

Annual report and accounts 2018/19



Royal Free London NHS Foundation Trust includes:
the Royal Free Hospital, Barnet Hospital and Chase Farm Hospital.

Royal Free London NHS Foundation Trust Annual Report and Accounts 2018/19

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

Table of contents

1	Performance report.....	6
1.1	Overview.....	6
	Our objectives.....	10
	Our highlights.....	13
1.2	Performance analysis.....	20
	Financial review.....	25
2	Accountability report.....	39
2.1	Directors' report.....	39
2.2	Disclosures as set out in the NHS foundation trust code of governance.....	43
2.3	Remuneration report.....	93
2.4	Staff report.....	105
2.5	Single oversight framework.....	115
2.6	Annual governance statement.....	117
3	Quality report.....	126
3.1	Part one: embedding quality.....	126
3.2	Part two: priorities for improvement and statement of assurance from the board.....	141
3.3	Part three: review of quality performance.....	223
3.4	Annexes.....	252
	Annex 1: Statements from commissioners, local Healthwatch organisations and overview and scrutiny committee.....	252
	Annex 2: statement of directors' responsibilities in respect of the quality report	263
	Annex 3: limited assurance statement from external auditors.....	265
3.5	Appendices.....	270
	Appendix a: changes made to the quality report.....	270
	Appendix b: glossary of definitions and terms used in the report.....	271
4	Annual accounts.....	273

Performance report

1.1 Overview

This section is a summary of the Royal Free London NHS Foundation Trust (RFL) – our purpose, our objectives, details about any key risks to the achievement of those objectives, and information about how we performed during 2018/19.

1.1.1 About the Royal Free London

- **1828** – The Royal Free Hospital was founded 190 years ago to provide free healthcare to those who could not afford medical treatment.
- **1837** - The title 'Royal' was granted by Queen Victoria in recognition of the hospital's work with cholera patients.
- **1887** - The Royal Free Hospital was the first hospital in London to accept women medical students.
- **1991** - In April 1991, the Royal Free became one of the first NHS trusts.
- **2012** - The hospital was authorised as a foundation trust under the name the Royal Free London NHS Foundation Trust.
- **2014** - In July 2014 Barnet and Chase Farm Hospitals NHS Trust became part of the Royal Free London.
- **2016** – The trust receives a 'good' rating from the Care Quality Commission.
- **2017** – The Royal Free London group is established, and North Middlesex University Hospital NHS Trust joins us as our first clinical partner.
- **2018** – The new Chase Farm Hospital opens on time and on budget; West Hertfordshire Hospitals NHS Trust joins the group as our second clinical partner.

1.1.2 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 a population of over 1.6 million people across 20 sites in north London and Hertfordshire.

We attract patients from across the country and beyond to our specialist services in liver, kidney transplantation, haemophilia, renal, HIV, infectious diseases, plastic surgery, immunology, vascular surgery, cardiology, amyloidosis and scleroderma.

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

The trust is a member of the academic health science partnership, UCL Partners.

1.1.3 Key issues and risks

The board assurance framework identifies the biggest risks to delivering our group goals aligned to the committees responsible for managing those risks. The framework describes each risk and provides details of the mitigations in place, sources of board assurance and further actions required. See page 117.

1.1.4 World class care values

All of our staff are expected to treat our patients, visitors and each other in line with our world class care values which expect us to be:

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

1.1.5 A word from our chairman and chief executive

Thanks to the hard work, commitment and professionalism of our colleagues at the Royal Free London, 2018/19 was a year when we opened a new hospital, launched a new electronic patient record, and welcomed the Care Quality Commission for a routine inspection.

These were all crucial steps in the journey of the newly-established Royal Free London group and, even by NHS standards, amounted to a particularly busy year. We would like to say a huge 'thank you' to all of our staff whose Herculean efforts - for our patients and for each other - go above and beyond.

Our trust has been at the forefront of innovation and positive change in healthcare since it was established in 1828 – a precursor to the NHS which was founded more than 100 years later.

Fast forward to 2019 and we're still blazing a trail: advancing the understanding of illness; taking advantage of the latest technology; developing new and better therapies; and tackling health and social inequalities.

Our ambition is to become the leading healthcare group in Europe. To achieve this, we need to establish a solid foundation – ensure that we're getting the basics right to give us the license to innovate and be brave in our approach.

The CQC identified many areas of good and outstanding practice at our trust during its inspection in December 2018. However, our overall rating dropped from 'good' to 'requires improvement'.

While this is obviously disappointing, we are not disheartened. The inspectors were full of praise for our staff, and our patients were incredibly positive about the care they receive in our hospitals saying they were treated with kindness, dignity and compassion.

The CQC inspectors recognised that we have, in their words, 'a strong organisational culture of collaboration team-working and support with a focus on improving the quality and sustainability of care and people's experiences'. They told us that our organisation was well led, with a strong board and a commitment to learning and innovation.

While there are undoubtedly things we need to improve – we know, for example, that our performance against waiting time targets is not good enough – the report indicates that we have a solid platform and the right leadership structures in place to make good progress in the coming months.

In the shape of our group model we also have clear vision and strategy for how we operate. We are one of four trusts to have been chosen to lead a group of NHS providers who will share services and resources in order to improve the experience of our staff and patients.

In 2018/19 we were delighted to welcome West Hertfordshire Hospitals NHS Trust as the second clinical partner of our group, alongside North Middlesex University Hospital NHS Foundation Trust who joined in September 2017.

Clinicians here and at West Herts have been standardising ways to treat pneumonia, urgent gall bladder problems, induction of labour, early pregnancy, prostate conditions, anaemia and symptoms of wheeziness in children.

Our aim is to bring the best of the NHS to every patient, no matter where in our group they are treated.

In 2018/19 we developed 20 new pathways (the way a patient is treated for a particular health issue) which are starting to show real benefits to our patients. We're reducing the length of stay for hip and knee operations at Chase Farm Hospital from four to three days; we have doubled the number of patients we are able to see in our teledermatology clinic from 12 to 28 patients at Barnet Hospital and Chase Farm Hospital every day.

The number of women in our Better Births Pathway who benefit from continuity of care with a known midwife has increased from 90 to 1,800. This has resulted in 1,128 fewer women having a Caesarean section. Meanwhile, 164 premature babies were able to stay with their mothers rather than being admitted to our neonatal unit, supporting their development in the first few days of their lives.

Crucially these new pathways have been designed in collaboration with patients whose voices are at the heart of this work. Their experience is helping to shape our services and we are listening to them to ensure we can deliver better care based on what is convenient to them, not us. This has been a particularly powerful approach in reshaping our cancer services, for which we are one of the biggest providers in the NHS, and where we are determined to improve the experience of our patients.

The new £200million Chase Farm Hospital, which opened on budget and on time in September 2018, is an important part of the RFL group jigsaw giving us an opportunity to use all of our facilities in a better, more coordinated way.

We're moving away from the days of hospitals duplicating work – this makes no sense financially, at a time when NHS resources are more stretched than they have ever been, but most importantly it makes no sense for our patients. Having hospitals which specialise in different areas of healthcare – focusing on depth over breadth – improves outcomes and reduces the risk of appointments being cancelled at the last minute because beds are not available.

Chase Farm Hospital, which will deliver 10,000 operations each year, is now the location for most of the RFL's planned surgery with eight state-of-the-art operating theatres, including four 'barn' theatres. This emphasis on planned healthcare will allow Barnet Hospital to focus on emergency surgery and the Royal Free Hospital to concentrate on specialist surgery such as breast, vascular, plastics and transplants.

Chase Farm Hospital also heralds a new dawn for the way we provide healthcare in the digital age. New and innovative technology, such as check-in kiosks and clinical staff using mobile devices to access patient information at the touch of a button, place the hospital as one of the most digitally advanced in the NHS.

Our commitment to digital healthcare was demonstrated with the launch of our new electronic patient record (EPR) in September which is freeing up clinicians' time and improving patient care.

The EPR was co-designed with clinicians and means doctors and nurses can now find all the medical information they need in one place, rather than trawling through paper records. It went live at Barnet Hospital, Chase Farm Hospital, Edgware Community Hospital, Finchley Memorial Hospital and the maternity department at the Royal Free Hospital in November 2018.

Looking ahead, 2019/20 will be a year for us to consolidate, a year when we need to ensure that our financial and operational performance matches the high standards of care for which we pride ourselves.

Like most NHS trusts, we are faced with the increasingly difficult challenge of balancing our books. We have been fortunate to have been able to call on some significant land and property sales in recent years to help achieve our financial targets. And we have become far more efficient by identifying ways of working smarter and reducing waste. Delivering on our financial plan for 2019/20 is going to be an absolute priority.

Key to this will be our strong partnerships with primary care and other north central London and Hertfordshire health and social care organisations which continued to grow in 2018/19.

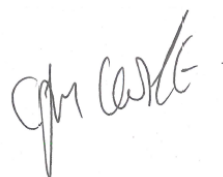
Leading the way in developing new and innovative treatments for patients with some of the most complicated conditions remains a priority and in 2018/19 we recruited more than 12,000 patients on to clinical research studies. We continue to work closely with UCL and this partnership will be enhanced with the opening of the Pears Building, home to the UCL Institute of Immunity and Transplantation, which is under construction on the site of the Royal Free Hospital and will open in 2020. A huge 'thank you' to the Royal Free Charity for funding this project and for all of its support for our work.

We recognise that we need to do all we can to improve the experience of our 10,000 incredible staff and 1,000 amazing volunteers. Working in the NHS can be the most rewarding, uplifting and inspiring job. But it also comes with great pressure and we have to pay attention to what matters to colleagues, so they are fulfilled in their roles.

We will continue to focus on how we can improve their physical and mental health and wellbeing, celebrate their diversity, improve opportunities for career development and progression and bring joy to their working lives which is reflected in the care they deliver to our patients.



Dominic Dodd
Chairman



Caroline Clarke
Chief Executive

22 May 2019

1.1.6 Our objectives

1. Excellent outcomes in clinical services, research and teaching

Clinical services

- A new improved kidney cancer service launched at the Royal Free London is helping many of our patients avoid unnecessary surgery – and those who do have surgery are recovering more quickly. The routine use of a specialist type of biopsy means that doctors are more easily able to identify patients who do not need surgery because their tumours are benign. Patients are also able to go home sooner following surgery because of a new enhanced recovery programme.

Research

- In March, patients at the Royal Free Hospital were recruited to two separate EU-wide research studies – one looking at the effectiveness of an anti-cancer drug therapy and the other a new HIV drug therapy. Immunotherapy is a relatively new method of treatment, providing increasingly promising therapy for several types of cancer. In it, drugs are being developed which enable the body's own immune system to help fight against cancerous cells.
- The Royal Free London will lead research into a new imaging technique which could improve outcomes for patients with liver cancer. The researchers, led by Professor Brian Davidson, were awarded £494,000 by Cancer Research UK in October to look into whether photoacoustic imaging makes it easier for surgeons to detect cancer during keyhole surgery.

2. Excellent experience for our patients and staff

Patients

- A cutting-edge scanner which uses a laser beam to digitally recreate a patient's ear canal is transforming how hearing aids are produced. The Otoscan, which was used on NHS patients for the first time at the Royal Free Hospital in February, has a miniature camera which captures images of the laser beam as it moves across the surfaces of the ear. Algorithms then convert that into a 3D image of the inside of the ear to create the perfect fitted hearing aid insert. The scanner, developed by Otometrics, produces a much more accurate image of the ear canal than a mould would do, which means that hearing aids inserts which better fit patients can be made. See more in Our Highlights on page 13.
- Patients with a debilitating rare condition have had their lives transformed thanks to a new app which allows doctors to monitor symptoms remotely and adjust their treatment accordingly. Patients with Fabry disease experience a range of symptoms including pain in their hands and feet, hearing loss, tiredness and cloudy vision. The app, which was co-designed by two members of staff at the Royal Free Hospital, gives doctors a much clearer picture of the disease progression and it means they

can more easily adjust treatment, including medication, to relieve patients' symptoms.

Staff

- In March, the trust asked managers, including medical colleagues, to put themselves and their staff forward to be trained to become a mental health first aider. Staff will be invited to attend two days of training provided by an accredited mental health organisation. Once trained, the mental health first aiders will provide support to other staff across the trust.

3. Excellent value for taxpayers' money

- Our financial position remained challenging in 2018/19 but all of business units are working hard to identify ways to become even more efficient. We did not sign up to a control total for 2018/19 but did deliver in line with the financial plan we submitted. The trust achieved £43million of efficiency savings in year, which was 5% of our controllable income. We continue to have a reference cost index lower than average for 2018/19, despite the challenges. These challenges have had a significant impact on our cash position, and we continue to rely on the Department of Health and Social Care for working capital, accessing its lending facilities for £53million in 2018/19. These loans are interest bearing and repayable.
- In October the RFL group announced a clinical partnership with West Herts Hospitals NHS Trust. Clinicians at both trusts have been working together on a wide range of projects to improve efficiency as well as patient care by sharing best practice. As a starting point, staff have been collaborating on ways to treat pneumonia, urgent gall bladder problems, induction of labour, early pregnancy, prostate conditions, anaemia and symptoms of wheeziness in children.
- A recruitment 'robot' has helped reduce the average length of time it takes to employ new staff by five days, as well as reducing data error and improving the experience of staff and candidates. Thanks to the success of the robot the trust has been shortlisted for a Health Service Journal value award and a Healthcare People Management Association excellence award. Since the robot started being used in January, it has improved efficiency and reduced the need for bank and agency staff.

4. Safe and compliant with our external duties

- A nurse at the Royal Free London has received national recognition for her zero-tolerance work that helps protect patients against serious infections. Vicky Pang, clinical lead nurse for infection prevention and control, was awarded infection prevention nurse of the year at the British Journal of Nursing 2019 annual awards. Work led by Vicky resulted in the number of cases of E coli that occurred in the Royal Free Hospital reducing by 32% from 2016 to 2018. Hospitals in England are expected to achieve a reduction of 10% each year, so the Royal Free Hospital has exceeded this target, providing more patients with safe care during their hospital stay. For more on this story, see Our Highlights on page 13.

- As part of the 'Keeping mothers & babies together' initiative, our staff came up with the idea of providing bright orange knitted hats for our most vulnerable babies. The hat helps our medical teams easily identify the babies who need extra care. This means that they get timely observations, blood sugar tests and extra support to establish feeding so that mothers and babies can stay together.

5. A strong and resilient organisation

- A brand-new surgical ward opened at the Royal Free Hospital in January. The surgical high dependency unit is for patients who do not need the highest level of intensive care after surgery. The new ward will mean there is greater capacity in the intensive care unit for those patients who need the highest level of care following surgery.
- A new-look specialist breast unit at the Royal Free Hospital opened in December. The unit has expanded, enabling the breast service to provide a much improved and more private environment for patients. There are two new high-tech mammogram machines, offering 3D imagery and the ability to take biopsies. By doubling capacity and upgrading equipment, more patients are able to receive same-day images, speeding up both diagnosis and referral to a consultant. The space has also been improved with the introduction of additional consulting rooms and toilet facilities.

Our governing objectives are now supported directly through our Royal Free London group goals framework. In the first year of the group we focused on putting in place group benefits alongside continuing efforts to improve financial and operational performance.

Our priorities for 2019/20 include:

- Focusing on patient safety - reducing the risk of never events and avoidable harm
- Implementing improved clinical pathways in our hospitals and working with our partners to develop more integrated care pathways across North London
- Improving the recruitment and retention of staff; including workforce equality, diversity and inclusion, addressing bullying and harassment and improving 'Joy in Work'
- Delivering our financial strategy and operational productivity and efficiency programmes which will help us meet our performance targets.

1.1.7 Highlights of the year

April 2018

Global research centre to bring new hope for patients

A showcase of the work of the Royal Free London saw over 150 Trust members hear how the new Pears Building will enhance pioneering research into diseases linked to the human immune system, such as diabetes, arthritis and cancer.

Professor Hans Stauss, director of the UCL Institute for Immunity and Transplantation (IIT) explained how moving the institute into the new building on the Royal Free Hospital campus will give researchers more space and facilities to bring new developments to patients.

Opening in 2020, the Pears Building, designed by leading architect Sir Michael Hopkins and Partners, will be a modern take on the old Hampstead Hospital which was founded on that site in 1882.

The construction is being funded by a number of organisations, including the Pears Foundation, the Royal Free Charity, and an award from the UK Research Partnership Investment Fund.

For more about The Pears building see page 91.

#endPJparalysis campaign gets patients moving

Ward teams swapped their uniforms for PJs and pledged their support for a national campaign to boost activity among hospital inpatients.

The #endPJparalysis campaign, sponsored by chief nursing officer for England, Professor Jane Cummings, highlights the impact of patients being left in pyjamas or hospital gowns for longer than necessary. This is particularly important for older patients with research showing that 10 days in bed can lead to 10 years of muscle ageing in people over 80 years old.

The initiative was first launched on the medical short stay unit team at Barnet Hospital and 10 North ward at the Royal Free in 2017.

Deborah Sanders, Royal Free London group chief nursing officer said: “This grassroots approach has brought the ward teams, in particular the nurses, therapists, healthcare and nursing assistants and doctors, even closer together to help get patients up and moving when it is safe to do so.”

May 2018

A paired kidney donation offers a bright future

Six weeks after a kidney transplant operation, Shakti Shah returned to the Royal Free to celebrate her recovery after years of hospital treatment for chronic kidney disease.

Her aunt Prafula had offered to donate one of her kidneys to her niece but was a poor tissue match for 24-year-old Shakti, who had been on the transplant waiting list for three years.

After talking through their options with experts at the Royal Free, Prafula and Shakti joined the National Living Donor Kidney Sharing Schemes as a ‘paired donation’, to try and increase Shakti’s chances of finding a match.

The scheme attempts to pair donors and recipients across the UK - kidneys are swapped between one incompatible donor and recipient and another mismatched pair.

A match was found and Prafula and Shakti had their operations on the same day.

Staff and patient heroes featured on national TV to mark NHS at 70

Staff and patients appeared in a number of national television shows to mark the 70th anniversary of the NHS.

ITV spoke to staff at Barnet Hospital about their work and their experience of the NHS and broadcast some of the interviews in a special programme called 'NHS Heroes Awards', hosted by Paul O'Grady.

Also, on ITV, a Royal Free patient described how the NHS saved his life. Simon Bostic was born with chronic granulomatous disease, an extremely rare and life-threatening hereditary primary immune deficiency that meant any infection could prove fatal for him.

When he was two years old, Simon became the first ever recipient of a successful bone marrow transplant from an unrelated donor.

Now in his mid-40s, Simon is still under the care of several of the Royal Free, returning regularly for check-ups and on-going treatment.

June 2018

Celebrating 'world class winners' at annual awards

Actress Michelle Collins helped staff celebrate their achievements at the trust's yearly awards ceremony.

Nearly 300 members of staff, including nurses, cleaners, doctors, midwives, porters, and clinical support staff, attended the Oscars ceremony, which was funded by the Royal Free Charity.

Throughout the evening more than 30 awards were handed out to staff who had made a significant contribution to patient care and the life of the Royal Free London in 2017.

Honorary MBE for matron's 'outstanding' leadership

The achievements of a Royal Free Hospital matron who showed 'outstanding leadership' during the Ebola outbreak in 2015 were recognised by the Queen.

Breda Athan was awarded an honorary MBE by the Minister of State for Health, Steve Barclay, on behalf of Her Majesty, The Queen.

Mr Barclay praised Breda's 'outstanding leadership on infectious diseases' and described her as an 'extraordinary woman'. Breda is lead matron of the high level isolation unit at the Royal Free Hospital, where patients with the most dangerous infections are treated.

Prime minister's praise for Royal Free London

The prime minister visited the Royal Free Hospital to announce the government's vision for the future of the NHS.

Speaking to some of the most senior leaders in the NHS, and staff from across the Royal Free London, Theresa May said: "I want to speak today about the future of our National Health Service. There is no place more fitting to do so than here at the Royal Free."

She was joined by health secretary Jeremy Hunt, chancellor Philip Hammond and the chief executive of the NHS Simon Stevens.

July 2018

Happy 70th birthday, dear NHS

Staff, patients, volunteers and visitors across the Royal Free London came together to celebrate the 70th anniversary of the NHS.

ITV's Dr. Hilary Jones presented live from the Royal Free Hospital, where he trained as a junior doctor, for Good Morning Britain and Lorraine.

NHS Big 7Tea parties were held across the trust, sponsored by the Royal Free Charity, and at Barnet Hospital a choir of staff, volunteers and patients sang the 2018 NHS charity single 'With a little help from my friends'.

At the Royal Free Hospital the many nationalities at heart of the NHS were celebrated and local MP Tulip Siddiq came along to thank the staff.

August 2018

Minister shines spotlight on organ donation campaign

A campaign was launched to increase the number of people signed up to the organ donation register from black, Asian and other non-white minority ethnic backgrounds.

To highlight the issue, Jackie Doyle-Price MP, junior minister for health and social care, visited the Royal Free Hospital, one of the leading transplant centres in the country.

Asia Imedi, lead nurse for renal transplantation, shared her experience about persuading her father to respect her decision to sign up to the organ donor register.

September 2018

Showcasing the future NHS at Chase Farm Hospital

The new urgent care centre at Chase Farm Hospital opened its doors on 13 September.

Open every day from 8am to 10pm, the centre provides treatment or advice for a minor illness or injury that isn't life-threatening. There is no need to make an appointment – people can turn up and be seen by the appropriate healthcare professional.

Just under two weeks later, the newest hospital in the NHS, equipped for the digital age, welcomed its first patients.

The £200 million redevelopment of Chase Farm Hospital in Enfield was achieved in record time for a new hospital – going from the drawing board to opening in just four years.

The new hospital has a variety of out-patient services, including an urgent care centre and older person's assessment unit, and is now the location for most of the trust's planned surgery – including hip and knee replacements and general and gynaecological surgery. It will serve a population of 1.6 million for planned surgery, delivering more than 10,000 operations each year.

The new surgical facilities feature eight state-of-the-art operating theatres, including four 'barn' theatres. These open-plan surgical areas have a specialised air canopy over each station to prevent the spread of infection.

October 2018

New clinical partnership

Royal Free London and West Herts Hospitals NHS Trust joined forces as part of a new clinical partnership following months of close collaboration between the two trusts.

Ahead of the partnership being formalised, clinicians at both trusts shared best practice on ways to treat pneumonia, urgent gall bladder problems, induction of labour, early pregnancy, prostate conditions, anaemia and symptoms of wheeziness in children.

Royal Free London is one of four NHS trusts chosen to develop a group model enabling it to share services and resources across hospitals to improve the experience of patients and staff.

Patients show appreciation for bowel cancer nurse

A nurse who has worked at Barnet Hospital for 10 years won an award after being nominated by her patients for delivering outstanding care.

Angela Wheeler, 47, a colorectal nurse specialist, was named joint winner of Bowel Cancer UK's Gary Logue Colorectal Nurse Award.

Angela, who also works at Chase Farm Hospital, said: "I work with a very good team and couldn't do my job if I didn't have such a brilliant group of people around me dedicated to delivering patient-centred care."

November 2018

Going paperless at Royal Free London

Patients at the Royal Free London will benefit from a new electronic patient record (EPR) system allowing staff to access accurate and up-to-date information they need to ensure patients receive the best care.

The new system is now live at Barnet Hospital, Chase Farm Hospital, Edgware Community Hospital, Finchley Memorial Hospital and the maternity department at the Royal Free

Hospital. It will be rolled out across the rest of the Royal Free Hospital by 2020, completely replacing paper records across the trust.

Celebrating long serving staff

Our annual long service awards, recognising the commitment of Royal Free London staff who have dedicated decades of their lives to the NHS, took place on 16 November.

Members of staff reaching 25 or 40 years' service in 2018 attended the ceremony led by Debbie Sanders, group chief nurse, and David Grantham, director of workforce and organisational development.

Physiotherapists, healthcare assistants, nurses, midwives and doctors were among those who joined the celebration at Barnet Hospital, along with their friends and family.

December 2018

Barnet Hospital patient first to help new eye disease research

Barnet Hospital recruited the first European patient to take part in an international study exploring a potential new treatment for wet age-related macular degeneration (AMD).

The hospital was highlighted as a leading provider for eye health and high-quality research trials by the National Institute for Clinical Research.

Mr Hemal Mehta, consultant ophthalmic surgeon, leads ophthalmology clinical trials at Barnet Hospital. His latest research project, which is in an early phase, aims to establish the effectiveness and safety of a new eye drop to treat wet AMD.

Wet AMD occurs when abnormal blood vessels grow underneath the retina. It doesn't usually cause total blindness but it can make everyday activities difficult, such as reading or recognising faces.

Mr Mehta identified Mrs Sue Freedman as an eligible patient, and she was keen to be involved.

If the early phase trial shows the eye drops are effective, larger groups of patients will be recruited for further studies. If these results are positive, it would be at least five years before the drops are available to the general public.

January 2019

New programme to save fertility for women with cancer

A new ovarian tissue freezing programme, designed to help women and girls about to be treated for cancer to preserve their fertility, was launched.

The service, the first in the UK to be fully funded by the NHS, enables specialists in cancer and blood disorders to refer patients to the Royal Free London ahead of their cancer treatments for ovarian tissue freezing and later implantation to restore their fertility and/or prevent early menopause.

It is currently offered to patients within the North Central London Clinical Commissioning Group, with plans to expand across the UK.

The service was made possible after approval from the Human Tissue Authority, which ensures that human tissue is used safely and ethically, and with proper consent.

For pre-pubertal girls and some women with hormone sensitive tumours (for example some types of breast cancer), ovarian tissue freezing is the only way they can preserve their fertility.

Second chance for RFL's 2,000th liver transplant patient

A patient who became the 2,000th liver recipient at the trust expressed his gratitude to the liver team who treated him and the family who granted permission for their loved one's liver to be transplanted, granting him a second chance at life.

The 53-year-old admitted that the grief he had felt at the death of several family members in the past few years had caused him to start drinking more.

Dr Yiannis Kallis, honorary consultant transplant hepatologist, said: "It's a common misconception that the only people who end up in hospital with liver damage are the ones who have a bottle of scotch on their bedside table or can't get through the daytime without a drink, but actually that's very much the minority."

Health secretary opens pioneering breast screening clinic

A state-of-the-art breast screening clinic was officially opened at Finchley Memorial Hospital by the Secretary of State for Health and Social Care, Matt Hancock.

The clinic is home to the Hologic 3D imaging system, which is the most technologically-advanced mammography scanner available.

The clinic, which was previously situated in a mobile unit within the grounds of the hospital, moved to its new location in August 2018. This was done in collaboration with Barnet Clinical Commissioning Group and Community Health Partnerships, which is responsible for the management of the hospital.

Locating the service, within a permanent building means the trust can offer better appointment flexibility, reliable transport connections and safety.

February 2019

Dementia patients 'transported' to the seaside

Patients at the Royal Free Hospital have the best beds in the house thanks to a refurbishment designed to improve the care of dementia patients.

8 West ward was decorated with a seaside theme, and now includes a theatre space for live performances by actors, musicians and poets.

The look was inspired by feedback from patients and relatives on the ward, and co-designed by Danielle Wilde, dementia lead, Chito Gabutin, 8 West ward manager and the multi-disciplinary team.

Following months of hard work to bring the idea to life, the new look was met with a tremendous reception from patients, staff and volunteers at its grand unveiling which featured a live musical performance during the opening by 40's swing trio, The Polka Dots.

The Royal Free Theatre will be used to provide patients with a weekly programme of activities while they are in hospital – it also sets the stage for the future of dementia care at the Royal Free London, where art and engagement will be a key focus.

The refurbishment was generously funded by the Royal Free Charity.

March 2019

New ear scanner means a perfect fit for patients

A cutting-edge scanner which uses a laser beam to digitally recreate a patient's ear canal is transforming how hearing aids are produced.

The Otoscan, which is being used on NHS patients for the first time at the Royal Free Hospital, has a miniature camera which captures images of the laser beam as it moves across the surfaces of the ear. Algorithms then convert that into a 3D image of the inside of the ear to create the perfect fitted hearing aid insert.

Mitch Chandler, chief audiologist at the Royal Free Hospital, said: "This is a huge breakthrough for patients and saves us time and money.

"The old process involves using a silicone-based putty that is pumped into the ear canal and left for around four or five minutes to set and produce an impression of the ear. It's not a very pleasant experience for patients as it completely blocks the ear and leaves an oily, itchy ear canal.

"The scanner allows us to recreate a much more accurate image of the ear canal which means the insert and the hearing aid will be a much better fit."

Nurse wins national award for reducing life-threatening infections

A Royal Free London nurse received national recognition for her work to help protect patients against serious infections.

Vicky Pang, clinical lead nurse for infection prevention and control, was awarded infection prevention nurse of the year at the British Journal of Nursing 2019 annual awards.

Work led by Vicky resulted in the number of cases of E coli that occurred in the Royal Free Hospital reducing by 32% from 2016 to 2018 – a huge achievement as hospitals in England are expected to achieve a reduction of 10% each year.

1.2 Performance analysis

1.2.1 Key performance measures and meeting standards

2018/19 was another challenging year at the Royal Free London. High levels of demand have meant it has been difficult to maintain performance against a range of standards.

Throughout the year, the trust has focused on a number of key metrics that demonstrate our commitment to delivering safe, consistent and timely care to both elective and emergency patients.

Emergency care

Pressure on our two emergency departments (ED) and urgent care centre increased again in 2018/19, with an overall average of 5,425 attendances per month compared to 5,079 in 2017/18. The trust admitted, transferred or discharged 87.4% of patients within four hours of their arrival, falling short of the 95% government target.

The trust has worked intensively with our system partners, clinical commissioning groups (CCGs) and local authorities, to manage demand and to discharge patients in a timely manner once their treatment is complete.

Both sites have been working to deliver detailed improvement plans, supported by the national Emergency Care Intensive Support Team, including:

- re-directing patients to ED alternatives, such as GP centres
- streaming patients quickly in ED to the right element of our service
- ensuring patients who are suitable for our urgent care centres are treated by them
- reducing the length of stay for patients by improving our discharge processes
- continuing to improve the number of patients going through the 'discharge to assess' service commissioned by Barnet CCG that means patients who are medically well can return home faster
- Introducing the SAFER bundle – a five-point best practice tool - on wards to facilitate early discharge.

We fully opened the acute assessment unit at the Royal Free Hospital in May 2018, providing us with greater capacity. In addition, the trust continues to work to improve performance against the A&E standard, by:

- reducing extended length of stay
- increasing same day emergency care provision
- working with CCGs to reduce emergency attendances
- reducing four-hour breaches for minors patients
- reducing ambulance handover time
- triaging appropriate patients away from ED
- continuing to focus on improving timely discharge
- reducing mental health four-hour breaches
- building a sustainable emergency department workforce model.

Cancer treatment waiting times

There are three main targets for cancer services:

1. Patients referred by a GP should be seen within two weeks of referral (two-week wait target).
2. Patients referred directly by their GP to a cancer pathway who are subsequently diagnosed with cancer should start treatment within 62 days of the initial GP referral (62-day target).
3. All patients diagnosed with cancer, irrespective of how they were initially referred, should start their treatment within 31 days of the diagnosis of cancer (31-day target).

In 2018/19, the trust did not meet the two-week wait target, including for those on the symptomatic breast pathway. However, the trust has maintained compliance against the 31-day target in each quarter of the year.

Since 2016, we have been working hard to improve performance against the 62-day standard from GP referral to first treatment. Performance dipped in the second quarter of the year, driven by an increase in lower gastrointestinal referrals, with each quarter of 2018/19 receiving approximately 300 additional referrals compared to 2017/18. Skin and prostate cancer referrals were also significantly higher than usual, resulting in capacity pressures. In the previous annual report, we outlined actions that we planned to deliver in 2018/19 and of these we have:

- Reduced histopathology turnaround times
- Expanded the Barnet Hospital and Chase Farm Hospital's straight to test service, with around 75% of referred patients now on this pathway
- Continued to work with our system partners to ensure that patients on inter-trust pathways both in and out of the Royal Free London are transferred quickly and smoothly.

Let's talk cancer

NHS
Royal Free London
NHS Foundation Trust

Our commitment to you:

Introduce

We'll introduce ourselves to you and ask you how you'd like to be addressed.

Support

We'll ask you what support you have. Did you know your family member or friend is welcome to join you during your appointment?

Involve

We'll involve you and your companions in conversations about you.

Confirm

We'll clearly communicate your diagnosis, care plan and future appointments with you. Please tell us if anything is unclear.

Ask

We'll ask you what matters to you. Please tell us about your worries and fears.

Provide

We'll provide you with a named contact should you need advice.

positively  welcoming

actively  respectful

clearly  communicating

visibly  reassuring

We recognise that cancer referrals will continue to rise year on year, and as such we launched a clinically-led programme of improvement projects in April 2019 focusing on pathway redesign as a way of managing demand and capacity, monitoring clinical outcomes and improving patient experience. This methodology has been applied elsewhere in the trust, and we have seen significant progress, particularly with our keeping mothers and babies together project in maternity. The project will focus on:

- Continuing to increase the number of lower gastrointestinal patients on our straight to test service at the Royal Free Hospital.
- Exploring the possibility of a central gastrointestinal triage service to ensure patients enter the right pathway at the point of referral.
- Expanding teledermatology - where patients can be assessed remotely - to include suspected cancer patients.
- Preparing for the introduction of the new faster diagnosis standard, designed to ensure patients find out whether or not they have cancer within 28 days, which will come into effect during 2020.
- The Let's Talk Cancer initiative which introduces five prompts for excellent communication between clinical staff and patients.

18-week waiting times

Patients have the right to start treatment within consultant-led services within a maximum waiting time of 18 weeks. This is known as referral to treatment and we are expected to report our performance to government on a monthly basis.

There is one single national measure of performance, incomplete pathways (patients waiting for treatment), with the expectation that 92% of patients will have been waiting less than 18 weeks at the end of each month.

In August 2017, we changed the way we compiled our patient tracking list (PTL), which is used to measure performance against the standard, revealing a number of patients who had not been captured, or some who were showing as waiting less time than they were. This resulted in a drop in performance against the 18-week standard and an increase in the number of patients waiting over 52 weeks.

How we compile our list has now been reviewed in conjunction with NHS Improvement and as a result of its recommendations we have changed the way we assess and categorise the data. We are currently undertaking a validation exercise which we expect to last around 12 months. Operational teams will continue to manage the current version of the waiting list, and any patients found through validation that have not been captured or are showing as waiting less time than they were will be added for urgent action.

As part of our referral to treatment programme we have a rigorous independent clinical harm review process for patients who have waited more than 52 weeks for treatment. So far in 2018/19, 553 cases have been reviewed up to January 2019. Of these cases, 550 have been found to have been categorised 'no harm' or 'low harm' and three were categorised as 'moderate or severe harm'.

Infection control

- C. difficile

Cumulatively, for the 12 months up to the end of January 2019, there were 46 confirmed cases of C.difficile infection.

Of these cases, one was attributed to a 'lapse in care' at Barnet Hospital. Our local clinical teams and clinical commissioning groups work together to identify whether a case is a lapse in care by applying an assessment developed by Public Health England.

Each case is discussed at the monthly divisional leads' infection prevention and control (IPC) meeting, at which commissioners are present and agree or make comments, and also at the IPC committee where Public Health England, CCGs and commissioning support units confirm all findings. The learning from these meetings is shared with divisions.

- MRSA

We recorded three confirmed cases of MRSA for the 12 months up to January 2019, two at Barnet Hospital and one at the Royal Free Hospital.

Mortality rates

We continue to record low mortality risks compared to trusts nationally. We examine our mortality using the hospital standardised mortality ratio (HSMR) and the summary hospital level mortality indicator (SHMI). These measures describe the actual level of mortality compared to the level that would have been expected based on the types of patients we treat.

In relation to HSMR the trust continues to record a lower mortality risk than expected. The trust had a relative risk of 89 for the 12 months to September 2018, which is 11% lower than expected. Compared to all English non-specialist providers, we have the 23rd lowest risk out of 138 non-specialist providers for which data is available. Looking at SHMI for the same period, the trust mortality risk was lower than expected at 86.2.

Looking ahead

Our focus for 2018/19 is to ensure all parts of our trust can reach and maintain the standards of our best services. The Royal Free London group model will be core to delivering this. Our key challenges will be to:

1. Deliver consistent performance against the 62-day cancer standard.
2. Improve performance against the A&E four-hour standard.
3. Reduce to zero the number of patients who wait 52 weeks or more for treatment at our hospitals.

Performance against key national indicators

The charts and commentary contained in this report represent the performance for all three of our hospitals. This approach has been taken to ensure consistency with the prescribed indicators the trust is required to include in the quality accounts. The prescribed indicators data is sourced from NHS Digital where in the majority of cases data is also aggregated.

Where possible, performance is described within the context of comparative data, which illustrates how the performance at the trust differs from national performance.

Single Oversight Framework key indicators scorecard 2018/19

Measures	Target	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sept 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019
A&E: % of patients seen within four hours	95%	87.60%	89.90%	92.20%	89.50%	91%	86.80%	87.50%	85.20%	83.20%	85.60%	83.70%	N/A
Cancer: % < 14-day wait for first seen	93%	86.97%	90.18%	86.96%	90.35%	88.92%	84.77%	87.51%	89.72%	90.94%	90.05%	91.18%	N/A
Cancer: % < 14-day wait for first seen - breast	93%	84.04%	94.69%	92.35%	92.90%	86.14%	88%	85.38%	93.87%	96.66%	85.09%	89.85%	N/A
Cancer: % < 31-day wait from diagnosis to first treatment	96%	97.60%	97.89%	97.19%	98.81%	97.59%	97.36%	97.93%	98.17%	98.27%	99.16%	97.18%	N/A
Cancer: % < 31-day wait from diagnosis to second treatment (radiotherapy)	94%	100%	97.37%	94.55%	100%	100%	100%	100%	100%	100%	100%	100%	N/A
Cancer: % < 31-day wait from diagnosis to second treatment (surgery)	94%	97.87%	100%	100%	96.30%	95.35%	97.96%	98.28%	96.15%	100%	100%	93.33%	N/A
Cancer: % < 31-day wait from diagnosis to second treatment (drug)	98%	100%	100%	100%	100%	100%	100%	100%	100%	100%	96%	100%	N/A
Cancer: % < 62-day wait for first treatment - GP referral	85%	85.82%	86.93%	80.74%	77.78%	80.58%	77.11%	75.18%	80.08%	75.81%	77.74%	74.10%	N/A
Cancer: % < 62-day wait for first treatment – screening	85%	92.68%	79.69%	91.67%	87.93%	87.27%	95.08%	93.22%	79.10%	83.33%	72.13%	85%	N/A
C difficile infections	6	4	4	6	6	7	7	4	4	1	3	4	N/A
C difficile infections from lapses in care	0	0	0	0	0	0	0	0	0	0	0	0	N/A
MRSA Bacteriaemias	0	1	0	1	0	0	0	0	0	1	0	0	N/A
RTT: % < 18 weeks wait to first treatment	92%	83.20%	82.60%	79.80%	80.10%	78%	75.30%	75.20%	75.50%	73.20%	73.90%	75.10%	N/A

Patient experience

Faster access to diagnostic procedures is helping to improve the patient experience through our 'straight to test' initiative. This allows patients to have necessary testing without the need for an outpatient appointment beforehand. Appointments are then scheduled after the tests to discuss results, if required. During 2018/19 we expanded our straight to test service for lower gastrointestinal patients on a cancer waiting times pathway, with around 75% of patients routinely being triaged for this service.

We are increasing the number of telephone clinics allowing patients access to the care and support they need without them having to travel to hospital. We have also introduced a teledermatology service for patients referred for a lesion on a not suspected cancer pathway. Patients attend for a first appointment with a medical photographer where a dermatoscopic image is taken. The photographs are then triaged by a dermatologist, with many patients discharged with advice or reassurance without the need to attend hospital.

Enabling timely discharge from hospital to allow patients to return to their own home has also been a priority for the trust in partnership with commissioning colleagues and local authorities through the implementation of the discharge to assess pathway.

1.2.2 Financial review

Income

The trust receives most of its income from clinical commissioning groups and NHS England specialist commissioning. In 2018/19, the trust received £885.6m in income, which was £31.2m more than in 2017/18.

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 purposes is generated from capacity within the organisation; such work is not given priority over NHS work. Income from such activities is undertaken only where there is a positive impact for the trust, such as a financial contribution, which can be invested for the purposes of healthcare, or as part of a wider clinical benefit analysis.

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 NHS Improvement, the trust's regulator, to calculate our performance.

