hospitals NHS Foundation Trust to help it out of special measures and we have been asked to buddy other struggling trusts. There is strong commitment to clinical leadership supported by robust leadership programmes.

Which services or areas of the trust do you feel are your weaker areas?



Safe

Post-acquisition, there is a new clinical governance structure with a significant investment which is beginning to embed. However we acknowledge this has been challenging for staff at Barnet and Chase Farm hospitals where we have restructured. Different IT platforms in the organisation are now being standardised, resulting in some change management issues.



Effective

Work is continuing post acquisition to harmonise clinical policies, guidelines and our approach to NICE guidance, but this is not yet complete.



Responsive

We have been working on improving our complaint response time. We are currently not meeting 18-week RTT or 62-day cancer targets, largely due to inherited issues from the acquisition of BCF. However, clear trajectories are in place to achieve targets (the 62-day target within the next two months and RTT by the second quarter of 2016/17).



Well-led

The clinical leadership model is still embedding at Barnet Hospital and Chase Farm Hospital .

We have hundreds of comments from patients on a weekly basis telling us our staff are caring.

Please describe what actions you are taking to address these weaker areas. Please include any support that you feel the trust may need (or has already sought) to address the challenges it is facing in ensuring the quality of care and patient safety.



Safe

Our recently approved quality strategy will lead to a significant upskilling of frontline staff in improvement methodology. This will support existing clinical governance structures and the already established patient safety programme. The impact of IT platform changes is reviewed weekly by the trust executive committee.



Effective

We are working through our new clinical governance structures to complete harmonisation of policies and NICE guidance.



Responsive

We have strengthened the complaints team and increased monitoring including a weekly review. RTT and 62-days cancer targets are reported and discussed at the weekly trust executive committee and monthly project boards. Both these projects have had external validation from the intensive support team.



Well-led

The regular review of board governance through Monitor's well-led framework is due in 2016. We were recently approved as one of the three national acute care collaborative vanguards to develop a group model, which involves a detailed review of our current clinical leadership model. There is continuous emphasis on leadership development through an internal programme run by Professor Richard Bohemer (Harvard Business School).

Patient safety

As shown through our quality account priorities, patient safety remains integral to the delivery of safe and effective care for our patients. The current data for our patient safety incidents (as previously reported) covers the timeframe between 1 October 2014 and 30 September 2015. Details of our never events are listed below.

The following information outlines the additional measures that we have undertaken:

Implementing the duty of candour

We have implemented the 'being open' policy across the trust for many years, and approved our duty of candour policy in November 2014, to clarify the updated processes for staff. We have developed a monthly training package aimed at all staff that has been delivered across all hospitals.

We have set up our incident reporting system (Datix) to enable us to monitor duty of candour compliance for those incidents that have resulted in moderate harm or above. We provide monthly reports to the patient safety committee and our commissioners, detailing our compliance with duty of candour.

Patient safety improvement plan as part of the 'sign up to safety' campaign

The trust formally signed up to NHS England's 'sign up to safety' campaign in April 2015 to develop our patient safety programme. We have committed to deliver a detailed improvement plan through building strong organisational relationships and engaging clinical and non-clinical staff to work together for shared purpose.

The patient safety programme has monthly collaborative meetings where clinical leads and safety champions come together to share learning and experiences around driving safety improvements.

As part of this work we are actively involved in our academic health science network UCLPartners' safety collaborative, where we contribute to sharing and learning around safety issues with many other organisations.

Learning from mistakes

From our patient safety programme strategy launched in October 2014, we started our three year patient safety programme in April 2015. We aim to become a zero avoidable harm organisation by 2020, initially by halving the level of avoidable harm at the trust by 31 March 2018.

The key areas of focus have been determined following review of the serious incidents, incident trends, complaints and claims across the trust in the last five years and are listed in to the right.

Actions to support patient safety

PHASE 1

- 1 Falls prevention
- 2 Acute kidney injury
- 3 Deteriorating patient
- 4 Deteriorating unborn baby
- 5 Safer surgery
- 6 Sepsis
- 7 Acute diabetic management

PHASE 2

- 8 Missed and delayed diagnoses
- 9 Action on abnormal images
- 10 Medicines management
- 11 Pressure ulcers

PHASE 2

- 12 Hospital associated infections, including catheter-related infection
- 13 Hydration and nutrition
- 14 VTE prevention and in-patient anticoagulation management

Date of never events, description and hospital

Month of occurrence	Description of never event	Hospital
May 2015	retained swab, maternity	RFH
June 2015	retained guide wire	RFH
August 2015	retained suture	RFH
October 2015	drug incident	BH
October 2015	retained swab	RFH
December 2015	wrong site biopsy	BH
January 2016	retained tampon, maternity	RFH
March 2016	wrong procedure, endoscopy	RFH
March 2016	retained needle, ENT	BH
March 2016	wrong site biopsy	RFH

In March 2016, the NHS published a league table of 'Learning from mistakes', where the trust was ranked 190 out of 230 and labelled as having 'significant concerns about openness and transparency'.

This ranking was based on two questions from the 2015 staff survey which were significantly worse than expected:

- **Question 7:** percentage of staff able to contribute towards improvements at work
- **Question 26:** percentage of staff experiencing harassment, bullying or abuse from staff

We are currently reviewing the results of the annual staff survey in order to identify ways we can further improve our processes and are committed to creating an atmosphere of openness and transparency in which all staff feel able both to raise and respond to concerns.

Learning from complaints

The trust tries to resolve issues as promptly as possible. There is no longer a national timeframe for responses to complaints; RFL aims to respond within 35 working days, or longer if agreed with the complainant.

Feedback from patients, relatives and carers provides the trust with a vital source of insight about people's experiences of healthcare at our hospitals, and how our services can be improved. The aim of the trust's complaints process is to listen and respond to the issues being raised and use the information received to improve services and, in turn, the experience of our patients.

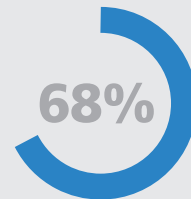
Learning from complaints is shared with the staff involved in the complaint at the time of the investigation and then disseminated amongst the wider teams following completion. Complaints data is reviewed monthly by the trust executive committee alongside other data, including patient surveys, infection, falls, pressure ulcers and incidents.

Of the 1,447 complaints that had agreed deadlines between 1 April 2015 and 31 March 2016, 1,051 were responded to within the agreed deadline, which equates to a response rate of 73%.

Breakdown of quarterly performance?



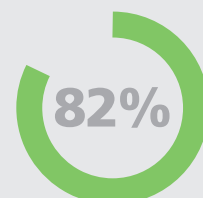
Q1 195 OF 334 DEADLINES MET



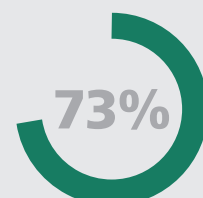
Q2 248 OF 365 DEADLINES MET



Q3 319 OF 391 DEADLINES MET



Q4 319 OF 391 DEADLINES MET



2015/16
1,051 OF 1,447 DEADLINES MET

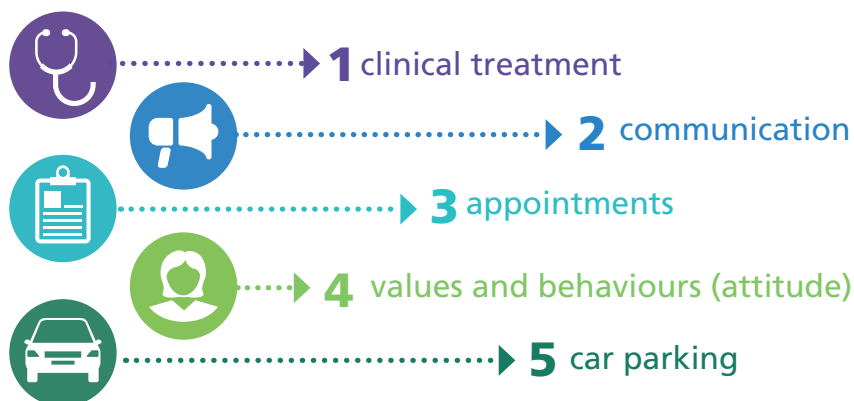
Complaints data, including lessons learnt and actions taken is included in:

- the divisional monthly quality and safety boards
- the quarterly report taken to the patient and staff experience committee
- an annual complaints report taken to the trust board
- the quarterly CLIPS (complaints, litigation, incidents, PALS and safety) report taken to the patient safety committee

Themes and actions taken:

Primary subjects from complaints received in 2015/16

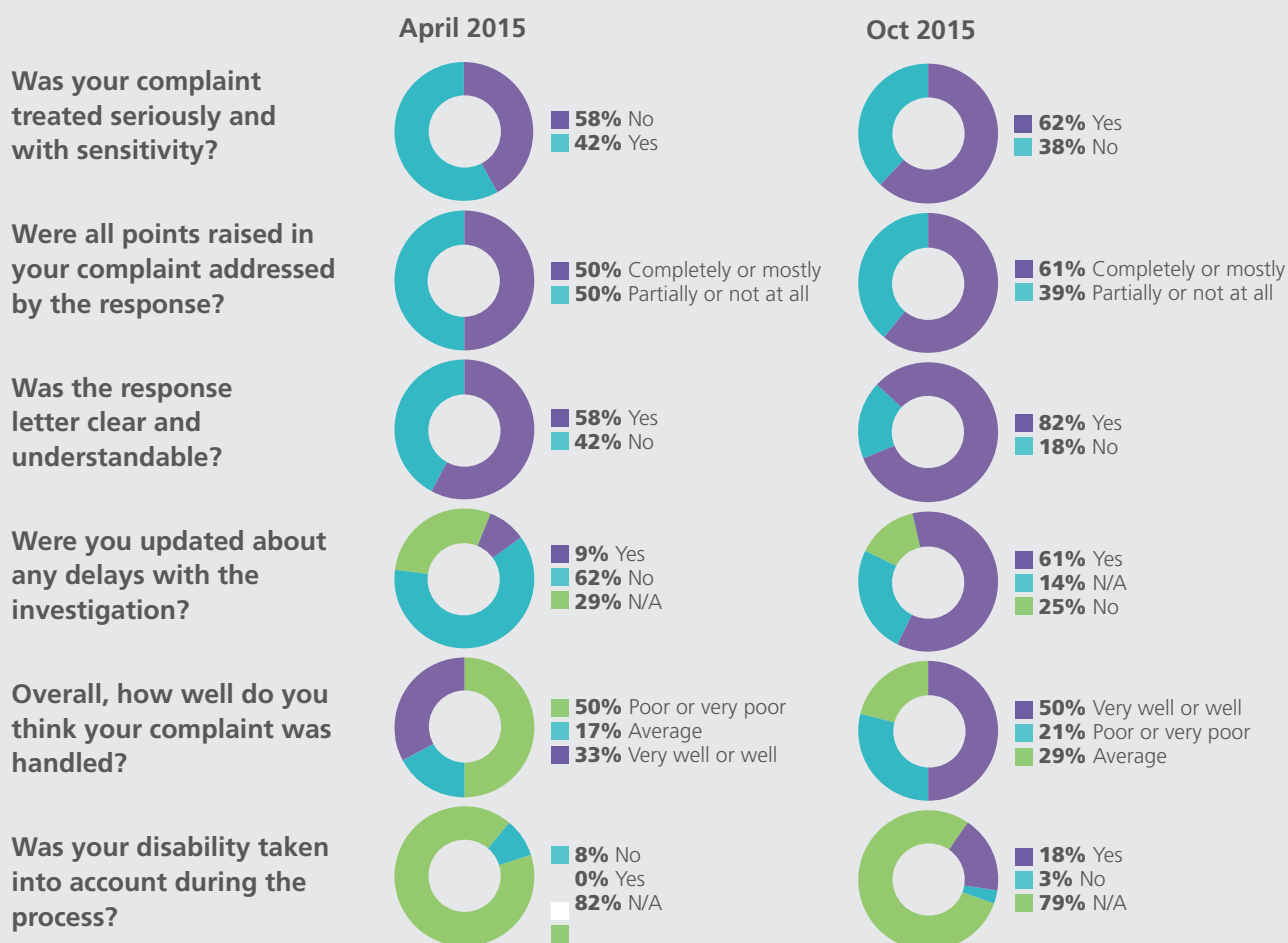
(followed by some example actions taken in response to those issues)



Actions taken by the complaints team

Two batches of complainant questionnaires were sent out to complainants who had received responses from the trust in April 2015 and October 2015.

An overview of the key questions asked is provided below:



The results are reflective of a period in which our complaint investigations were taking longer than expected and updates to complainants about those delays were not happening routinely or proactively. Changeover of staff and sickness within the divisional complaints teams had an impact but this has been resolved and, as of January 2016, all divisional complaints roles are filled with permanent full time staff.

Overall, there is a positive trend in every question with October's data, which it is felt is largely reflective of the improvements that have been made since October 2015 with regard to turnaround times for completion of investigations and updates to complainants about delays. Our performance will continue to be monitored during 2016/17.

In an attempt to make our services and information more widely available, the trust's complaints and PALS posters were updated and are now displayed prominently throughout our hospitals.

The data below shows our total responses for out-patients' FFT for 2015/16. This is broken down by hospital.

	Barnet Hospital	Chase Farm Hospital	Royal Free Hospital	Responses
Month	% would recommend			
Apr-15	92%	85%	87%	196
May-15	79%	85%	88%	219
Jun-15	69%	100%	100%	168
Jul-15	68%	89%	98%	175
Aug-15	84%	83%	95%	139
Sep-15	75%	88%	100%	231
Oct-15	75%	83%	97%	186
Nov-15	88%	84%	95%	438
Dec-15	88%	81%	96%	790
Jan-16	93%	89%	95%	970
Feb-16	96%	92%	93%	665
Mar-16	94%	89%	84%	537
Total responses for out-patient FFT 2015-16				4714

Additional measures to support our patient feedback process:

- The trust board meets monthly. A complaint and compliment is shared at each meeting. An annual complaints report is reported to the public board in July.
- A complaints and PALS report is taken quarterly to the patient and staff experience committee (board committee chaired by non-executive director (NED)) for consideration and, in particular, if the common themes being expressed through complaints and PALS cases are being addressed through existing improvement plans. The committee also considers if there are any clinical areas or departments which, as a result of the complaints and PALS information, are of concern.
- A complaints, litigation, incidents, PALS and safety (CLIPS) report is taken quarterly to the clinical governance and clinical risk committee. This committee feeds into the patient safety committee (board committee chaired by a NED). There is a quarterly CLIPS report taken to the patient safety committee.
- Complaints and PALS data is included in the ward heat maps, reviewed monthly by the trust executive committee. This is considered alongside other data on the heat map, including patient surveys, infection, falls, pressure ulcers and incidents. Each division has a quality and safety board, where the above data is also considered.
- Complaints are regularly discussed with senior staff and escalated, where appropriate, to our risk and safeguarding teams. They are also discussed at the quarterly operational adult safeguarding group and equality steering group.

NHS staff survey results 2015

- For the national staff survey in 2015, 3,184 (38%) of eligible staff completed the survey.
- The response rate was 6% lower than in 2014 (44%).
- Across the NHS, the response rate in 2015 was 41%, 1% lower than in 2014.

The reduction in staff completing the survey was disappointing. We hope to address this in 2016 with greater publicity around the anonymity of respondents and again offer a free prize draw that will incentivise completion. We will continue to emphasise the importance of the survey as a means to understand staff views and publicise the actions we take as a result.

For 2015 there was a substantial revision in the questionnaire, which means that some questions and key findings are not directly comparable to 2014 results. The survey comprised 30 questions (plus sub-questions) and three local questions from which the NHS draws 32 key findings.

This section outlines the most recent NHS staff survey results for indicators KF21 and KF27 as requested by NHS England (medical directorate).

- KF21 (percentage believing that the trust provides equal opportunities for career progression or promotion)
- KF27 (percentage of staff reporting most recent experience of harassment, bullying or abuse)

KF21-Providing equal opportunities for staff

76% of staff felt that the trust provides equal opportunities for career progression or promotion, in comparison to 87% which was the national 2015 average for acute trusts.

KF27-staff reporting harassment, bullying or abuse

In 2015 our score was 34% of staff/colleagues reporting a recent experience of harassment, bullying or abuse; in comparison, the 2014 trust score was 38% (the higher the score the better).

The fall in the number of staff reporting incidents of harassment, bullying or abuse in 2015 was disappointing as the trust has taken steps to encourage reporting and to emphasise that action will be taken. Suggestions to improve staff experience include five high priorities based on an analysis of results. These include:

- a strong campaign on bullying and harassment
- working closely with leadership teams in units with the worst outcomes from the staff survey, developing locally owned plans and monitoring delivery
- setting clear expectations of managers in relation to appraisal, staff engagement and team communication activity – measuring and monitoring as part of their management
- progressing rapid delivery of the improved intranet with clear and easily accessible policies, procedures and forms etc
- delivering leadership training and support to managers – with an expectation that those in poorer performing areas will complete it.

We are setting clear expectations of managers in relation to appraisal, staff engagement and team communication activity.

Our cancer performance for 2015/16:

		Q1		Total	Q2		Total
Indicator	Values	BCF*	RFL		BCF	RFL	
All cancer 2-week wait	No of breaches	266	51	317	294	44	338
	No of pathways	4,333	1,975	6,308	4,283	2,123	6,406
	% meeting standard	93.9%	97.4%	95.0%	93.1%	97.9%	94.7%
Breast urgent referral 2-week wait	No of breaches	16	3	19	54	11	65
	No of pathways	967	497	1,464	909	461	1,370
	% meeting standard	98.3%	99.4%	98.7%	94.1%	97.6%	95.3%
First definitive treatment within 31-days of a cancer diagnosis	No of breaches	0	3	3	0	8	8
	No of pathways	320	228	548	358	359	717
	% meeting standard	100.0%	98.7%	99.5%	100.0%	97.8%	98.9%
Subsequent surgery treatment for cancer within 31-days	No of breaches	0	2	2	0	0	0
	No of pathways	45	65	110	44	52	96
	% meeting standard	100.0%	96.9%	98.2%	100.0%	100.0%	100.0%
Subsequent drug treatment for cancer within 31-days	No of breaches	0	0	0	0	0	0
	No of pathways	31	75	106	24	83	107
	% meeting standard	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subsequent radiotherapy treatment for cancer within 31-days	No of breaches	0	0	0	0	0	0
	No of pathways	0	116	116	0	128	128
	% meeting standard	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
First definitive treatment for cancer within 62-days of an urgent GP referral	No of breaches	50.5	14.5	65.0	69.5	30.0	99.5
	No of pathways	190.0	86.0	276.0	202.0	120.5	322.5
	% meeting standard	73.4%	83.1%	76.4%	65.6%	75.1%	69.1%
First definitive treatment for cancer within 62-days of referral from screening	No of breaches	2.5	4.0	6.5	2.0	1.5	3.5
	No of pathways	52.0	16.5	68.5	50.5	17.0	67.5
	% meeting standard	95.2%	75.8%	90.5%	96.0%	91.2%	94.8%
First definitive treatment for cancer within 62-days of a consultant upgrade	No of breaches	1.5	0.0	1.5	6.0	5.5	11.5
	No of pathways	50.0	6.5	56.5	49.0	7.5	56.5
	% meeting standard	97.0%	100.0%	97.3%	87.8%	26.7%	79.6%

*Barnet Hospital and Chase Farm Hospital

Reporting period quarter 3, 4 and overall total for 2015/16

Indicator	Values	BCF	RFL		BCF	RFL		Total
		Q3			Q4			
All cancer 2-week wait	No of breaches	231	30	261	417	62	479	1,395
	No of pathways	4,518	2,389	6,907	4,446	2,308	6,754	26,375
	% meeting standard	94.9%	98.7%	96.2%	90.6%	97.3%	92.9%	94.7%
Breast urgent referral 2-week wait	No of breaches	44	6	50	117	25	142	276
	No of pathways	909	480	1,389	811	497	1,308	5,531
	% meeting standard	95.2%	98.8%	96.4%	85.6%	95.0%	89.1%	95.0%
First definitive treatment within 31-days of a cancer diagnosis	No of breaches	0	6	6	1	11	12	29
	No of pathways	332	401	733	307	314	621	2,619
	% meeting standard	100.0%	98.5%	99.2%	99.7%	96.5%	98.1%	98.9%
Subsequent surgery treatment for cancer within 31-days	No of breaches	0	0	0	1	0	1	3
	No of pathways	40	66	106	57	49	106	418
	% meeting standard	100.0%	100.0%	100.0%	98.2%	100.0%	99.1%	99.3%
Subsequent drug treatment for cancer within 31-days	No of breaches	0	0	0	0	0	0	0
	No of pathways	38	115	153	22	86	108	474
	% meeting standard	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subsequent radiotherapy treatment for cancer within 31-days	No of breaches	0	0	0	0	1	1	1
	No of pathways	0	133	133	0	131	131	508
	% meeting standard	100.0%	100.0%	100.0%	100.0%	99.2%	99.2%	99.8%
First definitive treatment for cancer within 62-days of an urgent GP referral	No of breaches	50.5	36.5	87.0	47.0	39.0	86.0	337.5
	No of pathways	193.0	133.0	326.0	184.5	129.0	313.5	1,238.0
	% meeting standard	73.8%	72.6%	73.3%	74.5%	69.8%	72.6%	72.7%
First definitive treatment for cancer within 62-days of referral from screening	No of breaches	4.0	1.0	5.0	8.5	1.0	9.5	24.5
	No of pathways	57.5	13.5	71.0	43.5	13.5	57.0	264.0
	% meeting standard	93.0%	92.6%	93.0%	80.5%	92.6%	83.3%	90.7%
First definitive treatment for cancer within 62-days of a consultant upgrade	No of breaches	1.5	5.0	6.5	3.0	2.0	5.0	24.5
	No of pathways	35.0	8.0	43.0	51.5	10.5	62.0	218.0
	% meeting standard	95.7%	37.5%	84.9%	94.2%	81.0%	91.9%	88.8%

Annex 1. Statements from commissioners, local Healthwatch organisations and Overview and Scrutiny Committees

The views of our key stakeholders are essential in helping us maintain and develop high-quality clinical services. We carried out a series of exercises to ensure we engaged our various stakeholders and partners as much as possible in developing this report.