We did not sign up to a control total for 2018/19 but did deliver in line with the financial plan we submitted. The trust delivered £43m of efficiency savings in year, which was 5% of our controllable income. We continue to have a reference cost index lower than average for 2018/19, despite it being a very challenging financial year. We will continue to focus on improving our financial position in the coming year which we expect will be as, if not more, challenging. This has had a significant impact on our cash position, and we continue to rely on the Department of Health and Social Care for working capital. In 2018/19 the trust has had to access Department of Health lending facilities for £53m. These loans are interest bearing and repayable in 2022/23.

RFL Property Services Limited (RFLPS), a wholly-owned subsidiary of the trust, was incorporated on 28 June 2018 with £50,000 of called up share capital.

The agreement with RFLPS is to manage and be financially and operationally responsible for the completion of the Chase Farm site in accordance with the development contract. RFLPS will substantially fund this additional construction work through the receipt of loans from the trust and will subsequently recover those costs, together with a margin, from the trust, payable in accordance with the service agreement. Further details are given in notes 20 and 27 of the accounts.

		Actual £m	Plan £m	Var. £m	Var. %
EBITDA	Year ended 31 March 2019	-12.4	-8.0	-4.4	55%
EBITDA	Year ended 31 March 2018	5.9	0.4	5.5	1576.1%
Retained surplus/deficit	Year ended 31 March 2019	-80.9	-66.3	-14.6	22.0%
Retained surplus/deficit	Year ended 31 March 2018	-24.6	-11.2	-13.4	119.6%

The trust has seen a further rise in activity, which has meant more resources have had to be deployed notably on pay. We have made concerted efforts to reduce the number of staff employed through agencies, with spend falling from £35.5m in 2017/18 to £24.8m in 2018/19. The number of substantive staff employed on a full-time basis has fallen slightly from 7,609 in 2017/18 to 7,538 in 2018/19.

	Actual £m	Plan £m	Var. £m	Var. %
Staff costs 2018/19				
- Permanent staff	467.2			
- Temporary staff	78.9			
Total	546.1	543.4	-2.7	-0.5%
Staff costs 2017/18		0.4	5.5	1576.1%
- Permanent staff	454.8			
- Temporary staff	78.6			
Total	533.4	533.5	0.1	0.0%
Permanent staff numbers (avg.) 2018/19	7538.0			
Permanent staff numbers (avg.) 2017/18	7609.0			
Temporary staff numbers (avg.) 2018/19	2763.0			
Temporary staff numbers (avg.) 2017/18	2684.0			

The accounting policies for pensions and other retirement benefits are set out in note 10 to the accounts.

Details of senior employees' remuneration can be found in the remuneration report on page 93.

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 9.1 to the accounts.

Sickness absence data can be found on page 108.

Estate valuation

At the year end, the trust estate was valued by an independent expert. Due to the specialised nature of the 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 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 2019					
Land	0	0	0	0	0
Buildings	-13.3	-8.3	-21.6	16.2	-5.4
Total	-13.3	-8.3	-21.6	16.2	-5.4
31 March 2018					
Land	0	0	0	0	0
Buildings	-25.9	-13	-38.9	1.4	-37.5
Total	-25.9	-13	-38.9	1.4	-37.5

The new Chase Farm Hospital became operational in the summer of 2018. The asset was valued at £103.7m resulting in an impairment of £10.6m.

Financial improvement programme (FIP)

The FIP aims to deliver better patient care while improving productivity and maximising potential cost savings. It delivered £43.1m in savings (£44.1m in 2017/18), which represents 5% (5.2% in 2017/18) of the trust's controllable income (excluding reimbursable drugs and devices). Key savings came from estates efficiencies and rationalisation, vacancy management including reduced agency usage, effective procurement contracts including standardisation of goods and materials, and economies of scale through shared corporate costs.

Reference costs

The trust reference cost index (RCI), which measures the relative efficiency of English trusts against one another, fell from 97 to 96. An RCI of 96 implies that the trust is 4% more

efficient than the national average and demonstrates our commitment to delivering value for money in a health economy facing increasing financial pressures.

Balance sheet

Our balance sheet shows a closing cash balance of £35.9m. During the year, the trust has had to access Department of Health lending facilities for £53m. These loans are interest bearing and repayable from 2020/21. The trust continues to be owed significant sums by commissioners and amounts due are not routinely settled on a timely basis or in line with contractual commitments, which puts a strain on our working capital facility. This in turn limits the trust scope to pay its creditors in a timely manner.

	31 March 2019	31 March 2018
Cash	35.9	43.7
Net current assets	-40.8	-7.2
Net assets	396.1	468.1

Going concern and future outlook

The board understands that there is a significant risk around the underlying position of the trust in terms of ongoing sustainability. It continues to take measures to ensure there is sufficient working capital in the short term, and that it has a financial recovery plan to return to a sustainable position over the next three to four years.

The trust believes that there is a reasonable prospect of meeting liabilities as they fall due. The Department of Health continues to make available to the trust access to borrowing facilities. In addition, the trust has scope to collect significant sums owed to it from commissioners, notably, NHS England specialised commissioned and other CCGs.

Based on the significant risks in the underlying position, our external auditors, in their auditors' report, have included a material uncertainty in relation to going concern.

Statement as to disclosure to auditors

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

Countering fraud and corruption

The trust has a fraud and bribery policy and, through the accountancy and advisory firm RSM UK Tax and Accounting Limited, has a local counter fraud service in order to prevent and detect fraud. The local counter fraud officer reports to the audit committee at each of its meetings on the 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 note 31 of the accounts.

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 on page 104.

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

There were no interest charges paid in accordance with this act in 2018/19, as in the previous year.

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 Information.

Future prospects, risks and uncertainties facing the trust

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

- Continued growth in demand and associated pressure on access standards
- 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:

1. Continuing to work with its local commissioners to support them in reducing costs and achieving their savings programmes in ways which also improve the outcomes and experience for patients
2. Working with health and social care partners to develop the north central London sustainability transformation plan which aims to improve health outcomes across our area over the next five years
3. 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 on a consistent basis accounting policies laid down by the secretary of state with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the 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.

The directors are required to make a statement on whether or not the financial statements have been prepared on a going concern basis. After making enquiries, the directors have a reasonable expectation that the Royal Free 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.

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

The strategic report has been approved by the directors of the trust.

1.2.3 Improving our environment

Patient environment scores

Patient-led assessments of the care environment (PLACE) at Chase Farm Hospital, Barnet Hospital and the Royal Free Hospital scored higher than the national average in the areas of catering, cleaning and the environment.

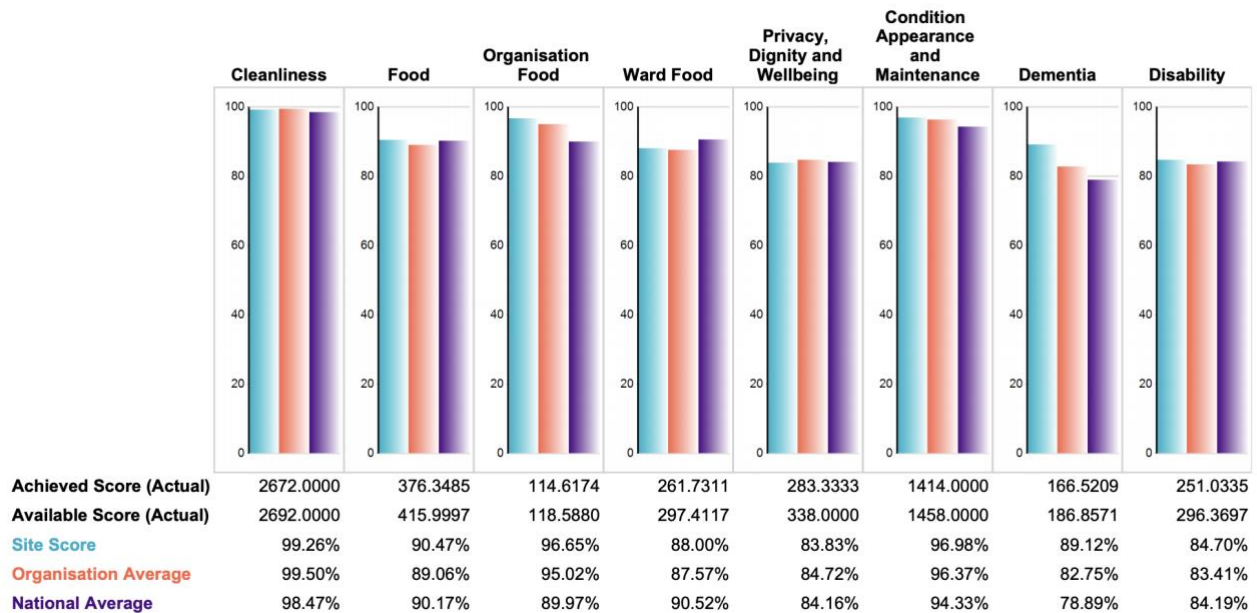
In a small number of areas where the trust has not demonstrated any improvement or has reduced slightly, we have action plans in place.

PLACE is a self-assessment audit led by the trust and made up of 50% public members. It focuses on the environment in which care is provided and looks at non-clinical services such as cleanliness, condition of the physical environment, food, hydration, privacy and dignity and the care of patients with dementia.

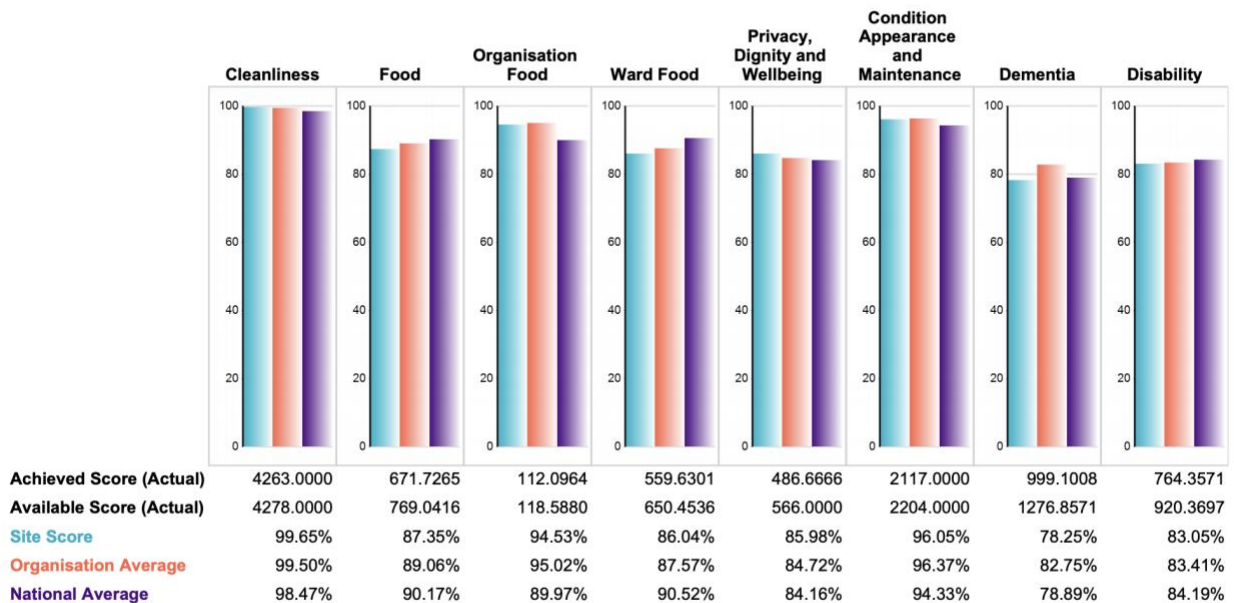
Each hospital site undertakes internal PLACE audits on a regular basis with a team of auditors as part of an ongoing regime to monitor environment standards all year round. In 2018 PLACE teams made the transition from paper scorecards to tablet-based technology to ensure the process became more efficient.

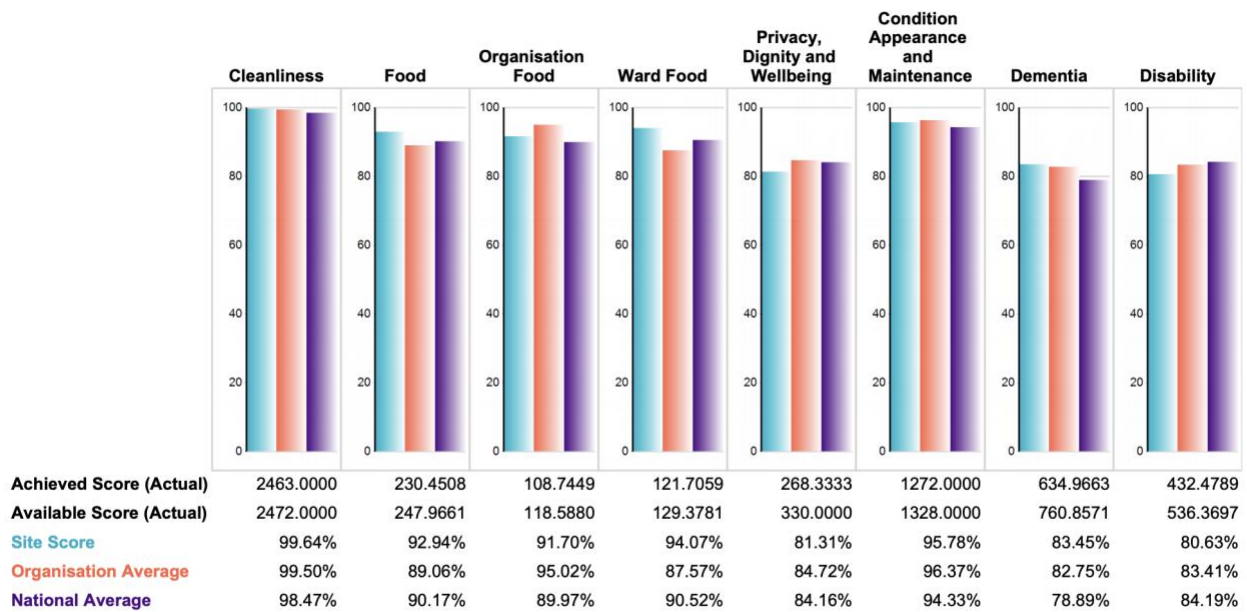
Scorecards for each site are shown below mapped against national and organisation average scores.

BARNET HOSPITAL - COLLECTION: 2018



ROYAL FREE HOSPITAL- Collection: 2018





Sustainability

For NHS organisations, sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities.

Along with other trusts, we are working towards reducing the carbon footprint of the overall NHS by 28% by 2020 and have set our own target to reduce our direct carbon emissions from the 2014/15 levels by 25% in 2023/24.

We consider sustainability in areas such as procurement and the impact of our suppliers and have a sustainable development management plan in place.

Climate change

Events such as heatwaves, cold snaps and flooding are expected to increase as a result of climate change. To ensure our services continue to meet the needs of our local population during such events we have developed and implemented a number of policies and protocols in partnership with other local agencies.

Green space

Currently the options of us providing green space is limited due to our inner-city location but we are looking at ways to make the best use of the environment we have by, for example, developing gardens outside the Royal Free Hospital in partnership with the Royal Free Charity.

Carbon footprint

Our environmental impact is proportional to the number of people we employ and the floor space of the trust's buildings. Table 1 shows how direct emissions (from energy) have fallen by 10% since the baseline year of 2014/15. In the same period floor space has decreased by 16% and the number of staff has shown a very slight increase. Direct emissions do not include areas such as travel, waste or procurement.

Table 1: Direct emissions, staff and floor space

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Direct emissions (tCO ₂ e)	51,984	56,725	49,942	46,184	50,850	tbc
Floor space (m ²)	295,365	290,643	289,973	243,763	243,763	243,763
Number of staff (WTE)	5,731	10,148	10,344	10,258	10,258	tbc

It can be seen from Figure 1 below that the trust is not on course to meet its target of reducing direct emissions by 25% by 2023-2024 when the emissions are normalised by floor space, but when compared to staff numbers, as shown in Figure 2, the emissions are just below the target. The percentage reduction for each year is shown in the corresponding bar.

Figure 1: Normalised direct emissions - tCO₂e by m² floor area

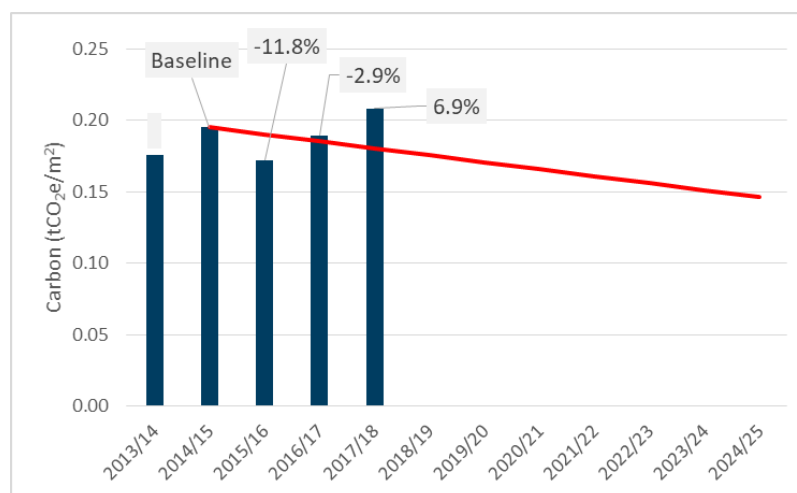
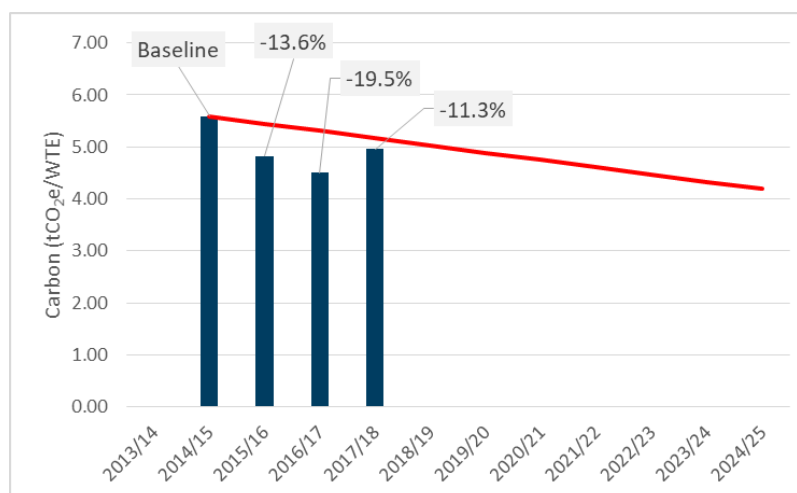


Figure 2: Normalised direct emissions - tCO₂e per employee



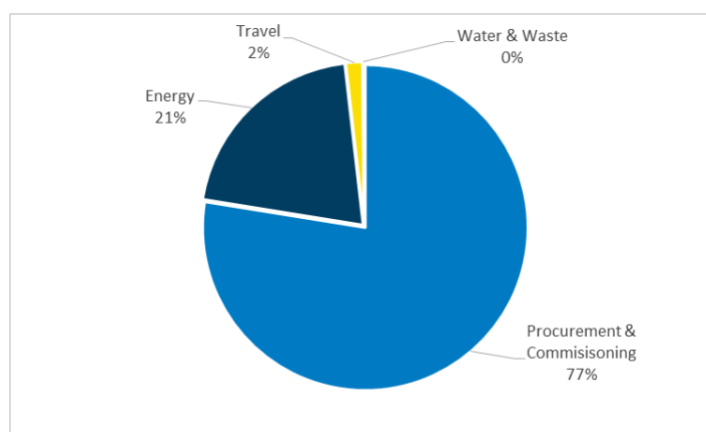
Chase Farm Hospital energy centre

The new energy centre at Chase Farm Hospital became operational in July 2018, delivering its full energy efficiency potential in December 2018 and resulting in a part year improvement in the figures presented for the 2018/19 period.

Carbon emissions breakdown

Our carbon footprint by major usage areas is illustrated in Figure 3. Indirect emissions via procurement is the most significant contributor at 75% followed by energy (direct emissions) at 21%.

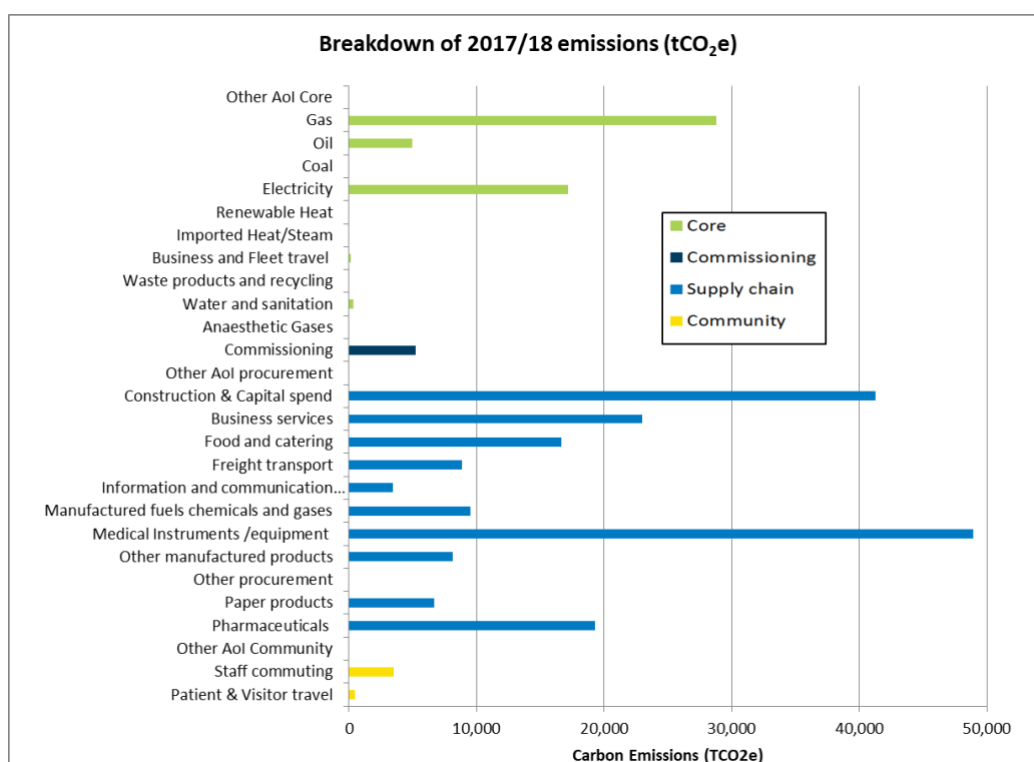
Figure 3: Proportions of Carbon Footprint



Procurement and commissioning

Figure 4 below shows the breakdown of emissions by different spend categories for the most recent data available.

Figure 4: Breakdown of Carbon Footprint by Category



Energy

The Royal Free Hospital has, since 2012, operated a 4.6-megawatt combined heat and power facility, which in addition to supporting the demands of the hospital, exports both electricity and heat to the Gospel Oak area of Camden. It is estimated that this scheme will save the trust approximately 6,200 tonnes of CO₂ each year.

A major redevelopment of the Chase Farm Hospital has been completed and this now modern building delivers a 45% reduction in CO₂ emissions, far exceeding the target set by the Mayor of London of 35%.

Currently the trust has no renewable energy sources however we will be investigating how we can procure or generate energy renewably without significant financial impact as well as looking at renewable heat and electricity sources covered by government incentive schemes.

Energy improvement projects

To improve the energy consumption and carbon emissions of the trust, we have carried out the following:

- A rollout of LED lighting at the Royal Free Hospital and Barnet Hospital with a target of a 10% electricity reduction at the former and 20-25% at the latter.
- A programme to rationalise the use of split air conditioning units across the trust with the aim of removing 150 units by the end of 2019 and reducing electricity consumption by 5%.
- Replacement of all belt drives on the water and chilled water pumps with variable speed drives to deliver an expected 3% reduction in electricity consumption.
- An invest-to-save programme to optimise the Royal Free Hospital energy centre and reduce its gas consumption by a target of 5-10%.

Travel

We encourage staff to actively travel to work to improve their own wellbeing and provide cycle storage for employees to support this.

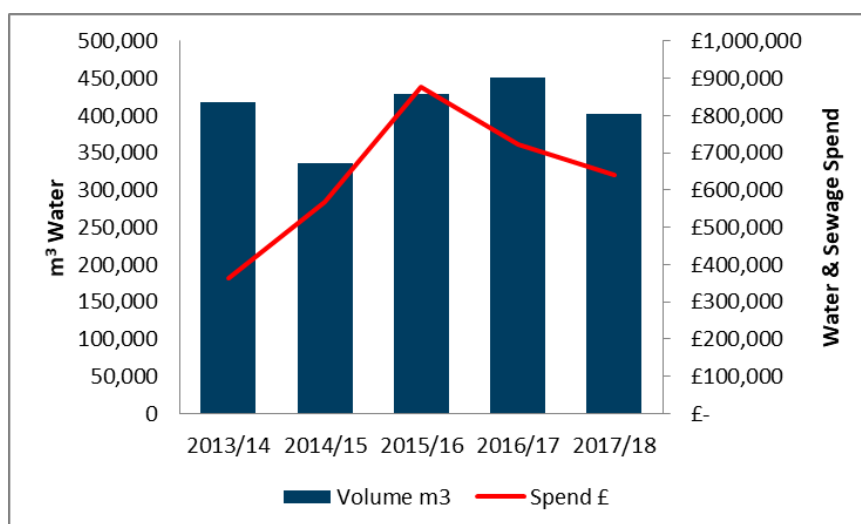
We are also aiming to improve our knowledge of lengths and type of staff commuting in the next year so we can better model emissions and implement programmes to reduce the environmental impact of staff commuting.

For patients, we have been able to reduce the number of unnecessary patient transport trips by implementing clear guidelines on its use and engaging the wards in the importance of this.

Water consumption

Figure 10 below shows how much water the trust has used. In 2018/19 we consumed 6% less water than in 2016/17, an overall 4% drop in consumption in this period.

Figure 10: Mains Water use and associated cost by year



1.2.4 Emergency Planning

The NHS has a key role in responding to large-scale emergencies and major incidents, and the trust ensures it is prepared for such events. The trust's Emergency Preparedness, Response and Resilience (EPRR) arrangements are scrutinised yearly by NHS England. The trust is substantially compliant with the core standards and has an action plan in place to improve the areas identified as needing improvement.

Emergency incidents

During 2018, the emergency department at Barnet Hospital experienced three incidents where patients presented with potential contamination from hazardous materials. Colleagues from the emergency services and Public Health England provided valuable support during the response to these events. Internally, the trust also experienced a number of business continuity challenges in particular around utility supply (water and power). Lessons were learnt from all these incidents, which have since been incorporated into the trust's plans and training.

Training

We have improved the support to on-call managers during incidents by increasing the number of staff available and ensuring they log their decisions.

Across the region, the trust has also been developing better arrangements for mass casualty incidents and the role of acute trusts in supporting families in the initial stages of a major incident.

Training exercises

Regular training exercises to test our emergency response are part of our yearly plan. In September, representatives from across the organisation participated in a regional table top exercise. The exercise allowed us to explore examples of best practice across trusts, the mutual aid arrangements between us and the impact social media can have on decision making and the behaviour of the public, patients and staff.

The emergency planning team is currently preparing for the UK's exit from the European Union, ensuring that where necessary contingency arrangements are in place so the trust can continue to deliver its services.

1.2.5 Our work overseas

A high demand for education and training placements including clinical, management and leadership programmes has led to the continuation of The Royal Free International (RFI) being able to increase its revenue contribution to the trust.

The RFI is part of the trust and develops international collaborations and partnerships which support our global presence and generate additional revenue. It focuses on hospital management consultancy, medical research collaborations and education and training.

Nearly 70% of its revenue is generated from China and Hong Kong, although the RFI is also working in East Kazakhstan, Japan, Singapore, the Middle East and looking at new opportunities in South East Asia, the United Arab Emirates and Korea.

In 2018, 300 observers undertook placements across our hospitals. For some of our Chinese observers the English language was challenging and the RFI worked with Capital City College to establish a three-week English language programme which would follow their clinical placement. It is hoped this new programme will assist doctors and nurses to achieve placements at the trust who previously would not have been able to participate.

We also formed new business collaborations with:

- The First Affiliated Hospital of Sun Yat Sen University, China
- MedCo Global Events Management Company Ltd
- Global Promedica Ltd.
- Shandong Linyi Hospital, China
- Winterthur Institute of Health Economics, Zurich
- Ukraine Health Ministry
- Beijing Huatong Foundation.

Co-ordinated several training programmes, including:

- A three-week management training programme for senior managers from the First Affiliated Hospital of Nanchang University, China
- A four-week risk management training programme for the risk officer from Barbados Queen Elizabeth Hospital
- A two-week chief executive programme with Hunan Province Health Bureau, China
- A one-week nurse director training programme for the Kuwait Oil Company.

And received 12 delegation visits from the USA, China, Switzerland, India and the United Arab Emirates, as well as being invited to participate in a number of international conferences.

A handwritten signature in dark ink, appearing to read 'Caroline Clarke', with a stylized, cursive script.

Caroline Clarke
Chief executive

22 May 2019

2 Accountability report

2.1 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 2017/18 (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/>

2.1.1 A well-led review

NHS Improvement (NHSI) encourages all providers to carry out externally facilitated, developmental reviews of their leadership and governance using the well-led framework every three to five years. With agreement from NHSI in 2017 our external review was deferred to 2018/19 in order to embed the changes following the implementation of the group structure.

In preparation for the external review the trust completed a self-review of its governance arrangements. Four areas of focus were identified where further improvements were required. These areas were governance arrangements between the group and the hospital sites, patient and public engagement, staff engagement and management information/business intelligence.

Deloitte carried out the external review between June and September 2018 with the final report published in October 2018. It highlighted that the group board is a cohesive, experienced and high performing team that has worked effectively to establish a clear and ambitious strategy for the trust, focusing both on innovation through reduction of variation and redesigning pathways and on a commercial approach to growth through developing a group model for the organisation.

A significant number of examples of good and innovative practice were highlighted including:

- A more clearly articulated and ambitious strategy than they had found in their work with other NHS providers.

- A highly innovative, prioritised approach to quality improvement and generating efficiencies through the clinical practice group initiative.
- Higher levels of clinical involvement in quality improvement and standardisation initiatives than they had observed in other trusts.
- Clear alignment of SMART organisational goals through the various tiers of governance at board, group and site level.

Areas for improvement identified by Deloitte were in line with the trust's own self-review. Some key examples of these include:

- A need to do further work to address issues relating to staff behaviours.
- Scope to build greater collective ownership of the finance agenda across the site and divisional leaderships teams.
- Significant scope to strengthen informatics and analytical capability.
- A need to articulate in a single document an assurance and accountability framework which clearly outlines the relationship between group, corporate, site and divisional structures.

An action plan was developed in response to the recommendations made. Implemented actions include the launch of a series of staff facilitated videos designed to ignite discussion on trust values and expected behaviours; a quality improvement initiative focused on Joy in Work; the establishment of the executive finance committee; additional investment in informatics and analytics and further refinement of the trust governance structures. The actions are overseen and reviewed by the relevant board committees as well as being routinely monitored through the group executive committee and the trust board.

The Care Quality Commission assessment of the organisation against the Well-led domain rated the trust as good following its visits in December 2018 and January 2019.

2.1.2 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.

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 which can be invested for the purposes of healthcare, or as part of a wider clinical benefit analysis.

The directors are responsible for preparing the annual report and audited financial statements. The directors consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the trust's performance, business model and strategy.

The trust board leads the organisation and provides a framework of governance within which high quality, safe services are delivered across north London, Hertfordshire and beyond. The board sets the vision and strategic direction for the trust, ensuring the appropriate culture exists and that there is sufficient management capacity and capability to deliver the strategic objectives of the organisation. It also monitors performance of the trust, keeping patient safety central to its operation and ensures that public funds are used efficiently and effectively for the benefit of patients and other stakeholders.

All voting board directors (executive and non-executive) have joint responsibility for board decisions. Board members are also there to constructively challenge the decisions of the board and assist in developing proposals on strategy, priorities, risk mitigation and standards.

2.1.3 Non-executive directors

Non-executive directors bring extensive expertise from a wide range of backgrounds to the board to make effective decisions and act as guardians of the governance process. They have a duty to hold the executive directors to account through constructive challenge and by scrutinising performance. The board chair is one of the non-executive directors and is also responsible for the leadership of the council of governors, leading on setting agendas and ensuring effectiveness. During 2018/19, the trust had nine voting non-executive directors:

Non-executive director	Date of appointment	Current term of office	Term
Dominic Dodd (chair)	April 2012	30 June 2020	Third
Stephen Ainger	April 2012	31 October 2018*	Second
Mary Basterfield (as of September 2018 vice chair and senior independent director)	December 2016	November 2019	First
Wanda Goldwag	December 2017	November 2020	First
Professor Sir Chris Ham	January 2019	December 2021	First
Doris Olulode	December 2018	November 2021	First
Jenny Owen (vice chair and senior independent director)	April 2012	31 August 2018*	Third
Akta Raja	January 2017	December 2019	First
Professor Anthony Schapira	April 2012	31 May 2020	Third
James Tugendhat	January 2018	December 2020	First

* completed final term and retired from the board.

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.

Stephen Ainger and Jenny Owen completed their final terms and retired from the board in 2018. Doris Olulode and Chris Ham joined the trust in December 2018 and January 2019 respectively.

Further details of each non-executive director can be found on page 45 and also on the trust's website at www.royalfree.nhs.uk

2.1.4 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 the trust works in accordance with national policy, public service values and maintains proper financial stewardship. The chief executive is directly accountable to the board for ensuring its decisions are implemented.

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

Executive director	Position	Date of appointment
Sir David Sloman	Group chief executive	September 2009 and left the trust in February 2019
Caroline Clarke	-Group chief executive -Deputy chief executive (and director of finance until September 2018)	March 2019 January 2011 until March 2019
Peter Ridley	Chief finance and compliance officer	September 2018
Deborah Sanders	Chief nurse	May 2010
Kate Slemeck	Royal Free Hospital chief executive (from February 2018)	February 2011
Dr Chris Streather	Chief medical officer	February 2018

Sir David Sloman resigned as group chief executive in November 2018 to become regional director (London) at NHS Improvement. Sir David left the organisation in February 2019 and Caroline Clarke was appointed group chief executive in March 2019. Peter Ridley was appointed chief finance and compliance officer from September 2018.

Register of interests

The trust is required to hold and maintain a register setting out details of any company directorships and/or significant interests held by board members, which may conflict with their responsibilities as trust directors. The trust board reviews the register at each meeting, a standing item requires all executive and non-executive directors to make known any interests in relation to the agenda and any changes to their declared interests.

The register is held by the trust secretary and is available for public inspection via our website at www.royalfree.nhs.uk or by contacting:

Trust secretary
Royal Free London NHS Foundation Trust
Group headquarters
Anne Bryans House
77 Fleet Road
London NW3 2QG

In accordance with the Care Quality Commission's fit and proper persons standard that applies to all NHS trusts, the board has satisfied itself that all current board members fulfil the requirements.

Political donations

There are no political donations to disclose.

2.1.5 Enhanced quality governance

A new partnership with the Institute for Healthcare Improvement (IHI) saw the IHI visit the trust in November 2017 as part of its programme to embed quality improvement (QI) across the group. Following that visit, the trust identified six priority actions to be implemented:

Strategic guidance and leadership

1. Develop a QI narrative for staff and patients.
2. Increase leadership visibility and ownership for QI.

Capability and capacity

3. Develop recommendations for introducing hospital unit and divisionally-based learning systems to track QI and embed it into routine work.
4. Further develop the ability of divisional and group leaders to lead for improvement.

QI Infrastructure

5. Determine how to provide adequate support to QI projects and QI learning systems.

Signature initiative

6. Determine focus and approach to signature initiative.

2.2 Disclosures as set out in the NHS foundation trust code

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

The purpose of the code of governance is to assist NHS foundation trust boards in improving their governance practices by bringing together the best practice of public and private sector corporate governance. The code is issued as best practice advice but imposes some disclosure requirements.

The Royal Free London NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS foundation

trust code of governance, most recently revised in July, is based on the principles of the UK code of corporate governance issued in 2012 and revised in 2019.

The trust has set out its compliance with the code of governance complies with all aspects of the code.

On B.6.5 the trust considers it is compliant with this provision as a well led review was conducted by the CQC in January 2019. The trust was given an overall rating of 'requires improvement'. The inspection report was received outside of the 2018/19 annual reporting period. An action plan is being developed to respond to the CQC's findings. The trust will be carrying out its own assessment of the collective performance of the council of governors, led by the lead governor, during 2019/20.

Under provision B7.1 of the code of governance, in exceptional circumstances, non-executive directors may serve longer than six years. The length of tenure of each non-executive director is shown below:

Name	Position	Appointed	Term at 31 May 2019
Dominic Dodd	Chairman	1 April 2012*	9 years
Prof Anthony Schapira	Non-executive director	1 April 2012*	9 years
Mary Basterfield	Non-executive director	December 2016	2 years 6 months
Akta Raja	Non-executive director	January 2017	2 years 5 months
Wanda Goldwag	Non-executive director	December 2017	1 year 6 months
James Tugendhat	Non-executive director	January 2018	1 year 5 months
Sir Chris Ham	Non-executive director	January 2019	5 months
Doris Olulode	Non-executive director	December 2018	6 months

*grand parenting provision under the NHS Act 2006 brought over non-executive directors who were serving at the predecessor NHS trust.

Dominic Dodd was reappointed for a term of three years in 2017 (expiry 2020). Jenny Owen was reappointed for a year in 2017, retiring from the board in August 2018 after completing her final term. Anthony Schapira was reappointed for a term of three years in 2017 (expiry 2020).

In advance of each decision by the council of governors to reappoint, the nominations committee considered each case individually. The reviews undertaken by the nomination committee were rigorous and identified exceptional circumstances that warranted reappointment for a term beyond six years. For example, Professor Schapira's reappointment as the UCL appointed non-executive director followed his reappointment as dean of the UCL campus at the Royal Free Hospital. All reappointments were approved by NHS Improvement.

2.2.1 The role of the trust board

The trust board comprises eight non-executive directors, including the chair, and five executive directors, one of which is the group chief executive. All board members have the same legal responsibilities and have collective responsibility for the performance of the trust.

It is also responsible for the implementation of strategy and ensuring its obligations to regulators and stakeholders are met. The decisions reserved for the trust board, and those delegated to its sub committees or officers of the trust, are set out under a formal 'scheme of delegation'. This includes details of the roles and responsibilities of the chair of governors and how disagreements between itself and the board are resolved. Both the scheme of delegation and reservation of powers for the board are regularly reviewed.

The trust board reports to a range of regulatory bodies on performance and compliance matters. During 2018/19 it met its regulatory reporting requirements under NHS Improvement's single oversight framework providing certifications and notifications as required. It is also responsible for ensuring compliance with the trust provider licence, constitution, mandatory guidance issued by NHS Improvement and other relevant statutory requirements.

Strategic priorities are set by the trust board annually. The risks to achieving these priorities are monitored through the Board Assurance Framework (BAF), which provides the board with a systematic process of obtaining assurance to support the mitigation of risks. The BAF is also used to identify potential risks to compliance.

The council of governors is responsible for the appointment of non-executive directors. During 2018/19, the council appointed two new non-executive directors, Sir Chris Ham and Doris Olulode, to replace the two non-executive directors who had completed their final terms.

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

The trust board's composition as at 31 March 2019 was:

53.8% Female (Seven board members)

46.2% Male (Six board members)

Two members of the board (15.4%) are black and minority ethnic

2.2.2 Board members' biographies

Non-executive directors



Mr Dominic Dodd – Chair

Dominic has been chairman of the Royal Free London NHS Foundation Trust since 2012 and also held this role from 2010 before foundation status was awarded. He led the board acquisition of Barnet and Chase Farm Hospitals NHS Trust in 2014 and accreditation in 2016 as an NHS group leader.

He is a director of UCL Partners, the academic health science partnership of which the Royal Free is a founding partner. He is also a trustee of The Kings Fund, an independent

charity working to improve health and social care in England and is a member of NHS Improvement's Chairs' Advisory Group.

He was formerly an executive director of the Children's Investment Fund Foundation, a children's charity. Prior to that he was a managing partner of Marakon Associates, a strategy consulting firm.

Dominic chairs the trust board, the council of governors and the nominations and remuneration committees.



Mr Stephen Ainger

Appointed as non-executive director in 2012 and completed his final term in October 2018.

After graduating with a first in physics from Bath University, Stephen started his career with BP Exploration where he worked in the UK and overseas for 24 years 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 when the company was formed on demerger from BG.

He left Lattice in 2002 to take up the role of CEO of the Charities Aid Foundation (CAF), one of the principal providers of financial services to UK charities and donors in the UK and overseas. He was CEO of CAF until 2006 when he helped start the renewable energy company Partnerships for Renewables (PfR) with the backing of the Ontario Public Sector Pension fund, HSBC and the Carbon Trust where he was CEO until 2016.

Stephen was a member of the clinical standards and innovation committee, group services and investment committee and the remuneration committee.



Ms Jenny Owen CBE

Appointed as a non-executive director in October 2012 and appointed vice chair and senior independent director in July 2014. She finished her final term in August 2018.

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 is vice chair of the Alzheimer's Society. She has been a member of the Kings Fund Advisory Group since 2011 and is a member of the Association of Directors of Adult Social Care where she was president in 2010.



Professor Anthony Schapira

Appointed as a non-executive director in 2012

Anthony Schapira was appointed a consultant neurologist at the Royal Free Hospital and the National Hospital for Neurology and Neurosurgery in 1988, and 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 the principal investigator on several Medical Research Council (MRC) grants for neurodegenerative diseases 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 and to the NHS Independent Reconfiguration Panel in 2019.

Anthony chairs the trust's clinical standards and innovation committee and is a member of the remuneration committee.



Ms Mary Basterfield

Appointed as non-executive director in December 2016

Mary is a qualified accountant and is Group Finance Director at FTSE 100 tech firm Just Eat plc. Her experience spans e-commerce, media, strategy and financial management of businesses undergoing rapid change. Previously, she was chief financial officer for UKTV, Britain's biggest multi-channel broadcaster, chief financial officer UK&I at agency group Dentsu Aegis Network and chief financial officer for Hotels.com at travel technology giant Expedia Group Inc. Mary is currently a trustee of both the National Cancer Research Institute and University College London Students' Union. She has also served as a non-executive director and chair of audit committee for Hounslow and Richmond Community Healthcare NHS Trust.

Mary was appointed senior independent director and deputy chair in August 2018 and is chair of the trust's audit committee, chair of Barnet Hospital local members' council and a member of the remuneration and clinical standards and innovation committees.



Ms Akta Raja

Appointed as non-executive director in January 2017

Akta Raja qualified as a solicitor at Slaughter and May and practiced mainly mergers and acquisitions for five years. She then moved on to the UK mergers and acquisitions team at HSBC Bank plc as an investment banker. She founded her own company, Enhabit Limited, which was responsible for the first passivhaus retrofit – a low energy solution for buildings – in the UK. This business was sold to Ansor Ventures, a firm that incubates startups where Akta is now a partner.

Akta is chair of the Royal Free Hospital local members council, a member of the group services and investment committee, the clinical standards and innovation committee and the remuneration committee. She is also the trust's appointed non-executive director for RFL Property Services Limited.



Ms Wanda Goldwag

Appointed as a non-executive director in December 2017

Wanda has strong commercial leadership experience and a track record of developing and growing customer service businesses. She has a background in marketing and was previously chief executive of British Airways Air Miles, the subsidiary responsible for the airline's loyalty programme.

She has held a number of public appointments and is currently chair of the Office for Legal Complaints, the board which controls the legal ombudsman service for England and Wales, a member of the QC appointments panel and an advisor to Smedvig Venture Capital. Wanda is also interim chair of LEASE (Leasehold Advisory Service) and Chair of the Financial Conduct Authority (FCA) Financial Services Consumer Panel. Wanda has appeared in the Pride Power list 100.

Wanda chairs the group services and investment committee and is a member of the remuneration and audit committees.



Mr James Tugendhat

Appointed non-executive director in January 2018

James is currently managing director of Bright Horizons Family Solutions, a global market leader in early years education with 10,000 employees operating across 400 sites in five countries. Before that he spent more than 10 years in healthcare, including three years based in Boston as chief executive of Health Dialog, a pioneer of population health management, and five years as a non-executive director of Islington Primary Care Trust.

James chairs the people committee and is a member of the population health and remuneration committees.



Professor Sir Chris Ham

Appointed as a non-executive director in January 2019

Professor Sir Chris Ham is former chief executive of health think tank The King's Fund where he held the post from 2010.

Sir Chris was also head of the strategy unit at the Department of Health and at the universities of Birmingham, Bristol and Leeds. He has advised the World Health Organisation and the World Bank and has acted as a consultant to a number of governments.

In 2018, he received a knighthood in the Queen's Birthday Honours List for services to health policy and management.

Sir Chris chairs the population health committee, the Chase Farm Hospital local members' committee and is a member of the remuneration committee.



Doris Olulode

Doris was appointed as a non-executive director in December 2018

She has extensive human resources experience, gained in a career at Ford Motor Company.

Doris held senior positions in the UK and overseas including head of HR, Ford Motor Company, Australia & New Zealand and most recently HR director, Ford Motor Company for Europe, Middle East & Africa with responsibility for around 25,000 employees across 30 countries. She also led Ford's African Ancestry Network.

Doris currently freelances as an HR consultant. She holds the position of non-executive director for the Diocese of Chelmsford Multi Academy Trust and the Chartered Institute of Legal Executives. She is also a lay member to the HM Courts and Tribunal Service.

Doris is a member of the audit committee, the people committee and remuneration committee.

Executive directors



Sir David Sloman

Group chief executive to February 2019

Sir David Sloman was appointed as 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.

Sir David was awarded a knighthood in the 2017 New Year's honours list in recognition of his services to the NHS. He left the trust to take up the role of Director of Health for London and NHS Improvement.



Ms Caroline Clarke

Group chief executive (from March 2019). Previously 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 and group chief executive in March 2019.



Peter Ridley

Chief finance and compliance officer (from September 2018). He joined the trust as director of planning in May 2016.

Previously, he was director of finance and informatics at Royal Surrey County Hospital NHS Foundation Trust and has also worked at the Royal Free London as director of financial operations. Peter is a qualified chartered management accountant and first joined the NHS on its national financial management training scheme. He has worked for a number of NHS organisations, including the Royal Marsden, as well as on assignment with NHS IMAS (interim management and support) and Haringey Primary Care Trust.



Ms Deborah Sanders

Group chief nurse

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

Royal Free Hospital chief executive

Kate Slemeck joined the trust as director of operations in 2011 before being appointed as chief operating officer in 2012 and then chief executive of the Royal Free Hospital in 2018.

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 27 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.



Dr Chris Streather

Group chief medical director

Dr Chris Streather took up the role of Royal Free London group chief medical director in January 2018 following his role as chief executive of the Royal Free Hospital, which he started in June 2017. Prior to joining the trust, he was chief medical officer of HCA International, a private healthcare company. Chris began his career as a renal physician in NHS hospital trusts in Brighton, London and Cambridge. He became medical director at St George's University Hospitals NHS Foundation Trust in 2004, and later director of strategy. In 2008 he was the clinical director for London as the capital's stroke services were comprehensively redesigned.

Chris became the first chief executive officer of South London Healthcare NHS Trust in 2009, and later the managing director of the Health Innovation Network, leading on patient safety nationally. More recently, he was a non-executive director, board quality lead and senior independent director at Kingston Hospital NHS Foundation Trust.

2.2.3 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. Clear succession planning is in place and regularly reviewed. The non-executive directors are considered to be independent in character and judgment and the board believes it has the correct balance in its composition to meet the requirements of an NHS foundation trust.

2.2.4 Board meetings and directors' attendance

Trust board meetings are held in public unless there is confidential or sensitive information to be discussed. Board agendas are 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, other group directors and the hospital chief executives routinely attend board meetings in order to help inform debate. Governors have a standing invitation to attend each formal meeting and the lead governor attends all board meetings.

Regular informal briefings and seminars on specific topics or services are provided outside the formal meeting structure, to explore complex issues in more depth. A comprehensive programme of scheduled 'go see' service visits across the trust sites are also undertaken to which both board members and governors attend.

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 all other board members and governors. Key external stakeholders are also invited to comment. 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 group chief executive, with input from the chair regarding their role as board members 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 for the ensuing year. All appraisals involve 360 degree evaluation and feedback.

The board holds periodic development sessions during the year. A development programme ensures the board:

- is fit to govern a foundation trust
- is able to set performance standards (informed by research into high performing boards)
- has an annual process for reviewing performance against these standards
- successfully manages, competing priorities and future challenges against the trust's 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 the whole organisation.

The trust board met on 11 occasions throughout the reporting period. Details of attendance by voting board members are given in the following table:

Non-executive director	Board attendance	Executive director	Board attendance
Dominic Dodd - chair	11/11	Sir David Sloman	9/10
Stephen Ainger	6/6	Caroline Clarke	10/11
Wanda Goldwag	11/11	Deborah Sanders	10/11
Jenny Owen	4/4	Kate Slemeck	10/11
Prof Anthony Schapira	11/11	Dr Chris Streater	10/11
James Tugendhat	10/11	Peter Ridley	7/7
Mary Basterfield	11/11		
Akta Raja	9/11		
Doris Olulode	4/4		
Sir Chris Ham	1/3		

*A joint council of governors/board seminar was held on 26 March 2019 to discuss the annual plan. Attendance is recorded in the council of governors' section.

Board meetings are also attended by other group directors, the chief executive of Barnet Hospital and the lead governor:

- David Grantham – chief people officer
- Emma Kearney - chief communications officer
- Dr Steve Shaw - Barnet Hospital chief executive
- Judy Dewinter – lead governor

These additional attendees do not have voting rights.

Council of governors' meetings

During 2018/19, non-executive directors attended council of governors' meetings (both informal and formal), which enabled them to listen to governors' views and concerns and to respond directly to any questions raised.

The chair meets monthly with the lead governor, ensuring governor input is incorporated into the planning process for council meetings.

Governor involvement in board activities and trust events

Governors attend the following trust board committees: group services and investment; clinical standards and innovation; quality improvement and leadership; population health and people. The lead governor attends the confidential part of the board.

They are also invited to attend a number of events throughout the year, giving them the opportunity to influence decisions being made. This year they attended a presentation from

the trust's chief communications officer and a presentation by the chief people officer on the trust's approach to bullying and harassment.

Annual members' meeting

The annual members' meeting was held on 16 July 2018. The annual report and accounts were presented and a briefing given on the overall performance of the trust in the previous year. This meeting also created an opportunity for governors to engage with the wider membership.

Joint board of directors' and council of governors' meeting

This meeting, in March 2019, enabled board members and governors to focus on priorities for the annual plan.

2.2.5 The Royal Free London group and its committee structures

In 2018, the trust reviewed its management decision making structure. The overarching group board focuses on realising the vision of the Royal Free London group. During 2018 the committee structure was also revised to ensure it meets the needs of the organisation and a number of new committees chaired by non-executive directors were established. The non-executive director led committees of the trust board are:

- The group services and investment committee, chaired by Wanda Goldwag.
- The clinical standards and innovation committee, chaired by Professor Anthony Schapira
- The population health committee, chaired by Chris Ham
- The people committee chaired by James Tugendhat
- The remuneration committee chaired by Dominic Dodd.

There is also an independent audit committee chaired by Mary Basterfield.

For part of the year, the trust also held a monthly quality improvement and leadership committee. This was chaired by Jenny Owen whose tenure as a non-executive director ended in August 2018.

The group holds a weekly group executive committee, chaired by the group chief executive, to ensure its vision is delivered. Barnet Hospital, Chase Farm Hospital and the Royal Free Hospital now have their own local executive committees in place with greater autonomy over decision making at an operational level. Each hospital also has its own patient and staff experience and workforce committee, finance and performance committee and a clinical performance and patient safety committee.

This report covers a period of transition in terms of group level board committee arrangements which are summarised in the table below:

Board Committees at 31 March 2018	Board Committees at 31 March 2019
Audit committee	Audit committee
Group executive committee	Group executive committee
Group services and investment committee	Group services and investment committee
Clinical performance committee	Clinical standards and innovation committee
Quality improvement and leadership committee	Population health committee
Remuneration committee	People committee
	Remuneration committee

During 2018, the board approved the terms of reference detailing the role, duties and the delegated authority of each board committee. Committees routinely report to the trust board. The audit committee, as the senior independent committee of the trust board, undertakes a yearly self-assessment of effectiveness and provides an annual report on its performance. All committees, with the exception of the group executive committee, are chaired by a non-executive director, and a number of board responsibilities are delegated to these committees.

Clinical standards and innovation committee

The clinical standards and innovation committee is responsible for ensuring the reduction in variation in clinical practices across our hospital sites and throughout the group, and that the latest clinical innovations are applied effectively resulting in gains in safety, quality and value for money.

It met seven times in the reporting period. Three governors attended the committee as observers between May and September 2018, and two governors thereafter.

	Attendance
Non-executive directors	
Professor Anthony Schapira	7/7
Mary Basterfield*	2/4
Stephen Ainger**	3/3
Akta Raja***	2/2
Wanda Goldwag****	1/1
Executive directors	
Dr Chris Streather	5/7
Deborah Sanders	4/7

*In May 2018, Ms Basterfield temporarily ceased to be a member of the committee due to existing personal commitments that meant it was not possible for her to attend the Monday meetings. She resumed the role from January 2019 following the rescheduling of meeting dates.

**Mr Ainger agreed to join the committee on a temporary basis to fill the non-executive position that had become available following Ms Basterfield's temporary departure. He fulfilled this role up until his term of office ended on October 2018.

***Ms Raja became a member in January 2019.

****Ms Goldwag deputised as the third non-executive member at the November 2018 meeting following Mr Ainger's departure.

The group services and investment committee

The group services and investment committee is responsible for seeking and securing assurance that the group is delivering clinical and non-clinical services at a lower cost and higher quality than could be achieved without a group model. It focuses on and facilitates opportunities for consolidating, standardising and commercialising group services and investigating new opportunities.

The committee met 10 times during 2018/19. Three governors attended the committee as observers up until September 2018, and two governors thereafter.

	Attendance
Non-executive directors	
Wanda Goldwag (chair)	10/10
Stephen Ainger**	6/6
Akta Raja	9/10
Dominic Dodd*	1/1
Executive directors	
Kate Slemeck	8.5/10
Caroline Clarke	9/10
Dr Chris Streather	9/10
Peter Ridley ***	5/6
David Sloman****	3/7

*Mr Dodd stood down as a member of the committee in May 2018.

** Mr Ainger's term of office ended in October 2018.

***Mr Ridley became a voting member of the committee in September 2018 following his appointment as chief finance and compliance officer.

****Mr Sloman stood down as chief executive of the trust, and therefore a voting member of the committee, in January 2019.

Quality improvement and leadership committee

The quality improvement and leadership committee was responsible for quality improvement, leadership and patient and staff experience. At its meeting on 27 June 2018, the board formally ratified the decision to disband the quality improvement and leadership committee and replace it with a people and population health committee.

The committee met four times during the reporting period. The last meeting was held in July 2018 in line with Ms Owen's tenure as a non-executive director coming to an end in August 2018. Three governors attended the committee as observers.

	Attendance
Non-executive directors	
Jenny Owen (chair)	4/4
Professor Anthony Schapira	3/4
Stephen Ainger*	1/2
Executive directors	
Kate Slemeck	2/4
Dr Chris Streather	2/4
Deborah Sanders	3/4

*Mr Ainger stood down as a member of the committee following the May 2018 meeting to take up his role as non-executive director member of the clinical standards and innovation committee.

Population health and pathways committee and people and population health committee

The population health and pathways committee started in April 2018. It was responsible for ensuring matters of strategic positioning; that the group had effective patient pathways; that the group was recruiting, developing and retaining talent; and that patient and staff experience was improving across the organisation.

Following the disbanding of the quality improvement committee in July 2018, the committee was renamed the people and population health committee in recognition of its greater focused staff and patient experience agenda.

The committee met five times during the reporting period. Four governors attended the committee as observers up until July 2018, and two governors thereafter.

	Attendance
Non-executive directors	
James Tugendhat (chair)	5/5
Dominic Dodd	5/5
Professor Anthony Schapira*	0/3
Sir Chris Ham**	1/1
Doris Olulode***	1/1
Executive directors	
Caroline Clarke	4/5
Sir David Sloman****	1/2
Deborah Sanders	4/5
Dr Chris Streather	3/5

*Due to existing personal commitments it was not possible for Professor Schapira to attend the meetings as scheduled.

** Sir Chris Ham joined the committee in January 2019 following his appointment as a non-executive director.

*** Ms Olulode joined the committee in January 2019 following her appointment as a non-executive director.

**** Sir David Sloman ceased to be a member of the committee from July 2019, with Ms Clarke filling that position in her role as deputy group chief executive.

The committee was also attended by the trust's associate non-executive director, Ms Vineeta Manchanda from April to November 2018. Ms Manchanda was not a voting member of the board but attended the committee in her capacity as an observer.

Population health committee and people committee

Due to the likelihood that work on the development of an integrated care system across north central London would accelerate, the board agreed, in January 2019, to separate out the work of the people and population health committee into two committees – a people committee and a population health committee. There were some minor changes to the membership of both committees.

The **population health committee** held its first meeting in February 2019, with specific focus on matters of strategic positioning and ensuring the group had effective patient pathways resulting in better prevention, earlier diagnosis, more successful treatment, and greater value for money.

The committee has met once in the reporting period. Two governors attend the committee as observers.

	Attendance
Non-executive directors	
James Tugendhat (chair)*	1/1
Dominic Dodd	0/1
Professor Anthony Schapira	0/1
Sir Chris Ham	1/1
Executive directors	
Caroline Clarke	1/1
Deborah Sanders	1/1
Dr Chris Streather	1/1

*Mr Tugendhat chaired the first meeting of the population health committee. Future meetings would be chaired by Sir Chris.

The **people committee** held its first meeting in March 2019, with specific focus on ensuring the group was recruiting, developing and retaining talent, and that patient and staff experience was improving across the group. It is also responsible for overseeing the trust's equality agenda.

The committee has met once in the reporting period. Two governors attend the committee as observers.

	Attendance
Non-executive directors	
James Tugendhat (chair)	1/1
Dominic Dodd	0/1
Doris Olulode	1/1
Executive directors	
Deborah Sanders	1/1
Dr Chris Streather	0/1

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 controls.

It also monitors the integrity of the trust's financial statements, in particular the annual report and accounts, and the work of internal and external audit and local counterfraud providers, and any actions arising from that work.

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

The committee met five times in the reporting period. There is no governor observer on this committee.

	Attendance
Non-executive directors	
Mary Basterfield (chair)	5/5
Stephen Ainger*	2/2
Akta Raja**	2/3
Wanda Goldwag	5/5
Doris Olulode***	2/2
Executive directors	
Caroline Clarke****	1/1
Peter Ridley****	4/4

*Mr Ainger's term of office as non-executive director ended in October 2018.

**Following a change in non-executive director portfolios, Ms Raja stood down as a member of the audit committee after the November meeting.

***Ms Olulode joined the audit committee in January 2019.

****Following a change in executive roles in September 2018, Mr Ridley replaced Ms Clarke as the trust's chief finance officer thereby taking on the role of voting executive member on the audit committee.

During the year, members also attended an annual accounts workshop in May to review the trust's annual accounts and quality report 2017/18 in advance of its submission to the audit committee meeting later that month for approval.

Remuneration committee

The remuneration committee is made up exclusively of non-executive directors and reviews executive director pay and performance. It sets improvement objectives and target levels of performance before the start of the financial year. At the end of the year it reviews the assessments of director performance made by the chief executive, and of the chief executive by the chair. It also oversees the pay of senior staff on very senior manager or senior manager pay, including any employed in trust wholly-owned subsidiary companies, taking the advice of the chief executive and other executive directors where necessary.

The chief people officer attends each meeting in an advisory capacity.

The committee met five times in the reporting period. There is no governor observer on this committee.

	Attendance
Non-executive directors only	
Dominic Dodd (chair)	5/5
Wanda Goldwag	5/5
James Tugendhat	4/5
Akta Raja	4/5
Mary Basterfield	5/5
Professor Anthony Schapira	5/5
Stephen Ainger*	3/3
Jenny Owen**	2/2
Doris Olulode***	1/1
Sir Chris Ham****	1/1

* Mr Ainger's term of office as non-executive director ended October 2018.

**Ms Owen's term of office as a non-executive director ended August 2018.

***Ms Olulode joined the trust as a non-executive director from 1 December 2018.

****Sir Chris joined the trust as a non-executive director from 1 January 2019.

Group executive committee

This is the senior management committee of the trust and is chaired by the group chief executive. The group executive committee is responsible for the operational management of the group, overseeing Barnet Hospital, Chase Farm Hospital and Royal Free Hospital, providing strategy and direction and leading the development of clinical practice groups and the group's improvement facility. It meets weekly, with one meeting a month attended by the hospital chief executives and group director of clinical practice groups. It also holds regular performance improvement meetings with the hospital leadership teams, group clinical services and corporate services, plus a monthly executive finance committee. This way a close working relationship is maintained between the group and local executive teams while ensuring group-wide issues can be discussed.

2.2.6 Audit committee annual report 2018/19

Purpose of the report

The annual report has been prepared for the attention of the trust board and reviews the work and performance of the audit committee during 2018/19 in satisfying 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 Single oversight framework.

Overview

The audit committee is the senior independent non-executive committee of the trust board. Through the audit committee, the trust board ensures that robust internal control arrangements are in place and regularly monitored. The audit committee regularly reviews the group board assurance framework (BAF) and is therefore able to focus on risk, control and related assurances that underpin the delivery of the group's strategic priorities.

The audit committee 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; 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.

Compliance with terms of reference

During the reporting period, the audit committee has been chaired by Mary Basterfield. The committee is attended by other non-executive directors listed in the table below. The internal and external auditors and providers of local counter fraud services attend all meetings of the committee in addition to the chief finance and compliance officer, although they are not members of the committee. Other members of the senior 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.

After every audit committee meeting 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

The audit committee met five times during the year. There were a number of changes to membership due to alterations in portfolios, non-executive director appointments and tenures.

	Attendance
Non-executive directors	
Mary Basterfield (chair)	5/5
Stephen Ainger*	2/2
Akta Raja**	2/3
Wanda Goldwag	5/5
Doris Olulode***	2/2
Executive directors	
Caroline Clarke****	1/1
Peter Ridley****	4/4

Members also attended an annual accounts workshop in May to review the trust's annual accounts in advance of their submission to the audit committee meeting later that month for approval and subsequent sign off at the trust board.

Work and performance of the audit committee during 2018/19

The audit committee has largely adhered to its work programme. The majority of reports scheduled for each audit committee meeting have been received on time.

During 2018/19, the audit committee has remained observant of the key financial, operational and strategic risks facing the trust through regular reviews of the group BAF and through internal sources of assurance and validation, including through the group's board committees. The audit committee has reviewed progress reports and evaluated the major findings of internal and external audit work.

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

Data quality	Group governance and evolution
The audit committee has overseen the development of the trust's data quality improvement programme. It has requested regular updates in respect of the data quality strategy and work underway to improve the robustness of data. It has been pleased to see the evolution of the trust's data quality improvement with comprehensive reports at each meeting providing greater assurance in respect of	The committee recognised the importance of ensuring the trust's governance processes were robust particularly in light of the group model. It has requested updates in respect of the trust's well-led self-assessment which dovetailed with the Care Quality Commission's (CQC) regulatory assessment. Specific focus has been on at what point the committee could take assurance that the basic governance

<p>the robustness of the data. This has been helped by the introduction of the data quality dashboard, a better functioning data warehouse, an annual programme of manual audit, plus tighter and more formal control of changes to the trust's business systems. A particular focus of the audit committee throughout the year has been the monitoring of the overdue recommendations arising from the internal audit review of data quality. There is now greater ownership of those with real progress and traction being seen in closing off the actions for improvement.</p>	<p>structure and processes were in place and operating effectively, with reporting from site level to group level and triangulation of information and data taking place. It has requested that any output from the well-led follow up work requiring the audit committee's attention be programmed into its meetings.</p> <p>In preparing their operational plan 2019/20, the trust's internal auditors have developed three separate risk maps to reflect the complexity of the group operating structure and the different levels of operations across the organisation. They will update their plan in year should the trust's risk profile change. In light of the publication of the CQC's report on its inspection of the trust in December 2018, the audit committee asked that internal audit review the trust's internal operational plan for the year ahead to see if there was any additional risk emerging that could benefit from its input.</p>
<p>Group BAF</p>	<p>Speaking up</p>
<p>The committee has undertaken regular scrutiny of the group BAF, examining whether the detail within adequately reflected the strategic risks to the trust and that these were scored appropriately, and the process around which the BAF was created and managed. The audit committee has recommended a number of amendments to existing risks - data quality and capital and financing. During the reporting period, the audit committee agreed that there was no new issue on the BAF that needed to be programmed into its forward meeting agenda.</p>	<p>The committee has received regular updates on 'speaking up' (whistleblowing) noting the number of new cases and cases closed and the progress made on raising the profile of speaking up across the organisation. A member of the committee is also the lead for speaking up and bullying and harassment and that has been helpful in bringing an independent, non-executive view of how these processes are faring. The audit committee has heard from speaking up champions first-hand on their experience of speaking up and supporting colleagues that have raised a concern. We were pleased to note that steps had been taken to ensure there was now closer links between speaking up and concerns raised via Datix, the trust's incident reporting system. Through the year, the audit committee has noted the increase in speaking up cases reported across the organisation and sought assurance that there was capacity to manage that workload.</p>

Bullying and harassment (B&H)	Cash position
<p>The audit committee has sought assurance on the trust's improvement actions in respect of B&H, particularly as speaking up champions were being trained on dealing with such incidents. Specific focus has been on work related performance matters and ineffective line management that could lead to B&H claims, and ensuring all staff were supported with training when moving into new managerial roles. The audit committee requested that non-executive directors speak with staff about B&H when undertaking their go-see visits.</p>	<p>The audit committee has wanted to understand the trust's approach to operating within a cash constrained environment, and to be sighted on the cash position and whether it was deteriorating as soon as possible. It has requested regular updates at every meeting, with particular emphasis on a forward-looking view of the trust's capital position and asked that any major risks and issues be highlighted verbally.</p>
Serious incidents	
<p>An element of the audit committee's role is to review the work of the other committees, both at a local and group level within the organisation to identify areas where additional assurance is required. A focus of the audit committee this year has been the trust's serious incidents (SIs) which the group clinical standards and innovation committee (CSIC) has remained observant of, a key aspect of its work in respect of ensuring patient safety. Due to an increase in the number of SIs being reported and the impact on staff and timeliness of investigations, CSIC agreed new proposals for managing overdue and unapproved incidents, such as batch closure. The audit committee recognised that this was an important area for focus and has asked, as part of the 2019/20 internal audit plan, that the internal auditors undertake a follow up review of the new processes to ensure they are effective.</p>	

The audit committee has received regular reports on counter fraud activity at the trust, ensuring appropriate action in matters of potential fraudulent activity and financial irregularity. Upon completion of a counter fraud investigation, the audit committee receives a closure report setting out the findings and confirming whether or not a fraud has been committed. The audit committee 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 judgment within the financial statements and the approach taken by management. The audit committee holds an annual workshop to scrutinise the accounts and receives an analysis of the key movements within the financial statements and the main areas of judgment. The audit committee also approves, where necessary, any changes to accounting policies.
- **Risk of fraud in revenue and expenditure recognition** – Where significant financial variances are identified, it is normal practice for the audit committee to receive an exception report. It would also be briefed on any instances where significant risk, such as significant sums of money or reputational risk facing the trust as a result of suspected fraud etc. had been identified.

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. Audit committee members, local counter fraud services, internal audit and external audit colleagues plus colleagues from the finance department are asked to respond to a series of questions related to behaviours and processes, with each rated from one (hardly ever/poor) through to five (all of the time/fully satisfactory).

Overall, all the questions were rated positively having scored a mixture of 'most of the time/above average' and 'all of the time/fully satisfactory' ratings. Two areas in particular were scored highly by all respondents; quality of chairmanship and frank, open working relationship with executive directors. No real issue required follow up, but the audit committee will look at those areas where a neutral rating was given to determine whether any improvement was required. A request was made, however, that the audit committee should link with the group services and investment committee so that members were sighted on what was being developed across the trust and emerging areas of risk.

Non-audit committee group 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' and 'needs improvement'. Those that participated rated the committee's performance as 'strong' overall which was based on the evidence provided from the committee to the trust board meetings.

External audit

Appointment of the trust's external auditors

The trust's external audit services have been provided by PricewaterhouseCoopers (PwC). PwC has provided its services to the trust since 2012, with its most recent appointment approved by the council of governors, following a robust and competitive tender exercise, for a further three years in October 2017 with the option to extend the contract for two additional years.

The audit committee approved the external audit plan 2018/19 which outlined how PwC planned to discharge its audit duties for the financial year and, as part of that, considered the risks which were thought to be either significant or elevated in relation to PwC's audit for the year ended 31 March 2019; debt provision and group consolidation and accounting

considerations. It also approved the external audit fee which covered an additional amount for accounting advice on property transactions.

Throughout the year, the audit committee has received and reviewed progress reports from PwC in delivering its responsibilities as the trust's external auditor, together with other matters of interest such as key technical areas and sector updates. Furthermore, the audit committee has discussed with PwC those accounting matters and/or judgements expected to impact on the 2018/19 year end and its audit work. This item was requested in order to draw members' attention, in good time, to those areas where either heightened audit focus or material changes to the way items were accounted for were needed.

PwC had arranged and held regular meetings with the trust's finance team to discuss technical matters ahead of year end and their accounts and audit process.

The audit committee has confirmed throughout the year that the risks identified in the external audit plan have remained 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 council of 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, 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.

As with previous years, responses to the survey were generally positive, with 11 out of 19 statements rated as 'strongly agree' or 'agree'. For the purposes of reflection and continuous improvement, the audit committee and PwC will follow up on those areas where additional commentary was given to support a number of 'neither agree nor disagree' and 'disagree' ratings: audit team, council of governors engagement and the timeline for PwC's assurance of the trust's quality account.

Independence of 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 confirmed that there is no matter which it perceives has impacted on its independence or the objectivity of the audit team, nor has it provided any services to the trust.

Internal audit

During the reporting period, the trust's internal audit services have been provided by KPMG. KPMG was reappointed in April 2017 for a period of three years with the option to extend for a further year.

The audit committee received and approved the draft internal operational plan for 2018/19 subject to a number of additions to the scope of some reviews. A specific request was made for KPMG to seek greater feedback from staff, specifically those users of the trust's systems and processes, as part of their reviews.

Sufficient work was undertaken to provide evidence to support the head of internal audit opinion (HoIA opinion), which in turn contributes to the assurances available to the trust

board in its completion of its annual governance statement. The HoIA Opinion 2018/19 was received in draft form at the audit committee in March, with the wording and overall opinion conformed in May 2019. For the period 1 April 2018 to 31 March 2019 an overall rating of **‘significant assurance with minor improvements required’** was given on the overall adequacy and effectiveness of the trust’s framework of governance, risk management and 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’. There were only two internal audits where limited assurance was given.

Significant assurance with minor improvement potential (Amber-Green)	Partial assurance with improvements required (Amber-Red)
<ul style="list-style-type: none"> • Digital strategy and governance • Hospital governance and risk management • Serious incidents • Complaints management • Medicines management and high cost drugs • Capital accounting and financing • Financial controls • Retention strategy • Business continuity • Outsourced contracts 	<ul style="list-style-type: none"> • General Data Protection Regulation implementation • Data quality - national performance indicators

The audit committee noted the conclusions and accepted the recommendations arising from the internal audit reviews of which there were 66 arising from the 2018/19 work programme. It has continued to receive status reports on implementing the recommendations at each meeting. The audit committee has focused on ensuring overdue recommendations were being addressed, especially those considered high priority, and reiterated its request to see new recommendations actioned by the deadlines set and for there to be zero overdue recommendations.

Review of effectiveness of the trust’s internal auditors

The audit committee undertakes an annual review of effectiveness of the internal audit provision. Participants comprising committee members and senior finance managers were asked to rate 14 statements related to behaviours and processes in the following areas: mandate and strategy, organisation and structure, stakeholders, audit fee, leadership, risk assessment and planning, execution, reporting and overall. One statement was for management response only. Respondents were asked to provide any additional comments by exception only.

Overall, responses to the survey were very positive with the majority of statements (eight out of 14) having been rated as either ‘strongly agreeing’ or ‘agree’. There were six statements where a limited number of respondents had provided a rating of ‘neither agree nor disagree’. Two statements received a ‘disagree’ rating albeit from one respondent per statement. There was no ‘strongly disagree’ rating. In terms of forward action, it was suggested that consideration needed to be given on ensuring evolution of

the Royal Free London group was considered in the audit plan, the format of the review reports and KPMG's attendance at local site executive committees and other such meetings.

Financial matters

Tender waivers - the audit committee receives reports of all single tender actions above £30,000 at each meeting and requests additional information where it is not satisfied with the explanation provided. During the reporting period, the committee requested trend data be included within the report.

Losses and special payments - a report on losses and special payments is also presented to each meeting.

The audit committee has also covered the following financial issues throughout the year:

- Private patient outstanding debt
- Private patient credit facility
- Subsidiary financial governance
- Approved revised standing financial instructions including the scheme of delegation.

Risk of fraud in revenue and expenditure recognition – where significant financial variances are identified, it is normal practice for the audit committee to receive and exception report. It would also be briefed on any instances where significant risk, such as significant sums of money or reputational risk facing the trust as a result of suspected fraud etc. had been identified.

The audit committee has considered the risks would which were thought to be either significant or elevated in relation to PwC's audit of the trust for the year ended 31 March 2019:

- Fraud in revenue recognition
- Fraud in expenditure recognition
- Management override of controls
- Valuation of property, plant and equipment
- Going concern and financial stability
- Allowance for doubtful debts provision
- Group consolidation and accounting considerations
- Value for money conclusion

Anti-fraud

During the reporting period, the trust's local counter fraud services have been provided by RSM. RSM were reappointed in April 2017 for a period of three years, with an option to extend for a further year.

The audit committee approves an annual counter fraud work plan. It also receives a report at each meeting detailing cases of possible fraud and the outcome of any investigations. Progress in respect of proactive work and themed reviews is also reported and has included a focus on overseas visitors, fraud and bribery matters arising from speaking up processes and the fraud and bribery risk assessment. The audit committee monitors the implementation of any recommendations made by RSM by way of a management action

tracker. The tracker also monitors those cases that have been referred back to the trust's employee relations team for follow up and would remain on the tracker until RSM was confident that these could be closed off. The audit committee 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 2018/19, 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.

Review of effectiveness of the counter fraud provision

It is good practice for the audit committee to review the effectiveness of the trust's local counter fraud services (LCFS) on at least an annual basis and the NHS audit committee handbook supports this position.

Respondents were asked to complete a checklist comprising 14 statements related to behaviours and processes in the following areas: quality control processes, LCFS team, liaison with management, LCFS fee, audit communications and governance. Five of those statements were expected to be rated by management only. Ratings were strongly agree, agree, neither agree or disagree, disagree and strongly disagree. Respondents were asked to provide any additional comments by exception only.

For the 2018/19 assessment round, feedback was sought from a wider audience across finance and workforce on seven of the questions in respect of the LCFS team, liaison with management, audit communications and governance. Responses were provided by the overseas visitors' team, medical workforce, employee relations and commercial finance.

Other board members (i.e. those that do not attend the audit committee) were asked to also complete the assessment but all felt they were unable to respond as they had very little, if any, interaction with counter fraud colleagues.

Overall, the feedback was mixed, with individual questions having received various different ratings, with exception of 'strongly disagree'. Despite this, there were a number of statements where the majority of responses were in the positive categories, in particular; the quality of the control processes throughout the firm were considered adequate and there was regular trust liaison with suitable qualifications and access to suitably qualified staff. Follow up in respect of those areas where 'disagree' ratings were provided and where supplementary comments were made (i.e. liaison, communications and governance) will be undertaken accordingly.

Accounting policies

The audit committee has not been required to consider and approve any such policies within the year.

Audit committee report to trust board

Throughout the year, the audit committee has submitted a regular report to the trust board. The report has covered the key items discussed at the meetings, provided assurance to the board on the assurance items chosen by the audit committee, and highlighted any risks to the trust. The confirmed minutes of each meeting, redacted where deemed necessary, are

also presented to the trust board and, once a year, the audit committee submits its annual work plan to the trust board for noting.

Priorities for 2019/20

The audit committee will continue to carry out its current functions, modified to accommodate the group model structures and requirements, and will give particular focus to the following:

- Data quality
- Bullying and harassment
- Information and cyber security
- Cash flow
- Speaking up
- Linkage with the group services and investment committee.

Conclusions

The audit committee has been proactive in requesting reports in areas of concern in both financial and non-financial areas. The audit committee will continue its increased focus during 2019/20 on following up internal and external reports where limited assurance has been given and ensuring that gaps in controls are identified and monitored as the trust's group model structure evolves.

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

2.2.7 Council of governors

The council of governors (CoG) comprises of up to 31 elected and appointed governors who provide an important link between the trust, our patients, staff, local communities and key stakeholders.

The trust's constitution sets out the key responsibilities of the CoG. Its general functions are to:

- hold the non-executive directors individually and collectively to account for the performance of the trust board; and
- 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 trust keeps the CoG fully informed on all aspects of performance through formal council meetings, attendance by nominated governors at each of the trust's committees and at other key meetings. The period 1 April 2018 to 31 March 2019 represents the CoG's seventh full year of working.

Membership of the council of governors

Members of the trust, be they public, patient or staff are all able to stand for election to the CoG provided they are 16 years of age and are resident in the constituency for which they are standing. Elected members of the CoG are chosen by their constituency. 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 the CoG.

Composition of council of governors

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

6 staff governors who must include at least one member of staff from each of the three main trust sites

7 appointed governors comprising two commissioner governors representing clinical commissioning groups (CCGs) in north central London and Hertfordshire respectively and four local authority governors appointed by Camden, Barnet and Enfield councils and Hertfordshire district and county councils and one university governor.

The table below sets out the council of governors as at 1 April 2019:

Constituency	Name of governor	Appointed/elected	End of term
Appointed (university)	Prof Hans Stauss	01/04/12	30/09/20
Appointed (LB Camden)	Cllr Abi Wood	16/06/17	15/06/20
Appointed (LB Barnet)	Cllr Peter Zinkin	14/09/15	30/09/20
Appointed (Herts councils)	Cllr William Wyatt-Lowe	22/12/14	30/09/20
Appointed (LB Enfield)			
Appointed (NCL CCGs)	Mr Ian Bretman	12/02/18	11/02/21
Appointed (Herts CCGs)			
Patient	Mrs Judy Dewinter	01/04/15	01/04/21
Patient	Ms Linda Davies	01/04/15	01/04/21
Patient	Dr Stephen Cameron	01/04/15	01/04/21
Patient	Mr Peter Atkin	01/10/14	30/09/20
Patient	Ms Frances Blunden	01/10/14	30/09/19
Patient	Mr David Bedford	01/10/17	30/09/19
Patient	Ms Sneha Bedi	01/10/17	30/09/19
Patient	Mr David Myers	01/10/14	30/09/20
Public	Ms Jude Bayly	01/10/17	30/09/20
Public	Dr Anthony Isaacs	01/10/14	30/09/20
Public	Ms Lata Mistry	01/10/14	30/09/19

Public	Dr Richard Stock	01/10/14	30/09/20
Public	Mr David Daniels	01/10/17	25/05/18 (resigned)
Public	Dr Effiong Akpan	01/10/17	30/09/19
Public	Ms Maria Higson	01/10/17	04/02/19
Public (ROE)	Prof Paul Ciclitira	01/10/17	30/09/20
Staff	Dr Banwari Agarwal	01/10/17	30/09/20
Staff	Mr Wale Bakare	01/10/17	04/04/19 (resigned)
Staff	Dr Nicholas Macartney	01/10/17	30/09/20
Staff	Mrs Marva Sammy	01/10/17	30/09/20
Staff	Dr Tony Wolff	01/10/14	30/09/20
Staff	Mr George Verghese	01/10/17	30/09/20

During 2018/19, Maria Higson (public governor) and Wale Bakare (staff governor) resigned. There are currently four vacancies on the CoG; two public governor roles, one staff governor role and an appointed governor for Hertfordshire clinical commissioning group which the trust is seeking to fill.

Governors' initial terms of office started on 1 April 2012 – the day the Royal Free London 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 re-appointment at the end of that period. Governors may not hold office for more than six consecutive years. Terms of office may be ended by resolution of the CoG following a procedure laid down in the trust's constitution.

Lead governor

The CoG elected Judy Dewinter (patient governor) to be lead governor at its meeting on 14 April 2018 for a two-year term. 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 is necessary.

The lead governor is responsible for communicating to the chair any comments, observations or 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, one-to-one meetings if required and informal governor-only sessions. The lead governor attends the trust board as an observer.