Using first out-patient referrals as a proxy for elective demand, Barnet CCG has the largest volume of unique patients attending the RFL sites for consultation.

During the month of April 2016, a copy of the report was sent to the following stakeholders for comments.

- Healthwatch Barnet
- Healthwatch Camden
- Healthwatch Enfield
- Healthwatch Hertfordshire
- Barnet health overview and scrutiny committee
- Camden health and adult social care scrutiny committee
- Barnet Clinical Commissioning Group
- Camden Clinical Commissioning Group
- Herts Valley Clinical Commissioning Group
- North and East London Commissioning Support Unit
- Council of Governors

Our external auditor, PricewaterhouseCoopers LLP, have also reviewed our Quality Report and we have incorporated its preliminary comments into the final version of this report.

The following statements have been received from our stakeholders:

Response from Healthwatch Camden and Camden Health and Adult Social Care Scrutiny Committee

This is a very thorough and detailed report and there appears to have been some significant and practical improvements in patient care initiatives over the last year particularly in relation to people with dementia and in maternity and paediatric care. These are to be welcomed, e.g. visiting times for carers of people with dementia, use of MONTY anagram and involvement of parents in design processes in paediatric services, reduction in waiting times for pain management and plastic surgery, and training to reduce OASIS in women during labour.

We receive many positive reports from our residents and from hospital staff about the organisation and its management. Our residents feel listened to and respected. This report is a clear manifestation of the progress the hospital is making.

The report uses different ways of enumerating the trust's work and this is a little confusing i.e. in some places it provides raw data and in others percentages. It would be helpful if the report was more consistent in how it reported data. Additionally, it would be helpful to have national figures so that it is possible to compare the Trust against national averages.

Healthwatch Camden made an 'enter and view' visit to the Accident and Emergency department this year.

Staff were helpful and responsive to the feedback from the volunteers who visited. We made some specific recommendations on help for patients with communication support needs.

Response from Healthwatch Enfield

First and foremost, Healthwatch Enfield would like to thank you for giving us the opportunity to comment on the Trust's Quality Account 2015/2016; we very much look forward to working with you and the wider team at the Royal Free London NHS Foundation Trust on improving services for the local population of Enfield and beyond.

Having reviewed the document, I would like to take this opportunity to congratulate the Trust on making the Quality Accounts accessible to all, including those without a clinical background, through adopting a clear layout and omission of acronyms, jargon and clinical terms.

Quality achievements made during 2015-16

We are encouraged to see improvement made in all four clinical divisions that aim to improve patient experience. Specifically, we are pleased that these improvements have led to shorter waiting times for patients.

Given the current pressure in A&E departments we would have welcomed more improvements from the Urgent Care division that are focused on providing appropriate urgent care in a timely manner. It would have been useful to include an update in relation to the growing success of the Chase Farm Hospital Urgent Care Centre and how the

Centre has reduced attendances at the Trust's A&E departments, whilst seeing almost 100% of patients within target every month.

Whilst we would like to recognise the Trust's innovative approaches to reducing the risk of 3rd and 4th degree tears for the Obstetric Anal Sphincter Injuries (OASIS), we urge the Royal Free London NHS Foundation Trust to continue with implementing the mandatory subject training programme, which remains outstanding for a percentage of staff to ensure high quality care for Enfield's population.

2015/16 quality improvement priorities

(1) Priority one: Delivering world-class experience

We are impressed with the efforts the Royal Free London NHS Foundation Trust has undertaken in delivering against the priority however Healthwatch Enfield is concerned that four patient experience champions have not been identified throughout 2015/2016. We would urge the Trust to sustain its focus on the work strand to ensure patient experience champions are available at each site, whilst also considering how to best involve patients and carers in the process.

We welcome the Trust's emphasis on improving the experience of those with a diagnosis of dementia. The approach of building ever-closer links with community dementia advisers in Camden and Barnet to establish a more integrated support system for carers to aid the transition from hospital to home and vice versa is of particular importance; we trust that plans are in place to embed similar methodology within the London Borough of Enfield.

(2) Priority Two: Improving in-patient diabetes

We are encouraged by the improvements the Royal Free London NHS Foundation Trust evidenced for 2015/2016 nonetheless we would urge the Trust to monitor standards for in-patient diabetes to ensure changes implemented throughout the period are embedded within the practice going forward.

(3) Priority Three: Improving our focus for safety

Regrettably, the Royal Free London NHS Foundation Trust has underperformed against the priority; Healthwatch Enfield recognises the Trust's need for sustained focus and further improvements to guarantee patients' safety and better health outcomes.

Priorities for improvement 2016-17

Healthwatch Enfield is in full support of the Royal Free London NHS Foundation Trust's priorities. Taking into account the Trust's performance in 2015/2016, we particularly welcome the body's ambition to become a zero avoidable harm organisation by 2020.

We encourage the Trust to develop its work on Patient Engagement to ensure voices of service users and their carers:

- (1) are heard across all levels of the organisation
- (2) inform service design and impact on clinical effectiveness
- (3) help identify areas of improvement which are patient-focussed and of most relevance to the individual

Part Three. Review of quality performance

We would have welcomed a detailed breakdown of Friends and Family Test results for hospital sites and divisions, e.g. A&E, inpatient, maternity etc. We are aware that patients' experience can vary across Trust's sites and divisions, and would encourage the Trust to present the data on a site-specific basis.

Yours sincerely,



Patricia Mecinska

Chief Executive

Enfield Consumers of Care
& Health Organisation CIC
Company number 08484607

Healthwatch Hertfordshire's response to The Royal Free London NHS Foundation Trust (RFL) Quality Account 2016

Healthwatch Hertfordshire (HwH) is pleased to be asked to submit a response to RFL's Quality Account.

The Quality Account is set out clearly showing the progress and impact of the last year's priorities, what success has been achieved, what will continue to be implemented and also where more improvements still need to be made. For example, this includes some good results in sepsis care and in-patient diabetes but a recognition that never events in surgical care need further investigation.

We congratulate the Trust on the work it is doing to support patients with dementia and in particular incorporating John's Campaign (allowing flexible visiting times for carers) into the actions and working towards the Alzheimer's Society recommendations in their 'Fix Dementia Care' report (2016/17 priority).

It is evident that the Trust has engaged a wide range of stakeholders to determine the 2016/17 priorities and HwH welcomes the offer of closer working with RFL in the coming year. HwH has been encouraged by the support it has recently received from RFL when seeking assurance on patient concerns and the move to re-write the constitution to allow Healthwatch members to become governors.

This relationship is important as more and more Hertfordshire residents access services at the Barnet, Chase Farm and the Royal Free hospitals and also as RFL forges stronger links with other local hospitals.

It is good to see that the percentage of staff recommending the Trust has continued to rise and is above the national average. This is demonstrated in the first part of the report as part of the work of the 'world class' care programme and will be key to not only maintaining staff satisfaction with the Trust but in improving patient experience. It is disappointing however to note that in a recent staff survey the trust was labelled as having 'significant

concerns about openness and transparency'. The Trust will strive to improve this to ensure learning from mistakes is taken forward and has set out a positive strategy to address this. HwH will also share feedback it receives with the Trust to support improvements.

Despite a difficult and challenging time for emergency care nationally, RFL has maintained a good Emergency Department performance as well as better than expected Summary Hospital Mortality Indicator data. The large referral to treatment waiting list inherited from Barnet and Chase Farm hospitals is also being tackled.

Healthwatch Hertfordshire looks forward to a closer working relationship with the Royal Free London NHS Foundation Trust working together with the other local Healthwatch that represent patients accessing services at the Trust's hospitals to improve patient experience.



Michael Downing

Chairman Healthwatch Hertfordshire
April 2016

Commissioners Statement for Royal Free London NHS Foundation Trust Quality Accounts 15/16

NHS Barnet Clinical Commissioning Group (CCG) are the lead commissioner responsible for the commissioning of non-specialist health services from Royal Free London NHS Foundation Trust, RFLNHSF) on behalf of the population of Barnet and associate commissioners. Enfield, Camden and Herts Valley CCGs: since the commissioning organisations were formed, Barnet, Enfield, Camden and Herts Valley CCGs have worked together with NHS England and the Trust to establish an effective working

relationship. The CCGs work closely with RFLNHSF to foster a culture of openness and honesty between all commissioners and the provider.

In the past two years of post-acquisition, performance and quality challenges have emerged and the CCGs have worked with the Trust to ensure that there was a common understanding of the quality and performance challenges.

The CCG welcomes the opportunity to provide this statement on Royal Free London NHS Foundation Trust's Quality Accounts. We have reviewed the content of the Account and confirm that it complies with the prescribed information, form and content as set out by the Department of Health.