Register of interests

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

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 attend formal CoG meetings and there are provisions in the constitution relating to non-attendance at three consecutive meetings. The CoG met formally on five occasions during 2018/19. All meetings were held in accordance with the trust constitution. During the relevant period no expenses were paid to governors.

All meetings were chaired by the trust chair, with representation from non-executive directors.

In 2018/19, the lead governor held informal COG meetings at which a non-executive director attended on rotation. The CoG did not exercise its formal 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 or the directors' performance of their duties.

Any disputes between the CoG and the board will be attempted to be resolved informally by the chair in the first instance. If this is not possible, the trust has a dispute resolution procedure set out in its constitution. There have been no such disputes in 2018/19. As well as formal meetings, governors have attended a number of informal sessions on a range of topics including understanding the trust's policy on bullying and harassment, signposting of complaints, communications and engagements. These were designed to support development and provide induction for new governors.

The table below summarises the attendance of governors at formal meetings of the CoG during 2018/19.

Present members of the council

Constituency	Name of governor	Attendance
Appointed (university)	Prof Hans Stauss	5/5
Appointed (LB Camden)	Cllr Abi Wood	4/5
Appointed (LB Barnet)	Cllr Peter Zinkin	4/5
Appointed (Herts councils)	Cllr William Wyatt-Lowe	4/5
Appointed (LB Enfield)		
Appointed (NCL CCGs)	Mr Ian Bretman	2/2
Appointed (Herts CCGs)		
Patient	Mrs Judy Dewinter	5/5
Patient	Ms Linda Davies	5/5
Patient	Dr Stephen Cameron	4/5
Patient	Mr Peter Atkin	4/5
Patient	Ms Frances Blunden	5/5

Patient	Mr David Bedford	5/5
Patient	Ms Sneha Bedi	5/5
Patient	Mr David Myers	4/5
Public	Ms Jude Bayly	5/5
Public	Dr Anthony Isaacs	4/5
Public	Ms Lata Mistry	5/5
Public	Dr Richard Stock	5/5
Public	Dr Effiong Akpan	5/5
Public (ROE)	Prof Paul Ciclitira	5/5
Staff	Dr Banwari Agarwal	2/5
Staff	Dr Nicholas Macartney	4/5
Staff	Mrs Marva Sammy	4/5
Staff	Dr Tony Wolff	5/5
Staff	Mr George Verghese	5/5

Past members of the council

Constituency	Name of governor	Attendance
Public	Ms Maria Higson	3/3
Public	Mr David Daniels	0/1
Staff	Mr Wale Bakare	5/5

Other meetings of the council of governors

The CoG can establish sub-committees which report directly into, and can make recommendations to, the CoG. The nominations committee is the sole sub-group currently in place.

In 2018/19, the CoG created three local members' councils (LMCs), the remit of which is to promote engagement with members and the public at each of the main clinical sites of the trust: Barnet Hospital, Chase Farm Hospital and Royal Free Hospital. LMCs are chaired by non-executive directors and the chief executives of the hospitals will attend. Governors have been assigned to each LMC. The creation of LMCs reflects the conclusion of the council that, with the introduction of a devolved group, the council requires new ways to be able to reach out to membership and the public to ensure it continues to meet its statutory obligations around representing the interests of members and the public. LMCs report back to each full council.

A joint meeting of the trust board and the CoG took place in March 2019, which focused on the trust's strategic planning and annual plan.

Governors continue to attend the trust board's committees: group services and investment, clinical standards and innovation and population health and people.

Duties and functions

The trust's constitution describes a number of statutory responsibilities, which are enshrined in law and include some additional powers as a result of amendments to the 2006 Health Act made by the Health and Social Care Act 2012. All of the statutory duties relevant to 2018/19 were satisfactorily discharged.

Duty	Comments
Receive annual accounts, auditor's report and annual report.	Received at July 2018 meeting.
Appoint and, if appropriate, remove the external auditor.	The council of governors appointed PwC in October 2017 as the trust's external auditors for a three-year term.
Directors must have regard to governors' views when preparing the plan.	A joint board and CoG meeting was held on 26 March 2019 to seek the views of the governors.
Appoint and, if appropriate, remove the chair.	In 2017, the CoG appointed the chair for a further three-year term.
Appoint and, if appropriate, remove the other non-executive directors	In 2018, the council appointed Sir Chris Ham and Doris Olulode as non-executive directors for a term of three years.
Decide remuneration and terms of conditions for chair and other non-executive directors.	During 2018/19 remuneration levels remained unchanged.
Approve appointment of chief executive.	The council of governors approved the appointment of Caroline Clarke as group chief executive in February 2019.
Approve significant transactions.	No significant transactions required approval in 2018/19.
Approve an application by the trust to enter into a merger, acquisition, separation or dissolution.	No such applications occurred in 2018/19.
Decide whether the trust's non-NHS work would significantly interfere with its 'principle purpose'.	No such interferences occurred in 2018/19.

Delivery of other duties and functions of the council of governors

Governors have a duty to hold the trust board 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:

- governors are provided with minutes of board meetings and board committee meetings in advance of each council meeting
- all formal meetings of the council include an update from the chief executive on operational performance and other key issues, with an opportunity for governors to ask questions
- during the year, there has been a series of seminars to which governors have been invited on issues such as sign posting enquiries, the role of the communications team and the trust's approach to combatting bullying and harassment.
- 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
- regular opportunities to witness the non-executive directors holding the executive to account through attendance at board committee meetings and meetings of the board
- meetings with non-executive directors through attendance at informal CoG meetings and 'go see' visits to clinical areas.

The governors appraise the performance of the chair and the non-executive directors on an annual basis. This process is overseen by the nominations committee. Where the chair is being appraised, the vice-chair chairs the nominations committee. In 2018/19, the nominations committee sought views of individuals outside the trust on the performance of both the chair and the vice chair.

Council of governors' meetings structure

Nominations committee

The nominations committee is responsible for the appointment, appraisal and remuneration of the chair and non-executive directors of the trust, recommending its preferred candidates to the CoG. The committee also receives reports on the performance of the chair and non-executive directors.

The committee is led by the trust chair and membership comprises four governors (two patient and two appointed), with the senior independent director attending as requested. The committee has met on eight occasions during 2018/19 and attendance is detailed in the table on the following page.

Constituency	Name	Attendance
Chairman	Dominic Dodd	8/8
Patient	Peter Atkin	8/8
Appointed	Prof Hans Stauss	8/8
Patient	Judy Dewinter	8/8
Appointed	Dr Effiong Agpan	5/7
Senior independent director	Jenny Owen	1/1
Appointed	Abi Wood	8/8

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

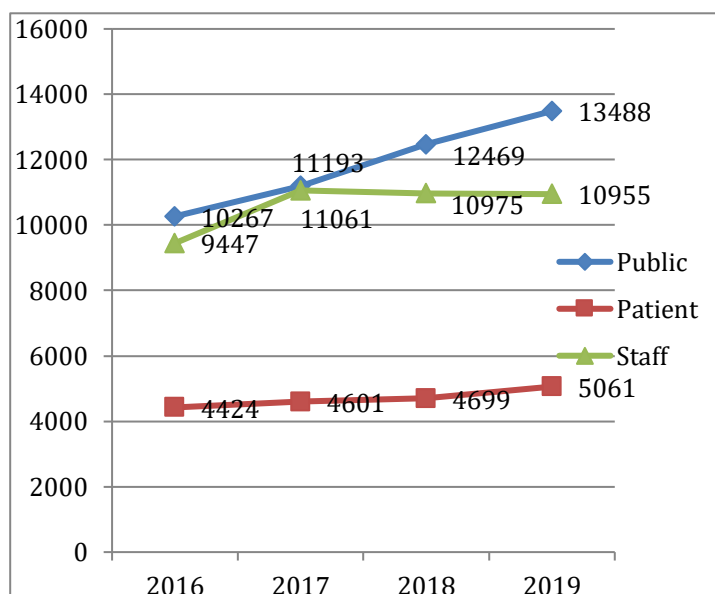
- appointed a vice chair/senior independent director
- undertaken the appraisals of all non-executive directors
- undertaken the appraisal of the chair
- appointed two new non-executive directors
- reviewed the non-executive pipeline including consideration of skill mix
- reviewed the terms of reference of the committee.

Membership and engagement activities

Membership

The trust is accountable to local people who can become members of the Royal Free London. Membership helps the trust to provide the most suitable and effective services when and where they are needed. Members' views are represented at the CoG by the governors. The governors' constituencies cover patients, staff, partner organisations and public members.

Since becoming a foundation trust in April 2012, the membership has grown to 29,504, including staff members. The trend in membership figures is shown here.



Membership community

Membership is voluntary and free of charge to anyone over 16 years old who meets the specific criteria of their category of membership. Our membership community is made up of the following:

Public: open to anyone who resides in England.

Patient: open to people who are or 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.

Keeping members informed

The trust aims 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, their carers, friends and families.

The membership strategy continues to be subject to review in light of the adoption of a devolved group structure; changes in priorities of the trust and in the wider health economy; the broader trust engagement and involvement strategy and other related work with patients overseen by the patient experience team. We have an active programme of membership engagement including:

- a monthly newsletter, Freepress which is for members as well as staff
- regular 'medicine for members' talks, covering a range of topics, presented by clinicians, patients and scientists 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 2018) with presentations from the chair and chief executive highlighting performance and achievements for the last year and emerging plans for the ensuing year.

Diversity and representation

As part of the process of becoming a member of the trust, applicants are asked to provide demographic data so the trust can ensure 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 MES Engage on the trust's behalf and in accordance with the code of governance (E.1.6) to ensure membership is as representative as possible.

Analysis shows the trust's membership is well represented with the exception of the Asian and black communities where members remain under-represented in comparison with the populations we serve. The proportion of young members is also an area where any future recruitment campaigns need to focus.

2.2.8 Patient care

National survey programme

In 2018/19 the results of two national surveys applicable to acute NHS trusts were published:

- In-patient survey 2017 in June 2018
- Maternity survey 2018 in January 2019

The results of these national surveys are standardised by the Care Quality Commission (CQC) and benchmarked reports are produced. These reports inform trusts, patients and other stakeholders whether each trust is performing 'better than', 'worse than' or 'about the same' as most other trusts. These results can be seen in full on the CQC website at www.cqc.org.uk.

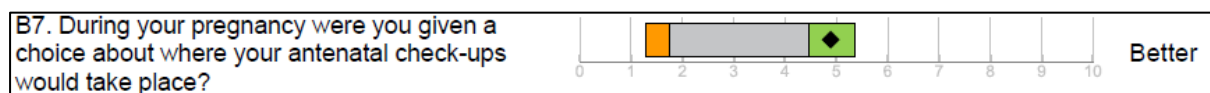
In-patient survey

The trust is performing 'about the same as' most other trusts for all 11 sections of the survey, according to our patients, the same as in 2016. A total of 33% of patients responded to this survey, compared to a national response rate of 41%. There were no statistically significant differences between the results of the 2016 and 2017 surveys.

Maternity

Our maternity care scored 'better than' most other trusts in two questions that patients were asked:

- During your pregnancy were you given a choice about where your antenatal check-ups would take place?



- Did a midwife tell you that you would need to arrange a postnatal check-up of your own health with your GP?



A total of 35% of women responded to the national maternity survey, compared to 36% nationally.

Cancer patient experience survey

Although not officially part of the national survey programme, an annual survey of cancer patient experience is undertaken by Quality Health on behalf of NHS England. The trust response rate was 52% compared to the national response rate of 63%.

Results of this survey are published based on a calculation of expected ranges. Of the 32 questions which did not meet the expected range in the 2017 survey, 17 of these also failed to meet the expected range in 2016.

Friends and family test

The friends and family test (FFT) asks patients how likely they are to recommend the services they have used, highlights their experience in in-patients, out-patients, A&E and maternity services. In 2018/19 the trust received **66,265** responses to the FFT and 87% said they would recommend our services. Below is a breakdown of the monthly responses for each department surveyed.

In-patient

	Barnet Hospital	Chase Farm Hospital	Royal Free Hospital	Responses
Month	% would recommend			
Apr-18	88%	97%	88%	1,260
May-18	86%	95%	91%	1,373
Jun-18	89%	96%	90%	1,387
Jul-18	90%	96%	88%	1,277
Aug-18	86%	93%	88%	817
Sep-18	86%	100%	88%	595
Oct-18	91%	100%	88%	579
Nov-18	84%	95%	87%	630
Dec-18	78%	80%	87%	686
Jan-19	83%	94%	87%	817
Feb-19	88%	92%	87%	676
Mar-19	85%	92%	86%	844
Total responses for in-patient FFT 2018-19				10,941

Emergency department

A&E	Barnet Hospital	Royal Free Hospital	Responses
Month	% would recommend		
Apr-18	82%	90%	5,100
May-18	80%	87%	5,368
Jun-18	82%	88%	4,991
Jul-18	81%	88%	5,131
Aug-18	83%	89%	2,894
Sep-18	79%	88%	2,548
Oct-18	79%	89%	2,861
Nov-18	73%	90%	2,814
Dec-18	73%	89%	2,593
Jan-19	80%	88%	3,048
Feb-19	78%	87%	2,544
Mar-19	79%	87%	3,095
Total responses for ED FFT 2018-19			42,987

Maternity

	Q1 - antenatal care 312 respondents		Q2 - labour and birth 727 respondents		Q3 - postnatal care 741 respondents		Q4 - postnatal community services 407 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-18	100%	100%	98%	95%	95%	90%	100%	100%
May-18	98%	100%	97%	98%	97%	93%	100%	100%
Jun-18	89%	100%	100%	93%	100%	90%	99%	100%
Jul-18	100%	93%	95%	94%	95%	91%	100%	100%
Aug-18	100%	100%	100%	100%	100%	97%	100%	100%
Sep-18	100%	100%	100%	100%	100%	82%	100%	100%
Oct-18	100%	100%	100%	100%	100%	100%	100%	100%
Nov-18	95%	100%	100%	100%	95%	84%	100%	83%
Dec-18	100%	100%	100%	100%	100%	90%	100%	100%
Jan-19	100%	100%	100%	96%	100%	87%	100%	100%
Feb-19	100%	100%	100%	98%	100%	88%	100%	100%
Mar-19	100%	100%	100%	100%	100%	94%	100%	100%

Out-patient

	Barnet Hospital	Chase Farm Hospital	Edgware Hospital	Royal Free Hospital	Responses
Month	% would recommend				
Apr-18	89%	100%	96%	96%	697
May-18	91%	99%		96%	692
Jun-18	89%	98%	93%	96%	729
Jul-18	90%	94%	98%	97%	1,028
Aug-18	89%	90%	100%	96%	939
Sep-18	91%	98%	100%	96%	796
Oct-18	87%	89%	99%	96%	715
Nov-18	92%	75%	100%	97%	807
Dec-18	86%	99%	100%	92%	671
Jan-19	92%	95%	88%	93%	982
Feb-19	94%	96%	97%	95%	987
Mar-19	85%	96%	93%	93%	1,107
Total responses for out-patient FFT 2018-19					10,150

Patient advice and liaison service (PALS)

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.

PALS provides information and advice on how patients concerns can be managed and takes action to resolve matters quickly and informally.

During 2018/19, PALS dealt with 13,694 matters compared to 10,644 in the previous financial year. The table below shows the top five themes from this year and how they rank compared to last year.

	2017/18	2018/19
1	General assistance/enquiries	General assistance/enquiries
2	Communication	Communication
3	Appointments	Appointments
4	Positive comments	Transport eligibility assessments
5	Car parking	Positive comments

PALS can be contacted by telephone, email, via the website, in writing or are available to talk in person (on request at Chase Farm Hospital).

Complaints

We recognise that in the majority of instances it is best to resolve issues as soon as possible. Our patient information leaflets and posters encourage concerns to be raised immediately with the person in charge of a patient's care. Alternatively, contact details are provided for the PALS and complaints teams.

Complaints and PALS data is reviewed bi-monthly by the trust's patient experience committees alongside other data, including patient surveys and friends and family test responses. Complaints data, including lessons learnt and actions taken is also included in:

- divisional monthly quality and safety boards
- quarterly reports taken to the people and population health committee
- annual complaints report taken to the July trust board
- quarterly CLIPS (complaints, litigation, incidents, PALS and safety) reports taken to the patient safety committee.

The table below shows the main causes of complaints received in 2018/19 are very similar to 2017/18.

	2017/18	2018/19
1	Clinical treatment	Clinical treatment
2	Communication	Communication
3	Values and behaviours	Values and behaviours
4	Appointments	Appointments
5	Car parking	Transport eligibility assessments

Here are some examples of positive changes as a result of complaints made:

- Additional theatre lists are being run at Chase Farm Hospital to cope with the demand and improve the waiting time for hernia operations. Consultants within the team are also reviewing their job plans to see if there is any way to free up more of their time for surgery.
- New shift patterns introduced by DHL Transport to meet the higher demand for its services in the afternoons and evenings. Plus, additional training for its transport eligibility assessor to improve questioning and call handling.
- Increased staffing levels for the medicine satellite pharmacy teams around busier times to maintain an efficient service.
- Improved patient information around hospital pharmacy opening times and where alternatives can be found, particularly around public holidays.

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

	2017/18	2018/19
Complaints received by the trust	1,536	1,534
Complaints upheld (partially or fully) by the trust	823	798
Complaints taken to the Parliamentary Health Service Ombudsman	17	24
Complaints upheld (partially or fully) by the Parliamentary Health Service Ombudsman	6	3
Complaints still under investigation with the Parliamentary Health Service Ombudsman	2	15

Note: The figures in the above table are accurate as of 10 May 2019 and will change over the coming months.

Patient reviews on NHS Choices

54% of reviews of the trust on NHS Choices are given a five-star rating by patients. In 2018/19 the trust responded to 281 of these to acknowledge positive feedback and invite reviewers to email the trust so compliments could be forwarded to the staff involved, or if there were areas of concern, reviewers have been offered the opportunity to meet with staff.



Anonymous gave Urgent care centre at Chase Farm Hospital a rating of 5 stars

Excellent urgent care

I have just come back from Urgent Care after crushing my foot. I was seen by triage within 10 minutes. Taken straight to a very funny friendly doctor(in room 5). I went for my x-ray and back to the doctor asap. I took my book but didn't have time to read it. All the staff from reception to triage,doctors and x-ray were brilliant. Thank you all your doing a wonderful job.

Visited in March 2019. Posted on 24 March 2019

[Report as unsuitable](#)

Chase Farm Hospital replied on 25 March 2019

Hello

Thank you for taking time to leave a review and what a lovely review as well. I hope your foot is starting to mend and may I wish you well with your recovery. I have shared with the staff who will be chuffed to bits reading your kind words. I have also asked if we can track down the funny Dr so he can be thanked personally.

With Best Wishes
Richard

Richard Chester - deputy director of patient experience

[Report as unsuitable](#)

Interpretation and translation

Our interpreting service ensures that we meet the needs of the diverse population which visit our hospitals. The three types of interpretation we provide are:

- Face-to-face interpreting
- Telephone interpreting (24 hours a day, seven days a week)
- Sign language interpreting.

Departments are able to stipulate interpreter requirements, for example requesting a female interpreter for an antenatal appointment.

This commissioned service provides qualified interpreters in all 256 languages and dialects requested by patients in the past four years. This also includes British sign language, deafblind communication, lip speaking and speech to text operators.

Currently the most commonly requested languages are Turkish, Farsi, Romanian, Arabic, Polish and British Sign Language.

Chaplaincy

The chaplaincy and spiritual care team provides appropriate spiritual and religious care to all regardless of faith, belief or philosophy of life. It encourages compassionate, non-judgmental care and is respectful of diversity.

Its team includes an:

- Imam
- Female Muslim chaplain
- Rabbi, orthodox
- Rabbi, liberal
- Roman Catholic priest,
- Anglican priest
- Several volunteers from other faith/belief backgrounds. For example, Humanist, Buddhist, Sikh.

Among its numerous services for patients, staff and visitors, are:

- end of life care support, such as commendation prayers, religious rituals or spending time with people
- pastoral and spiritual care
- emotional support and counselling
- the celebration or observance of key religious/cultural festivals
- places for prayer, reflection or worship and prayer materials
- funerals, memorial services, weddings, baptisms
- staff and volunteer training.

Volunteers

More than 800 volunteers, provided by The Royal Free Charity, help out at the trust giving over 70,000 hours of their time. We have had an amazing year of diverse people supporting us such as 350 young volunteers completing placements, 935 dementia patients receiving specialist support, 4,908 interactions with therapy dogs and volunteers providing guidance 177,468 times around the hospitals.

The additional resources alleviate pressure on our clinical teams and support patients in their daily needs.

Other volunteer roles include:

- helping housekeepers serve teas, coffees, meals and interacting with patients
- support for people with long-term conditions at the charity support hub
- admin and patient support at clinics
- shopping trolley and weekend newspaper round volunteers
- talking to patients, offering water and assisting staff in our emergency departments and discharge lounge areas
- massage therapy, with 35,000 individual massage treatments provided to patients and staff
- hairdressing, barbering and beauty therapy, such as nail painting
- garden volunteers
- chaplaincy support.

Our upcoming priorities are to recruit volunteers to cover the new Chase Farm Hospital with at least 10 volunteers covering the entrance every day to help patients, visitors and staff. We

are also looking to increase the presence of volunteers at the Royal Free Hospital's Emergency Department and out-patient clinics.

Proactively tackling domestic abuse

Our 'You are not Alone' domestic abuse programme aims to raise awareness of domestic abuse and to provide a safe place for survivors to get help and advice.



One in four women and one in six men experience domestic abuse at some point in their lifetime; 750,000 children a year witness domestic violence and in 50% of known cases, children were also directly abused, according to Crime Survey figures.

We also know that domestic abuse increases during pregnancy; 30% of domestic abuse begins during this time and between 11 to 44% of pregnant women abused previously, were also assaulted during pregnancy. (British Medical Association: 2007, Tallieu and Brownridge: 2010, Bowen et al 2005).

The trust has taken a proactive approach to help tackle domestic abuse. We have domestic and sexual abuse advisors based at the Royal Free Hospital and Barnet Hospital, funded by Camden Council, Camden Safety Net and Barnet Victim Support. These advisors offer support to survivors of domestic abuse but also train staff in how to ask the right questions and how to refer for help. Since the programme launched in 2013 over 900 patients have been referred by hospital staff.

If you are affected by domestic abuse and would like help, please contact www.womensaid.org.uk or call freephone 0808 2000 247 for the 24-hour national domestic violence helpline.

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.

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.

Improving quality

Since 2018 the trust has been implementing a programme to put continuous quality improvement (QI) at the heart of how work is carried out.

Our goal is that by the end of 2020, 2,000 staff will have been trained using QI to address our key objectives. We are deploying this approach within our clinical practice groups and in both clinical services and non-clinical areas. We know from our own experience and from elsewhere in the NHS and beyond that deploying QI results in better outcomes and experience for patients, better use of resources and is highly motivating for staff. Some examples of results achieved to date include:

- **Anaesthetics** – The Enhanced Recovery After Surgery (ERAS) QI project at the Royal Free Hospital has reduced length of stay after kidney removal by 25%, without a corresponding increase in 30 day readmissions. This has increased surgical capacity without compromising patient safety or increasing the number of in-patient beds used.
- **Keeping Mothers and Babies Together** at Barnet Hospital has reduced avoidable neonatal admissions for term and late preterm (34-36 weeks gestation) infants by standardising and simplifying the pathway. We estimate over 300 babies have been able to stay with their mothers as a result of this work, which also leads to substantial savings on intensive care unit costs.
- **‘Care in a chair’** at Barnet Hospital A&E has focused on improving access for patients arriving by ambulance. This work has seen a rise in the percentage of patients who start assessment within 15 minutes of arrival from 43% in March 2018 to over 70% by the end of the year. It has also formed the basis for a wider initiative on emergency patient flow at Barnet Hospital.
- **Paediatric outpatient demand and capacity optimisation** at Barnet Hospital and Chase Farm Hospital has reduced waiting times for paediatric clinics from 16 weeks to around seven weeks, over a nine-month project.
- **Staff retention:** Applying QI has improved nurse retention in our intensive care units (ICU) and staff experience overall. It also has efficiency and patient safety/experience benefits. Before the project, nurse turnover in the Royal Free Hospital ICU was above 40%. By understanding what matters most to staff and reliably offering them that – key elements include predictable rostering, mentorship and reliable access to professional training – has resulted in a turnover rate of now below 20%. This work is informing wider staff retention work and a trust-wide initiative focusing on staff experience and wellbeing.

To date, over 300 staff across our sites have been trained in QI and are using these skills to improve care for patients and better use resources. Our work has also featured prominently at high-profile external events, such as the recent International Forum in Quality and Safety in Healthcare in Glasgow where 15 posters featured our improvement work.

Working with the Royal Free Charity

The Royal Free Charity is a partnership charity including the Royal Free Charity, Barnet Hospital Charity and Chase Farm Charity. The charity works closely alongside the trust on projects which improve the experience of our patients and we are grateful for their ongoing support.

Along with major donations from the Pears Foundation and the UK Research Partnership Investment Fund, the Royal Free Charity is funding the construction of the Pears Building, home to the new UCL Institute for Immunity and Transplantation due to open in 2020. The charity was instrumental in fundraising for the new research centre and this is its largest fundraising project to date.

It also helps to provide massage therapy for cancer patients and companions for dementia patients, along with support via its hub, opened in March 2018 at the Royal Free Hospital, for those affected by long-term conditions. To date the hub has seen several hundred people. A second hub, to support Barnet Hospital, will open in the summer of 2019.

This year the charity sponsored the NHS 'Big7Tea' parties across the trust in celebration of the 70th anniversary of the NHS in July 2018 and contributed to the refurbishment of 8 West ward at the Royal Free Hospital, which was completed at the beginning of 2019. The ward has been decorated to transport dementia patients to the seaside and also includes a theatre space for live performances by actors, musicians and poets. In January 2019 over 100 members of staff from across the trust also took part in an inspirational day of dementia training with a difference: role-playing with actors from theatre company Chickenshed.

The charity has around 800 volunteers aged 16 to 94, across our three main hospital sites, who generously give their time to benefit staff, patients and visitors.

Clinical commissioning groups (CCGs)

We continue to work hard with all our clinical commissioning groups, community trusts, mental health organisations and local authority partners to improve the experience of our patients.

Our emergency departments at Barnet Hospital and the Royal Free Hospital are under ongoing pressure due to growing demand for our services and higher volumes of sicker patients.

To improve flow through our hospitals and ensure patients receive the right care, in the right location, at the right time, we are actively involved with North London's sustainability and transformation partnership – North London Partners in Health and Care – which incorporates healthcare organisations from the five London boroughs of Barnet, Camden, Enfield, Haringey and Islington.

We work with our partners to develop, redesign and streamline services and pathways.

The NHS plan lays the strategic direction for reducing face-to-face outpatient appointments and the trust is developing plans with all our partners to develop telemedicine, more straight to test options and virtual clinics. Improving flow through the hospitals, ensuring timely discharge and preventing admissions has been a focus this year.

Working with West Herts Hospitals NHS Trust

In October 2018, West Herts Hospitals NHS Trust (WHH) joined the Royal Free London as part of a new clinical partnership.

The partnership followed months of close collaboration between the two trusts where clinicians had been working together on a wide range of projects to share best practice and improve patient care. Staff have been collaborating on ways to treat pneumonia, urgent gall bladder problems, induction of labour, early pregnancy, prostate conditions, anaemia and symptoms of wheeziness in children.

Becoming clinical partners does not change the status of either trust. WHH continues to be a standalone organisation with its own board and leadership team.

NHS trusts can join the Royal Free London group under a range of membership options, from full membership to arrangements such as buddying. In 2017 North Middlesex University Hospital became our first clinical partner.

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
- delivering a programme of visiting local practices. This provides an invaluable opportunity to receive direct feedback, resolve issues specific to GPs and their patients.

Health Services Laboratories delivering pathology

Health Services Laboratories (HSL) continues to provide pathology services at the Royal Free Hospital.

HSL, which is a joint venture between the Royal Free London, University College London Hospitals and the Doctors Laboratory, has been running pathology services at the Royal Free Hospital since 2015.

The Pears Building

The new home for the UCL Institute of Immunity and Transplantation, in the grounds of the Royal Free Hospital, is rising out of the ground. Plans for equipping and furnishing the new building, which is funded by the Royal Free Charity, and for recruiting new research staff, are well advanced.

The proximity of the trust and institute means that clinicians and researchers can work together to find new treatments for common conditions such as diabetes, cancer and chronic infection. The large number of patients treated by the trust, together with their generosity in taking part in research, is key to the success of this work.

The hoarding around the site not only gives an insight into the science behind the research but also demonstrates the close links created with the local community since construction began. Researchers spend time in local schools explaining their work and some students have produced art work for the hoarding based on their impressions of the science. There is also a display of prints by Oliver Yu Chan, a local artist, of different scenes in the area.

A group including representatives of the immediate neighbours of the Pears Building, and residents and organisations from the wider area, meets charity, trust and construction staff regularly to hear about progress and forthcoming works and to discuss any concerns.

It is expected that a topping-out ceremony – to mark the building reaching its highest point – will be held in the autumn of 2019 and that work will be complete in the autumn of 2020.

A handwritten signature in black ink, appearing to read 'Caroline Clarke', written over a faint, circular official stamp.

Caroline Clarke
Chief Executive

22 May 2019

2.3 Remuneration report

The table of director' salaries and allowances on page 97 have been subject to audit.

The pay of board level directors who have the authority and responsibility for directing and controlling the activities of the trust is determined by the remuneration committee (for executives) and nominations committee (for non-executives). These committees also oversee the recruitment and performance of board members.

The remuneration committee also includes approving the appointment and salaries for very senior managers below board level. This is typically the senior leadership roles of each hospital down to divisional level, for example divisional nurse directors, and corporate level equivalent roles. The remuneration of board members and senior staff in wholly owned subsidiary companies, such as RFL Property Services Limited, is also set by the remuneration committee, reflecting that the trust is the sole shareholder in these companies.

2.3.1 Annual statement on remuneration

The key activities and decisions this year were:

- A 2% increase in board executive director basic salaries from 1 October 2018. This was done on the basis of the pay awards made to other NHS staff groups, benchmarking of salaries in other comparable organisations, and the fact that executive director salaries had not increased since July 2014. This increase was also applied to the managing director of RFL Property Services Limited.
- A review of the salaries of very senior managers (VSM) and senior managers (SM) below executive level but concluded that no increase in pay was required given salaries remained competitive and had last been reviewed in 2017. These salaries will be reviewed again in 2019.
- Recruitment and appointment of a new chief executive officer, Caroline Clarke, following a thorough search and rigorous selection process. Salary agreement being subject to NHS Improvement and ministerial opinion.
- Approval of a number of appointments at VSM and SM level, including a managing director of group corporate shared services and an interim director of operations at the Royal Free Hospital covering a planned absence.
- No performance-related pay or bonuses or other incentive payments were made in addition to or separate from the annual salary of directors in 2018/19.
- Appointment of a chairman of RFL Property Services Limited.

No exit or other payments were agreed in 2018/19 for any board members or directors of the trust, or in any wholly owned subsidiary.

See page 97 for board member salaries in 2018/19.

2.3.2 Approach to executive directors' remuneration and other senior staff

The pay of executive directors is determined by the trust's remuneration committee made up of non-executive directors. The trust's approach is to review board level director salaries annually but with no automatic entitlement to any increase. This approach is now also applied to very senior manager (VSM) and senior manager staff (SM). The annual review is based on:

- an analysis of comparable salaries and remuneration in other organisations

- overall executive team and wider VSM/SM staff performance
- the general context of NHS pay and awards to other staff groups, including public sector pay policy.

The remuneration committee aims to pay competitively but not excessively for high quality directors and senior managers, typically within the median of expected salaries across comparable organisations and in line with guidance from NHS Improvement. Salaries over £150,000 per annum are reviewed regularly to ensure they are within the benchmarks provided by NHS Improvement and other survey data.

Performance related pay has not been a component of remuneration for most director roles, although the trust has employed it in a few more recent appointments and will evaluate its effectiveness. It does not, at present, believe that any general incentive schemes or bonus payments would offer any advantage or increase directors' performance.

Remuneration components – directors	Approach	Review process	Benefits
Basic salary	Competitive but not excessive pay for high quality directors and senior managers - typically within the median of expected salaries across comparable organisations.	Reviewed annually by the remuneration committee based on comparable salaries and executive director and VSM/SM performance in the context of wider NHS pay and applicable guidelines.	Transparent base pay which is felt to be fair by senior staff for the responsibilities they hold and encourages commitment.
Taxable benefits	No allowances or payments made in addition to basic salary.	N/A	N/A
Annual performance related bonuses or incentive payments	None made in 2018/19. For 2019/20 performance related pay makes up an element of remuneration for the chief executive and managing director of group corporate services.	Performance targets established at the start of the review period and performance measured at the end.	Provides focused incentives for addressing key targets. Requires balancing measures to ensure one key priority does not destabilise others. Trust is seeking to evaluate impact of targeted performance related pay in 2019/20.
Long-term performance related bonuses or incentive payments	None made in 2018/19.	N/A	N/A
Pension benefits	All directors and VSM/SM staff are entitled to join the NHS pension scheme	N/A	Attractive career average defined benefits pension

	<p>with associated employer and employee contributions paid on their salary – a statement of pension benefits for directors is on page 100.</p> <p>The trust has not paid the employer contribution directly to any director choosing to opt-out of the pension scheme. This position will be reviewed in the light of any national changes to approach.</p>		scheme consistent with the rest of the NHS.
Cars, health or other benefits	None paid (but managers have access to a car lease scheme and other benefits as do other staff).	N/A	N/A

2.3.3 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. The same applies to VSM and SM staff.

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.

2.3.4 Non-executive directors' remuneration

Pay and allowances for the chairman and non-executive directors are determined by the trust's nominations committee made up of governors. Their payments are comparable to those made by other foundation trusts. There was no increase in 2018/19. 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 in the table below.

2.3.5 Policy on the use of off-payroll engagement

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

2.3.6 High paid off-payroll engagements

Table 1: For all off-payroll engagements as of 31 March 2019, for more than £245 per day and that last for longer than six months

Existing engagements as of 31 March 2019	42
No. that have existed for less than one year at time of reporting	34
No. that have existed for between one and two years at time of reporting	3
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	3
No. that have existed for four or more years at time of reporting	2

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 and, 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 2018 and 31 March 2019, for more than £245 per day and that last for longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	34
Of which:	
- Number assessed as within the scope of IR35	19
- Number assessed as not within the scope of IR35	15
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that 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.	13

2.3.7 Directors' salaries and allowances

Board level directors have been informed in advance of the intention to disclose information about them and have been notified that they can object under Article 21 of the General Data Protection Regulation (GDPR).

2018-19							2017-18					
Name & Title	Salary and fees (bands of £5,000)	Taxable benefits (total to the nearest £100)	Annual performance- related bonuses (in bands of £5,000)	Long-term performance related bonuses (in bands of £5,000)	Pension- related benefits (in bands of £2,500)	Total (in bands of £5,000)	Salary and fees (bands of £5,000)	Taxable benefits (total to the nearest £100)	Annual performance -related bonuses (in bands of £5,000)	Long-term performance -related bonuses (in bands of £5,000)	Pension- related benefits (in bands of £2,500)	Total (in bands of £5,000)
	£000	£00	£000	£000	£000	£000	£000	£00	£000	£000	£000	£000
Chair												
Dominic Dodd	60-65	-	-	-	-	60-65	60-65					60-65
Non-executive directors												
Stephen Ainger	5-10	-	-	-	-	5-10	10-15					10-15
Jenny Owen	5-10	-	-	-	-	5-10	10-15					10-15

Deborah Oakley (Left May17)	-	-	-	-	-	-
Prof. A Schapira	10-15	-	-	-	-	10-15
Akta Raja	10-15	-	-	-	-	10-15
Wanda Goldwag (Joined Dec17)	10-15	-	-	-	-	10-15
Mary Basterfield	10-15	-	-	-	-	10-15
James Tugendhat	15-20	-	-	-	-	15-20
Doris Harriette Olulode	0-5	-	-	-	-	0-5
Sir Christopher Ham	0-5	-	-	-	-	0-5
Executive directors						
Sir David Sloman (to Jan-19)	200-205	-	-	-	-	200-205
Caroline Clarke (Chief Executive from Jan – 19	180-185	-	-	-	7.5-10	185-190

0-5					0-5
10-15					10-15
10-15					10-15
0-5					0-5
15-20					15-20
245-250					245-250
175-180				47.5-50	225-230

Peter Ridley (CFO from Sept -18)	90-95	-	-	-	5-7.5	95-100						
Dr Chris Streather (Joined Jan- 18)	225-230	-	-	-	-	225-230	45-50				0	45-50
Prof. Stephen Powis (Left Jan-18)	0	-	-	-	-	-	185-190				5-7.5	195-200
Deborah Sanders	160-165	-	-	-	20-22.5	180-185	155-160				27.5-30	185-190
Kate Slemeck	175-180	-	-	-	27.5-30	205-210	155-160				37.5-40	195-200

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 result is a negative increase, ie a decrease, this is reported as nil.

2.3.8 Pay multiples

Name	Title	Real increase/ (decrease) in pension (bands of £2,500)	Real increase/ (decrease) in lump sum (bands of £2,500)	Total accrued pension at 31 March 2019 (bands of £5,000)	Lump sum related to accrued pension at 31 March 2019 (bands of £5,000)	Cash equivalent transfer value at 31 March 2018 (to the nearest £1,000)	Cash equivalent transfer value at 31 March 2017 (to the nearest £1,000)	Real increase/ (decrease) in cash equivalent transfer value (to the nearest £1,000)
Executive Directors		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sir David Sloman	Chief executive	0	0	0	0	0	0	0
Caroline Clarke	Director of finance and deputy chief executive	0-2.5	0	55-60	130-135	1,046	892	127
Peter Ridley	Chief finance officer	0-2.5	0	30-35	60-65			
Dr Chris Streather	Medical director	0	0	0	0	0	1,292	-1,330
Prof. Stephen Powis	Medical director	0	0	0	0	0	1,896	-1,953
Deborah Sanders	Director of nursing	0-2.5	5-7.5	50-55	155-160	1,144	960	155
Kate Slemeck	Executive director of operations	2.5-5	0	40-45	90-95	841	702	118

The banded remuneration of the highest paid director in the Royal Free London NHS Foundation Trust in the financial year 2018/19 was £225,000 - £230,000 (2017/18: £245,000 - £250,000). This was 6 times (2017/18: 6.6 times) the median remuneration of the workforce, which was £38,153 (2017/18: £36,997). In 2018/19, five employees (2017/18: one employee) received remuneration in excess of the highest paid director. Annualised remuneration ranged from £90 to £281,709 (2017/18: £737 to £249,393).

2.3.9 Pension benefits of executive director

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.

Last year there was a calculation error in that the CETV factors used for any individuals with benefits in the 2015 scheme were incorrect. This year NHS Pensions has confirmed that on the online system POL the start of year CETVs were amended prior to this exercise to reflect the transfer value at 31 March 2018 using the correct CETV factors. The numbers included in the table above have been amended.

Further information on the employee benefits costs to the trust can be found on page 102.



Caroline Clarke
Chief executive

22 May 2019

2.3.10 Staff costs

			2018/19	2017/18
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	414,383	3,353	417,736	406,267
Social security costs	52,818	-	52,818	51,357
Apprenticeship levy	2,471	-	2,471	2,301
Employer's contributions to NHS pensions	55,369	-	55,369	54,034
Temporary staff	-	21,535	21,535	22,241
Total staff costs	525,041	24,888	549,929	536,200
Of which				
Costs capitalised as part of assets	3,819	-	3,819	2,807

2.3.11 Average number of employees (WTE basis)

			2018/19	2017/18
	Permanent	Other	Total	Total
	Number	Number	Number	Number
Medical and dental	668	977	1,645	1,625
Administration and estates	1,806	516	2,322	2,530
Healthcare assistants and other support staff	1,425	446	1,871	1,700
Nursing, midwifery and health visiting staff	2,664	620	3,284	3,275
Scientific, therapeutic and technical staff	825	187	1,012	970
Healthcare science staff	150	17	167	193
Total average numbers	7,538	2,763	10,301	10,293
Of which:				
Number of employees (WTE) engaged on capital projects	23	7	30	40

2.3.12 Reporting of compensation schemes - exit packages 2018/19

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
<£10,000	7	11	18
£10,000 - £25,000	12	-	12
£25,001 - 50,000	5	-	5
£50,001 - £100,000	6	-	6
Total number of exit packages by type	30	11	41
Total cost (£)	£814,000	£51,000	£865,000

Reporting of compensation schemes - exit packages 2017/18

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
<£10,000	-	11	11
£10,000 - £25,000	-	2	2
£25,001 - 50,000	2	1	3
£50,001 - £100,000	1	-	1
Total number of exit packages by type	3	14	17
Total resource cost (£)	£142,028	£75,506	£217,534

Exit packages: other (non-compulsory) departure payments

	2018/19		2017/18	
	Payments agreed	Total value of agreements	Payments agreed	Total value of agreements
	Number	£000	Number	£000
Contractual payments in lieu of notice	11	51	14	76
Total	11	51	14	76

2.3.13 Better payment practice code

Better payment practice code	Actual 31/03/19 YTD Number	Actual 31/03/19 YTD £'000	Actual 31/03/18 YTD Number	Actual 31/03/18 YTD £'000
Non NHS				
Total bills paid in the year	214,031	756,115	215,698	793,054
Total bills paid within target	169,071	530,784	74,587	388,490
Percentage of bills paid within target	79.00%	70.20%	34.58%	48.99%
NHS				
Total bills paid in the year	4,022	90,624	5,626	104,455
Total bills paid within target	1,164	41,514	229	12,625
Percentage of bills paid within target	28.90%	45.80%	4.07%	12.09%
Total				
Total bills paid in the year	218,053	846,739	221,324	897,509
Total bills paid within target	170,235	572,298	74,816	401,115
Percentage of bills paid within target	78.10%	67.60%	33.80%	44.69%

2.4 Staff report

About our employees

The trust employs 10,301 staff and spent £545.9m on pay and benefits in 2018/19. A breakdown of our employees and pay spend is provided below.

Total staff numbers by staff group	Total	Permanent	Other (FTC + temp staffing)	Pay costs
Medical and dental	1,645	668	977	164,611
Ambulance staff	0			
Administration and estates	2,322	1,806	516	70,047
Healthcare assistants and other support staff	1,870	1,425	446	81,602
Nursing midwifery and health visiting staff	3,284	2,664	620	163,685
Nursing, midwifery and health visiting learners	0			
Scientific therapeutic and technical staff	1,013	825	187	59,523
Healthcare science staff	167	150	17	3,967
Social care staff	0			
Other (Apprenticeship Levy)	0			2,471
Total average numbers	10,301	7,538	2,763	545,906
Of which				
Number of employees (WTE) engaged on capital projects	30	23	7	3,819

Directors	Trust total	% of trust total
Female	15	48.39%
Male	16	51.61%
Total	31	100.00%

Senior managers*	Trust total	% of trust total
Female	520	71.53%
Male	207	28.47%
Total	722	100.00%

*Band 8A+ and senior medics (medical and clinical directors)

Total staff	Trust total	% of Trust total
Female	7,060	73.18%
Male	2,587	26.82%
Total	9,647	100.00%

Staff group	Trust	% of Trust total
Add prof scientific and technic	297	3.08%
Additional clinical services	489	5.07%
Administrative and clerical	2,076	21.52%
Allied health professionals	630	6.53%
Estates and ancillary	349	3.62%
Healthcare assistants	875	9.07%
Healthcare scientists	187	1.94%
Medical and dental	1,694	17.56%
Nursing and midwifery registered	3,025	31.36%
Students	25	0.26%
Total	9,647	100.00%

Ethnic Origin	Trust	% of trust total
Asian	2,203	22.84%
Any other Asian background	949	9.84%
Bangladeshi/British Bangladeshi	113	1.17%
Chinese	149	1.54%
Indian/British Indian	846	8.77%
Pakistani/British Pakistani	146	1.51%
Black	1,690	17.52%
African/Black British African	1,112	11.53%
Black/Black British Other	190	1.97%
Caribbean/Black British Caribbean	388	4.02%
Mixed	321	3.33%
Any other mixed/multiple ethnic background	113	1.17%
White and Asian	93	0.96%
White and Black African	54	0.56%
White and Black Caribbean	61	0.63%
Other	89	0.92%
Other	89	0.92%
Other BME	515	5.34%

Other BME	515	5.34%
White	4,829	50.06%
White British	3,260	33.79%
White Irish	308	3.19%
White Other	1,261	13.07%
Total	9,647	100.00%

Disabled	Trust	% of trust total
Yes	171	1.77%
No	7,689	79.70%
Not declared	227	2.35%
Undefined	1,560	16.17%
Total	9,647	100.00%

Sexual orientation	Trust	% of trust total
Bisexual	72	0.75%
Heterosexual or straight	7,000	72.56%
Gay or lesbian	163	1.69%
Undecided	7	0.07%
Other sexual orientation not listed	1	0.01%
Not stated	1,145	11.87%
Unknown	1,259	13.05%
Total	9,647	100.00%

Religious belief	Trust	% of trust total
Atheism	935	9.69%
Buddhism	92	0.95%
Christianity	4,049	41.97%
Hinduism	508	5.27%
Islam	660	6.84%
Jainism	42	0.44%
Judaism	207	2.15%
Sikhism	48	0.50%

Other	510	5.29%
I do not wish to disclose my religion/belief	1,248	12.94%
Undefined	1,348	13.97%
Total	9,647	100.00%

Age group	Trust	% of trust total
Under 20	26	0.27%
21-25	592	6.14%
26-30	1,398	14.49%
31-35	1,324	13.72%
36-40	1,259	13.05%
41-45	1,231	12.76%
46-50	1,214	12.58%
51-55	1,128	11.69%
56-60	835	8.66%
61-65	475	4.92%
66-70	130	1.35%
71+	35	0.36%
Total	9,647	100.00%

2.4.1 Sickness absence data

Total sickness absence data for 2018/19 is as follows:

	2017/18	2018/19
Average wte	8,788	8,777
Cumulative sickness absence rate	3.17%	3.26%
Average days lost	7.1	7.29

2.4.2 Consultancy expenditure

The trust spent £4.1m on consultancy in 2018/19. This includes payments for specialist services and advice that is not available in house, including aspects of the Chase Farm Hospital redevelopment, the establishment of a wholly-owned subsidiary property company for estates and facilities and pharmacy, reviews of the trust's cost improvement and savings programmes and a required 'well-led' governance review.

2.4.3 Workforce overview

Our staff sustain and develop our hospitals and their associated support services to ensure patients receive high quality care and expertise. Staff have continued to work extremely hard in 2018/19 to maintain high levels of performance in the face of rising demands for care, staff shortages and financial constraint. The trust is also working to improve how staff are supported, engaged and empowered so they can be as fulfilled and rewarded in their jobs.

To do this we operate:

- a comprehensive range of workforce policies and procedures regularly reviewed and updated with staff and trade unions
- training and development opportunities for all staff
- a strong portfolio of undergraduate and postgraduate education and training for health professionals
- regular performance and development reviews
- leadership development for managers and leaders
- health and wellbeing services and support
- support for equality, diversity and inclusion
- efficient and effective recruitment and HR support and development services
- a wide range of communications with staff and representatives using digital and written media, forums and formal groups and committees
- change management and organisational development support

Education and development

The trust is proud of its strong tradition in educating and training both the future NHS workforce and its current staff. We are a campus of University College London (UCL) Medical School and our undergraduate medical education is internationally recognised. We are one of the largest providers of postgraduate medical education in the country, with over 600 doctors in training in our hospitals across a wide range of specialties. We also have a track record of excellence in our teaching of nurses, midwives, therapists and other healthcare professionals, working closely in collaboration with our university partners.

2.4.4 Staff engagement

The trust has positive levels of staff engagement. We communicate with staff regularly 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 available to staff across all sites which is updated daily
- Chief executive briefings – a monthly face-to-face briefing, open to all staff, from the chief executive at each of our hospitals. This is then communicated via video and written channels on the intranet
- 'Back to the floor' and other engagement events

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

- junior doctors

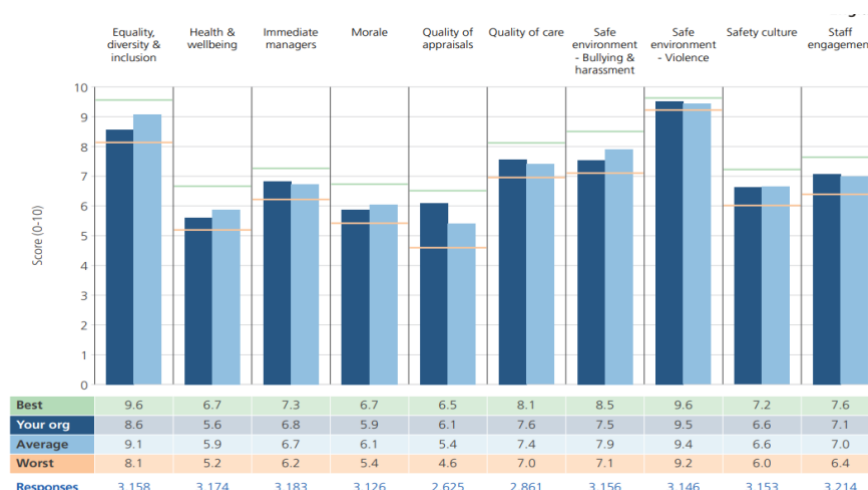
- clinical directors and service line leads
- senior leadership.

2.4.5 Staff survey

The annual national NHS staff survey was conducted between September and December 2018. A total of 9,105 staff were invited to participate and 3,232 or 36% responded.

Format	Total sent	% breakdown	Responses	Responses as % of total sent
Email	7,392	81.19%	2797	37.84%
Paper	1,713	18.81%	435	25.39%
Total	9,105	100%	3232	35.49%

The trust's performance against the national average and the best and worst performing hospitals is summarised below across 10 key themes:



We made progress in three key areas and other scores improved with the exception of health and wellbeing, as shown below:

Survey Coordination Centre

2018 NHS Staff Survey Results > Appendices > Significance testing – 2017 v 2018 theme results

The table below presents the results of significance testing conducted on this year's theme scores and those from last year*. It details the organisation's theme scores for both years and the number of responses each of these are based on.

The final column contains the outcome of the significance testing: ↑ indicates that the 2018 score is significantly higher than last year's, whereas ↓ indicates that the 2018 score is significantly lower. If there is no statistically significant difference, you will see 'Not significant'. When there is no comparable data from the past survey year, you will see 'N/A'.

Theme	2017 score	2017 respondents	2018 score	2018 respondents	Statistically significant change?
Equality, diversity & inclusion	8.5	4070	8.6	3158	Not significant
Health & wellbeing	5.7	4087	5.6	3174	Not significant
Immediate managers	6.6	4105	6.8	3183	↑
Morale		0	5.9	3126	N/A
Quality of appraisals	5.8	3168	6.1	2625	↑
Quality of care	7.6	3738	7.6	2861	Not significant
Safe environment - Bullying & harassment	7.5	4044	7.5	3156	Not significant
Safe environment - Violence	9.4	4047	9.5	3146	↑
Safety culture	6.6	4079	6.6	3153	Not significant
Staff engagement	7.0	4129	7.1	3214	Not significant

* Statistical significance is tested using a two-tailed t-test with a 95% level of confidence.

Areas for improvement

The key areas of focus to improve the staff experience are:

- bullying and harassment
- health and wellbeing (including flexible working)
- equality, diversity and inclusion.

Action is already been carried out in these areas, including:

- Executive champions overseeing bullying and harassment cases
- Development of our network of 'speaking up' guardians across the hospitals and sites
- A 'no by-standers' anti bullying campaign
- 'Diverse panels' for interviews challenging bias and discrimination
- Increased leadership and management training and development capacity
- Health and wellbeing events across the trust.

A programme for 2019/20 has already been developed, with the following initiatives planned:

- Joy in work – a framework to improve staff experience
- Continued anti-bullying work
- Greater publicity and support for flexible working options.

2.4.6 Equality, diversity and human rights

The trust board and its senior management are committed to the equality, diversity and inclusion agenda. Our governance structure for equality is robust with clear ownership, regular feedback on measurement of outcomes and accountability at senior, operational and staff network levels. Our annual equality report sets out our work in this area and was published in January 2019.

The trust's two key workforce equality objectives are:

- a workforce representative of the communities we serve
- inclusive leadership.

This is being achieved by:

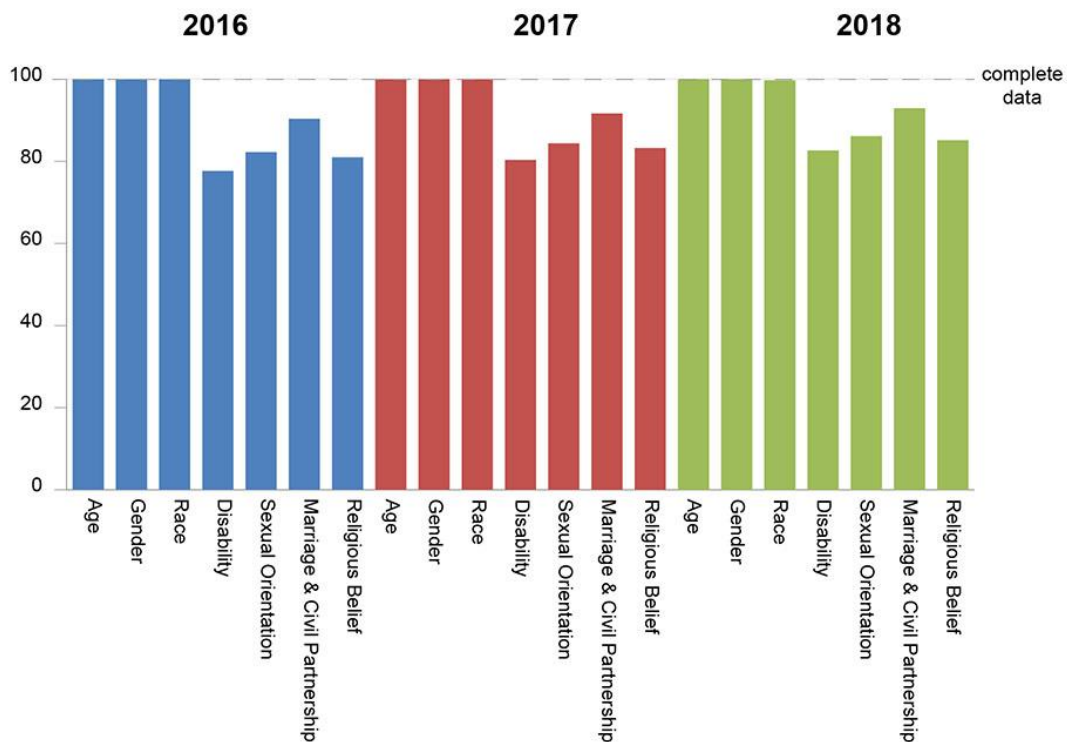
- applying fair recruitment and selection processes that will lead to a more representative workforce at all levels
- ensuring equal pay for work of equal value through job evaluation of roles in the trust
- providing training and development opportunities for all staff, monitoring take up and reviewing staff evaluation of the training
- making adjustments to support people with disabilities

- boards and senior leaders routinely demonstrating their commitment to promoting equality within and beyond the organisation
- papers that come before the board and other major committees identifying equality-related impacts including risks, and saying how these risks are to be managed
- line managers supporting their staff to work in culturally competent ways within a work environment free from discrimination.

Equality data

The trust gathers data from staff to help manage the equalities agenda. The completeness of this data has continued to improve:

Equality data completeness 2016-2018



Recruitment

We met our target to have trained enough members of staff in diverse recruitment and have achieved an improvement in the number of panels featuring a BME member of staff. Additionally, where a shortlisted BME candidate is not selected a clear explanation has to be provided by the recruiting manager to support that candidate's future development for such roles.

Our innovation in improving recruitment processes through the use of robotic process automation has been recognised in the form of a shortlisting for both Health Service Journal and Healthcare People Management Association awards.

Gender pay gap

The trust is committed to working to eliminate its gender pay gap, which is currently very similar to other NHS organisations and the wider public sector. Our gender pay gap report is available to view on the trust website. We recognise the valuable contribution of all staff irrespective of gender and are particularly proud of our record of promoting women in healthcare. The Royal Free Hospital was the first hospital in London to accept women medical students in 1887 and our trust board currently has more women members than men.

The following table shows our data since 2017:

Gender pay gap year-on-year comparison

	Female		Male		Gender pay gap %	
	2017	2018	2017	2018	2017	2018
Mean hourly rate	£19.44	£20.14	£23.61	£23.97	17.68%	15.98%
Median hourly rate	£17.60	£18.31	£20.31	£20.64	13.32%	11.28%

2.4.7 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. Positive relationships have been built and the trust has invested time for trade union representatives to undertake their work.

Leadership

Strong leadership is crucial to the success of our organisation. Our aim is to support all of our leaders to have the right development, at the right time in their career. We run various leadership skills programmes, have an online toolkit and provide access to coaching and mentoring to support this.

Our leadership and talent framework provides:

- a curriculum for each leadership level that builds on the previous one.
- aligning programme content with NHS healthcare leadership models and codes of conducts of the main professional regulatory bodies, for example the General Medical Council.
- a forum for delegates to address real work problems during the programmes.
- delegates collaborating on projects.

It has helped to build networks across the organisation with a shared purpose of delivering high quality patient care.

Health and wellbeing

Our health and wellbeing centre provides quality assured and evidence-based occupational health services to promote staff wellbeing.

We also operate an occupational health psychology service, which offers assessment and intervention, such as cognitive behavioural therapy to help address a wide range of stress disorders and help staff return back to work from illness. To support this work, we have

implemented a harmonised staff wellbeing and managing stress policy with a series of workshops held for managers and staff.

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

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

The trust's work in this area has led to us achieving the Healthy London Workplaces Charter standards.

Workplace nurseries

Our three nurseries, one at each of our hospital sites, are all rated 'good' by Ofsted. These Ofsted-registered centres provide safe and secure environments where children aged six months to five years can thrive and enjoy learning through play. Staff take advantage of this high-quality childcare for their children.

2.4.8 Application of the Modern Slavery Act

The Modern Slavery Act 2015 established a duty for commercial organisations to prepare an annual slavery and human trafficking statement of the steps it has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business.

The Department of Health and Home Office have established that NHS bodies are not considered to be carrying on a business where they are engaged in publicly funded activities and that it was not intended that such activities should be within the scope of the Act. Income earned by NHS providers like the trust from government sources, including clinical commissioning groups and local authorities, is considered to be publicly funded for this purpose so the trust does not meet the threshold for having to provide a statement. Nevertheless, the trust undertakes its procurement from suppliers in line with NHS standards and includes standard NHS terms. In relation to its own activities the trust has employment, identity and employee welfare arrangements in place to combat any exploitation of people.

2.5 Single oversight framework

NHS Improvement's Single Oversight Framework is concerned with overseeing providers and identifying potential support needs. It looks at five themes:

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

Trusts are then rated from one to four, with four being those who need the most support. A foundation trust will only be scored three or four where it has been found to be in breach or suspected breach of its licence.

Finance and use of resources

Finance and use of resources are rated across five measures, also from one to four, where one reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the rating of the trust above might not be the same as the overall finance score here.

Area	Metric	2017/18		2018/19			
		Q3	Q4	Q1	Q2	Q3	Q4
Financial sustainability	Capital service cover rating	4	4	4	4	4	4
Financial sustainability	Liquidity rating	3	2	4	4	4	4
Financial efficiency	I&E margin rating	3	3	4	4	4	4
Financial controls	I&E margin: distance from financial plan	1	1	2	2	2	1
Financial controls	Updated agency rating	1	1	2	2	2	2
Overall score		3	3	3	3	3	3

In 2018/19 we were notified by NHS Improvement (NHSI) that it believed we were in breach of our licence, in relation to corporate governance arrangements and financial management. In response, the trust commissioned external reviews and support in developing a financial strategy to move to an underlying break-even position and to review governance arrangements. Progress has been made in implementing the recommendations of these reports and we have invited the external reviewers back to report on this. The trust has achieved its financial plan for the year and has made progress in improving the underlying deficit. The trust board has therefore agreed to the financial control total set by NHSI for 2019/20.

As required, we continue to have regard to our non-financial obligations, work with the appointed senior financial advisor and abide by NHSI financial controls. We have yet to formally agree monthly governance and programme management arrangements as we await clarity from NHSI.

Statement of the chief executive's responsibilities as the accounting officer of 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 NHS Improvement.

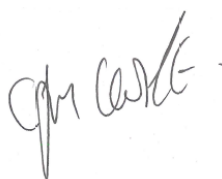
NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given accounts directions which require the Royal Free London NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of 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 Department of Health Group Accounting Manual and in particular to:

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

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

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



Caroline Clarke
Chief Executive

22 May 2019

2.6 Annual governance statement 2018/19

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Royal Free London NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Royal Free London NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

As group chief executive I have overall responsibility for risk management within the trust and that there is a group risk management policy. Day to day management of risks is undertaken by operational management, who ensure risk assessments are undertaken proactively and remedial actions are undertaken when problems are identified. The group executive committee (GEC) has the responsibility to ensure adequate structures, processes and actions are in place to manage risk. GEC ensures that identifying and risk, reporting risk and managing mitigations are seen as core to all staff. Regular training on risk management is given.

The risk and control framework

The risk management policy and supporting procedures set out the key responsibilities for managing risk in the organisation. Risks are scored using the NHS five by five matrix which balances likelihood of occurrence against the consequences of the risk happening. Risk management is regularly considered by the board and group executive committee (GEC).

The Board Assurance Framework (BAF), which records the risks to the achievement of the trust strategy, is owned by the group board, and reviewed by the board and the GEC. Each BAF risk is owned by a committee and by a lead executive, and reported to the appropriate committee. Any member of staff can identify and record a risk using the Datix patient safety software database. Each hospital site has a risk register. Triangulation of risk registers and the BAF is undertaken by the GEC by reviewing site and corporate high scoring risks. The risk management policy and processes are regularly reviewed by the audit committee to ensure they work effectively, are universally implemented and fit for purpose.

The trust is registered and licensed by the Care Quality Commission (CQC). The trust's CQC quarterly self-assessments assurance process determines if the trust is meeting CQC fundamental standards across all sites. Our services were inspected by the CQC in

December 2018 and a well-led review was carried out in January 2019. The report from the CQC was received in May 2019.

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

The quarterly self-assessment compliance process has been revised to reflect the group structure. Each hospital site executive prepares a self-assessment which is reported to site-based quality and safety boards. Site clinical performance and patient safety committees monitor performance and where necessary ask for action plans to mitigate risk or deteriorating performance.

In 2018/19 we were notified by NHS Improvement (NHSI) that it believed we were in breach of our licence, in relation to corporate governance arrangements and financial management. In response, the trust commissioned external reviews and support in developing a financial strategy to move to an underlying break-even position and to review governance arrangements. Progress has been made in implementing the recommendations of these reports and we have invited the external reviewers back to report on this. The trust has achieved its financial plan for the year and has made progress in improving the underlying deficit. The trust board has therefore agreed to the financial control total set by NHSI for 2019/20.

Data security risks

The trust is part of the CareCERT process administered by NHS Digital which aims to support NHS organisations manage cyber security risk effectively. Notifications of high priority from NHS Digital are actioned within 24 hours.

Risk management embedded in the organisation

The trust engages with the overview and scrutiny committees in north central London and the group chief executive regularly meets with local healthwatch representatives. Local members' councils (LMCs) have been established for each hospital site to engage with local communities. LMCs are attended by hospital chief executives, medical directors and chief operating officers; the membership is open to all governors but appointed governors representing the council or commissioners of the area that the hospital serves sit on the relevant LMC and act as a conduit with the relevant council or clinical commissioning group.

Summary of the major organisational risks

The key risks to the delivery of the trust's objectives are recorded in detail in the board assurance framework and monitored monthly by the board. In 2018/19 the key risks with potential impact on achieving the strategic objectives were:

- consequences of the UK leaving the EU; particularly without a deal
- deterioration in overall mortality rates
- lack of organisational capacity to embed quality improvement initiatives into the mainstream of trust work
- insufficient income generated from commercial ventures
- failure to integrate or modernise IT systems
- increasing cyber attacks on operational systems
- senior staff choosing to move outside the NHS
- failure to meet the A&E target causing quality or reputational problems
- lack of a robust or sustainable referral to treatment patient tracking list

- cancer 62-day backlogs causing delays in treatment potentially resulting in reputational damage to the trust
- trust relying on high levels of agency staff
- failure to achieve financial stability and deliver the 2018/19 financial improvement plan.

The trust established controls or implemented action to manage these risks, summarised below:

- **consequences of the UK leaving the EU; particularly without a deal**
Engagement with NHS England EU exit team, exiting EU preparedness working group established, full assessment of risks associated with EU exit and completed review of continuity planning.
- **deterioration in overall mortality rates**
A learning from deaths policy has been approved, there is a quarterly learning from deaths report presented to the board, a mortality surveillance group reviews serious incidents and gathers and disseminates learning and all serious incidents are reviewed by the clinical innovations and standards committee.
- **lack of organisational capacity to embed quality improvement (QI) initiatives into the mainstream of trust work**
Board level focus on and ownership of QI objectives, QI support faculty established, development of local learning systems on QI activity, regular reports to GEC and the board and QI approach embedded in trust quality account priorities.
- **insufficient income generated from commercial ventures**
Development of commercial strategy, continued discussions with partners and potential partners, business case development, oversight by group services and investment committee and monthly reporting on income and expenditure.
- **failure to integrate or modernise IT systems**
IT systems data quality strategy produced and a data quality portal is being introduced following the successful implementation of the electronic patient record at all three hospitals.
- **increasing cyber attacks on operational systems**
Annual network penetration testing, central funding secured for cyber security, procurement and implementation of Darktrace and ArcSight cyber security solutions, information governance incidence and compliance regularly monitored and reviewed by the information governance committee and cyber security plan reviewed by the audit committee.
- **failure to meet the A&E target causing quality or reputational problems**
Emergency care transformation programme and agreed action plans in place supported by the Emergency Care Intensive Support Team (ECIST) and regular monitoring of performance both by the group executive committee and hospital local executive committees.
- **senior staff choosing to move outside the NHS**
Staff retention strategy developed, group set up to support staff development and retention, exit interviews conducted to establish reasons for leaving, Joy at Work initiative launched and monthly reporting to the board.
- **lack of a robust or sustainable referral to treatment patient tracking list**

Referral to treatment steering group to oversee performance and recovery with advice from ECIST, NHS Improvement and commissioners, harm reviews underway and regular reporting to the board.

- **cancer 62-day backlogs causing delays in treatment potentially resulting in reputational damage to the trust**

Review of tumour site pathways being carried out, pathway redesign being implemented, regular clinical overview of all patient tracking lists, weekly GEC report and monthly report to the board.

- **trust relying on high levels of agency staff**

Weekly agency review process and senior level sign off, weekly reports to sites and GEC and monthly reporting to the board.

- **failure to achieve financial stability and deliver the 2018/19 financial improvement plan**

Failure to identify and deliver £45million in the plan in 2018/19, plans to deliver 80% of the target by March 2019, weekly GEC monitoring, weekly site level reviews, NHS Improvement oversight and monthly reporting to the board.

Major risks 2019/20

As with all NHS organisations, the Royal Free London faces continual challenge balancing the need to deliver high quality care in the context of increasing demand and acuity, while increasing productivity. The trust recognises the strategic and transformational challenges needed to deliver health economies. The principle strategic risks for 2019/20 are:

- sustain financial efficiencies and secure sufficient income for our services
- transform services through our clinical practice group programme and accountable care systems
- maintaining our workforce
- meeting performance measures, new proposed targets proposed for A&E, cancer and elective care.

Workforce safeguards

The trust is fully compliant with the registration requirements of the Care Quality Commission. We have published an up-to-date register of interests for decision-making staff within the past 12 months, as required by 'Managing Conflicts of Interest in the NHS' guidance.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all our obligations contained within the scheme regulations are complied with. This includes ensuring deductions from salary, employer's contributions and payments into the scheme are in accordance with the scheme rules and the member pension scheme records are accurately updated in accordance with the timescales detailed in the regulations.

Control measures are in place to ensure that our obligations under equality, diversity and human rights legislation are complied with.

The trust has undertaken risk assessments and has a sustainable development plan in place which takes account of UK Climate Projections 2018 (UKCP18) and that we comply with the Climate Change Act and the Adaptation Reporting requirements.

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

The trust has a range of processes to ensure 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 local and group executive committees, the trust board and associated sub-committees.

A risk-based annual audit programme, agreed with the audit committee and delivered by the internal auditors is in place. This audit programme evaluates our effectiveness in operating in an efficient and effective manner. Our external auditors are required as part of their annual audit to satisfy themselves that 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.

The trust had a reference cost index (RCI) of 96 which supports our view that we are delivering services on an efficient basis. The RCI return is submitted to NHS Improvement (NHSI). We are actively working with the national NHSI costing team to develop and improve patient level costing systems to further improve our economic and efficiency plans.

In fiscal year 2018/19, we delivered a financial improvement plan of £43million which equated to 5% of controllable income.

Our financial position remained challenging in 2018/19. We did not sign up to a control total but did deliver in line with the deficit financial plan of £65.8m we submitted. Excluding the impact of impairments, we finished the year with a deficit of £67.1m. The deficit had a significant impact on our cash position, and we continue to rely on the Department of Health and Social Care for working capital. In 2018/19 the trust has had to access Department of Health lending facilities for £53m. We were also notified by NHSI that it believed we were in breach of our licence, in relation to corporate governance arrangements and financial management. Further information is provided on this within the single oversight section on page 115.

From a cash perspective, we are confident that the trust will continue to be able to access Department of Health funds as we progress our strategic financial plan.

The directors of the trust have a reasonable expectation that the Royal Free London NHS Foundation Trust has adequate resources to continue to deliver clinical services for the foreseeable future. For this reason, the trust continues to adopt the going concern basis in preparing the accounts.

Information governance

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

The deputy chief information officer chairs the information governance group, the principal body overseeing the management of information risks. This group reports into the group executive committee via the digital transformation board and oversees the submission of the trust's annual data security and protection toolkit.

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

- information asset owners covering patient and staff personal data areas

- a trained Caldicott Guardian, a trained senior information risk owner and a trained data protection officer
- a risk management and incident reporting process
- staff data protection training
- data protection, information security, records management and confidentiality policies
- information governance risk register
- self-assessment data security and protection toolkit
- audit review of General Data Protection Regulation implementation (partial assurance with improvements required).

Public bodies are required to publish details of personal data-related incidents in their annual reports. In 2018/19 there were four serious information governance incidents which were investigated and reported to the Information Commissioner's Office (ICO).

Date of incident	Nature of incident	Nature of data involved	Number of data subjects potentially affected	Notification steps	Information Commissioner's Office investigation outcome
May 2018	Staff member accessed a patient's record without authorisation	Electronic, personal confidential data (PCD)	1	Information Commissioner's Office (ICO) Affected patient notified	Investigated, no further action taken
22 June 2018	Staff records left unattended in a staff room	Paper, personal confidential data	2	ICO	Investigated, no further action taken
October 2018	Hospital clinical handover sheet apparently found unattended in a hospital lift	Paper, personal confidential data (PCD)	21	Strategic executive information system (STEIS) and ICO	Investigated, no further action taken
October 2018	Clinic lists and an appointment letter disclosed in error	Paper, personal confidential data	25	Strategic executive information system (STEIS) and ICO	Investigated, no further action taken

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 (in exercise of the powers conferred on Monitor) has issued guidance to NHS foundation trust boards on the form and content of annual quality

reports which incorporate the above legal requirements in the NHS foundation trust annual reporting manual.

The quality account represents a balanced view and there are appropriate controls in place to ensure the accuracy of the data. The following provides evidence of the steps in place to provide this assurance:

- **Governance and leadership**

This is the 10th year of developing quality accounts for the trust. The quality account incorporates the principles outlined in the quality strategy of improving care and outcomes. It also highlights key achievements the trust has made during 2018-2019. This was developed in partnership with our clinical divisions and local executive committees. The executive leads and associated sub board committees for patient safety, patient experience and clinical effectiveness continue to influence the development of the quality account, especially progress in achieving the 2018-2019 quality priorities and the proposal of high-level quality priorities for 2019-2020.

- **Policies**

We have controls in place to ensure the quality of care provided and accuracy of the data used in the quality account. Key policies include:

- Reporting incidents and learning
- Complaints and procedure
- Records management
- Risk management
- Data quality strategy.

We have an extensive range of clinical governance policies reviewed at appropriate intervals, but no later than three years to ensure our operating policies reflect the best practice.

- **Systems and processes**

Each service has a range of national quality indicators and these are extracted from the information centre data and reported monthly to the trust board. Any high-risk issues (red rated) are considered by the group executive committee and an appropriate action plan agreed. Furthermore, the clinical audit plan reports on the performance of the national and local clinical audits bi-monthly to the clinical standards and innovations committee and includes any key risk areas and associated action plans. The internal and clinical audit plans are also aligned to the board's assurance framework.

Patient experience results have been collated by our services over the past three years. This data is used alongside established patient experience information for a comprehensive assessment of quality. In addition, the monthly quality strategy forum meets to give strategic leadership and direction to the trust's quality improvement efforts.

- **People and skills**

The quality account describes the focus on people and skills in the trust, namely:

- Our services are delivered by highly-qualified and skilled individuals, and we have robust policies for the recruitment, development and retention of staff.
- Mandatory and statutory training of staff is a key performance indicator, and this is reported to the board at regular intervals.
- The results of the 2018 NHS staff survey where we achieved a response rate of 36%.

The staff survey results show the most noticeable improvements are in the areas of manager/staff relationships and the degree to which staff feel their work is valued. Other areas where the trust has significantly improved since 2017 are in its quality of appraisals and in providing a safe environment in which to work. The majority of staff said they would recommend the trust as a place to work (62%) or as a place to receive treatment (72%).

- **Data use and reporting**

Better data quality, including ethnicity and other equality information, is essential in improving patient care and value for money. We have robust procedures to ensure the quality and accuracy of elective waiting time data reported.

Development of the 2018-2019 quality account process and timetable is influenced by our commitment to deliver on both the NHS Five Year Forward View and the Long Term Plan.

Review of effectiveness

As accounting officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of effectiveness is informed by the work of our internal auditors, clinical audit, executive managers and clinical leads within the trust. I have drawn on the content of the quality report attached. My review is also informed by the external auditor's management letter of 2017/18, which was a clean audit opinion, and the findings of this year's management letter will be taken into account.

The overall arrangement for gaining assurance is through the board assurance framework (BAF) and via controls supporting the BAF, which were reviewed by internal audit in 2017/8. The audit concluded there was 'significant assurance with minor improvements'. The BAF provides evidence of the effectiveness of controls and rates the ability of the organisation to manage the risks identified. It is framed in the group goals and its focus is on the delivery of agreed outcomes.

The audit committee oversees the effectiveness of the trust's overall risk management and internal control arrangements. It regularly receives reports on internal control and risk management from internal and external auditors.

The responsibility for compliance with the Care Quality Commission (CQC) essential standards is with lead executive directors. The trust is addressing all areas of underperformance and non-compliance identified by external inspections, patient and staff surveys, staff and governors. Following the CQC inspection award of 'requires improvement', the trust will focus on remedying all actions identified.

From a regulatory perspective as of 31 March 2019, the trust is not meeting the cancer 62-day wait for first treatment, the 18-week referral to first treatment and the four-hour A&E waiting time standard. The trust is also pausing reporting on referral time to treatment for a short period of time.

Conclusion

The board is committed to continuous improvement of its governance arrangements and to ensure that risks are promptly identified and managed. Serious and non-compliant incidents have effective remedial action taken so that patients, service users, staff and stakeholders at the Royal Free London can be confident in the quality of work delivered.

A handwritten signature in black ink, appearing to read 'Caroline Clarke', with a stylized flourish at the end.

Caroline Clarke
Chief Executive

22 May 2019

3 Quality Report

3.1 Part one: Embedding quality

3.1.1 Statement on quality from the chief executive

In this report we aim to assure the population we serve, our patients and 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.

Last year was significant in the history of the Royal Free London as we opened the only new hospital in the 70th year of the NHS, virtually paper free, and introduced a new Electronic Patient Record (EPR) on two sites. This happened whilst seeing record numbers of emergency patients across the organisation.

The heart of our approach as an NHS group continues to rely on clinical leadership. Teams of doctors, nurses, therapists, radiographers and analysts across our hospitals, supported by their managerial and administrative colleagues, continue to design new pathways - the way a patient is treated for a particular health issue - based on best practice and the latest clinical evidence. These teams, known as clinical practice groups, are the glue that binds our hospital group together. Seven of these pathways have been digitised as part of our global digital exemplar status, and 20 in total are in an advanced state.

We have developed pathways covering 70% of our total activity, all of which have been co-designed with patients, facilitated by the Point of Care Foundation, and enabled by the Royal Free Charity. Each of the projects have worked closely with patients to establish how we can better deliver care at the design stage. They are already starting to show real benefits. For example, we have significantly reduced admissions to our neonatal unit by keeping mothers and babies together after birth. The digitised major joint replacement pathway at Chase Farm is already increasing timely preoperative assessment and reducing average length of stay.

We are now using the same methodology to approach the cancer pathway across the group, and to increase the number of emergency admissions treated in ambulatory care avoiding unnecessary admissions.

This is a big change and much work is underway to ensure our people are equipped with the skills, and the confidence, to make it succeed. To support all of this work, we are transforming the way the Royal Free London group uses digital technology. As part of our global digital exemplar award from the Department of Health, we received £10m to pioneer new technology in the NHS. With this investment we have worked hard to make it much easier for our clinicians to improve our patients' outcomes and their experience of care. This includes the new EPR at Chase Farm, digitised patient pathways, and an approach to sharing information on population health across north central London.

Our partnership with the Institute for Healthcare Improvement (IHI) has progressed significantly, we are on track to train 2,000 staff in quality improvement (QI) skills. These support QI across the organisation, enable the clinical pathway group programme, but are also applied to other priorities such as retention and staff morale. Quality improvement takes more than one year to embed into an organisation and our three-year investment with the IHI and in clinical pathway groups demonstrates a serious long term commitment.

In recognition of this, many of our 2018/19 priorities are carried forward but there are some significant additions. Most notably these include an increased emphasis on patient and public involvement, a further commitment to learning from deaths in line with national policy,

and a reiteration of the importance of healthcare associated infection. We will use our existing expertise and prioritisation of safety to give this work the weight it deserves.

The quality report includes our high level priorities for the coming year and an assessment of our performance last year. There have been some particular highlights where the clinical pathway groups and QI initiatives have come together and the clinical standards and innovation committees, the board and the clinical quality review group led by commissioners hear about these examples at all their meetings. These are too numerous to single out individual examples but cross all divisions and disciplines.

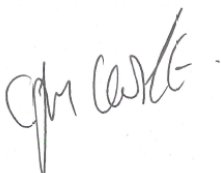
We have had a challenge with a series of never events in the early part of the year. These have in general resulted in low harm but are serious in their nature and we have responded with focused work in theatres, in invasive procedures outside theatres, and in the delivery of oxygen on wards. We have had seven months without an event and there is executive leadership in maintaining this progress.

In May we received the result of our Care Quality Commission inspection. The trust was rated 'Requires Improvement' overall. This was disappointing, and we are determined to deal with a number of specific issues mainly in the safe and responsive domains. However, there were 21 areas of outstanding practice identified - 10 more than in 2016 - and teamwork, kindness, respect and a commitment to improvement were complimented.

The approach set out in the quality account, a systematic and comprehensive strategy to deliver quality improvement, will help us on the journey to an outstanding rating.

I believe the evidence provided in this quality report demonstrates our commitment to provide the highest quality clinical care, applying our world class expertise to the health needs of the population we serve.

I confirm to the best of my knowledge the information provided in this document is accurate.



Caroline Clarke
Chief Executive

22 May 2019

3.1.2 Our trust: our journey of improvement

The Royal Free London NHS Foundation Trust is one of the largest hospital trusts in the country, employing more than 10,000 staff and serving almost two million patients across our three main hospitals and other sites in north London and Hertfordshire.

Our trust attracts patients from across the country and beyond to our specialist services in liver and kidney transplantation, haemophilia, HIV, plastic surgery, immunology, neurology, Parkinson's disease, vascular surgery, cardiology, amyloidosis, scleroderma and infectious diseases (which can be treated in our high-level isolation unit).

We are also a member of the academic health science partnership UCL Partners, which brings people and organisations together to transform the health and wellbeing of the population.

At the Royal Free London our **vision** is clear: to deliver world class expertise and local care. We combine globally recognised clinical expertise with local and friendly hospital care to represent the NHS at its best.

Our **mission** is to be world class in terms of healthcare treatment, clinical research and teaching excellence. We aim to deliver and develop leading local healthcare in all three of our hospitals, to improve lives and help people to thrive.