The CCG has taken particular account of the identified priorities for improvement during 2015/16 by the Trust and how this work has enabled real focus on improving the quality and safety of health services for the population they serve: The CCG has noted the below target and achievements during 2015/16

Patient Experience - Delivering world-class experience

Priority 1 - Improving the experience of those with a diagnosis of dementia

Priority 2 - Identifying and improving the experience of carers

Priority 3 - Enhancing the experience of people diagnosed with cancer

Clinical Effectiveness - Improving in-patient diabetes

Priority 1 - 20% reduction in prescription errors

Priority 2 - 20% reduction in severe hypoglycaemia episodes

Priority 3 - Achieving 30% foot assessments within 24hrs of admission
Priority 4 - 10% reduction in hospital-acquired foot ulcers

Priority 5 - 10% improvement in patient satisfaction score

Priority 6 - To participate in the National Diabetes Inpatient Audit on all three hospital sites

Patient Safety - Improving our focus for safety

Priority 1 - Safer Surgery: Improve compliance with all aspects of the 'five steps to safer surgery

Priority 2 - Falls - To reduce falls by 25%

Priority 3 - Acute Kidney Injury (AKI)

Priority 4 - Patient Deterioration

Priority 5 - Unborn baby deterioration

We have also noted areas where the trust has had a challenging year.

- Failure to reach National targets set nationally around cancer care and RTT (referral to treatment).
- The number of Never Events it declared by the Trust during 2015/16,
- The Trust exceeded its Clostridium difficile targets in 2015/16 and reported a total of 68 infections against an annual target of 66.

It is noted that in all the above areas the Trust have demonstrated throughout the year transparency and openness with commissioners and a strong focus on resolution.

We believe that the Account represents a fair, and balanced overview of the quality of care at Royal Free London Foundation Trust. We have discussed the development of this Quality Account with Royal Free London Foundation Trust over the year and have been able to contribute our views on consultation and content. The Accounts have been reviewed within Barnet CCG, associate commissioners and by colleagues in NHS North and East London Commissioning Support Unit.

Barnet CCG and associate commissioners look forward to working with Royal Free London Foundation Trust in developing and monitoring the quality of services it provides to patients and as they implement the quality priorities for 2016/17 as set out within the quality account".



Cathy Gritzner

Accountable Officer
Barnet Clinical Commissioning Group
Date: 9 May 201

Herts Valleys Clinical Commissioning Group's Response to the Quality Account provided by the Royal Free Hospital London NHS Foundation Trust

As the host commissioner for the Hertfordshire contract with the Royal Free Hospital London NHS Foundation Trust, Herts Valleys Clinical Commissioning Group (HVCCG) welcomes the opportunity to review the Trusts Quality Account and to provide a statement on behalf of both our population and East and North Herts CCG (ENCCG).

We have undertaken the review of this Quality Account in collaboration with Enfield and Barnet CCGs and would like to echo our support of the comments and recommendations made within the Enfield CCG statement.

In addition to the comments made by the two London CCGs aforementioned, HVCCG and ENHCCG would also like to make the following observations and recommendations:

The Trust has had a challenging year in areas such as ensuring patients are seen within the national targets set nationally around cancer care and RTT (referral to treatment). The Trust responded to these particular performance issues positively and has conducted thorough investigations to not only ensure current patients on their waiting lists are safe and have not suffered harm, but future patients are seen within the designated timescales. Their engagement with patients throughout this time should also be acknowledged. The Trust has been open and transparent in the issues they have encountered and has been proactive in setting trajectories to clear any associated backlogs and providing regular updates to the CCG.

The Trust's priority relating to reducing the number of Never Events is certainly welcomed in light of the 10 Never Events declared by the Trust during 2015/16, however the CCG would like to see a significant

reduction in the number of Never Events declared in 2016/17. In order to achieve this priority it is therefore positive to note that the Trust is focussing their attention on surgical safety in light of the type of Never Events that occurred and we hope to see a significant improvement in the coming year.

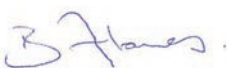
The Trust exceeded its Clostridium difficile targets in 2015/16 and reported a total of 68 infections against an annual target of 66. We therefore expect to see a positive difference in the number of cases reported in 2016/17 as a result of the number of infection control initiatives in place.

Both Hertfordshire CCGs are keen that the Trust continues to take note of the interests of the Hertfordshire population in which they serve. We will therefore continue to work with the Trust to maintain that focus, including ensuring that data is provided by hospital site and population.

We look forward to working with the Royal Free Hospital London NHS Foundation Trust, in collaboration with Barnet and Enfield CCGs, in developing and monitoring the quality of services it provides for all patients, which includes more Quality Assurance Visits to the Trust during the year. We hope the Trust finds these comments helpful and we look forward to continuous improvements in 2016/17.



Cameron Ward
Interim Accountable Officer
Herts Valleys CCG
6 May 2016



Beverley Flowers
Accountable Officer
East and North Herts CCG
9th May 2016

The Barnet Health and Overview Scrutiny Committee scrutinised the Royal Free London NHS Foundation Trust Quality Account 2015-16 and wish to put on record the following comments:

- The Committee welcomed the new £2 million endoscopy unit which opened in December 2015 at Chase Farm Hospital.
- The Committee were pleased to note that in December 2015, the Dementia Implementation Group launched a new 12 month strategy for dementia care. The Committee noted that it comprised three work streams each focussed on one of the main stakeholders in world class dementia care: the patients and their carers, the staff and the organisation.
- The Committee welcomed the following continuing actions being taken in relation to making the Trust more dementia friendly: introducing Dementia boxes; introducing tiptree tables, involvement in "John's Campaign", providing parking discounts, the "Forget-me-not" scheme being built into electronic records, and welcoming carers 24/7.
- The Committee were pleased to note that Dementia awareness is now part of the routine induction for all staff with over 850 staff having been trained.
- The Committee were pleased to note that the Trust would be looking into increasing the ability of Dementia advocates or "anchors" to care.
- The Committee were pleased to note the Trust's goal is to reduce severe sepsis-related serious incidents by 50% across all sites (A&E and Maternity) by 31 March 2018 and welcomed the delivery of the following milestones: Staff training in sepsis recognition in Maternity and Barnet ED; Testing of improvement tools: sepsis trolley, sepsis safety cross,

sepsis grab bag, sepsis checklist sticker; Introduction of sepsis improvement tools: Severe sepsis 6 protocol; Monitoring of data and PDSA cycle improvements; Review of improvement to attain 95% compliance

- The Committee welcomed the work that the Trust was doing to recruit more A&E Consultants and staff.

However:

- The Committee noted that the winter had seen unprecedented pressure on accident and emergency departments and urgent care pathways and acknowledged that the 4 hours A&E target was challenging.
- The Committee expressed concern that the Trust has reported 10 "Never Events" during 2015/16, 8 of which related to surgery. The Committee noted the Trust's new goal to improve compliance with the "5 steps to safer surgery" to 95% and to reduce the number of surgical never events by 31 March 2018. The Committee were informed that when a "never" event takes place, often, junior Members of staff have felt something was wrong but felt unable to speak up. The Committee requested the Trust to put measures in place to encourage staff to feel able to voice concerns.
- The Committee noted that regarding falls the Royal Free acknowledged that they were "worse than the average, so there is room for improvement"
- The Committee were concerned to note that the rate per 100,000 bed days of cases of C.diff infection that have occurred within the Trust amongst patients aged 2 or over had increased from 17.5 in 2014/15 to 20.4 in 2015/16.
- The Committee noted that the Trust would look to improve their performance in relation to Delayed Transfers of Care and welcomed closer working with colleagues in care homes and in the community.
- The Committee were concerned about the lack of data in relation to re-admissions to the Trust within 28 days of discharge.
- The Committee were alarmed that the issue of staff/colleagues reporting being bullied, harassed or abused was raised in the Quality Account again this year. The Committee wished to put on record their concern that 34% of colleagues had reported recent experience of harassment, bullying or abuse. The Committee noted the five suggestions to improve the staff experience: a strong campaign on bullying and harassment; working closely with leadership teams in the units with worst outcomes from the staff survey;
- setting clear expectations of managers in relation to appraisal, staff engagement and team communication activity; rapid improvement of the intranet with clear and easy ways to find policy, procedures and forms; delivering leadership training to support managers.
- The Committee wished to put on record their concern regarding the insufficient amount of patient parking at Barnet Hospital and disappointment that a quarter of the visitor/patient parking had been changed to staff parking.
- The Committee wished to put on record their shock at statistics provided by the Trust which show that a deficit of approximately £2 million as a result of unpaid invoices from over-seas visitors not entitled to free NHS services. The point was made that the Committee were referring to invoices that the Trust had issued and did not take into account people accessing the hospital who had not been invoice: therefore the £2 million deficit could be much greater.

Council of governors

The council of governors reviewed the draft quality account and a number provided detailed feedback and comments which have informed changes made to the final report.

The report provides a comprehensive summary of the work undertaken by the trust in 2015/16 to improve services for patients. Much of this information has been shared with the council of governors during the year by:

- regular provision of the trust performance report
- copies of the minutes of the trust board
- updates in the chief executive's briefing to the council
- briefings from non-executives on individual board committee work programmes
- quality account consultation stakeholders event held in February 2016

The governors are clear in their responsibility to hold to account the non-executive directors, collectively and individually, for the performance of the board, and focus their attention on ensuring that high quality services are available both for the local population and for patients from further afield requiring specialist services.

To help them carry out their statutory responsibilities, governors attend each of the three quality focused board committees and provide challenge to the trust on the robustness and timeliness of improvement plans to enhance both patient and staff experience. There are also regular meetings between the governors and the NEDS.

The progress made on the quality priorities in 2015/16:

Priority one: delivering world class experience

The governors noted the progress made to support dementia care across the Trust and the closer links that have been made with our other key stakeholders. They look forward to hearing from the Dementia Implementation Group on further progress made to improve the experience for our patients with dementia and their carers.

Priority two: improving in-patient diabetes

The governors were impressed by the reduction made in hypoglycaemic episodes at the Royal Free Hospital site and the quality improvement project to improve diabetes on 10 West Ward. In particular the governors welcome plans to address this at all our other hospital sites as well.

Priority three: improving our focus for safety

The approach taken to improve patient safety across the trust is encouraging. The concerted efforts to improve patient safety through the sign-up to safety pledges, Safety improvement plan and the patient safety programme are evidenced within this report.

The governors were particularly impressed by the showcasing quality event that was held in February 2016 and expressed their view that the consultation process was very clear.

The quality objectives outlined for 2016/17 are linked to each domain for quality and it will be important that progress against these is reported regularly; the areas chosen are of national and local importance.

The governors welcome the opportunity to comment on the quality account 2015/16 and look forward to further engagement and monitoring of progress made during 2016/17 to improve our services and the outcomes for our patients.

18 May 2016

The governors were particularly impressed by the showcasing quality event and expressed their view that the consultation process was very clear.

Annex 2: Statement of directors' responsibilities for the quality report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare quality accounts for each financial year.

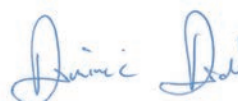
Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the Quality Report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - board minutes and papers for the period April 2015 to May 2016
 - papers relating to quality reported to the board over the period April 2015 to May 2016
 - feedback from commissioners dated 9 May 2016
 - feedback from governors dated 18 May 2016
 - feedback from local Healthwatch organisations dated 29 April 2016
 - feedback from Overview and Scrutiny Committee dated 29 April 2016
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 dated 29 July 2015
- the latest national patient survey January 2016
- the latest national staff survey March 2016
- the Head of Internal Audit's annual opinion over the trust's control environment dated 25 May 2016.
- CQC Intelligent Monitoring report dated December 2015
- the Quality Report presents a balanced picture of the RFL'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 and is subject to appropriate scrutiny and review and
- the Quality Report has been prepared in accordance with Monitor's annual reporting 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



Dominic Dodd
Chairman
25 May 2016



David Sloman
Chief Executive
25 May 2016

Annex 3. Limited assurance statement from external auditors

Independent Auditors' Limited Assurance Report to the Council of Governors of Royal Free London NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Council of Governors of Royal Free London NHS Foundation Trust to perform an independent assurance engagement in respect of Royal Free London NHS Foundation Trust's Quality Report for the year ended 31 March 2016 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2016 subject to limited assurance (the "specified indicators") marked with the symbol® in the Quality Report, consist of the following national priority indicators as mandated by Monitor:

Specified Indicators	Specified indicators criteria
Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways.	Page 201 of the Quality Report
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.	Page 201 of the Quality Report

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 specified indicators criteria referred to on pages of the Quality Report as listed above (the "Criteria"). The Directors are also responsible for the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "Detailed requirements for quality reports 2015/16" issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- The Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the "Detailed requirements for quality reports 2015/16";

- The Quality Report is not consistent in all material respects with the sources specified below; and
- The specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "2015/16 Detailed guidance for external assurance on quality reports".

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the "Detailed requirements for quality reports 2015/16; 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 the following documents:

- Board minutes for the period April 2015 to the date of signing the limited assurance report ("the period");

- Papers relating to Quality reported to the Board over the period April 2015 to the date of signing the limited assurance report;
- Feedback from NHS Barnet Clinical Commissioning Group dated 9 May 2016;
- Feedback from NHS Herts Valleys Clinical Commissioning Groups dated 9 May 2016;
- Feedback from the Council of Governors dated 18 May 2016;
- Feedback from local Healthwatch organisations, Healthwatch Camden, Healthwatch Enfield, and Healthwatch Hertfordshire dated 29 April 2016;
- Feedback from the Barnet Health and Overview Scrutiny Committee dated 29 April 2016
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 29 July 2016;
- The latest national patient survey dated May 2015;
- The latest national staff survey dated 2015;

- Care Quality Commission Intelligent Monitoring Reports dated May 2015; and
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 25 May 2016.

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.

Our independence and quality control

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics [, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour].

We apply International Standard on Quality Control (UK & Ireland) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Use and distribution of the report

This report, including the conclusion, has been prepared solely for the Council of Governors of Royal Free London NHS Foundation Trust as a body, to assist the Council of Governors in reporting Royal Free London NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2016, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do

not accept or assume responsibility to anyone other than the Council of Governors as a body and Royal Free London NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

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 (Revised)'). Our limited assurance procedures included:

- reviewing the content of the Quality Report against the requirements of the FT ARM and "Detailed requirements for quality reports 2015/16";
- reviewing the Quality Report for consistency against the documents specified above;
- obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;
- based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;
- making enquiries of relevant management, personnel and, where relevant, third parties;
- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;

- performing limited testing, on a selective basis of evidence supporting the reported performance indicators, and assessing the related disclosures; and
- reading the documents.

A limited assurance engagement is less 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 impact 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 thereof, may change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM the "Detailed requirements for quality reports 2015/16 and the Criteria referred to above.

The nature, form and content required of Quality Reports are determined by Monitor. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by Royal Free London NHS Foundation Trust.

Basis for adverse conclusion – percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period

The Trust reports monthly to Monitor on the Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways indicator, based on the waiting time of each patient who has been referred to a consultant but whose treatment is yet to start. Due to an error with the Trust's system for extracting the data which causes patient details to be matched to incorrect clock start dates for the calculation of pathway lengths, the Trust is not able to provide evidence to support its April 2015 submission to Monitor. As a result, it is not reporting data for the full period. We are unable to quantify the impact of this exclusion on the indicator outturn presented.

In addition, in our testing of the data reported over the eleven month period, we found an unacceptable level of errors. These related to the incorrect inclusion in the data set patients with referrals to non-consultant led services, insufficient supporting documentation to demonstrate the accuracy of the recorded referral date and instances of incorrect clock stop times.

Basis for qualified conclusion – percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge

The A&E Attendances and Emergency Admissions Monthly Return Definitions requires that for ambulance cases, arrival time is when hand over occurs or 15 minutes after the ambulance arrives at A&E, whichever is earlier.

Through discussions with Management and during our testing, we noted that whilst the method of arrival is recorded on the Trust's Cerner system, the Trust does not hold sufficient data with respect to ambulance arrival times to enable us to validate that this criteria has been correctly applied. As a result, we have been unable to access accurate and complete data to check the waiting period from referral to treatment reported across the year.

Ambulance cases represent 19.20% of the Trust's A&E attendances.

Conclusions (including disclaimer of conclusion and qualified conclusion)

Because of the significance of the matters described in the Basis for Adverse Conclusion paragraph, the Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period indicator has not been prepared in all material respects in accordance with the criteria.

Based on the results of our remaining procedures, except for the matter described 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 2016:

- The Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the "Detailed requirements for quality reports 2015/16";

- The Quality Report is not consistent in all material respects with the documents specified above; and
- The Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge indicator has not been prepared in all material respects in accordance with the Criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "Detailed guidance for external assurance on quality reports 2015/16".

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
London
27 May 2016

The maintenance and integrity of the Royal Free London NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

Appendices

Appendix 1: our quality strategy

1. Introduction

Our new quality strategy was approved by the trust board at a public meeting in November 2015 and spans all three domains of quality: patient experience, clinical effectiveness and patient safety.

1.1 External context

Three 2013 reports on quality and safety in NHS – the Francis Report, Keogh Review and the Berwick Report – stressed the need for the NHS to prioritise patients and quality above all else and to develop organisational cultures which relentlessly strive for higher quality through continuous improvement and learning.

Continuous improvement, and the leadership and care redesign associated with it, offer a route to higher quality care – often at lower cost – by motivating and empowering front-line staff to explore, test, discover and implement changes which improve quality and efficiency. An increasing number of NHS trusts are discovering that carefully-planned, multi-year efforts to embed continuous improvement into routine practice can deliver sustainably better performance on several dimensions. Success requires that this is designed and owned by organisations themselves; it cannot be led from outside.

1.2 Characteristics underpinning cultures of improvement in other organisations

Empirical evidence from NHS trusts supports placing primary emphasis on quality and building capacity in continuous quality improvement. Michael West found that trusts which put into practice an inspirational, quality-focused vision and narrative, and those which deploy continuous learning and quality improvement outperform others on outcomes, patient experience and staff experience.

Over the past two decades, drawing on experience from the UK and internationally, three core characteristics for successful improvement can be identified, as follows (see figure 1 for more detail):

1. Building will and a sense of purpose, resonant with people's professional values
2. Building alignment and ensuring focus, while enabling staff to focus on their priorities
3. Building capability, in people and in systems.

Crucially, successful organisations have gone beyond an 'initiative' or 'programme': they align the organisation's overall strategy with making improvement business as usual – governance, reporting, leadership, organisational development and operations. The 'programme' to embed improvement as normal business is five years minimum, around a robust business case and sustainability plan, harnessing both existing in-house expertise and usually also working with an external partner.

¹See for example East London NHS FT's QI programme evaluation published October 2015: Successes and lessons from the first year of ELFT's Quality Improvement Programme; available at <https://elftqualityimprovement.files.wordpress.com/2015/10/elft-qi-programme-evaluation-2015.pdf>

Figure 1. Characteristics of successful quality improvement programmes

Building will and a sense of purpose, resonant with people's professional values

- Framing and communicating an overarching purpose, relevant and inspiring to all staff, in terms patients can understand
- Listening widely to understand staff priorities, opportunities and concerns
- Focusing simultaneously and explicitly on improving staff experience and wellbeing
- Involving patients and families directly in improvement work
- Celebrating success

Building alignment and ensuring focus, while enabling staff to focus on their priorities

- Ensuring tight alignment between organisational strategy and the improvement programme: eg, aims, structures, performance management arrangements, related initiatives
- Having sustained, visible and unambiguous senior leadership and board commitment to the work. At every level, improvement is championed by the most credible leaders
- Linking the vision to a small number of organisation-wide priorities while simultaneously encouraging staff to translate these priorities into what matters most in their local context
- Adopting a consistent core improvement method, organisation-wide – and using the same method across clinical, clinical support and non-clinical areas

Building capability, in people and in systems

- Building board/senior leader understanding and capability
- Investing in capability-building across the workforce, learning in teams addressing real-work challenges
- Developing internal coaching resource (to support delivery by the operating line)
- Fostering informal learning, and making it “OK to fail” (fail fast and at small-scale, and learn from it)
- Developing data capture, reporting and analytic infrastructure and support.

1.3 The financial case and business rationale for investing in quality and continuous improvement, and the concept of “value”

Better quality must be achieved within increasingly constrained resourcing and growing demand: financial and operational pressures are relentlessly rising. Focus on financial savings and operational performance is essential, but risks negative impact on staff morale and quality. Further, the areas of greatest inefficiency and waste often lie within the clinical processes themselves, and can only be addressed if clinically-led teams are motivated, skilled and supported to address them.

A business rationale for investing in quality and continuous improvement does exist (see appendix 1 for further details). Best available evidence suggests well-executed improvement programmes can yield a financial return of 2-10 times their cost of investment. The rationale centres on systematically reducing waste, reducing opportunities for harm and improving process efficiency. Success requires clinical teams themselves to own the realisation of gains and for the organisation to support them. The same methods can be used to address waste in non-clinical areas.