Our **governing objectives** set out how we will achieve our mission:

- Excellent outcomes in our clinical services, research and teaching
- Excellent experience for our patients and staff
- Excellent financial performance
- Safe and compliant with our external duties
- Continual development of a strong and highly capable organisation

In 2017, we became a **group**, working alongside other healthcare experts to share ways of working which we know deliver the best outcomes.

By working collectively, we can reduce variations in patient care and the cost of treatment across the group.

By working as a group, we can bring together larger numbers of clinicians to share their knowledge about the very best ways to treat patients in line with the very best care available across the globe.

Under the group model, there would be one consistent approach, based on the shared experiences of the **clinical practice groups** where we can introduce innovation and continuous improvement for the benefit of patients who come into any of our hospitals within our group.

Clinical practice groups (CPGs)

The overall aim of our CPGs is to work in partnership with our patients to co-design new pathways of care and define the outcome measures that matter to our patients.

Patients are at the heart of our clinical practice groups and the main focus is to reduce the unwarranted variation in clinical practice and processes. The variation in care adds no value for our patients and is an inefficient use of health care resources.

We currently have 21 CPG pathways across our three hospital sites and North Middlesex hospital. Each CPG has a program lead and a chair.

Our current CPG pathways

1. Preoperative assessment
2. Elective hip
3. Elective knee
4. Right upper quadrant pain (RUQP)
5. Induction of labour
6. Admissions to neonatal unit ('Keeping mothers and babies together')
7. Dermatology
8. Prostate pathway
9. Lung cancer pathway
10. Lower GI cancer pathway
11. Wheezy child pathway
12. Haematuria pathway
13. Hepatobiliary and Pancreatic (HPB) cancer
14. Early pregnancy pathway
15. Anaemia
16. Pneumonia
17. Frailty
18. Chronic obstructive pulmonary disease (COPD)
19. Heart failure
20. Chest pain/pulmonary embolism
21. Cataract - Med iSOFT

In July 2018, the Royal Free London group celebrated its first anniversary – with the establishment of clinical practice groups (CPGs), one of its crowning achievements

We're bringing together larger numbers of clinicians to share their knowledge about the very best ways to treat patients in line with the very best care available across the globe.

CPGs are at the heart of this approach – the glue that binds our hospitals together.

John Connolly, RFL group director for clinical pathways, said: "CPGs are clinically led ways of working across several hospital sites aimed at reducing variation and ensuring all patients receive the best standard of care, wherever they are treated.

"Hospital teams work together to design pathways and work to ensure diagnostic and treatment decisions are consistent and based on the latest evidence to deliver the best possible outcome for patients."

An example of one of our CPGs where we have worked with our patients is within our paediatric clinical teams to support the wheezy child.

The wheezy child CPG

The CPG was set up with the aim to ensure that 100% of children presenting with wheeze will receive a standardised severity score and follow a clinical algorithm that will achieve the highest standard of clinical outcomes by July 2019.

The team are seeing early signs of improvement with an overall reduction in admissions and re-attendances at seven and 30 days and are looking forward to the go live of the digitised pathway in July 2019.



Members of our 'wheezy child' CPG with Dr Chris Streather, chief medical officer and Caroline Clarke, group chief executive

Digital is the key

Work is underway to digitise our pathways and to build them into the new electronic patient record (EPR) system. This means that when a patient comes to a hospital with certain symptoms and their details are entered into EPR, the new CPG pathways will prompt the clinician to the right course of treatment which we know delivers the best outcome for our patients.



While the pathways are being designed so they are appropriate for the vast majority of patients, there will always be occasions when patients and their clinicians agree on a different course of treatment – which will be recorded and used for ongoing learning and improvement.

Real time collection of accurate data will transform our understanding of how well the pathway is working or if it needs to be adapted. Using this platform we can encourage innovation to improve standards.

#Frailty February: Joint cross site collaboration to promote the awareness of frailty and that it is 'everybody's business'

NHS
Royal Free London
NHS Foundation Trust

Frailty ...
Can affect all ages
Is everybody's business
Share how you support frail patients #FrailtyFebruary

FRAILTY F FEBRUARY

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



What is frailty?

Frailty is the condition in which a person becomes progressively fragile and increasingly vulnerable to illness. It is not always associated with getting older. It can vary between individuals and should be treated as a long-term health condition; it can be made better.

Identifying Frailty is the first step to improving the lives of people who have frailty and avoiding unnecessary harm. We want to ensure patients receive the best possible healthcare.

What have we been doing?

A frailty clinical practice group has been set up to develop the frailty pathway across Barnet Hospital, Chase Farm Hospital, Royal Free Hospital and North Middlesex University Hospital. We are also working with the ambulance services.

This work brings together and builds on great work that is already underway to support people with frailty including TREAT services, Fit to Sit, Care in a Chair, therapists in the Emergency Department, End PJ Paralysis and CAPER and dementia training.

When patients arrive at the Emergency Department, hospital and ambulance staff have started to use the *Rockwood Clinical Frailty Scale* to help identify patients who have frailty. This helps us tailor our care to meet patient's needs.

Throughout the past year we have been raising staff awareness through staff briefings, training and events during our Frailty February campaign.

We have been talking to patients and carers to find out what is important to them and how we can support their needs. During the coming year we will be building on this to further develop our pathways so that patients and carers receive the best experience and care that we can provide.



During 2018/19 we made several key achievements that we are proud of. The following information is a snapshot of some of our key achievements in support of improving patient care and outcomes.

Key achievements

Congratulations to our liver transplant team on reaching its landmark 2,000th transplant

In February 2019, the Royal Free Hospital reached the landmark of undertaking 2,000 liver transplants.



David Edgell, says he is incredibly grateful to the family who granted permission for their loved one's liver to be transplanted, granting him a second chance at life.

David has become our 2,000th liver recipient since transplantation began at the Royal Free Hospital more than 30 years ago.

Team celebrates 2,000 liver transplants



"It's a real landmark that we have reached our 2,000th transplant and I wish David well. I'd also like to pay tribute to our incredible multi-disciplinary team that collaborates to enable this life-saving work to take place."

Silence is golden: Using a 'silent' saw at Barnet Hospital to help children and older people to feel less anxious when having their plaster removed.

Our BH orthopaedic practitioners, or 'plaster techs', are celebrating the sound of silence after the recent delivery of a special saw.

The 'silent' saw helps young children, older people with dementia, as well as people with learning disabilities to feel less anxious when they are having their plaster cast removed. Marlon Ferro, an orthopaedic practitioner at Barnet Hospital, said: "Sometimes when children are having a cast removed they can become quite distressed by the sound of the saw which is very loud.

"This is quieter, and also much lighter and more mobile so we can also use it on the wards."

Thanks to a donation from Barnet Hospital Charity, patients are able to benefit from the quiet saw as well as an iPad and headphones which help to distract them while their casts are removed.

Steve Shaw, Barnet Hospital chief executive said: "It's often the small, simple things that make a huge difference to children and other patients. This will undoubtedly make it a more pleasant and less frightening experience for them."

"This new saw is really great. It can be a very frightening experience for young children having a plaster cast removed. Even though it doesn't hurt, it's the noise that can scare them."

Jane Markus, senior orthopaedic practitioner



Left to right top row: Mark Baker, orthopaedic practitioner, Jody Graber clinical pathway manager orthopaedics, Steve Shaw, Barnet Hospital chief executive

Left to right bottom row: Jenny Randall, senior sister, outpatients, Jane Markus, senior orthopaedic practitioner, Marlon Ferro and Rita Sandhu orthopaedic practitioners, Carla Bispham, community fundraiser, Barnet Hospital Charity

Pathway to better care for haemophilia patients

The RFL is home to the UK's biggest treatment centre for haemophilia and other inherited blood disorders.



People with haemophilia have little or no factor 8 or 9 in their blood – proteins that make the blood clot.

It is an inherited disorder that affects men, which means the centre looks after many generations of family members. In its most severe form haemophilia can cause extremely painful muscle and joint bleeding – usually at the hinge joints of the elbows, knees or ankles.

After many bleeds such as this, patients can develop haemophilic arthritis. Paul McLaughlin, a haemophilia physiotherapy specialist, has pioneered the establishment of a proactive pathway to support patients in managing the musculoskeletal (MSK) issues associated with haemophilia.

Using the pathway helps many people to avoid hospital attendances and admission, have better control over their condition and reduces unnecessary doses of costly medication.

Paul explains: “Many people think haemophiliacs bleed uncontrollably when they get cuts or wounds, but it is rare to see blood – most bleeding takes place internally.”

Paul describes his role as a bridge between haemophilia, orthopaedics and MSK physiotherapy. He says: “We have an exceptional multidisciplinary team providing a comprehensive service for people with haemophilia to manage their condition day-to-day, stay well and live as full a life as possible.”

Historically haemophiliacs were advised against doing exercise or sport, due to risk of bleeding. But with the excellent medical treatment now available the advice has changed, because strong joints and flexible muscles can reduce the risk of bleeds.

“We often see our haemophilic patients with pain after an activity like football, but it is not necessarily caused by a bleed, it may be an injury that could happen to anyone.” says Paul.

“Patients can come directly to our clinic and we will assess the possible reasons for their pain. We might arrange imaging, instigate a rehabilitation plan or see them in our combined orthopaedic clinic – whatever is clinically appropriate.”

New-look breast unit

A new-look specialist breast unit at Royal Free Hospital is helping staff to deliver better care and support to patients.

The unit has expanded, allowing the breast service to provide a much improved and more private environment for patients.

There are two new high-tech mammogram machines, offering 3D imagery and the ability to take biopsies. By doubling capacity and upgrading equipment, more patients are able to receive same day images, speeding up both diagnosis and referral to a consultant.

The space has also been improved with the introduction of additional consulting rooms and toilet facilities.

Tina Kelleher, lead nurse for breast services, has worked for the service for more than 40 years and is delighted to see the improvements. She said: "We knew that a better space was something that patients desperately wanted and we did too.

"We even have a dedicated nurses' office now so that oncology and surgery cancer nurses can communicate more effectively. It will improve the patient experience so much and we are already receiving lots of positive feedback."



Left to right: Azita Moman, senior radiographer and mammographer and Gemma Fenlon, senior radiographer and trainee mammographer

Trial for new smart device

Chase Farm Hospital is trialling an innovative respiratory monitoring device to speed up the identification of patients whose condition is deteriorating.

Respiratory rate is the earliest and most sensitive indicator of a worsening condition and is a key component of the new National Early Warning Score (NEWS2) which is set to become the standard for identifying patient deterioration in England by April 2019. However, it is not always easy to monitor.

We are one of four trusts selected from a number of applicants to work with UCL Partners on piloting the device.

A set-up phase has begun in Chase Farm Hospital's surgical ward. If this is successful, the ward will carry out a full pilot, receiving a free six-month supply of the monitors.

RespiraSense has been selected for the trial by NHS England's Innovations Accelerator, which supports the uptake and spread of proven, impactful innovations.

Fiona Morcom, clinical implementation lead, said: "Early identification of deterioration is a challenge for hospitals worldwide. It's vital to improve outcomes, reduce length of stay and avoid transfers to a high dependency unit.



"Our task in the trial is to explore how it can be embedded in our work flows and how best to use the information it provides. We're delighted that we were chosen for the trial as this kind of innovation fits perfectly with our aspiration to be one of the leading digital hospitals in Europe."

It provides clinical teams with highly accurate readings enabling them to spot if a patient's condition is deteriorating up to 12 hours earlier than usual.

Our IBD (Inflammatory Bowel Disease) patient panel

IBD is a long-term, chronic condition that causes inflammation in the gastrointestinal tract. It can be divided into two illnesses; Crohn's disease and ulcerative colitis. Often diagnosed at a young age, patients experience periods of relapse and remission. Most are managed with medical treatments but surgery is sometimes required. The Royal Free London has a large IBD service and a significant proportion of its patients require care and support over many years

The IBD Patient Panel was set up in February 2018 and consists of a group of enthusiastic volunteers identified through a patient experience questionnaire.

Panel aims:

- To provide feedback on patient service development
- To advocate for IBD services in the trust
- To provide a sounding board for the healthcare team
- To bring a patient's perspective to service development and improvement.

IBD journeys and panel values

The panel identified common journeys through the service encountered by patients at different stages of their IBD. These journeys ranged from diagnosis, initial treatment and on-going care, through to management of patients during periods when their symptoms flare. They also identified underpinning values felt to be fundamental to the delivery of high quality care. These included confidence, efficiency, personalisation, effective communication, access to medicines and services, management of test results, support for patients and clear sign-posting to information and support for carers.

Panel objective:

To improve quality of care, efficiency and patient satisfaction by working with the IBD team in the Clinical Pathway Programme to coproduce care pathways for use across all sites.

Pathway review

The Patient Panel worked alongside the clinical team to coproduce a series of pathways that they felt represented excellent care. As a result of the development of these pathways, a number of recommendations were made and these have now been implemented by the IBD team.

Recommendations implemented by the IBD team:

- An improved cancellation management system that avoids recurrent and inappropriate clinic cancellations.
- A review of clinic letters, particularly the timescale for production and the use of attachments, e.g. for flow chart of blood results.
- A review of service information publications for patients and carers.
- The introduction of information for patients and carers about what to do when experiencing a flare of symptoms.
- A review and update of the service's website.
- A review of communication options for the clinical team and patients, including the introduction of video technology.
- A joint venture between NHS England and Crohn's and Colitis UK to produce a video about the role of the Patient Panel.
- Designing an individual patient care plan.
- Designing a patient questionnaire to gather regular feedback about the service.

The panel has proved to be a great success, providing a strong patient voice in service reviews and in bringing patients and clinicians together to really understand each other's priorities and demands.

Members of the panel have expressed their clear commitment to continuing with this work and to striving towards further service improvements and innovations in the future.



Stuart Berliner,
Member of the
IBD Patients
Panel.

Dawn Atkinson,
Deputy director
of clinical
governance
and
performance

Kidney peer support work



Over the last year a team of kidney nurses and doctors have worked together with the support of the hospital volunteer team and the kidney patient's association to re-launch the kidney peer support service.

Peer support involves putting a kidney patient in touch with another person with first-hand experience of kidney disease for an informal one to one chat. Being a kidney patient can be

challenging, having to make difficult decisions about treatments such as kidney transplant or dialysis, together with having to restrict what you eat and drink whilst remembering to take multiple medications.

Whilst kidney patients are offered education and support by nurses, doctors and other health professionals, many people find it helpful to talk to someone who is in a similar position or who has been through the same treatment. Indeed, what has struck us during our peer support training sessions is that all of our volunteers wished that they had had the opportunity to talk to another patient at some stage during their journey through the kidney service.

Since the relaunch of the peer supporter service in September 2017, 21 volunteers have attended one of our kidney peer support training sessions. The training session lasts two to three hours and is run by the peer support team; a group of nurses and one of our psychologists who are passionate about providing a peer support service for our patients. During the sessions we have been struck by the motivation and commitment of our volunteers who speak so passionately about their desire to help other patients through difficult times.

We have slowly been receiving referrals for peer support, mostly these came from the nursing and medical team but we are hoping that patients will also contact us directly for support. This is what led us to create posters featuring some of our active supporters and their journeys. We are hoping the posters will be ready in the next month and will be displayed in all of our kidney care centres.

Meet two of our peer supporters:

Gillian



"I have been a kidney patient at the Royal Free Hospital for over 10 years. My son, who is now 25, was also born there, so it feels like home and the staff feel like family. The medical care for kidney patients is excellent, but kidney disease can be a huge challenge and just like any other challenge, the journey is made easier if the people who help you through it, understand what you are going through, because they've been that way before. That's why I became a peer supporter, to help kidney patients have an easier time through kidney disease, by sharing my experience and helping patients understand that there is life after chronic kidney disease."

Helene



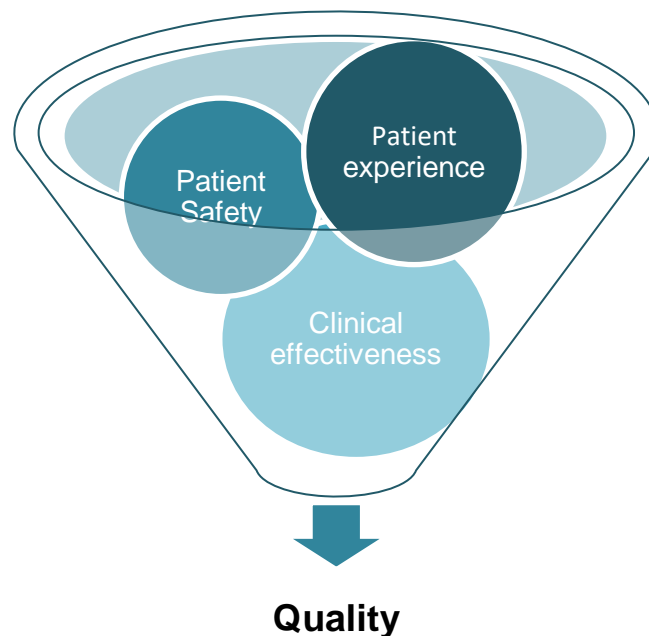
"It all came as a rather nasty shock. I'm sure I did not take in much of what the doctors said at the time. If only I could have spoken to someone who had been through a similar set of medical events I could have asked more pertinent questions and would have had a greater understanding of what lay ahead instead of muddling through."

3.2 Part two: Priorities for improvement and statements of assurance from the board

Every year all NHS hospitals are required to write a quality report for our stakeholders about the quality of their services. The quality report allows us to be more accountable and helps us to drive improvement in the quality of our services.

Within the quality report we review our performance over the previous year, identify areas for improvement and publish that information. Areas include patient experience, patient safety and clinical effectiveness:

- **Patient safety** – how have we been keeping our patients safe from harm?
- **Clinical effectiveness** – what were the outcomes? how successful is the care provided?
- **Patient experience** - how was the experience for our patients using our services?



This section describes the following:

- Priorities for improvement: progress made against our priorities during 2018/19
- Outline on our quality priorities for improvement chosen for 2019/20
- Feedback on key quality measures as identified within the mandatory statements of assurance from the board.

A look back at the progress made during 2018/19 to achieve our priorities for improvement.

Following consultation with our key stakeholders, the trust agreed that during 2018/19 we would focus on eight priorities. Five out of the eight priorities were carried forward from 2017/18 and the remaining three priorities were new areas that were identified for improvement as outlined in table 1 on the following page.

The eight priorities remain within the three domains of quality (patient experience, clinical effectiveness and patient safety) and continue to have an executive sponsor, a designated lead and an associated committee where progress is monitored and assurance provided.

Table 1: Overview of priorities for 2018/19 and associated committees

Quality domain	Priorities for 2018/19		Carried forward from 2017/18	Associated committees
Patient experience	1	To achieve certification for <i>The Information Standard</i> .	✓	People and population health committee
	2	To further enhance and support dementia care.	✓	
	3	To improve our involvement with our patients and carers.	✗	
Clinical effectiveness /quality improvement	4	To build capability in the workforce and have an online project tracker tool.	✓	Clinical standards and innovation committee
	5	To develop a superior change management capability putting clinicians in charge of their clinical pathway.	✓	
Patient safety	6	To improve safer surgery and invasive procedures.	✓	Clinical standards and innovation committee
	7	To improve our learning from deaths.	✗	
	8	To improve infection prevention and control.	✗	

3.2.1 Priority one: Improving patient experience: delivering excellent experiences

The trust is committed to working in partnership with our patients to ensure that its services are both relevant and responsive to local needs.

Providing an excellent experience for our patients, staff and service users is central to the trust's governing objectives. Therefore, listening to the views of our patients helps us to better understand what we are doing right and what we need to improve.

Our patient experience team are involved in various works across the trust with the aim of improving practice and changing our patients' experiences for the better. For 2018/19 we chose the following priorities as they were linked to specific strands of work within the trust, in support of our vision to have strong positive patient experience.

Our quality priorities for 2018/19 were:

1. To achieve trust certification for 'The Information Standard'
2. To further enhance and support dementia care.
3. To improve our involvement with our patients and carers.



1. Improving the information for our patients

A key objective for the trust has been to improve the consistency of the information available to our patients and carers, as the provision of high-quality accessible information is crucial to embedding our world class care values.

Since 2016/17, the trust aimed to achieve accreditation with The Information Standard; an initiative led by NHS England which supports the production of high quality information by organisations through having a robust information production process based on best practice to ensure that information it produces meets the needs of its user. The Standard is based on six principles as shown in table 2 on the following page.

This priority was carried forward from 2016/17 and 2017/18 with the aim of working towards achieving the Information Standard. During 2017-18 the following measures were achieved:

- Over 100 patient information resources were approved in line with the patient information policy (2016) and over 250 leaflets were submitted for review.
- We worked with our radiotherapy, imaging and ophthalmology departments to embed the practice of evidence-based information production, a key requirement of The Information Standard.

Table 2: Principles of The Information Standard

Six principles of The Information Standard	Quality statement
Information production	There is a defined process for producing information.
	All individuals involved in the information process have the relevant up to date training/experience.
Evidence sources	Information is created using high quality evidence (where the evidence exists) and is presented in a balanced manner.
	Information is reviewed by relevant professionals/peers before it is approved for use.
User understanding and involvement	Information is created taking into consideration the health literacy and/or accessibility needs of the population it is aimed at.
	Jargon is not used and medical terms (when used) are explained.
	End users are involved at the outset and throughout in the production and their input is actively used.
End product	An authorised approver(s) checks that your process has been followed sufficiently before a product is approved for publication.
	The date and review date of each information product are clearly stated.
	Information is in plain language, free from spelling and grammatical errors – and medical terms are explained where necessary.
	References to the evidence used in the information are retained and made available if requested.
	The information signposts the end user to further sources of information.
	The information product gives the end user details on how they can give their feedback.
	An authorised approver(s) checks that your process has been followed sufficiently before a product is approved for publication.
Feedback	People are encouraged to give any ongoing feedback after the product has been published and this is acted upon as appropriate.
Review	There is a defined process for reviewing published/approved information.
	All staff involved in the information process follow the defined review process for all information products.

What did we aim to do in 2018/19?

We aimed to achieve trust certification for 'The Information Standard'.

What were the key measures for success?

- To work with Clinical Practice Groups (CPGs) to embed the patient information approval process and ensure information produced via these channels are in line with the Information Standard requirements.
- To submit an application for The Information Standard for information produced by the radiotherapy department - the department will act as our exemplar for further rolling out the Standard.

What did we achieve?

Following the closure of The Information Standard certification scheme in 2018, this priority has been closed and the trust did not achieve accreditation. Nevertheless, the trust will continue to follow the principles underpinning the Information Standard, which have been embedded into our framework for producing information and patient information policy.

This has included the following:

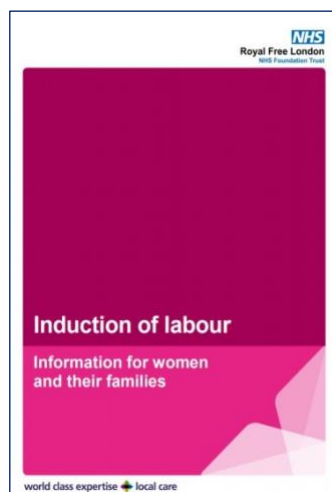
- The trust's patient resources approval process has been integrated into clinical pathway group (CPG) work. Information for patients produced as a result of CPG work are reviewed via the trust process, and following approval, published onto the trust website.
- We are piloting the use of QR codes on resources produced via the women's and children's CPG to increase accessibility. We will be monitoring downloads to see if this is an effective method to reach our audience.
- We have also improved the transparency of approval and review dates of our information both in print and online and have a stringent review process in place to keep resources up to date.
- We will continue to strive to produce easy to understand, evidence-based, high quality information for our patients, carers and family members.

Progress to achieve this priority has been monitored at our people and population health committee as part of our patient experience reporting.

Examples of materials produced for our patients



	About epidermal harvesting	Approved: 01/09/2018
	Service: Plastic surgery	
	.pdf (280 KB)	
	About lidocaine/prilocaine cream for micro-pigmentation	Approved: 08/02/2019
	Service: Plastic surgery	
	.pdf (258 KB)	
	Acute oncology service at Barnet Hospital	Approved: 20/03/2019
	Service: Cancer services	
	.pdf (278 KB)	
	Acute oncology service at the Royal Free Hospital	Approved: 20/03/2019
	Service: Cancer services	
	.pdf (303 KB)	
	Advice for kidney patients: Eating with a small appetite	Approved: 07/11/2017
	Service: Kidney services	
	.pdf (449 KB)	
	All about intermittent claudication	Approved: 09/08/2017
	Service: Vascular surgery	
	.pdf (394 KB)	



Anaemia clinic: A patient journey

If you have an anaemia clinic appointment, please watch the information video below before you visit to help you understand more about your condition and what will happen on the day of your appointment.



If you would like further information or to get in touch with us please contact the haematology department on: 020 7830 2301.

Useful downloads

[Information about anaemia](#)

[Information about intravenous iron therapy treatment](#)

2. Improving dementia care

People with dementia do not do well in hospital – they have longer lengths of stay, they have higher mortality rates and are less likely to go home after admission. This is thought to be related to the way we care for them in hospital – not because of the dementia itself.

Since 2015/16, the trust has prioritised to improve dementia care and has reported progress in previous quality accounts/reports.

Previous achievements have included:

- the production of a film for staff highlighting the carers perspective
- an increase in the number of dementia awareness trainers
- implementation of the 'John's campaign' (improving visiting rights for carers)
- development of a 'passport' which entitles the holder to discounts in the staff restaurant, reduced parking costs, free massages
- Implementation of the 'forget-me-not' scheme, which alerts staff to the specific needs of the patient.

In 2016/17 we developed a framework called CAPER which was designed to support and upskill staff working with patients experiencing dementia and/or enhanced care needs.

CAPER stands for:

C	Collateral and Communication	getting the right information from the right people and using specialist communication techniques
A	Assessment	understanding behaviour as a form of communication and understanding reversible causes of distressed behaviour, pain and delirium
P	Partnership	working alongside patients, families and carers
E	Enablement	helping patients maintain the skills and function they came in with
R	Role-modelling	using your own skilled practice to inspire cultural change.

Progress to achieve the priority has been monitored at our people and population health committee as part of our patient experience reporting. Specific metrics which includes monitoring the length of stay, place admitted from, discharge destination and readmission within 30 days are also reviewed by the dementia implementation group.

What did we aim to do in 2018/19?

We aimed to further enhance and support dementia care initiatives across the trust through the delivery of the dementia strategy.

What were the key measures for success?

- Improve dementia services for patients admitted to The Royal Free London and their carers

- Improve staff experience in caring for people with dementia
- To design new dementia strategy for 2019–21.

What did we achieve?

During 2018/19, the trust has continued to prioritise the improvement of dementia care for our patients, carers and staff.

Highlights include the following:

- Action plan for the national audit of dementia has been completed. Audit currently in progress on the three reporting sites (8 West, 10 North and 6 South wards). Results will be available in July 2019.
- Dementia key worker scheme implemented on four wards, providing specialist input and support for patients and families.
- Publication of RFL Guide to Dementia now available on all wards across the trust. Regular carer support sessions held at Royal Free Hospital and Barnet Hospital and five new 'Sundown Sessions' currently in production.
- Eight important things about me document updated and new process implemented.
- 'High Bay' project to launch in 2019 with an emphasis on resourcing and training nursing assistants to facilitate group activities sessions for patients who are being cared for in an enhanced bay.
- Innovative Chicken Shed theatre training took place in January 2018 and CAPER anchors are looking to further their training in communication and care for patients living with dementia.
- Music therapy training planned for interested staff complemented by an improved roster of musicians visiting the organisation under the Royal Free Charity.
- Delirium pathway documentation continues to be piloted across the trust and the dementia implementation group will now be reviewing all PALS/incidents reported that relate to dementia or delirium which will help us to identify hotspots.
- Strategic event planned inviting the public, carers, patients and interested staff to feed into our new strategy.

Raise the curtain

Patients at the Royal Free Hospital will have the best beds in the house thanks to a refurbishment designed to improve the care of dementia patients. 8 West ward has been decorated to transport patients and visitors to the seaside, and now includes a theatre space for live performances by actors, musicians and poets.

The seaside theme was inspired by feedback from patients and relatives on the ward, and co-designed by Danielle Wilde, Royal Free London dementia lead, Chito Gabutin, 8 West

ward manager and the 8 West multi-disciplinary team. Following months of hard work to bring the idea to life, the new look was met with a tremendous reception from all at its grand unveiling. The event was held in 'The Royal Free Theatre' – a new day room on the ward. Previously a patient bay, the area has been converted into theatre space, complete with a red-curtain backdrop. The theatre will be used to provide patients with a weekly programme of activities while they are in hospital – it will also set the stage for the future of dementia care at the trust, where art and engagement will be a key focus.

Showcasing how the space will be used, patients and staff were treated to a live musical performance during the opening by forties swing trio, The Polka Dots.

"It was fantastic to see all the patients singing along with the music and enjoying themselves. This will be a great place we can bring our patients to."

"The opening ceremony was a great opportunity to showcase the day room, and everything that we will be doing in this space."

**Michelle Cody and Allison Kelleher, therapists
on 8 West ward**

The refurbishment, which was funded by the Royal Free Charity, extends into the corridor areas. Images of iconic British seaside towns line one side of the ward, beach huts signpost patient rooms and bays and along another corridor a reminiscent boardwalk mural has been created complete with an ice-cream van and gift shop.

The imagery on the walls will be used to stimulate conversations and help patients, particularly those with dementia, to feel more relaxed during their stay on a busy acute hospital ward.

The work on 8 West ward builds on the trust's commitment to deliver world-class dementia care and follows the refurbishment of 10 North ward at the Royal Free Hospital, Larch ward at Barnet Hospital and the dementia therapy gardens at Chase Farm Hospital.





The imagery on the walls is used to stimulate conversations and help patients, particularly those with dementia, to feel more relaxed during their stay on a busy acute hospital ward.



3. Improving involvement

This was a new priority for the trust which supported the continued approach to embed experience and involvement in our services and development. The trust has adopted the patient experience framework published by NHS England which brings together the characteristics of organisations that consistently improve patient experience and enables boards to carry out an organisational diagnostic against a set of indicators.

What did we aim to do?

We aimed to improve our involvement with our patients and carers.

What were the key measures for success?

- Following feedback from staff and patients a broader approach is being taken to ensure that we improve our involvement with our patients and carers.
- Building on previous involvement with our patient partners in CPGs, QI projects, hospital based committees/groups and with task and finish groups.

What did we achieve?

- The trust continues its approach to embedding experience and involvement in its services and development and has adopted the patient experience framework published by NHS England. The framework brings together the characteristics of organisations that consistently improve patient experience and enables boards to carry out an organisational diagnostic against a set of indicators.
- The patient experience has a role to play in a number of questions and the collation as a whole, and the document has been reviewed by the patient experience team. However, information will be required from quality improvement, human resources, organisational development, the group, boards, medical directors and directors of nursing. Therefore, the suggestion is that the document be taken to each local executive committee (LEC) who can delegate across the hospital site ownership of parts of the assessment and from there we could collate to a group level score.
- In addition, the patient experience team has strengthened its relationship with the CPG team so that it can become more involved with the CPG work streams.
- Patient representatives have been appointed to the patient experience committees at both Barnet Hospital and the Royal Free Hospital and the mortality surveillance group. Work has begun on updating and improving the information on the patient experience section of the website for both patients and staff.

3.2.2 Priority two: improving clinical effectiveness: delivering excellent outcomes

The over-arching plan for 2018/19 was to continue to further dovetail our clinical effectiveness priorities with our quality improvement initiatives; thus facilitating the alignment of our trust wide plans to focus on the reduction of unwarranted clinical variation through clinical pathway groups.

This will strengthen the delivery of the local and national effectiveness agenda and support the delivery of significant improvements in the quality of patient care.

Our clinical effectiveness priority had two strands:

1. Driving quality improvement
2. Clinical Pathway Groups (CPGs).

4. Quality Improvement (QI) priority:

What did we aim to do?

We aimed to build capability in the workforce and have an online project tracker tool.

What were the key measures for success?

- Ability to prioritise QI projects based on local/group need.
- Local ownership, at service, divisional and hospital unit level.
- To provide access to site-based QI help and support, site-based learning and access to expert QI knowledge.
- To create opportunities to share learning across the site and group.

What did we achieve?

- A key element of developing our infrastructure is creating an integrated quality improvement management system by which we can register, track and report on QI activity.
- A working group has been set up and a service specification has been developed to reflect the organisations and progress has been made with the introduction of *Leading for Improvement* with our senior leaders being trained as QI sponsors.
- In order to support local ownership, we need to provide transparency of quality improvement projects through having an online system to register, track and report on QI progress. Life QI has been chosen as the system to do this and we aim to launch this in Q4 2018/19.
- Together with the leadership team we continue to look for effective ways to share learning across each site and the group.
- In November we hosted a QI showcase event where 34 posters were displayed and presented. Over 100 staff attended this event. Additionally, at the Royal Free Hospital we are including a QI presentation at the chief executive's briefing. Next steps are to introduce similar events and learning opportunities at each site.

Staff retention in our intensive care units at Barnet Hospital and Royal Free Hospital

Our intensive care units (ICUs) at Barnet Hospital and the Royal Free Hospital have seen a significant reduction in staff leaving the service thanks to a concerted effort to change working practices.

A quality improvement (QI) project was launched last year, led by Rebecca Longmate, Royal Free Hospital director of nursing, and Ragini Patel, deputy director of workforce. This followed discussions with NHS Improvement, which highlighted the issue of nursing and midwifery staff turnover and retention across the trust. The highest turnover rates were in our ICUs at Barnet Hospital and the Royal Free Hospital.

Over the last year a number of changes have been introduced in ICU as part of the QI project, which has seen the turnover rates drop by:

Our improvements in the turnover rate as a result of the QI project			
	July 2017	September 2018	Overall reduction
Royal Free Hospital	47%	17%	30%
Barnet Hospital	37%	26%	11%



The biggest impact came from giving staff the ability to self-roster online following feedback from staff focus groups.

“We realised we needed to focus on somewhere small, rather than the whole trust, so we looked at the number of leavers in ICU at the time. We’ve made a difference. The next step is to have an impact on the whole organisation.”

Rebecca Longmate, director of nursing

ICU Nurse Retention

Aim: To reduce ICU nursing turnover to 25% by 31 Dec 2018

What matters to ICU staff?

- “More choice and flexibility with shift choices”
- “Having prompt access to professional courses”
- “Having more access to senior staff”
- “More positive and constructive feedback”

What ICU staff have done

- Set Up electronic rotas with increased number of shift choices
- Every band 5 nurse has an appropriate course booked as part of induction
- Weekly Coffee Catch-ups with matrons set up for all staff
- Employee of the month, ‘*Shout Out Boards*’, monthly newsletters

“Completing the rota is so much easier as staff have written in what they wish to work. Most of the time they are allocated the shifts they wanted”

“Bank nurses can pick up extra shifts any time, anywhere”

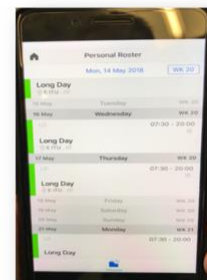
“If you have a spare 5 minute you can request your shifts, my friends cant believe I write my own rota!!”

“It helps my work life balance, I can choose my days and in particular my nights”

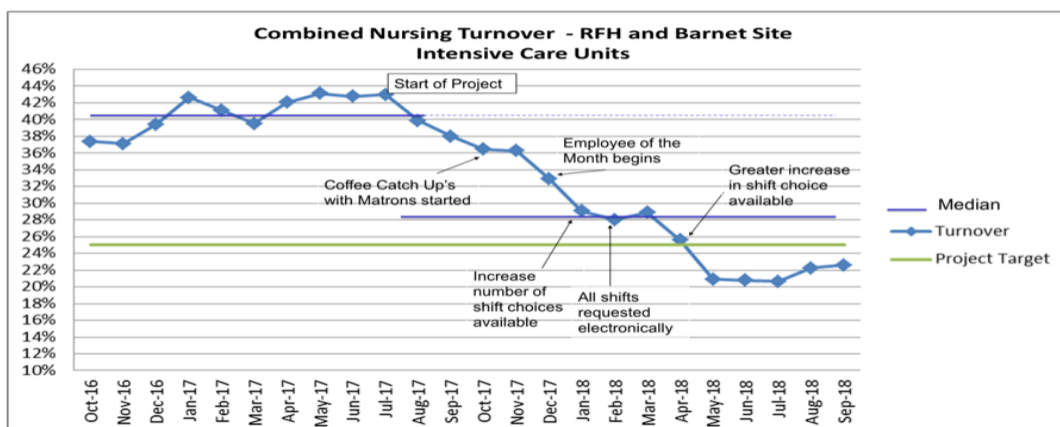
“Its great, you can choose your shifts when grabbing a coffee”

“Its so simple to use, I often log on when I’m at the tube with Wi-Fi”

“My work life balance has really improved with the self rostering online, I can write mu shifts when I’m at home...”



ICU Nurse retention: Results



5. Clinical Practice Groups (CPGs)

Patients are at the heart of the CPG process and in partnership with clinical teams co-design new pathways of care and define the outcome measures that matter.

As part of the global digital excellence programme 20 pathways will be digitised over the next two years, prioritisation for pathway digitisation has been agreed with the roll out of millennium model content and opening of the new Chase Farm Hospital.

What did we aim to do?

We aimed to develop a superior change management capability which puts clinicians in charge of their clinical pathway to deliver high quality care to their patients across the RFL group.

What were the key measures for success?

Our measure for success for 2018/19 was to have seven digitised clinical pathways.

What did we do?

Work has remained in support of the digital transformation at the RFL. The trust has embarked on a journey to become one of the most digitally advanced trusts' in the UK by 2020.

Multidisciplinary teams are working together to design the clinical pathways; ensuring that the diagnostic and treatment decisions are consistent and based on the latest evidence to deliver the best possible outcome. All the pathways are being co-designed with patients; their experiences are being taken into account, which will in turn improve outcomes.

The new Chase Farm Hospital opened and seven pathways have been fully digitised. These include:

1. Preoperative assessment
2. Elective hip
3. Elective knee
4. Right upper quadrant pain (RUQP)
5. Induction of labour
6. Admissions to neonatal unit (Keeping mothers and babies together)
7. Dermatology.

The following information highlights some of the work specifically undertaken within our CPG programme.

Pathways to better health: Our patients are having a direct impact on the way their healthcare is delivered, resulting in better care

Our surveys and focus groups told us that women didn't want to see lots of different staff, what they wanted was continuity and a relationship with a named midwife.

Patient Katerina Christodoulou stated: "I actually suffer from paranoia about hospitals and was almost convinced I would go private. But being able to have a named midwife with me from the start to the finish means I plan to have all my babies with the NHS! It's restored my

trust. I think this new approach will also have other benefits like reducing incidents of post-natal depression.”

Cathy Rogers, the Barnet Hospital consultant midwife who is leading on the better birth pathway explained that listening to their patients was at the core of the new pathway, which included introducing named midwives.

She said: “As midwives we do the job because we care but we also made assumptions about what women wanted. When we talked to mums-to-be and to midwives we actually found out there was a lot of common ground.”

Dr Chris Streather, group chief medical officer, told members that the work on new patient pathways – the way a patient is treated for a particular health issue – was based on best practice and the latest clinical evidence.

He said: “We will be looking at 44 pathways in the first three years and we think that we will deliver savings of approximately half a million pounds on each through actually improving the patient experience and removing waste. That’s £20m that we can spend on our patients.”

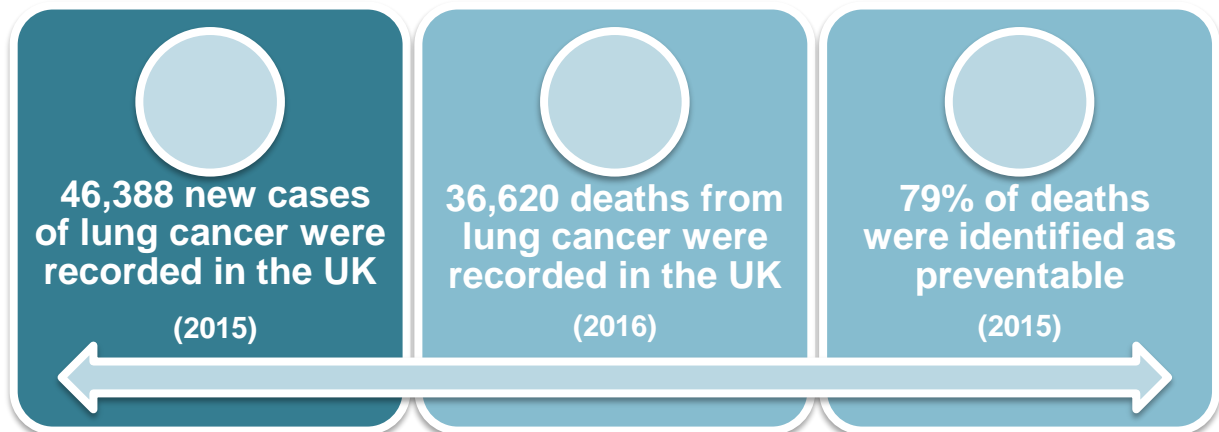


Katerina Christodoulou, who gave birth at Edgware Birth Centre, with her son, Jason.

Improving lung cancer pathway

Our lung cancer CPG is one of the first in the trust to digitalise its pathway for better data quality, reduced unwarranted variation, greater efficiency and ultimately better patient care. It serves as a prime example of how clinical, administrative, managerial and IT teams have worked closely together on behalf of a traditionally underserved patient population.

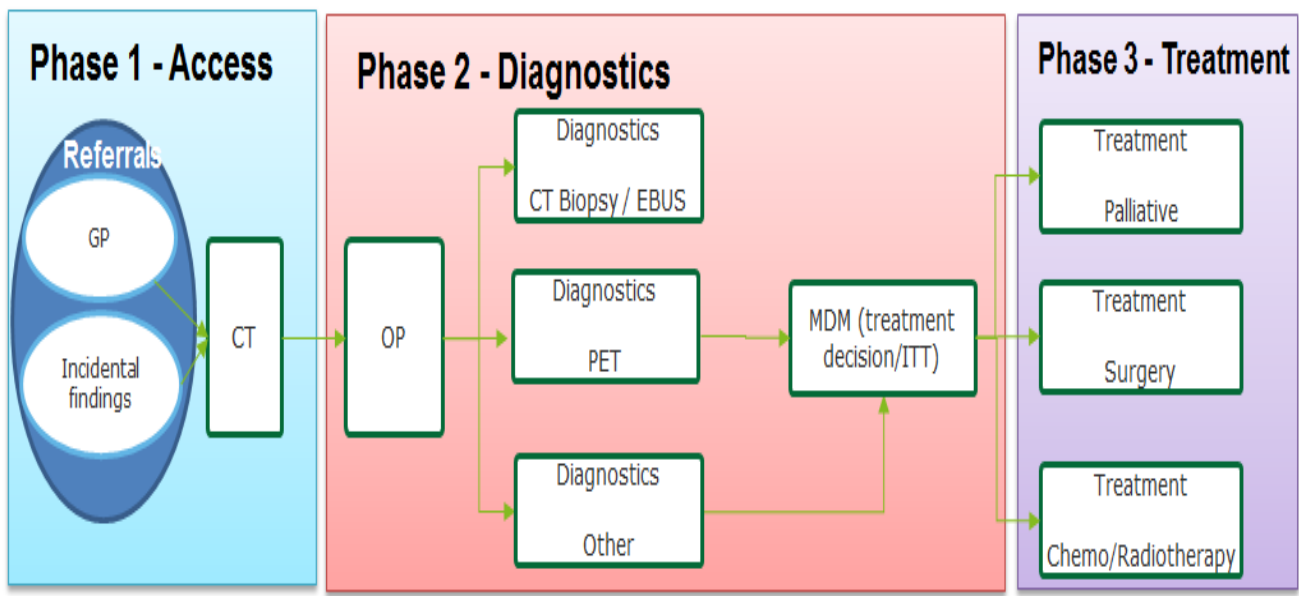
The national picture for lung cancer is that:



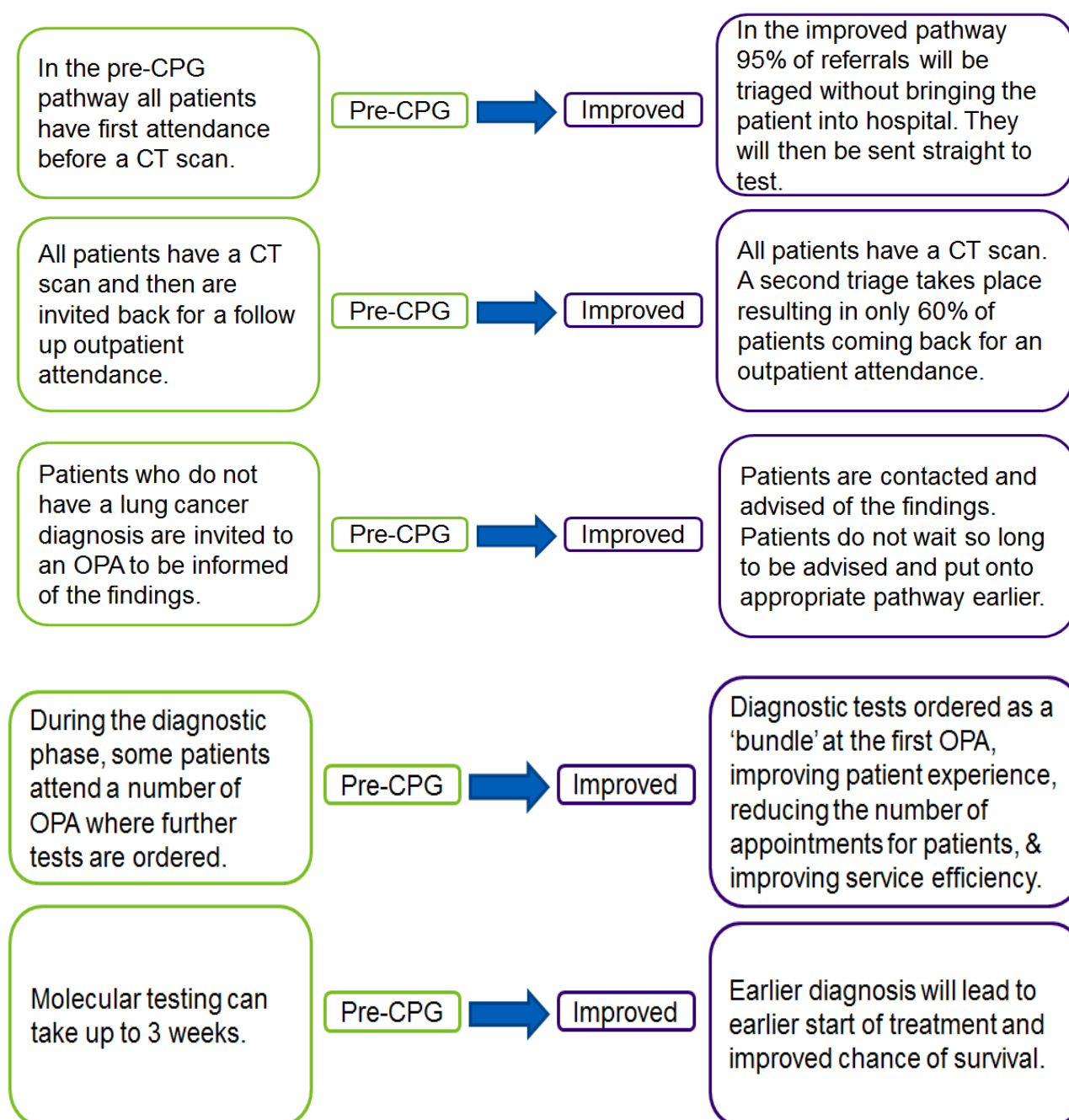
Source: [Cancer Research UK](#)

Objective: 85% of our lung cancer patients are seen and treated within 49 days.

Aims: Patients with suspected lung cancer are diagnosed by day 21 and receive appropriate treatment by day 49.



What's different for patients in the improved pathway?



Feedback from our patients:

- "I don't quite know how you've done it. You made me stop smoking and cured my lung cancer within weeks. You've changed my life."
- "Your whole team has been wonderful and so reassuring during a very stressful time. Everything happened so quickly once you were involved."
- "What's the point of going private when you get care like this on the NHS?"

Improving heart failure clinical pathway group

Aim: To deliver consistently best practice care in heart failure across the sites.

Size of the problem Summary

Common

- Affects 1-2% of the population
- Annual incidence is 0.5-1%

Serious (but improving)

- 40% mortality at 1 year, 10% per year thereafter

Increasing

- Ageing population and better treatment of acute MI

Disabling

- Symptoms have enormous impact on quality of life, worse than many other chronic conditions

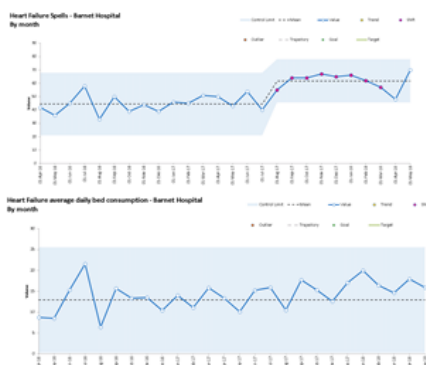
Expensive

- Around 2% of NHS budget, 5% of acute admissions, and 10% of bed occupancy

BMJ, 2002; Eur J Heart Failure, 1999; NICE, 2003; BHF, 2002; DOH 2009



Heart Failure Admissions

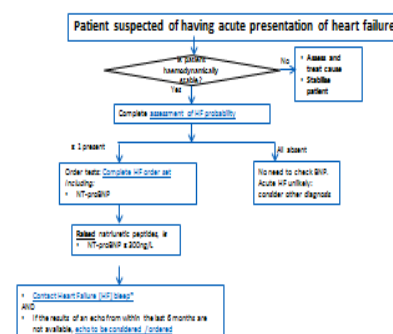


Key Message:

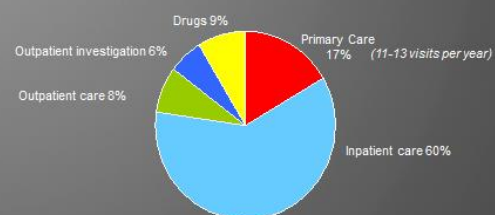
On a daily basis, this pathway consumes 30 beds in 2018/19 YTD, ~17 beds at Barnet and 13 beds at Royal Free Hospital.

High Level Patient Journey – Future pathway [Version 21/09/2018]

Pathway stage:
♦ Identification of patient with HF
♦ Initial assessment & decision making



Cost is high and driven by inpatient care



Total cost approx 2% of annual NHS budget

Adapted from British Heart Foundation et al. 2002

British Heart Foundation, 2002

3.2.3 Priority three: Patient safety priorities

While the quality report's focus is on patient safety (as determined by the legal framework), we also take our staff safety just as seriously. Actions such as debriefs and safety huddles help our staff to provide quality care to our patients.

For 2018/19, focus was made on safer surgery, learning from deaths and infection prevention and control.

Simulation drills help improve patient safety



Eighteen months ago, a small group of anaesthetists at Barnet Hospital decided that staff training and simulation needed a shake-up.

Traditionally training took place in a remote simulation centre which meant staff had to take time out from their working environment.

Dr Savita Kale, and Dr Sanjana Singh

Barnet Hospital based consultant anaesthetists, Dr Savita Kale, and Dr Sanjana Singh, decided that they would try something new and bring simulation to theatre staff.

They now hold in-situ simulations in the main theatre area at Barnet Hospital every Friday morning. Sanjana explained: "We surveyed theatre staff and 90% of them were eager to have this training. There was overwhelming enthusiasm and that was the major driving force behind the success of this project. We find the best time is between 8am and 8.30am on Fridays when theatre lists start later than usual due to staff meetings.

"The typical simulation is based on actual critical incidents and safety alerts. It involves 15 minutes of scenario followed by 15 minutes of comprehensive debrief."

The team have now introduced in-situ simulations at Chase Farm Hospital as well.

Savita said: "In-situ simulations are convenient for staff, have resulted in doctors, nurses and other theatre staff learning together, getting regular training in management of critical incidents and developing their non-technical skills such as team working and communication.



6. Safer surgery

Each year as we set the overarching quality priorities, we recognise that delivery against the most important quality objectives often requires a focus lasting several years. The RFL group safety priorities are: zero never events, reducing avoidable deaths and zero avoidable hospital-acquired infections.

Therefore for 2018/19 we chose to focus on:

- Safer surgery
- Learning from deaths
- Infection prevention and control (not included in this report).

Data and information on these patient safety aims will be reported to the clinical innovations and standards committee. Updates will be presented to commissioners via clinical quality review group meetings.

What did we aim to do?

We aimed to improve safer surgery and invasive procedures.

What were the key measures for success?

- To achieve zero never events by the end of March 2019
- To increase by 75% the number of local safety standards for invasive procedures (LocSSIPs) in place by the end of March 2019.

What did we achieve?

Key measures	We achieved:
To achieve zero never events by the end of March 2019.	We did not achieve this aim. We reported nine never events in 2018/19.
To increase by 75% the number of local safety standards for invasive procedures (LocSSIPs) in place by the end of March 2019.	We now have nine LocSSIPs, which cover an estimated 50% (n=70,000) of all invasive procedures.

Never events

Never events are extremely serious and largely preventable patient safety incidents that should not occur if the relevant preventative measures have been put in place. The trust takes never events seriously and a full investigation is undertaken with the final report discussed at the serious incident review panel where final actions are agreed.

Unfortunately, we reported nine never events during 2018/19 (10 never events were reported in 2017/18). The majority of these incidents have resulted in no or low harm to our patients. We have continued to work closely with our commissioners, NHS Improvement and NHS England to learn from these never events and put in place robust actions to prevent reoccurrence. This has included undertaking additional risk assessments relating to high risk areas for never events and developing a trust wide action plan to bring together learning from across all the previous never events. It has now been over six months since our last never event which occurred in October 2018.

Table 3: Never events by hospital site, date, type and harm

	Site	Date	Type	Harm
1	CFH	18/04/2018	Wrong site surgery	Low
2	CFH	19/04/2018	Wrong site surgery	None
3	RFH	14/06/2018	Retained object	Moderate
4	BH	19/06/2018	Air/oxygen mis-connection	None
5	RFH	20/06/2018	Air/oxygen mis-connection	None
6	RFH	27/06/2018	Wrong site surgery	None
7	RFH	04/07/2018	Wrong prosthesis	Moderate
8	BH	30/08/2018	Retained object	None
9	Other	02/10/2018	Wrong site surgery	None

All incidents resulting in moderate or severe harm or death are reviewed at our weekly review panels where safety incidents, reports and actions are discussed with all divisions, so that the information can be shared at divisional quality meetings.

We publish a weekly précis of serious incidents as they are reported and share further general and speciality-specific newsletters online and by email. We also hold learning events, seminars and workshops in order to disseminate lessons learnt.

All serious incidents are reviewed at our board level clinical innovations and standards committee, chaired by one of our non-executive directors, where we triangulate serious incidents with incidents, complaints, PALS and litigation to identify themes which might require system-wide work.

Local safety standards for invasive procedures (LocSSIPs)

The patient safety CPG has focused on developing local safety standards for invasive procedures (LocSSIPs) for three pathways identified as those where never events had occurred previously and where the most procedures were undertaken: cardiology, radiology and endoscopy.

- The design and testing of the data collection tool is complete. The tested data collection tool is being incorporated into the 'Perfect Ward' App, with initial testing at the Royal Free Hospital in the cath lab and endoscopy unit.
- Clinical areas are collecting compliance data (most areas weekly), in line with their implementation phase audit plan.
- The statistical process charts (SPC) on the quality improvement platform (Life QI) are used to analyse and share the LocSSIPs compliance data dynamically among the clinical, quality governance and senior leadership staff.

We have created nine local safety standards for invasive procedures (LocSSIPs), which cover an estimated 50% (n=70,000) of all invasive procedures. These are now in place across the whole trust:

1. LocSSIPs for cardiac rhythm management
2. LocSSIPs for percutaneous coronary interventions
3. LocSSIPs for endoscopic interventions at Royal Free Hospital
4. LocSSIPs for endoscopic interventions at Chase Farm Hospital
5. LocSSIPs for image guided breast interventional procedures performed within the imaging department
6. LocSSIPs for image guided musculoskeletal interventional procedures performed within the imaging department
7. LocSSIPs for interventional radiology
8. LocSSIPs for ophthalmology intravitreal injection
9. LocSSIPs for interventional pain procedures under local anaesthetic or sedation.

All incidents resulting in moderate or severe harm or death are reviewed at our weekly review panels where serious incidents, reports and actions are discussed with all divisions, so that the information can be shared at divisional quality meetings.

We publish a weekly précis of serious incidents as they are reported and share further general and speciality specific newsletters online and by email.

We also hold learning events, seminars and workshops in order to disseminate lessons learnt.

All serious incidents are reviewed at our board level clinical innovations and standards committee, chaired by one of our non-executive directors, where we triangulate serious incidents with incidents, complaints, PALS and litigation to identify themes which might require system-wide work.

7. Learning from deaths

Hundreds of patients come through our doors on a daily basis. Most patients receive treatment, get better and are able to return home or go to other care settings. Sadly, and inevitably, some patients will die here (approximately 1.02% of all admissions).

While most deaths are unavoidable and would be considered to be 'expected', there will be cases where sub-optimal care in hospital may have contributed to the death. The trust is keen to take every opportunity to learn lessons to improve the quality of care for other patients and families.

A Care Quality Commission review in December 2016, 'Learning, Candour and Accountability' found that some providers were not giving learning from deaths sufficient priority and so were missing valuable opportunities to identify and make improvements in quality of care. In March 2017, the National Quality Board (NQB) introduced new guidance for NHS providers on how they should learn from the deaths of people in their care.

What did we aim to do?

We aimed to improve our Learning from deaths (LfD).

What were the key measures for success?

- To increase by 10% the percentage of reviews of patient deaths recorded centrally by the end of March 2019
- To improve by 5% the sharing of the learning from serious incidents and patient deaths considered likely to be avoidable; as measured by staff survey data, by the end of March 2019.

What did we achieve?

Key measures:	We achieved:
To increase by 10% the percentage of reviews of patient deaths recorded centrally by the end of March 2019.	We have increased the numbers of deaths reviewed in 2018/19, with Q1 listing 16.7% and Q2 listing 13.4% of deaths for review. Final data on the numbers of patient deaths reviewed during 2018/19 Q3 and Q4 will be available from October 2019.
To improve by 5% the sharing of the learning from serious incidents and patient deaths considered likely to be avoidable; as measured by staff survey data, by the end of March 2019.	The 2018 NHS staff survey showed that 69.3% of RFL staff agreed/strongly agreed that “When errors, near misses or incidents are reported, my organisation takes action to ensure that they do not happen again”. This is an improvement from 68.4% in 2017.

- 11% of patient deaths were recorded centrally for review in 2017/18. Therefore, the aim was to increase this to 21%. Final data on the numbers of patient deaths reviewed during 2018/19 will be available from October 2019. We have increased the numbers of deaths reviewed in 2018/19, with Q1 listing 16.7% and Q2 listing 13.4% of deaths for review.
- The 2017 NHS staff survey showed that 68% of RFL staff agreed/strongly agreed that “When errors, near misses or incidents are reported, my organisation takes action to ensure that they do not happen again”. We are working to use more dynamic survey data to show how we improve this metric.
- We are now communicating more widely with our staff via: Safety needs and incident learning (SNAIL), a weekly blog on key areas of learning from incidents and near misses using SBAR, Free Way to Safety (FWTS) our monthly newsletter (with key safety learning from serious incidents, emailed to incident managers); and Health and safety monthly newsletter (with key health and safety information, emailed to health and safety champions).
- The quarterly in-house staff survey has been amended to include the question: “When errors, near misses or incidents are reported, my organisation takes action to ensure that they do not happen again”. We will start to see the results of this in 2019/20.
- The patient safety culture survey, based on a survey tool derived from the Texas Safety Attitudes Questionnaire (Sexton et al 2006), elicits a snapshot of the safety

culture from 17 questions. We have been using this since February 2016 to survey over 800 staff during training and development interactions.

We used the following two questions to generate metrics to help us to identify improvements relating to the sharing of the learning across the trust:

Question 4: “As a team, we discuss learning from errors/incidents”. The results gave a median of 3.98 in 2017/18 and 3.75 in 2018/19, thus we did not improve in this measure and we will review whether it is the most appropriate outcome measure.

Question 5: “The culture in my area makes it easy to learn from the mistakes of others”. The results gave a median of 3.95 in 2017/18 and 3.87 in 2018/19, thus we did not improve in this measure and we will review whether it is the most appropriate outcome measure.

8. Infection prevention and control

What did we aim to do?

We aimed to improve infection prevention and control.

What were the key measures for success?

- To achieve 10% reduction by year of meticillin-resistant *Staphylococcus aureus* (MRSA).
- To achieve trust-attributed zero *Clostridium difficile* (C.diff) infections due to lapses in care by end of March 2019.

What did we achieve?

MRSA

- MRSA bacteraemias – currently two attributed cases to Barnet Hospital and one attributed to the Royal Free Hospital.
- Learning from the cases and measures for reduction are driven through the monthly infection prevention and control divisional leads group.

C.diff

- Currently there are three lapses in care for C.diff cases. Two at Barnet Hospital which were related to apparent transmission and one at Royal Free Hospital which was related to delays in identification, testing and incomplete documentation.
- Total cases for 2018/19 are expected to be below threshold. Revised threshold for 2019/20 is 100 cases relating to more detailed definitions of attribution of cases.
- All cases have a root cause analysis, with learning fed back through the monthly infection prevention and control divisional leads group.

Through the clinical standards and innovation committee we have monitored, measured and reported progress made during 2018/19 to achieve the set priorities. The committee reports to the trust board.

3.2.4 Our Priorities for improvement 2019/20

Looking forward to what our quality account priorities will be for the year ahead.

The priorities chosen for 2019/20 remain within the quality domain and were drawn from our local intelligence, engagement with the Commissioning for Quality and Innovation (CQUIN), our performance and feedback following consultation with key stakeholders. Progress in achieving the priorities will be monitored at our strategic committees (group executive committee, clinical standards and innovation committee and people and population health committee) and reported to the trust board as illustrated in figure 1.

Additionally, reports will be sent to trust level infection prevention and control committee (chaired by director for infection prevention and control and the site level clinical performance and patient safety committees, which are chaired by the medical directors).

Progress reports will be sent to the dementia implementation group and updates to our commissioners via the clinical quality review group.

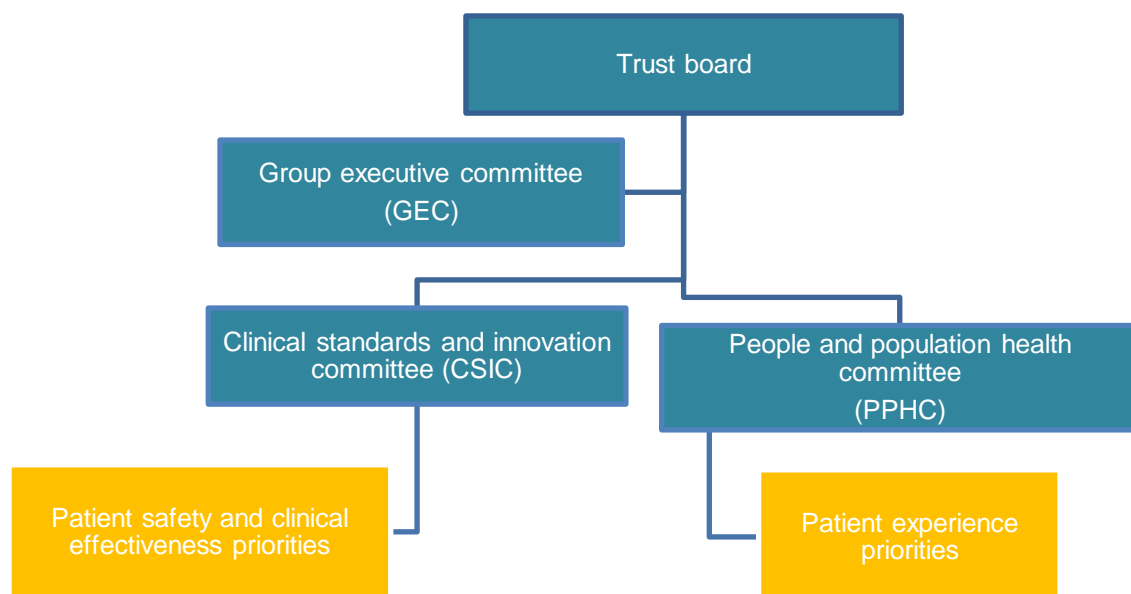


Figure 1: Strategic committees reporting to the trust board

Our consultation process

Our stakeholder's engagement event **Showcasing Clinical Excellence** was held in February 2019. Over 70 people attended which included, commissioners, governors and members from Healthwatch and staff.



Judy Dewinter, lead governor and Afsaneh Motabar, national clinical audit lead

“The council of governors has set up local members’ councils at each hospital site which are tasked to improve engagement and involvement with the trust membership, local residents, patients and their carers.”



James Mountford, director of quality



Caroline Clarke, group chief executive



Dr Chris Streather, chief medical officer



Yvonne Carter, head of infection and Medha Appadoo



Stakeholders voting on quality account priorities

Priority one: Improving patient experience – Delivering a world class experience

We aim to put the patient, carers and our staff at the heart of all we do to deliver excellent experiences.

Priorities for 2019/20	Continuation from 2018/19	Key measures for success
1.To further enhance and support dementia care initiatives across the trust through the delivery of the dementia strategy	✓ (previous performance shown in section 1.1)	<ul style="list-style-type: none"> To improve the quality of care being undertaken in high need bays To develop and build the dementia pathway via clinical practice group work To further develop and roll out innovative communication workshops for staff working with dementia patients To recruit and train volunteer led activity coordinators to increase use of activity groups in day rooms.



Richard Chester, deputy director of patient experience

Priorities for 2019/20	Continuation from 2018/19	Key measures for success
2.To improve our involvement with our patients and carers	✓ (previous performance shown in section 1.1)	To organise a suite of tools, strategies and cultural elements into an easy-to-follow framework.

During 2019/20 the trust will be working with the Point of Care Foundation to further improve our engagement and involvement with our patients and carers.



Jocelyn Cornwell, chief executive Point of Care Foundation

Feedback from stakeholders: Healthwatch

“Communication between patients and clinicians and relatives of those patients staying in the hospital ward is critical. The patient is not always in a mental or physical state to know what is going on and where I’m going. This is where the relative comes in. The relative who comes and visits the patient every day and knows how they feel.

“As an organisation that listens to people’s experience quite a lot (Healthwatch) we feel a little more listening and communicating on the ward between the patient and the clinician is important before we get to the point of calling PALS.”

Priority two: Improving clinical effectiveness: reducing variation and improving outcomes

The overarching plan for 2019/20 is to continue to further dovetail our clinical effectiveness priorities with our quality improvement initiatives; thus facilitating the alignment of our trust wide plans to focus on the reduction of unwarranted clinical variation through clinical pathway groups.

Quality Improvement (QI) priority:

Priorities for 2019/20	Continuation from 2018/19	Key measures for success
3.To build capability in the workforce	✓ (previous performance shown in section 1.1)	<ul style="list-style-type: none"> • Increase Joy in Work for teams participating in the collaborative by 50% above baseline measures by 31 May 2020 • Be sustainable in delivering core QI training programmes toward our goal that 20% of staff (2,000 staff) have received formal training in QI by end of 2020 • Further incorporate QI into routine operations/processes across RFL, and further establish opportunities to share learning within and across our sites

		<ul style="list-style-type: none"> • QI embedded into divisional board meetings • QI integral to CEO briefings • QI learning events on major sites and annual RFL-wide event.
--	--	--



Specific feedback from stakeholders

The feedback from our key stakeholders on suggestions for improvement included the following:

- How can we invest in staff health and wellbeing/take action to avoid exhaustion?
- Is there 'safe space' to talk about how you feel about work and the pressures of work?
- What would staff consider to be a 'safe space', not what the trust thinks is a safe space
- Staff feeling ownership of their area/service
- Should promote what we do better to staff internally?
- Making the very best use of the data now being collected via EPR. Particularly clinically relevant data – that will give many Joy at Work
- Breaking down barriers between different boroughs.

Clinical Pathway Group (CPG) priority:

Priorities for 2019/20	Continuation from 2018/19	Key measures for success
4.To develop a superior change management capability that puts clinicians in charge of their clinical pathway to deliver high quality care to their patients.	✓ (previous performance shown in section 1.1)	To have 20 clinical pathways digitised across our CPGs.





Priority three: Patient safety priorities: Improving safety - improving care

Each year as we set the overarching quality priorities we recognise that delivery against the most important quality objectives often requires a focus lasting several years. The RFL group safety priorities are zero never events, reducing avoidable deaths and zero avoidable hospital-acquired infections. Therefore for 2018/19 we will focus on:

- Safer surgery
- Learning from deaths
- Infection prevention and control.

Priorities for 2019/20	Continuation from 2018/19	Key measures for success
5.To improve safer surgery in line with trust aims/goals	✓ (previous performance shown in section 1.1)	<ul style="list-style-type: none"> • To achieve zero never events by the end of March 2020 • To increase by 75% the number of LocSIPs in place by the end of March 2020.

Priorities for 2019/20	Continuation from 2018/19	Key measures for success
6.Learning from deaths (LfD)	✓ (previous performance shown in section 1.1)	<ul style="list-style-type: none"> To increase by 10% the percentage of reviews of patient deaths recorded centrally To improve by 5% the sharing of learning from serious incidents and patient deaths considered likely to be avoidable; as measured by staff survey.

It is proposed that these patient safety priorities remain in place for the next two years of the quality accounts, to enable the development of a more long-term safety strategy.

Priorities for 2019/20	Continuation from 2018/19	Key measures for success
7.To improve infection prevention and control	✓ (previous performance shown in section 1.1)	<ul style="list-style-type: none"> To achieve zero trust attributed meticillin-resistant <i>Staphylococcus aureus</i> bacteraemias. (MRSA) To reduce Gram negative bacteraemias in line with mandated threshold (- 25% reduction by 2021/2022 with the full 50% by 2023/2024) To remain below mandated threshold for trust-attributed zero <i>Clostridium difficile</i> (C.diff) (100 cases 2019/20) To have zero infections due to lapses in care.



Feedback from stakeholders:

The feedback from our key stakeholders on suggestions for improvement included the following:

- Surgical site infection surveillance programme (for all) to raise awareness would be beneficial and this links to never events.
- Divisional structure can mean reporting of an incident, data, learning etc. only sits in one division, learning not shared cross-divisionally – needs to be driven centrally to happen – more matrix working.

3.2.4 Statements of assurance from the board

Review of services

During 2018/19 the Royal Free London NHS Foundation Trust provided and/or subcontracted 40 relevant health services.

The trust has reviewed all the data available to them on the quality of care in 40 of these relevant health services.

The income generated by the relevant health services reviewed in 2018/19 represents 100% of the total income generated from the provision of relevant health services by the trust for 2018/19.

Participating in clinical audits and national confidential enquiries

The trust continues to participate in clinical audit programmes and has integrated this within our quality improvement programme. We continue to review our clinical audit processes, ensuring that we have evidence of improvements made to practice.

During 2018/19 51 national clinical audits and seven national confidential enquiries covered relevant health services that the Royal Free London NHS Foundation Trust provides.

During that period the trust participated in 100% national clinical audits and 100% national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that the Royal Free London was eligible to participate in, during 2018/19 are as follows: Table 4

The national clinical audits and national confidential enquiries that the Royal Free London participated in during 2018/19 are as follows: Table 4

The national clinical audits and national confidential enquiries that the Royal Free London participated in, and for which data collection was completed during 2018/19, are listed in Table 4 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.

Case ascertainment relates to the proportion of all eligible patients captured by the audit during the sampling period compared to the number expected according to other data sources, usually hospital episode statistics (HES) data.

HES is a data warehouse containing details of all admissions, out-patient appointments and A&E attendances at NHS hospitals in England.

Key:

- Yes = data submitted during 2018/19 and relates to 2018/19
- * = timeframe for data collection
- RFH = Royal Free Hospital
- BH = Barnet Hospital
- CFH = Chase Farm Hospital

Table 4: Name of audit, eligibility and participation

Name of Audit	Data collection completed/ submitted in 2018/19	Trust eligibility to participate	Participation 2018/19	Case ascertainment
British Association of Urological Surgeons (BAUS): Female stress urinary incontinence audit	Yes	Yes	RFH (BH and CFH service not available)	14.4% *2015/17
BAUS: Nephrectomy audit	Yes	Yes	RFH (BH and CFH service not available)	121% *2015/17
BAUS: Percutaneous nephrolithotomy (PCNL)	Yes	Yes	RFH (BH and CFH service not available)	N=103 *2015/17
Cancer: National bowel cancer audit (NBOCA)	Yes	Yes	RFH and BH (CFH service not available)	[RFH- n=167/316 (53%)
Cancer: National lung cancer audit (NLCA)	Yes	Yes	RFH and BH (CFH service not available)	N =364 *2017
Cancer: National oesophago-gastric cancer audit (NOGCA)	Yes	Yes	RFH and BH (CFH service not available)	>90% *2015/17
Cancer: National prostate cancer audit	Yes	Yes	RFH, BH and CFH	N=428 (100%) *2015/16
Chronic obstructive pulmonary disease (COPD) audit programme: secondary care	Yes	Yes	RFH and BH (CFH service not available)	56%
COPD audit programme secondary care - asthma adult	Yes	Yes	RFH and BH (CFH service not available)	Data collection commenced Nov 18
Diabetes: National foot care in diabetes audit	Yes	Yes	RFH (BH and CFH service not available)	RFH= Data not collected *2016/17

Name of Audit	Data collection completed/ submitted in 2018/19	Trust eligibility to participate	Participation 2018/19	Case ascertainment
Diabetes: National diabetes in-patient audit (NaDIA)	Yes	Yes	RFH and BH (CFH service not available)	BH= The 2018 NaDIA annual report and local service data will be published May 2019 RF=Not participated
Diabetes: National pregnancy in diabetes (NPID) audit	Yes	Yes	RFH and BH (CFH service not available)	Audit data collection in progress - the fifth annual report will be published in October 2019.
Diabetes: National diabetes audit (NDA)	Yes	Yes	RFH BH and CFH	Type 1 n = 1125 Type 2 n = 1160
Diabetes: National diabetes transition audit	Yes	Yes	RFH and BH (CFH service not available)	Audit extracts data from NDA and NPDA submission. Data reported at national level only.
Diabetes: National paediatric diabetes audit (NPDA)	Yes	Yes	RFH BH and CFH	BH = 107 *2017/18 CFH = 59*2017/18 RFH= 60*2017/18
Elective surgery (national PROMs programme)	Yes	Yes	RFH BH and CFH	Pre-operative questionnaires N= 734 (80%) *2017/2018 Post-operative questionnaires N=399 (59%) *2017/2018
Endocrine and thyroid national audit	Yes	Yes	RFH CFH and BH	No report published in 2018/2019
Falls and fragility fractures audit programme (FFFAP): Fracture liaison service database	Yes	Yes	BH (RFH and CFH service not available)	N=431 *2017
FFFAP: Inpatient falls	Yes	Yes	RFH and BH (CFH service not available)	RFH=34*2017. BH – no data submitted

Name of Audit	Data collection completed/ submitted in 2018/19	Trust eligibility to participate	Participation 2018/19	Case ascertainment
FFFAP: National hip fracture database	Yes	Yes	RFH and BH (CFH service not available)	BH =394*2018 RFH= 185*2018
Heart: Cardiac rhythm management (CRM)	Yes	Yes	RFH and BH (CFH service not available)	BH= 772 *2016/17 RFH = Not undertaken
Heart: Myocardial infarction national audit project (MINAP)	Yes	Yes	RFH and BH (CFH service not available)	BH=287 RFH=727 *2016/17
National audit of cardiac rehabilitation (NACR)	Yes	Yes	RFH and BH (CFH service not available)	BH = report not published in 2018/2019 RFH = partial submission *2016/17
Heart: National audit of percutaneous coronary interventions	Yes	Yes	RFH (BH and CFH service not available)	N = 1117
Heart: National heart failure audit	Yes	Yes	RFH and BH (CFH service not available)	RF *2016/17 n=342 BH *2016/17 n=431
Intensive care national audit and research centre (ICNARC): Case mix programme: Adult critical care	Yes	Yes	RFH and BH (CFH service not available)	BH =986 *2017/18 RFH = 1692 *2017/18
ICNARC: National cardiac arrest audit (NCAA)	Yes	Yes	RFH and BH (CFH service not available)	BH = 136 *2017/18 RFH = 291 *2017/18
Inflammatory bowel disease (IBD) registry: Biological therapies audit (adult)	Yes	Yes	RFH and BH (CFH service not available)	RFH=82
IBD registry: Biological therapies audit (paediatric)	Yes	Yes	RFH (BH and CFH service not available)	BH=partial submission
National audit of breast cancer in older people	Yes	Yes	RFH (BH and CFH service not available)	*2014 - 2016 50-69yrs n=460 70+yrs n=448

Name of Audit	Data collection completed/ submitted in 2018/19	Trust eligibility to participate	Participation 2018/19	Case ascertainment
National audit of dementia	Yes	Yes	RFH and BH (CFH service not available)	RFH=100% BH=100% Data submitted in July-September 2018 and the team is currently processing all the national data.
National audit of pulmonary hypertension audit (NAPH)	Yes	Yes	RFH (BH and CFH service not available)	N=755 *2017/18
National audit of seizures and epilepsies in children and young people	Yes	Yes	RFH and BH (CFH service not available)	Submission of data for 2018-2020 in progress
National clinical audit of care at the end of life (NACEL)	Yes	Yes	RFH and BH (CFH service not available)	N=80(100%)
National clinical audit for rheumatoid and early inflammatory arthritis (NCAREIA)	Yes	Yes	RFH and BH (CFH service not available)	*2018/19 (from Sept 18) N=7 Audit still in progress
National comparative audit of blood transfusion programme - management of massive haemorrhage	Yes	Yes	RFH BH and CFH	100%
National emergency laparotomy audit (NELA)	Yes	Yes	RFH and BH (CFH service not available)	BH = 82 (54.7%) *2016/17 RFH = 114(120%) *2016/17
National joint registry (NJR)	Yes	Yes	RFH BH and CFH	BH completed ops = 55 (NJR consent rate = 69%)*2018 CFH completed ops = 666 (NJR consent rate = 69%)*2018 Completed op RFH =

Name of Audit	Data collection completed/ submitted in 2018/19	Trust eligibility to participate	Participation 2018/19	Case ascertainment
National maternity and perinatal audit (NMPA)	Yes	Yes	RFH and BH (CFH service not available)	BH = 100% *2016/17 RFH= 100% *2016/17
National neonatal audit programme (NNAP)	Yes	Yes	RFH and BH (CFH service not available)	BH = 100%*2017 RFH= 100%*2017
National ophthalmology audit: Adult cataract surgery	Yes	Yes	RFH BH and CFH	44% *2016/17
National vascular registry	Yes	Yes	RFH (BH and CFH service not available)	N=777 procedures *2015/17
RCEM: Feverish child	Yes	Yes	RFH and BH (CFH service not available)	BH= 52 (100%) RFH=75(100%)
Royal College of Emergency Medicine: Vital signs in Adults (care in emergency departments)	Yes	Yes	RFH and BH (CFH service not available)	BH=75 RFH= 131
RCEM: VTE risk in lower limb immobilisation (care in emergency departments)	Yes	Yes	RFH and BH (CFH service not available)	BH= 18 RFH=119
Sentinel stroke national audit programme (SSNAP)	Yes	Yes	RFH and BH (CFH service not available)	BH= Clinical audit: 90+% (Level A) *2017/18 RFH= Clinical audit: 90+% (Level A) *2017/18
Trauma audit research network (TARN) – Major trauma audit	Yes	Yes	RFH and BH (CFH service not available)	BH 2018 – 79% + 89.9% RFH = 80-99%
7-day hospital services audit	Yes	Yes	RFH and BH (CFH service not available)	RFH=96 BH=86
BTS - National adult community acquired pneumonia audit	Yes	Yes	RFH and BH (CFH service not available)	Data entry period ends 30 June 2019
BTS - National adult NIV audit	Yes	Yes	RFH and BH (CFH service not available)	Data entry period ends 30 June 2019

Name of Audit	Data collection completed/ submitted in 2018/19	Trust eligibility to participate	Participation 2018/19	Case ascertainment
Surgical site infection surveillance service	Yes	Yes	RFH BH and CFH	All applicable cases were submitted
Reducing the impact of serious infections (antimicrobial resistance and sepsis)	Yes	Yes	RFH BH and CFH	All applicable cases were submitted
Mandatory surveillance of bloodstream infections and clostridium difficile infection	Yes	Yes	RFH BH and CFH	All applicable cases were submitted
Serious hazards of transfusion (SHOT): UK national haemovigilance scheme	Yes	Yes	RFH BH and CFH	All applicable cases were submitted

During 2018/19, the trust did not participate in the below national audits as these services are not provided by the organisation.