It may be beneficial to bring cost and quality together under the framing of ‘value’. This emphasises the shared responsibility of everyone working in healthcare (in whatever role, profession or setting) to maximise the outcomes delivered and patient experience per pound spent. Improvement work can focus on maintaining quality while removing cost, or disproportionately improving quality for resources invested. Over time, we may wish explicitly to frame our quality and improvement work under the banner of “value”.

1.4 Royal Free London NHS Foundation Trust context

We employ over 10,000 dedicated and talented staff who strive to deliver outstanding results and experience for the 1.6 million patients we serve each year. We have made substantial progress in quality and safety outcomes over recent years (for example, in falls, infection, sepsis and patient experience). Our current performance as defined by national metrics and standards is generally good or excellent, with some areas of challenge (such as MRSA and, historically, patient satisfaction and staff turnover/feedback). There is substantial variability of performance in most areas (e.g., by site, ward, over time and across services) which we are working to reduce.

We have a growing reputation as a strong organisation which delivers what it sets out to do. Having achieved FT status, we have focused over 2014 and 15 on effective integration to create “one trust” across multiple sites, investing to develop robust governance and risk management and reporting systems. We have developed and embedded the four world class care (WCC) values and launched major programmes in safety and staff and patient experience, reinforcing and accelerating work at Divisional level.

This provides the basis on which to move forward and make continuous improvement a core part of RFL's ways of working. Developing a single trust-wide approach to quality improvement is one of our corporate strategic objectives for 2015-16. There is widespread recognition that RFL cannot consistently provide high-quality, efficient care across its services without a new approach to continuous improvement, which unleashes the energies and creativity of front-line staff at scale. Furthermore, a well-embedded, consistent operating model for existing sites is an essential foundation from which to move toward greater scale through our RFL

Group aspirations and work as an NHS England Vanguard and through the Enterprise Group.

Continuous improvement should be central to delivery against each of our five governing objectives, as follows:

1	Excellent outcomes – to be in the top 10% of our peers on outcomes	<ul style="list-style-type: none"> • Clear focus on continuous improvement of outcomes that matter most
2	Excellent user experience – to be in the top 10% of relevant peers on patient, GP and staff experience	<ul style="list-style-type: none"> • Equal focus on continuous improvement of patient and staff experience • Link to WCC values
3	Excellent financial performance – to be in the top 10% of relevant peers on financial performance	<ul style="list-style-type: none"> • Continuous improvement of value (through removal of waste) as the most reliable route to financial health
4	Excellent compliance with our external duties – to meet our external obligations effectively and efficiently	<ul style="list-style-type: none"> • Applying continuous improvement to the trust's ‘must-dos’
5	A strong organisation for the future – to strengthen the organisation for the future	<ul style="list-style-type: none"> • Raising morale, cohesiveness and enhancing reputation; quality and continuous improvement underpinning recruitment and retention • Contributing to a strong local health economy

Diagnostic on current approach to quality

The iQuasar programme undertaken in 2014-15 offers insight into leadership perceptions regarding quality improvement. Executive and Non-Executive Board members and senior clinical/divisional leads' survey responses suggested that areas for development include:

- linking staff at all levels who are interested in getting involved with QI with relevant trust expertise and resources
- linking the learning from different QI projects, and providing staff with opportunity for reflection on QI and integrating QI into educational activities
- working with patients to identify and address QI priorities

Additionally, iQuasar highlighted the need for a narrative around quality and improvement, and making QI ‘business as usual’ across the trust, by defining and codifying a methodology that the trust chooses to adopt. Responses also highlighted the need for investment, including in a coordinated improvement function to train and support staff and in data/analytic infrastructure.

Interviews across clinical directors, service line leads and others to inform development of our quality strategy revealed five main themes (set out in greater detail in appendix 2):

⁴Swensen, Kaplan et al (2011) Controlling healthcare costs by removing waste, BMJ Qual & Saf

⁵Swensen, Meyer et al (2010) From cottage industry to post-industrial care, NEJM

⁶Porter (2010) What is value in health care, NEJM

1. There is no widely-understood definition of quality, or a clear narrative to guide services
2. In general, although executives' commitment to quality is acknowledged, the "voltage-drop" into directorates and services is substantial. People aren't clear what is required or expected
3. There is less emphasis on the management and governance of quality vs. operational targets and money. Reporting "by exception" means that what matters most to services is often lost. Delivery is achieved through performance management, rather than by enabling improvement
4. Many change projects and programmes are ongoing, which creates some confusion. More clarity is also needed on what change support is available, and on how best to access and use it
5. Despite substantial investment in overall support to services, creating a "RFL-way" which includes continuous improvement will require addressing substantial gaps in capability and infrastructure.

2. Scope of the quality strategy

Quality for NHS was defined by the 2012 Health and Social Care Act as having 3 basic dimensions: safety, effectiveness and patient experience. While some organisations have chosen one dimension within quality around which to focus their strategy (usually patient safety) the focus for our quality strategy should encompass all three dimensions of quality: this will allow it to dovetail with and accelerate delivery of the Safety and Patient & Staff Experience strategies, and help re-energise the work on service-specific effectiveness metrics. It will also make the quality strategy directly relevant to the work of each board committee focused on quality. Further, it links the quality strategy to addressing key operational challenges (e.g., those along CQC's responsiveness domain, such as

RTT) since these each impact one or more of the three dimensions. It also provides the best platform from which to link quality improvement to quality governance, risk management and audit, and allows broadening to a focus on quality and resource together – i.e., the continuous improvement of value.

3. Building-blocks of our strategy: the PDSA model, capability-focus and getting to scale, measurement, leadership and learning

3.1 The PDSA model for improvement

Numerous improvement models are available and can be effective in a wide range of contexts. Each is associated with a set of technical/analytic and behavioural tools. Evidence suggests key to success is less which model is chosen and rather its consistent application and reinforcement over time. The best-known model for improvement both in RFL today and the NHS is the 'PDSA Model for Improvement', used by the Institute for Healthcare Improvement (IHI) – see Figure 2. A key benefit of it is its simplicity: 'Plan, Do, Study, Act' represents a cycle of designing and testing a change, measuring its impact and reflecting on the result. This discovery and learning cycle is re-run iteratively.

As such it is an extension of audit and evaluation with which clinicians are familiar. The key differences lie in the size of the measurement samples and the linking of cycles together in a way which rapidly delivers improved results. After successful tests under a wide range of conditions, the PDSA cycle is used to hardwire changes into the organisation's infrastructure for sustainability.

The PDSA model will be at the heart of RFL's approach to continuous improvement. The method is powerful since it provides a structured, iterative way for front-line teams to test possible solutions to key challenges in their daily work, and to obtain rapid feedback on these changes' effectiveness, enabling

successes to be built on and scaled up and tests which didn't work to be stopped. As such, front line staff discover routes to better performance and sustainability, and have full ownership of the solutions.

The model is equally applicable to work which spans different departments and multiple services as to work within one service; as such, "improvement" can be used to address complex challenges such as flow and safety. It is also equally applicable to clinical support services and non-clinical services as to clinical services: as such, it offers an unusual opportunity for staff of all backgrounds and departments to learn and deliver together.

Figure 2: The PDSA model for improvement



3.2 A capability-building focus for the strategy, and getting to scale

RFL's quality strategy should not be about coordinating and resourcing a large portfolio of quality-improvement projects. We aim for the number of these to grow over time, but these will be primarily owned by the operating line. Rather, our quality strategy's central theme should be **capability-building at scale** which embeds our approach to continuous improvement into staff's daily work, and which also **supports learning and knowledge transfer** across the organisation. Without staff who have the capability, capacity and motivation to find, sustain and spread improvements we cannot deliver the strategy since today the great majority of staff do not have experience of the science and methodology of improvement.

Consequently a major capability-building exercise over several years is required. We will focus capability-building efforts on equipping staff with a method for systematically driving continuous improvement, and providing support in using that method. This support will include developing coaches and other experts to support teams undertaking improvement. We must ensure that the method is widely applied and adopted across professional groups and services. This applies to non-clinical and clinical support functions just as it does to clinical services. Additionally, senior leadership must have the understanding and skills to lead for improvement.

Achieving the coverage required will take several years even with rapid roll-out. Capability-building is needed both for front-line teams and for leaders, to include at minimum:

- fundamentals of improvement thinking and improvement-centred approaches
- patients' and families' roles in improvement
- strategies for developing change ideas
- systems thinking
- measurement for improvement, and concepts of variation and reliability
- flow
- understanding of human factors
- study-designs for testing changes
- coaching and promoting learning
- spread and scale-up

These domains will be included in a variety of capability-building formats which we will develop through implementing this strategy. These formats range from introductory learning (for example at induction and as part of mandatory training for all staff) to generate basic awareness, to in-depth learning over time in real teams where learning is paired with application to address important

challenges faced by the teams. We also need to tailor, scale-up and spread useful innovation from single contexts to greater scale – potentially trust-wide and beyond. We will deploy an approach to spread and scale which draws on proven methods as we scale-up as rapidly as possible from small local tests of change to implementation at scale (as, for example, the patient safety programme is already doing).

Experience suggests for a trust of 10,000 staff, several hundred (including those in leadership roles) need deep applied knowledge of and commitment to QI to truly embed improvement into routine working. Overall we aim to create a movement for quality across the trust, which a "Quality Champions" concept (see appendix 1) would support.

Staff will need dedicated time to learn and space to apply learnings in their everyday work. Implementing the strategy will establish trust-wide a common language and standard set of tools for improvement and learning. It is crucial we also establish tight alignment across the different elements of support and major initiatives which exist across the trust today.

3.3 Measurement for improvement and analytic/information systems support

All improvement work must be underpinned by rigorous time-series measurement, tracking reliability on key inputs/processes and required checks and balances which inform and drive the outcomes we care about. Our measurement approach should enable services to answer the following deceptively simple questions:

1. Do you know how good you are? – which requires services to have defined by what metrics they are defining success
2. Do you know where you stand relative to the best? – where the relevant peer comparison may be local, national or international, depending on the nature of the service

3. Do you know where and how much variation exists? – toward reducing inappropriate variation, whether variation by different site, different teams, times of day or day of week
4. Do you know your rate of improvement over time? – often the most important comparison of all, to oneself over time.

To implement the strategy we will need to invest in measurement, and the support for measurement and data management. Planning for this is being embedded into the trust's concurrent IMT strategy review, and two key areas include:

- systems to capture key data required by teams in a time-efficient way, and to produce time-series data (eg SPC charts) directly to ward/clinic-level which provide the basis for interpreting PDSA cycle measurement
- measurement and analytic expertise to support teams in their work.

3.4 Leadership for quality improvement

Successfully embedding improvement into daily work requires sustained and strong leadership and reinforcement at all levels, from "Board to Ward". As above (section 1.2), successful improvement efforts are characterised by sustained, visible and unambiguous senior leadership and board commitment to the work, with improvement championed by the most credible leaders at every level. We will need to consider how senior leaders build their own collective and individual capabilities to lead for improvement, and what leadership practices may best support delivery.

3.5 Learning from ourselves and others

A culture of continuous improvement goes hand-in-hand with continuous learning – for individuals, teams and the whole organisation. Learning from one's own operational experience, and that of others, is a characteristic of excellent organisations, and is (strangely) not

⁶The Breakthrough Series: IHI's Collaborative Model for Achieving Breakthrough Improvement (2003) IHI Innovation Series white paper, Institute for Healthcare Improvement, Boston (available at www.IHI.org); Massoud MR et al A Framework for Spread: From Local Improvements to System-Wide Change (2006). IHI Innovation Series white paper, Institute for Healthcare Improvement, Boston (available at www.IHI.org)

consistently present in health care. We will design-in mechanisms to maximise learning across professions, sites, services and divisions. Beyond RFL itself, the Enterprise Group represents an obvious channel for learning (Salford Royal and Northumbria FTs being well-known improvement-focused organisations). Other potential channels include UCLPartners and potentially joining NHS Quest, a national network of FTs focused on collaborative learning and improvement, convened by Salford Royal.

4. Alignment with existing major initiatives and the trust's organising principles

There is much work already underway across RFL to improve quality, efficiency and access. This takes a variety of forms, uses a variety of methods, and is anchored in various locations within the trust. The trust is aiming to streamline its approach to change and maximise synergies between initiatives, including through establishing a Change Board.

On this background it is especially important the quality strategy is executed in a way which builds alignment, reduces complexity and complements existing initiatives and workstreams – creating a “quality” or “improvement” silo would not be helpful. Successful delivery of the quality strategy will enable us to progress faster and more sustainably on existing priorities and daily work rather than charter multiple new initiatives.

To avoid creating additional complexity the quality strategy must be linked to the existing building blocks around which the trust is led and managed. Of three potential options (the trust strapline, WCC values and governing objectives), TEC's view was the most logical connection would be via the values. Recognising that the values have traction because they represent the voice of staff, we intend to explore with staff whether we should introduce a 5th value centring on “continually improving”.

By focusing the strategy on capability-building for improvement and by ensuring the detail of the strategy and its implementation are co-developed by those leading current, people with existing expertise and representatives of major professional groups, we will minimise the risk of developing something which does not dovetail with other initiatives or fails to meet the needs of front-line staff. Table 1 illustrates some ways in which the quality strategy will reinforce and support existing initiatives.

5. Principles underpinning RFL's quality strategy and tests of success

RFL's quality strategy aims to increase the likelihood that every patient receives the best possible care, in line with the trust's mission and values. We suggest the following five principles to underpin the quality strategy:

1. Everyone's primary goal and duty is improvement on things that matter to patients. Patients, families and carers will genuinely and consistently be at the centre of the work
2. We will constantly deploy iterative, reflective cycles of planned changes, linked to measurement over time, led by the multi-professional teams which serve patients (or other 'customer')
3. We will build capabilities in continuous improvement, build capacity in coaching for improvement and build a learning organisation
4. Our approach will focus on equipping front-line staff to gain greater control of the systems that they work in – this is not about asking staff to work harder. This strategy will not increase the current number of centrally-driven initiatives: rather, it will focus on building capability and capacity better to deliver existing priorities across clinical care, clinical support and non-clinical support services

5. All trust initiatives and strategies (for example, patient safety & patient experience) and service support (for example, leadership/OD, Vision 2020/QIPP, pathway and service redesign, governance and audit) will dovetail and pursue the same goal of quality and continuous improvement. We will use formal mechanisms (such as job planning, recruitment and appraisal, committee and meeting agendas) to reinforce our approach and signal our priorities.

We will build evaluation into our delivery. The success of the strategy will primarily be determined by the number of staff who apply what they have learned to key improvement opportunities in daily work, and by overall staff feedback. While we expect the trust's “hard” quality – and efficiency – metrics to improve over time, these are driven by many internal and external factors. We therefore suggest the following **five tests of success of the strategy** for 2020:

1. That critical numbers of staff have been trained in and meaningfully use RFL's approach to quality improvement in daily work. For example, at least 400 staff have completed the team-based, applied learning offer, and there are at least 200 Quality Champions across professions (and that this status is seen by staff as a 'badge of honour').
2. That patients and carers are pleasantly surprised by how well their needs and preferences are anticipated and acted on – reflected in increased positive feedback and fewer complaints.
3. That all staff can articulate the quality metrics most relevant to the context in which they work, and are aware of current performance level and trend.
4. That staff morale, recruitment and retention rise. Over time, that people choose RFL as a place to work because of its reputation for embedding continuous improvement into routine practice.

⁷In current documentation accompanying the values (the “Living our values” Behaviour framework pamphlet), improvement is highlighted as one of three sub-elements under ‘Visibly Reassuring’: Prioritising safety, Speaking up, and Keep improving.

5. That RLF's performance on "hard" system quality metrics and efficiency is exemplary and improving over time: for example, patients report greater satisfaction through better access and find services more responsive to their needs and preferences; staff report greater satisfaction from greater support and enhanced capabilities, reflected in national surveys.

6. Conclusion

An increasing number of leading NHS organisations are investing to create their "way" of continuous improvement. Investing over the coming five years to build our "way" for quality, centred on continuous improvement and learning will:

- place relentless focus across the trust on the critical challenge of: "Are we improving on things that matter most to patients and staff?"
- put patients and families ever-more at the heart of how we design and deliver care
- provide the platform from which to deliver the highest possible quality of care, while also enabling RFL to meet ever-more challenging financial and operational hurdles. The result will be higher value care – delivered by frontline staff through continuous removal of waste rather than cost-cutting
- establish an operating model with greater ownership for delivery by frontline teams, supported by central structures and leadership
- unleash and motivate staff of all types and in all departments, increasing the RFL's attractiveness as a place to work
- Serve as an important enabler of successful integration to create "one organisation" across multiple sites, and provide a strong base to underpin further increases in scale through a Group model, as well as working with other organisations locally at whole system/pathway level.

Table 1: How the quality strategy will reinforce and support existing initiatives

Initiative (examples, not exhaustive)	How delivery of the quality strategy will support the initiative
Patient safety programme, and patient/staff experience programme	<ul style="list-style-type: none"> • Accelerate spread - and de facto expand capacity - by embedding the core methodology in frontline staff, creating "pull" and capability for delivery
Vision 2020: e.g., flow and discharge, outpatients, clinical services strategies	<ul style="list-style-type: none"> • Add to skillset of change agents and frontline staff • Increase ownership of front-line staff in change process – enabling functional teams to work on more 'fertile' ground; Create frontline "pull" and greater co-development with service lines
Service-line leadership programme (Bohmer programme)	<ul style="list-style-type: none"> • Complement leadership development and service operations work with frontline capabilities and coaching support to bring about change
Workforce	<ul style="list-style-type: none"> • Add important new skills into routine skillset across staff groups and increase attractiveness of the RFL as a place to work; develop coaches drawn from various professions
24/7 patient	<ul style="list-style-type: none"> • Equip frontline teams with new methods and skills to find and implement practical solutions
IMT/analytics strategy	<ul style="list-style-type: none"> • Increase IMT/analytical experts' measurement-for - improvement capabilities (and skills/ demands from services) • Focus analytic/data systems further on frontline team's requirements
RFL group model	<ul style="list-style-type: none"> • Contribute to the more stable, codified operating base on which greater scale can be built (and which is championed by clinicians) • Develop a service-line/offer in QI, analytics and capability-building which the RFL makes available to organisations joining the RFL Group.

Financial case and business rationale for investing in quality and continuous improvement

Providers exist to provide high quality care, and so investing in quality and continuous improvement can be seen purely as an ethical and practical imperative. Happily, there is increasing evidence these investments also make sound business sense, delivering measurable return on investment and showing how the disciplined application of continuous improvement techniques can systematically remove waste.

Greatest waste in healthcare is typically found within the clinical processes themselves, and can only be addressed if clinically-led teams are motivated, skilled and supported to address it. High-quality, patient-centred care happens when processes have minimal waste and high reliability: removing waste reduces cost; high reliability means less frustration and wasted effort for staff, thereby improving staff satisfaction. This in turn has direct impact on outcomes and financial performance.

The best-documented evidence to date comes from the USA where wasted spend has been estimated at 14-40% of total spend. Reducing waste can be categorised in two main areas: (i) preventable harm and (ii) process inefficiency. Systematic re-engineering of care to achieve reliability against agreed standards has been shown across multiple US organisations to lead to sustained operating cost savings measured in millions of dollars per year, often with the additional benefit of avoiding the need for capital purchases or investments, revenue benefits, and better patient outcomes and staff/patient experience:

(i) Preventable harm: Taking healthcare associated infections (HCAs) as an example: Mayo Clinic reduced central line infection rate by 50% from 2009-12, and calculate a \$30k margin improvement per patient when complications are avoided (even allowing for additional revenue from treating complications). They also calculate that each bed is 3-4 times more productive without complications. Similarly, Cincinnati Children's Hospital found work which reduced infections by 60% over two years also saved \$11m in cost and released capacity equivalent to five beds due to reduced length of stay. Each bed generated \$1m additional revenue/year when complications were avoided.

(ii) Process inefficiency: Various studies estimate that frontline staff spend around one-third of their clinical time and effort on non-value-adding activities (such as locating missing items, waiting, addressing defects and recovering errors). This reduces staff morale and can be addressed by applying improvement techniques. Work at the Mayo Clinic to standardise hip and knee replacements across Mayo's 22 hospitals led to annualised cost savings of over \$2.5m, driven by 40% reduced use of blood products, 30% reduction in LoS, 10% reduction in readmissions. Many of these also represent tangible improvements in quality for patients.

Overall, the Mayo Clinic calculates a typical 5:1 to 10:1 return from investments in quality improvement. Other US organisations report at least a 2:1 return. Mayo has developed a

structured tool with which to track financial return which distinguishes between "hard" financial impact (characterised by direct, short-term and quantifiable impact on cash flow) and "soft" impact (which may increase capacity, raise productivity without reductions in staffing, avoid future costs, and lower malpractice costs).

The business case in the NHS is less well documented, but evidence is emerging – taking 3 examples:

- Sheffield Teaching Hospital's flow, cost and quality programme realised £3.2m annual cost saving in care of the elderly. Reduced length of stay enabled closure of two wards
- Salford Royal estimate their safety work has saved £5m in cost and 25,000 bed days/year
- Locally, East London FT have found work to reduce violence on one ward has generated annualised staffing cost savings of over £70,000 from reduced staff turnover and absenteeism.

Success is not guaranteed of course – many quality programmes have failed both on quality and return on investment. But as the examples above show, organisations are finding that a 'virtuous circle' of improvement in cost and quality can be realised. The same methods can be used in work on both cost and quality, and by teams working in non-clinical services.

⁸ Swensen, Kaplan et al (2011) Controlling healthcare costs by removing waste, *BMJ Qual & Saf*

⁹ Swensen, Meyer et al (2010) From cottage industry to post-industrial care, *NEJM*

¹⁰ Swensen, Dilling et al (2013) The Business case for health-care quality improvement, *J. Patient Safety*

¹¹ Spear & Schmidhofer (2005) Ambiguity and workarounds as contributors to medical error, *Ann Internal Med*

¹² 2012 Institute of Medicine discussion paper "A CEO Checklist for High-Value Health Care". This contains numerous examples and is authored jointly by CEOs of Cincinnati Children's Hospital, Cleveland Clinic, Denver Health, Geisinger, HCA, InterMountain, Kaiser Permanente, Partners Health Care, ThedaCare & Virginia Mason

¹³ Health Foundation newsletter, September 2014: available at <http://www.health.org.uk/newsletter/eight-case-studies-show-you-can-improve-quality-while-also-saving-money>

¹⁴ HSJ The Case for Patient Safety, 2015

¹⁵ ELFT verbal communication

The 'quality champions' concept

There is substantial will and motivation across staff groups to improve care and to gain more control over the systems in which they work. To build skills and participation rapidly and at scale so that people apply improvement to their real-work challenges, we will establish a "quality champions" programme. This will be designed to harness and generate energy and excitement among those who get involved in improvement. Drawing on social movement and large scale change theory, design principles include:

- Open to all staff members across all grades and professions, and potentially patients and carers
- People can focus their work on any area within the broad umbrella of the quality strategy. Staff will be encouraged to work in multi-professional teams and to involve patients wherever possible
- Personal commitment is key – participants must be self-nominating
- People will gain tiered accreditation – for example, 'bronze' to 'gold' as follows:
 - Bronze: with a relatively low bar for entry, such as participation in introductory training and application to a challenge relevant to the person's work area
 - Silver: with some evidence of sustained commitment over time and implementation of successful improvement work within the trust
 - Gold: with substantial evidence of sustained commitment over time and driving successful improvement work in multiple settings across the trust, and supporting others to improve.

Carefully chosen features will enhance the visibility and cachet of the programme – for example:

- Active sponsorship from CEO/ executive and divisional leadership – regular opportunities to present work and receive feedback
- Creative internal communications – building awareness, sharing learnings and celebrating successes
- Visible markers to identify quality champions – eg, modified ID badges displaying the tier achieved.

Appendix 2: responses to stakeholder comments

In response to comments received from commissioners, local healthwatch organisations and overview and scrutiny committees we have outlined our responses in the following table:

Stakeholders	Comments	RFL response or changes
Barnet health overview and scrutiny committee	Why is A&E use of NHS numbers low (92, 94%).	NHS number completeness will always be much lower for A&E than for admitted patients or those that are referred in. Patients don't tend to know their NHS number when attending A&E whereas a GP referral letter, for example, will in most circumstances reference the NHS number.
	Please set out the 10 never events by the sites on which they occurred.	We have revised our information and included the sites for the 10 never events as requested.
	They would like to be kept informed about what we are doing around bullying and harassment (staff survey) and progress made.	Through the Clinical Quality Review Groups (CQRG) the trust will continue to report our progress on addressing bullying and harassment.
North and east London commissioning support unit	The 2016/17 objectives: aims and objectives are set at high level with little detail. We would need to see more evidence of specific actions and outcomes for instance.	We have revised information in our accounts to provide details and specific actions in our 2016/17 objectives.
	Patient safety: bearing in mind the increase in never events in the past year I would suggest a peer review to draw out different approaches to reducing never events. They should also review their staff survey and embed the specific priorities around safety champions, culture and training within service lines as staff are saying the safety culture for reporting is poor.	We have revised information in our accounts to provide additional details on our patient safety programme and never events.
	Patient experience feels light. I do think the work on dementia and diabetes is positive, however it would be helpful to triangulate staff/ patient experience as evidenced in their patient experience strategy and be more specific about how they will approach friends and family test in-patient scores and A&E. Also it would be good to see ongoing work in cancer services.	We have revised information in our accounts to provide an overview on our dementia, diabetes and on-going cancer work.
	RFL also alludes to always events; please can RFL be specific about their approach to, and involvement with, the national campaign.	We are currently working in partnership with NHS England on the 'always events' initiative. Specific details and progress will be reported on during the year.

Stakeholders	Comments	RFL response or changes
Herts Valley clinical commissioning group	The seven (this is now 10) never events are concerning. It is good to see the trust is focusing on surgical safety; however it would be helpful to understand what actions have been taken immediately, or will occur this year, rather than stating there will be improvement by 2018. Re never events – further detail and a breakdown of the never events may be helpful and would accurately reflect show the size of the problem.	The trust agrees that the never events are concerning and have set a target for the reduction in NE. Compliance with the five steps to safer surgery (as detailed in the glossary) will be a mechanism to reduce never events.
	Safeguarding sections for adults and children. There is very limited feedback on s11 visits for safeguarding children but no detail around areas of good practice or recommendations	While we recognised the importance of reporting on safeguarding, this is not covered in this report, but may be consider for future reporting.
	A final summary position following the significant work undertaken as part of the RTT clinical harm reviews	We have outlined our current position, however it is not possible to provide a summary position at this stage.
	Summary of results for national patient surveys	This will be addressed in our annual report.
	Breakdown of serious incident numbers, themes and learning	We have revised information presented in our accounts to provide an overview on SIs (never events).
	To include something about improving the trust's governance processes around serious incidents in general and ensuring that learning is embedded. The trust continues to struggle with this, have a number overdue and show limited assurance re learning from SIs.	We have revised information presented in our accounts to provide an overview on SIs (never events).
	The document references learning from complaints but has made no reference to learning from patient stories.	We have revised information presented in our accounts to provide an overview on how we have learnt from patient stories.
Healthwatch Enfield	We would have welcomed a detailed breakdown of friends and family test results for hospitals and divisions, for example, A&E, in-patients, maternity etc.	We have amended the report to present data on specific hospitals. In future reports, we will consider reporting by divisions etc.
	The report uses different ways of enumerating the trust's work ad this is a little confusing ie in some places it provides raw data and in others percentages. It would be helpful if the repot was more consistent in how it reported data.	We present the numbers in the formats requested by regulators and other external bodies.
Council of governors	It might be useful to include in the section on CQC registration reference to the recent CQC inspection and that you are awaiting results (I know that is mentioned later but it feels as if it should also be included here).	We have revised information presented in our accounts to include the CQC inspection.
	P6: Bottom bullet what were the outcomes: An explanation of what the 18-week target is would be helpful.	We have revised information presented in our accounts to provide an explanation on the 18-week target.
	On the new endoscopy unit, I would like to be assured on safety/ patient monitoring post procedure in private recovery rooms	We have revised information presented in our accounts to provide an explanation on the safety monitoring of our patients in the private recovery rooms.

Appendix 3: glossary of definitions and terms used in the report

Five steps to safer surgery

Steps	Timings of intervention	What is discussed at this step
1. Briefing	Before list of each patient (if different staff for each patient eg emergency list)	<ul style="list-style-type: none"> • introduction of team/individual roles • list order • concerns relating to equipment/surgery • anaesthesia
2. Sign in	Before induction of anaesthesia	<ul style="list-style-type: none"> • confirm patient/procedure/consent form • allergies • airway issues • anticipated blood loss • machine/medication check
3. Time out (stop moment)	Before the start of surgery: <ul style="list-style-type: none"> • Team member introduction • Verbal confirmation of patient information • Surgical/anaesthetic/nursing issues • Surgical site infection bundle • Thromboprophylaxis • Imaging available 	In practice most of this information is discussed before, so this is used as a final check. Surgeons may use this opportunity to check that antibiotics prophylaxis has been administered.
4. Sign out	Before staff leave theatre	Confirmation of recording of procedure: <ul style="list-style-type: none"> • instruments, swabs and sharps correct • specimens correctly labelled. • equipment issues addressed • Post-operative management discussed and handed over
5. Debriefing	At the end of the list	Evaluate list Learn from incidents Remedy problems, eg equipment failure Can be used to discuss five-step process

Term	Explanation
CQC: Care Quality Commission	The independent regulator of all health and social care services in England
C.diff: Clostridium difficile	A type of bacterial infection that can affect the digestive system
CQUIN: commissioning for quality and innovation	CQUIN is a payment framework that allows commissioners to agree payments to hospitals based on agreed improvement work.
MDT: multi-disciplinary team	A team consisting of staff from various professional groups ie nurses, therapist, doctors etc.
NHS NCL	NHS north central London clinical network
NICE: National Institute of Clinical Excellence	An independent organisation that produces clinical guidelines and quality standards on specific diseases and the recommended treatment for our patients. The guidelines are based on evidence and support our drive to provide effective care.
PEWS: paediatric early warning score	A scoring system allocated to a patient's (child's) physiological measurement. There are six simple physiological parameters: respiratory rate, oxygen saturations, temperature, systolic blood pressure, pulse rate and level of consciousness.
SBAR: situation, background, assessment, recommendation	SBAR is a structured method for communicating critical information that requires immediate attention and action contributing to effective escalation and increased patient safety. It can also be used to enhance handovers between shifts or between staff in the same or different clinical areas.
SHMI: summary hospital-level mortality Indicator	The SHMI is an indicator which reports on mortality at trust level across the NHS in England using a defined methodology. It compares the expected mortality of patients against actual mortality.
UCLP: University College London Partners	UCLP is organised around a partnership approach. It develops solutions with a wide range of partners including universities, NHS trusts, community care organisations, commissioners, patient groups, industry and government. (http://www.uclpartners.com/)
VTE: venous thromboembolism	A blood clot that occurs in the vein

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