National audit title
Adult cardiac surgery
BAUS: Radical prostatectomy audit
BAUS: Cystectomy
Mental health clinical outcome review programme
National audit of anxiety and depression
National audit of intermediate care (NAIC)
National bariatric surgery registry (NBSR)
COPD audit programme: Primary care
COPD audit programme: Pulmonary rehabilitation
National clinical audit of psychosis
National clinical audit of specialist rehabilitation for patients with complex needs following major injury (NCASRI)
National congenital heart disease (CHD)
National neurosurgical audit programme - consultant-level data
Paediatric intensive care (PICANet)
Prescribing observatory for mental health
UK cystic fibrosis registry

The Royal Free London also participated in the following national audits by submitting data in 2018/19:

During 2018/19, the trust participated in several other national audits which were not in the Healthcare Quality Improvement Partnership (HQIP) 'Quality accounts' list, published in December 2018. These included the following:

National audit title
Health records audit
National benchmarking pharmacy technician audit
NHSBT: renal transplantation
NHSBT: liver transplantation
Potential donor
Renal registry
Royal College of Anaesthetists: National audit of perioperative anaphylaxis
Society for Acute Medicine Benchmarking Audit (SAMBA) study
The iBRA-2 study: a national prospective multi-centre audit of the impact of immediate breast reconstruction on the delivery of adjuvant therapy
National mesothelioma audit (NMA)

The reports of 51 national clinical audits were reviewed by us in 2018/19 and trust intends to take the following actions to improve the quality of healthcare provided:

Actions to improve the quality of healthcare provided:

- We will continue to scrutinise and share learning from national audit reports at our site level committee (clinical governance and patient safety committee).
- We will use outcomes from national clinical audits to help us prioritise pathway work in our clinical practice groups across our new group of hospitals.
- We will continue to make improvements to our clinical processes where national clinical audits suggest care could be improved.

(Specific actions to improve quality are presented in Table 5)

Table 5: Specific actions undertaken at Barnet Hospital

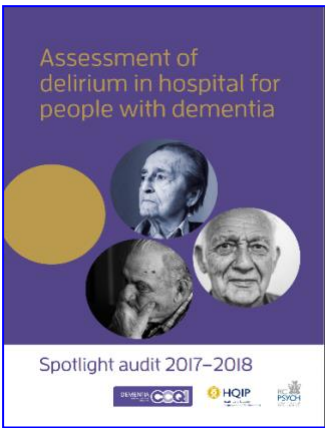
National clinical audit	Actions to improve quality
Fractured neck of femur - Royal College of Emergency Medicine (RCEM) National Clinical Audit 2017/2018	<ul style="list-style-type: none"> • Trauma lead in Emergency Department at BH nominated and accepted to be hip fracture lead. • Written Information and advice from National Patient Safety Alert on clinical cases when the x-ray is normal but the clinical findings are still suspicious of a fractured neck of femur - added to the local drive for all staff.

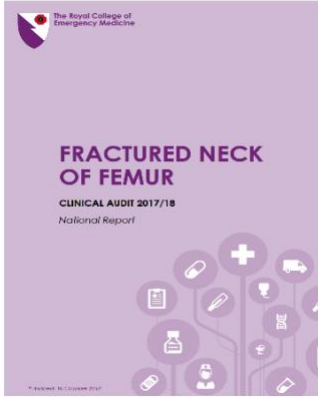
National clinical audit	Actions to improve quality
	<ul style="list-style-type: none"> • Fracture neck of femur protocol – easily accessible on the local network drive and contains a section regarding immediate analgesia given. • London Ambulance Service and East of England Ambulance Services have established pain relief management protocols which the trust complies with. • Pain severity scoring systems already exist. • Induction of staff includes advice about available guidelines for staff including fracture neck of femur guidelines, pain severity scoring - on trust T-Drive and improving awareness of guidelines. • Plan for new emergency department HQIP team to review and work on locally accepted ways to improve pain scoring and timing. • The trust has a Fascia Iliaca Block (FIB) Checklist including monitoring of vital signs post FIB which is uploaded on the local network drive. • A FIB trolley was introduced into the emergency department (Barnet Hospital). The trolley itself contains all the items required to perform the block lignocaine and bupivacaine, the protocol, the documentation paperwork and a guideline on how to treat local anaesthetic toxicity (the intralipid is stored in the IV antibiotic cupboard in the resuscitation room - 14 March 2019).
NACR (National Audit of Cardiac Rehabilitation)	<ul style="list-style-type: none"> • The service is liaising with the cardiology business manager to formulate a pathway for the referrals to be processed in a timely and efficient way, triaging referrals to see which need letters, and getting referrals scanned quickly. • The trust has recently attended a meeting with the NACR co-ordinator to discuss how our data is inputted, and the changes we are about to make should more accurately reflect our service. • The trust is planning to use a different section of the audit for our 'phases' as recommended by the NACR team. • The trust will also stop sending out NACR one year follow up, as it is time consuming and not audited (and involves cost to the trust with a large amount of paperwork to be copied and posted out). The trust will undertake our own 'in house' one year audit, which is data we would like, but in a more cost effective way. • There may have been an inaccuracy in the way we have entered programme length on NACR previously. The audit has highlighted this and we will now include the health education and relaxation sessions in our figures which should allow us to meet the standard. Our standard programme is eight weeks long, which does meet the minimum required length. • To reduce delay we could look at processing referrals in a different way, sending out letters to some patients without telephone contact, and reviewing our introduction letter. We are thinking of new and productive ways of working to strive to reduce the waiting time of all patients awaiting cardiac rehabilitation. One way we could do this would be to identify appropriate patients whilst they are still in hospital and give them an assessment date when possible prior to discharge. Another consideration would be to send an automatic invitation for

National clinical audit	Actions to improve quality
	<p>assessment appointment to straight forward elective PCI patients when a referral is received. We need to agree within our team on the best ways of working but also be guided by patients.</p> <ul style="list-style-type: none"> • To reduce the waiting time for patients starting a programme we could change in the way we deliver cardiac rehabilitation sessions by commencing the health education sessions sooner (while patients are still recovering physically), followed by the physical exercise. • We are seeking advice on merging systems so that data can be shared within the medical notes, and we can possibly populate the NACR database.
National Hip Fracture Database	<p>The trust received an alert from the Royal College of Physicians, Falls and Fragility Fracture Audit Programme on 2 August 2018 in relation to the mortality rate which was noted to be higher than the national figures (two standard deviations) but not an outlier (three standard deviations). A number of actions were implemented to address this alert including:</p> <ul style="list-style-type: none"> • All deaths reviewed in the audit period underwent re-auditing and were reviewed as part of the 'learning from deaths' programme. • Ongoing review of deaths reported as part of the national hip fracture database in the learning from deaths programme via the mortality review group. • A peer review took place in December 2019 by the British Orthopaedic Association and the trust is awaiting the final report.
Procedural sedation – RCEM National Clinical Audit 2017/2018	<ul style="list-style-type: none"> • Procedural sedation only takes place in the emergency room in Barnet emergency department. A modified procedural sedation checklist was introduced and staff awareness was raised in relation to the documentation in August 2018. • Rapid sequence induction (RSI) team training to emergency department BH registrars and specialty doctors, nursing staff and critical care in October and November 2018. • Introduction and increased uptake of use of microstream non-invasive ventilation line for adult end tidal carbon dioxide nasal sampling during sedation aimed at improving /supporting activity for use of capnography. • Local trust re-audit of oxygen therapy planned as part of HQIP by emergency department BH medical staff • Introduction of intravenous sedation information leaflet for patients and relatives in November 2018.
Pain in Children - RCEM National Clinical Audit 2017/2018	<ul style="list-style-type: none"> • Introduction of new paediatric emergency pathway document (for emergency department/paediatric assessment unit) which includes key areas in the recommendations from this national audit. • Pain score assessment tool with reminders for review including a space in the paediatric early warning scoring (PEWS) system for charting progression of pain score. This should help develop a system to ensure re-evaluation of pain after analgesia. Such mechanisms may empower parents and children to self-report pain and assist in re-evaluation of efficacy of analgesia in a patient.

National clinical audit	Actions to improve quality
	<ul style="list-style-type: none"> Induction of staff includes advice about available paediatric guidelines for staff including pain scoring and PEWS charts.
<p>Patient reported outcome measures (PROMS) hip and knee 2017/18 Finalised data</p>	<p>Achievements:</p> <ul style="list-style-type: none"> EQ-VAS scores had improved on the previous year EQ-VAS score for hips was in line with the national average. <p>Areas for improvement:</p> <ul style="list-style-type: none"> Scores for EQ-5D and Oxford scores had worsened on the previous year EQ-5D score for both hip and knee replacements were in the lower 95% Oxford knee scores were in the lower 99.8% Participation and response rates were lower than the national rates. <p>Actions to address areas for improvement:</p> <ul style="list-style-type: none"> Data to be reviewed by the service and actions to be advised and reported back to the clinical performance and patient safety committee
<p>Trauma audit research network (TARN) – Major trauma audit</p>	<ul style="list-style-type: none"> Nurse training compliance and competency in level 2 trauma care – the trust has secured funding for 10 places for an Advanced Trauma Nursing Course or equivalent and additional nursing staff (four senior nurses (two band 6s and two band 7s) will have been trained in Advanced Paediatric Life Support by May 2019. Training in the provision of a swallow screen has been provided to the emergency department practice educators in January 2019 and this training is being rolled out to all staff. The trust is currently reviewing how best to meet the compliance for data entry for 2016 which does not meet the TARN case ascertainment criteria.
<p>National Maternity and Perinatal Audit</p>	<p>The service is currently undertaking clinical practice group (CPG) work for induction of labour, where any clinician who feels there is a clinical reason to induce a woman prior to 40+12 needs to discuss at consultant obstetric level. This is aimed at improving the historically high rate so that it is more in line with national mean or below.</p>
<p>National Pregnancy in Diabetes Audit</p>	<ul style="list-style-type: none"> The endocrine team has liaised with these services who will be providing 'raising awareness and local educational opportunities' for the GPs. A letter was sent to the CCG outlining the problem and identifying that the solution lies within general practice. It will be suggested in the letter that the most effective way to contact this group of women is mail shot via retinal screening. This would cost about £10,000 per CCG. This method has previously been used successfully to reach other patients with diabetes. The endocrine team has drafted a letter to all our primary healthcare providers advising about preconception planning and care. The service has identified measures for improvement of data capture as currently data is not collectable electronically as it is recorded in the diabetes maternity notes:

National clinical audit	Actions to improve quality
	<ul style="list-style-type: none"> ○ Ongoing meetings/discussions regarding new electronic record collection data. ○ Electronic records to be able to capture all antenatal appointments with JANC prior to booking, so evidence appointments with diabetes nurses and HbA1C can be recorded.
National Paediatric Diabetes Audit	<ul style="list-style-type: none"> • NPDA Outlier Alert 2017-2018 - An alert was received by the trust to advise that CFH is a significant outlier with the worst unadjusted mean HBA1C in England and Wales within three standard deviations. BH results are within the 95% confidence interval although within two standard deviations. • The challenges for the service at BH and CFH relate to nursing and medical staff recruitment and retention leading to less contact with high HBA1c patients, limits to pump starts with time consuming ordering processes, lack of consistency and distribution of workforce. The service also has a lack of psychology support. • New developments and plans for the service include a new PDSN in the post, new blood glucose targets, introduction and expansion of pump service, specialist diabetes dieticians and psychological support. • Current QI initiatives in place to address the outlier status include: weekly improvement meetings, expanding the insulin pump service, developing a newly diagnosed patient pathway, tighter blood glucose targets and use of new technology early on activated patients.

 <p>National Audit of Dementia Spotlight Audit: Delirium in hospital for people with dementia</p> <p>Published: Aug-18 Reporting period: 1–30 April 2018</p>	<p>The National Audit of Dementia (care in general hospitals) (NAD) examines aspects of the care received by people with dementia in general hospitals in England and Wales. NAD has carried out three rounds of audit, reporting in 2011, 2013 and 2017. This spotlight audit on delirium has been carried out to look in more detail at an area where hospitals have seemed to be underperforming and to clarify inconsistencies in the data.</p> <p>The Royal Free Hospital performed well in this audit overall with considerably more patients having delirium recorded during initial presentation and receiving a standardised cognitive test than the national average. The dementia implementation working group has been formed to extend and embed good delirium practices from admission in collaboration with the emergency department and triage and rapid elderly assessment (TREAT) teams.</p>
---	--



Royal College of Emergency Medicine: Fractured Neck of Femur

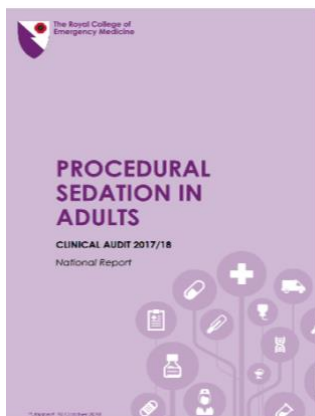
Published: initially published May 2018 – republished on 10 October to correct a data sampling error.

Reporting period: 1 January 2017 to 31 December 2017

65,000 patients a year suffer a fractured neck of femur, the majority presenting via the emergency department. The focus should be on pain relief including nerve blocks and making the correct diagnosis through the use of MRI and CT scans where necessary. The purpose of the audit is to identify current performance in the emergency department against Royal College of Emergency Medicine (RCEM) clinical standards.

Following this audit, the Royal Free Hospital emergency department has implemented a NOF# pathway involving a switchboard activated call out to targeted team members in the trust to speed up the process once a hip fracture is identified. Within the emergency department we have a NOF# sticker that outlines the actions required from our team.





Royal College of Emergency Medicine: Procedural Sedation in Adults

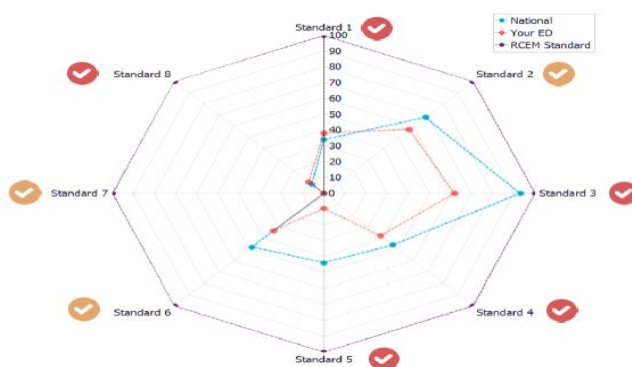
Published: initially published May 2018 – republished on 10 October to correct a data sampling error.

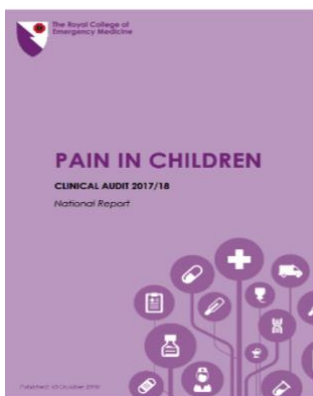
Reporting period: 1 January 2017 to 31 December 2017

The administration of sedative drugs to promote calm or sleep for a medical procedure is common practice in emergency departments. Inappropriately delivered and monitored sedation can cause unintended loss of consciousness and dangerous hypoxia. However, if administered safely, it can enhance the patient's experience and care by reducing pain and procedure time.

It may also benefit the hospital by reducing admissions. The purpose of the audit is to identify current performance in the emergency department against the joint guideline from the Royal College of Anaesthetists and Royal College of Emergency Medicine (2012) and Academy of Medical Royal Colleges guidance.

Following the audit, the Royal Free Hospital emergency department now has a proforma when sedating adults in the resuscitation area, which has significantly improved documentation and recording of any adverse events. This documentation also provides advice on when the patient will be suitable for discharge.





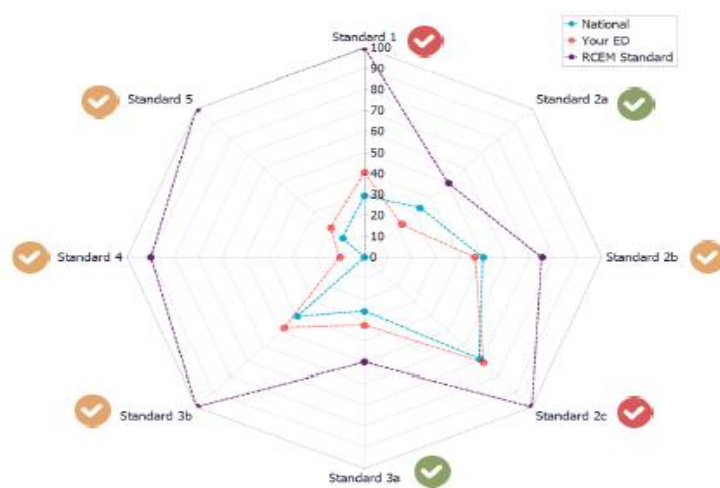
Royal College of Emergency Medicine: Pain in Children

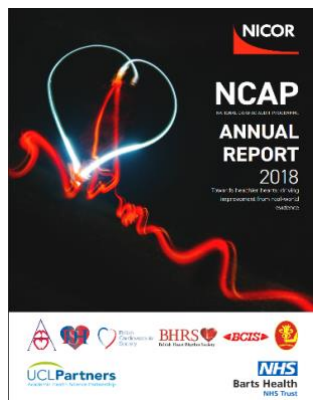
Published: initially published May 2018 – republished on 10 October to correct a data sampling error.

Reporting period: 1 January 2017 to 31 December 2017

Paediatric attendances account for 25% of emergency department attendances. Many of those are children with limb injuries and arrive with significant pain. Paediatric emergency medicine is particularly challenging in the assessment of pain as children complain less and use distraction techniques to manage pain. They are often very stoical when in pain and unlikely to ask for analgesia and indeed even then may withdraw and interact poorly. The purpose of the audit is to monitor documented care against the standards published in July 2017.

This subject was re-audited in December 2018. Outcomes included better than national average for severe pain and moderate pain at 20 minutes.





**NCAP: National Cardiac Audit Programme:
National Audit of
Percutaneous Coronary Intervention (PCI)
(consultant-level data)**

Published: November 2018

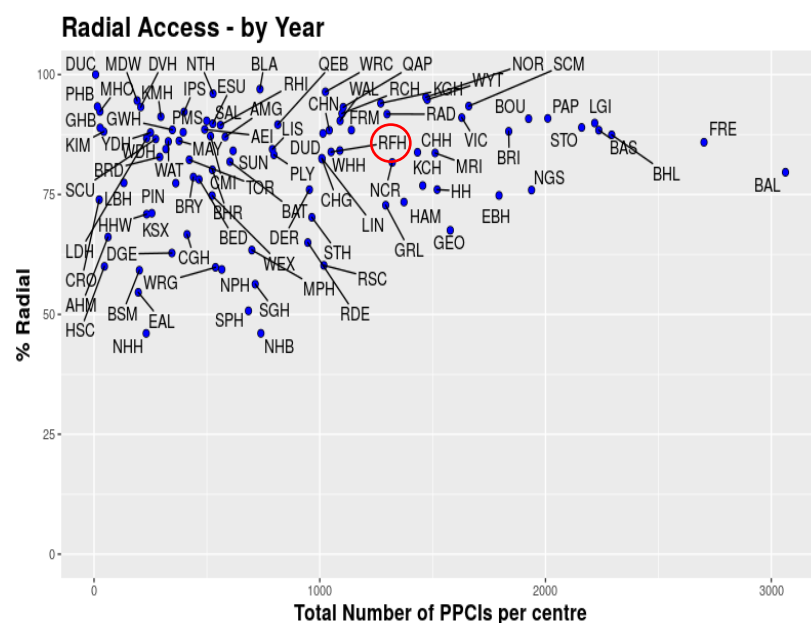
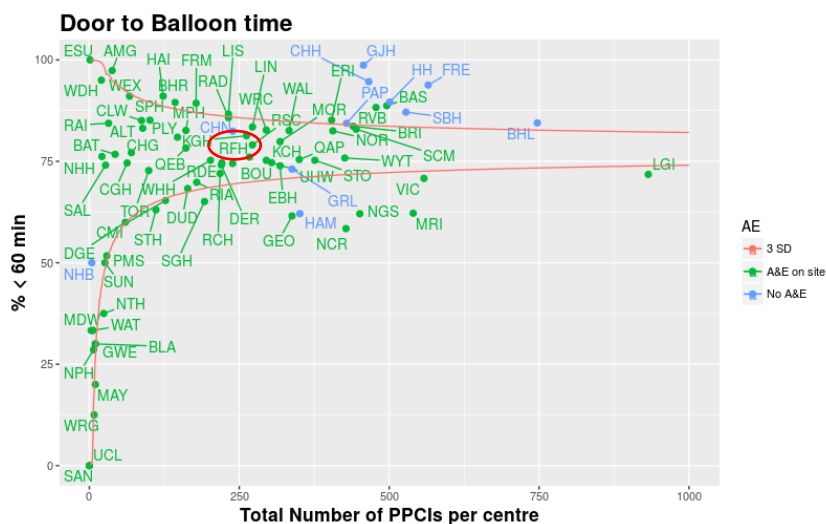
Reporting period:
01/01/14 – 31/12/14


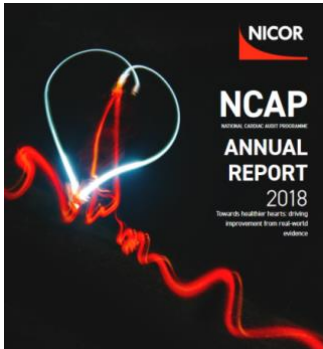
Coronary heart disease is the largest cause of death and disability in the UK. It causes around 73,000 deaths in the UK each year and around one in five men and one in seven women will die from the disease.

The PCI procedure works by mechanically improving blood flow to the heart. During the procedure, a small balloon is inserted which, when inflated widens the artery. In most cases a 'stent' - metal mesh scaffold - is implanted to keep the artery wall open (source: national audit report).

The most recently published data shows that the hospital is:

- Above the national average for percentage of patients treated within 90 minutes
- Within expected range for the risk-adjusted measures survival at 30 days post PCI.



 <p>NCAP: National Cardiac Audit Programme: National Audit of Percutaneous Coronary Intervention (PCI) (consultant-level data)</p> <p>Published: November 2018 Reporting period: 2016-2017</p>	<p>NACR is the only national audit collecting data on the quality of care and clinical outcomes for patients taking part in cardiac rehabilitation following a myocardial infarction (MI), percutaneous coronary intervention (PCI) or coronary artery bypass graft (CABG) and presents recommendations for how to improve programmes.</p> <p>Patients undergoing the programme at Barnet Hospital and Chase Farm Hospital achieved four out of seven of the required key performance indicators. This team also provide a rehabilitation service which includes heart failure patients, valve surgery/aortic root, and heart transplant - where other rehab services do not. We see really great levels of physical improvement measurable as a percentage of improvement on the pre and post shuttle walk tests; and improvement to mental wellbeing as demonstrated by lower hospital anxiety and depression (HAD) scores post cardiac rehabilitation.</p> <p>The team continues to work on improving the referral process in order to reduce delays; keeping the needs of the patient at the forefront.</p>
 <p>NCAP: National Cardiac Audit Programme: Myocardial Ischaemia National Audit Project (MINAP)</p> <p>Published: November 2018 Reporting period: 2016-2017</p>	<p>A heart attack occurs when the flow of blood to the heart is blocked, most often by a build-up of fat, cholesterol and other substances, which form a plaque in the arteries that feed the heart (coronary arteries). The interrupted blood flow can damage or destroy part of the heart muscle. This is known as a heart attack or myocardial infarction (MI). Typical symptoms include chest pain or discomfort, sweating, breathlessness, and sudden changes in blood pressure, heart rate, and heart rhythm, which may lead to collapse or sudden death.</p> <p>Generally, the Royal Free Hospital heart attack service works very well and the data shows a performance above the national average in key areas for patients presenting with ST-Elevation Myocardial Infarction (STEMI). Areas that are the focus of ongoing work include our pathways for the management of Non-ST-elevation myocardial infarction (nSTEMI) increasing the proportion of cases who receive timely angiography. This is a key component of the new clinical pathway group chest pain programme and we hope to see this proportion increase further.</p>


<p>National Diabetes Insulin Pump Audit, 2016-2017 England and Wales</p>  <p>Information and technology for better health and care</p> <p>National Diabetes Insulin Pump Audit 2016-17</p> <p>Published: June 2018 Reporting period: 2016-2017</p>	<p>Insulin pump therapy has a pivotal role to play in the management of type 1 diabetes; use in type 1 diabetes is associated with improved quality of life and glycaemic control in addition to reductions in hypoglycaemia, diabetic ketoacidosis (DKA) admissions.</p> <p>Overall we showed good results with compliance to receiving all eight care processes in line with NICE best practice guidance and adherence to treatment targets above national average.</p>
---	---

Table 5: Specific actions undertaken at Chase Farm Hospital

Specific actions undertaken at Chase Farm Hospital to improve the healthcare provided includes:

- Maintained excellent performance against four hour target in the urgent care centre despite increases in activity and acuity (99.9% compliance)
- Joint advisory group accredited endoscopy unit
- Reduction in surgical site infections
- Reduction in hospital acquired venous thromboembolisms (VTE)
- There have been no hospital acquired pressure ulcers on the surgical ward for over 200 days
- Reduction in the number of avoidable transfers, no avoidable transfers for six months
- Moved to new hospital building with no avoidable harm
- Implementation of new electronic patient recording (EPR) system.

National confidential enquiries: participation and case ascertainment

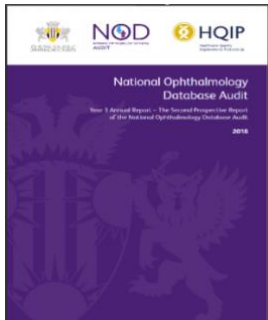
Table 6: National confidential enquires and outcome review programmes: participation and case ascertainment

Name of Audit	Data collection completed in 2018/19	Trust eligibility to participate	Participation 2018/19	Case ascertainment
National confidential enquiry into patient outcome and death (NCEPOD)- Medical and surgical clinical outcomes review programme				
Cancer in children, teens and young Adults	N/A	No	RFH and BH (CFH service not available)	Organisational questionnaire:2 Case notes: N/A Clinical

				Questionnaire: N/A
Perioperative diabetes	Yes	Yes	RFH BH and CFH	Organisational questionnaire: 2 Case notes: N/A Clinical Questionnaire: 8/13
Pulmonary Embolism	Yes	Yes	RFH and BH (CFH service not available)	Organisational Questionnaire: 2 Case notes: 11/12 Clinical Questionnaire: 11/12
Acute bowel obstruction	Yes	Yes	RFH and BH (CFH service not available)	Enquiry in development
National confidential enquiry into patient outcome and death (NCEPOD)- Child health clinical outcomes review programme				
Long-term ventilation in children, young people and young adults	N/A	No	N/A	N/A
Learning disability mortality review programme				
LeDer: Learning disability review programme	Yes	Yes	RFH BH and CFH	100%
MBRRACE-UK (Mothers and babies – Reducing risk through audits and confidential enquiries across the UK) - National maternal, newborn and infant clinical outcomes review programme				
Maternal programme 2016 data	Yes	Yes	RFH and BH (CFH service not available)	100%
Perinatal programme 2016 data	Yes	Yes	RFH and BH (CFH service not available)	100%
National mortality case record review programme (NMCRR)				
NMCRR	Yes	Yes	RFH BH and CFH	100%

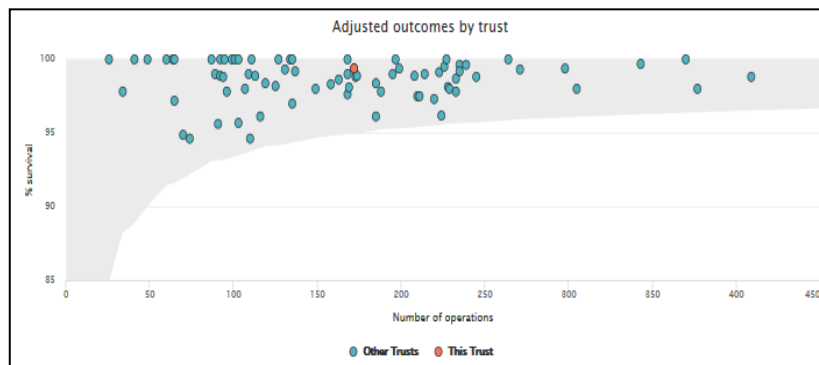
The trust continues to review national confidential enquiries into patient outcomes and death (NCEPODs) on an annual basis until they are fully implemented. Progress is reported at both site and corporate levels.

Table 7: Specific actions to improve quality as the result of an NCEPOD study

Specific actions undertaken to improve quality	
 <p>National Ophthalmology Database Audit</p> <p>Published: Sept 2018 Reporting period: 01 Sept 2016 to 31 Aug 2017</p>	<p>Cataract surgery remains the most frequently undertaken NHS surgical procedure with approximately 400,000 cataract operations undertaken in England and 20,000 in Wales during 2016-2017. The audit is intended to quality assure NHS cataract surgical services for patients by assessing key indicators of surgery quality.</p> <p>Overall the audit findings indicate high quality surgery is being delivered patients. The Royal Free Hospital intends to improve the data collection required for this audit by improving the adoption and implementation of the electronic Medisoft software system across the trust.</p>
 <p>National Vascular Registry: 2018 Annual Report</p> <p>Published: Nov 18 Reporting period: 1st Jan 2015 and 31 Dec 2017</p>	<p>The National Vascular Registry (NVR) was established to provide information on the performance of NHS vascular units and support local quality improvement. It also aims to inform patients about major vascular interventions delivered in the NHS. This 2018 annual report is the sixth since the NVR was launched in 2013. It contains comparative information on five major interventions for vascular disease:</p> <ul style="list-style-type: none"> • Carotid endarterectomy • Repair of aortic aneurysms, including elective infra-renal, ruptured infra-renal, and more complex aneurysms • Lower limb bypass • Lower limb angioplasty/stenting • Major lower limb amputation. <p>The report demonstrates the trust has the shortest length of stay in the country after fenestrated endovascular aortic aneurysm repair (FEVAR) and good mortality for lower limb angioplasty/stent.</p> <p>The audit identified that the surgical waiting times continue to be longer than the team would like, and they continue to work towards reducing these delays.</p> <p>Overall the performance in the audit demonstrates good practice and areas of excellence, however, continued improvement to the administrative management of the service continues.</p>
<p>National vascular registry (NVR) consultant-level outcomes</p> <p>Published: November 2018</p>	<p>AAA Repair</p> <p>An abdominal aortic aneurysm (AAA) is a swelling (aneurysm) of the aorta - the main blood vessel that leads away from the heart - down through the abdomen to the rest of the body. AAAs are most common in men aged over 65.</p>

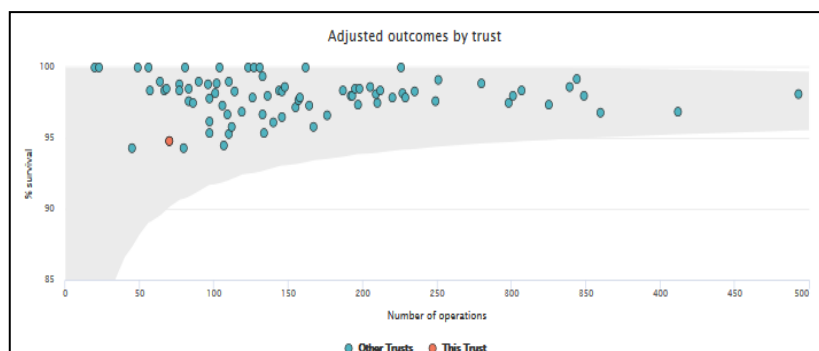
Reporting period: 1st Jan 2015 and 31 Dec 2017

The latest consultant-level data published by the national registry shows that for elective infra-renal AAA repair the risk-adjusted survival rate is within expected range for each individual surgeon that performs the procedure at the trust.



Carotid endarterectomy is a surgical procedure to unblock a carotid artery. The carotid arteries are the main blood vessels that supply the head and neck. People who have previously had a stroke or a transient ischaemic attack (TIA) are at risk of having another stroke or TIA. Surgery can reduce the risk of a further stroke in people with severely narrowed carotid arteries by a third (source: NHS Choices).

The latest published data shows the risk-adjusted survival rate for the trust is within expected range as is the outcome for each individual surgeon that performs the procedure at the trust.

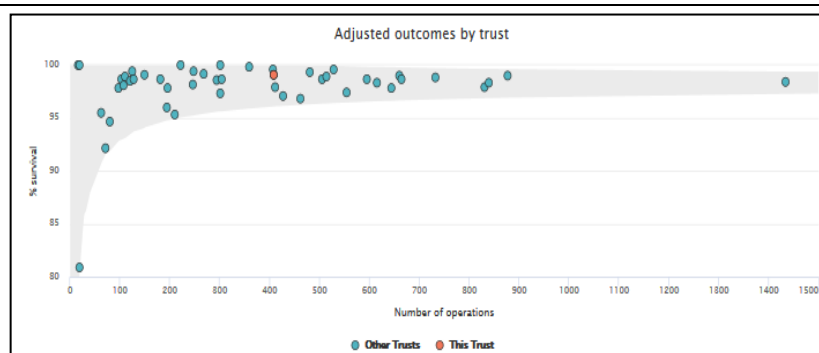


Peripheral arterial disease (PAD) is a restriction of the blood flow in the lower limb arteries. It can severely affect a patient's quality of life. The disease can affect various sites in the legs and produces symptoms that vary in their severity from pain in the legs during exercise to persistent ulcers, or gangrene.

Lower limb angioplasty/stenting

One of the treatments available for PAD involves a medical procedure whereby a small balloon is passed into a narrow section of an artery, via a catheter. The balloon is inflated to open up the artery in order to improve blood flow. This is known as an angioplasty. A metal scaffold (called a stent) may also be inserted into the artery to hold it open.

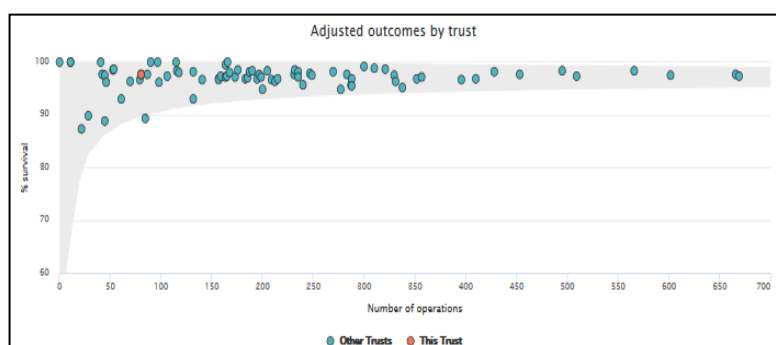
The latest published data shows the risk-adjusted survival rate for the trust is within expected range.



Lower limb bypass

One of the treatments available for PAD involves a surgical procedure to remove the blockage from the artery (endarterectomy) or by using a bypass graft. A bypass graft is a surgical operation that involves attaching a graft (hollow tube that is able to carry blood) above the area of narrow or blocked artery and attaching it to an area below it. This provides a new path for the blood to travel to and improves the blood supply to the leg and foot.

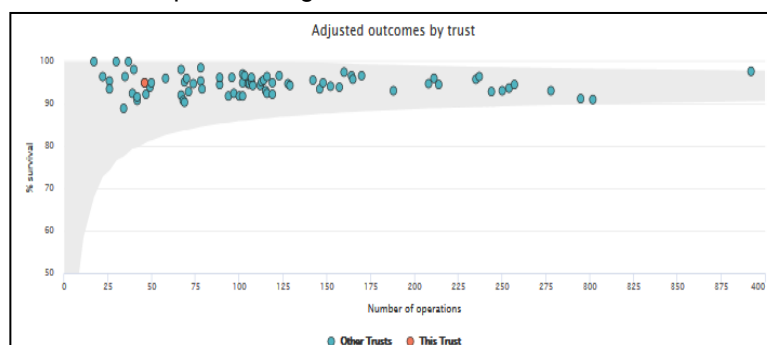
The latest published data shows the risk-adjusted survival rate for the trust is within expected range.

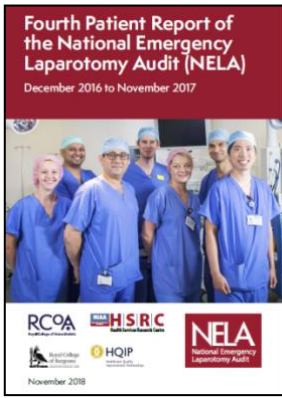


Major lower limb amputation

It is possible to treat PAD with either a lower limb angioplasty/stent or a bypass. Despite these treatments, PAD can gradually progress in some patients to critical limb ischaemia for whom bypass is not a viable option. In these situations, patients will require amputation of the lower limb. About half of all these amputation procedures are below the ankle. Nonetheless, around 5,000 patients in the UK require a major amputation each year, either above or below the knee.

The latest published data shows the risk-adjusted survival rate for the trust is within expected range.



 <p>National Emergency Laparotomy Audit:</p> <p>Published: November 2018</p> <p>Reporting period: Dec 2016 to Nov 2017</p>	<p>More than 30,000 patients undergo an emergency laparotomy each year in NHS hospitals within England and Wales. The majority of patients undergoing emergency bowel surgery have potentially life-threatening conditions requiring prompt investigation and management. The clinical pathway for patients undergoing emergency bowel surgery is complex and requires input from clinicians from several specialties including emergency departments, acute admissions units, radiology, surgery, anaesthesia, operating theatres, critical care and elderly care. Unlike elective (planned) care, there is often limited time to investigate and prepare these patients before surgery.</p> <p>The Royal Free London performance overall continued to be good with excellent case ascertainment, low risk-adjusted mortality and excellent identification/documentation of high risk cases. Risk assessment, in particular, with identification of high risk cases, has improved year on year following local quality improvement projects. We have also joined UCL Partners emergency laparotomy collaborative to share learning and improvement experiences with more regular feedback of local and AHSN data. Going forward the trust has plans to develop a formal cross-site multi-disciplinary team led emergency laparotomy pathway under the clinical pathway group programme.</p>
--	--

National confidential enquiry	Actions to improve quality
<p>MBRRACE Saving Lives, Improving Mothers' Care 2014-16 (Nov 2018)</p> <p>Lessons learned to inform maternity care from the UK and Ireland Confidential Enquiries into Maternal Deaths and Morbidity 2014-16 (5th MBRRACE UK annual report)</p>	<ul style="list-style-type: none"> • To review the epilepsy in pregnancy guideline to ensure it reflects recommendation in a harmonised cross site guideline. • To undertake a demographic analysis of women with a BME background to enable targeted interventions and to agree audit criteria and timescales. • Integrated care pathway to be developed to include preconceptional care. • Review risk assessment guidelines and referral pathway for women with, or at risk of, perinatal health problems. • To review guidelines for women with a previous caesarean section to include the recognition and management of placenta praevia and placenta accreta. • To undertake a clinical audit to assess whether thromboembolism risk assessment was performed and whether the calculated risk score was correct and appropriately actioned.

The reports of 71 local clinical audits* were reviewed in 2018/19 and the trust 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/quality improvement projects are monitored effectively throughout our clinical divisions, with an increased focus on identifying the outcomes and embedding recommendations.

* the local audits undertaken relate to the quality improvement projects previously described which demonstrated modest to significant improvement through successful plan, do, study, act cycles

Local audits	Actions to improve quality
Neonatal early warning tool (NEWT)	<ul style="list-style-type: none"> • Postnatal ward leads to audit all NEWT charts weekly to ensure compliance. • MEOWS champions to keep a record of all discussion with individual members of staff in relation to compliance with standards. • Postnatal ward leads to feed back at local ward meetings.
First seizure guideline/pathway-Trust emergency department BH audit programme	<ul style="list-style-type: none"> • To improve bedside blood glucose documentation, documentation of referral to the first fit clinic and discharge information provided. • To explore the digitising of the new first fit proforma.

Quality improvement initiatives	Actions to improve quality
Fever in under five year olds	<p>Aim: Increase compliance with NICE fever guidance <5yr</p> <p>Outcome: significant improvement with compliance to the fever in under 5s NICE guidance observed</p> <p>The next steps include:</p> <ul style="list-style-type: none"> • Compulsory BMJ e-learning module • Highlight traffic light risk assessment to trainees during induction • To update the emergency department proforma to include a sepsis trigger.

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.

Participating in clinical research

The number of patients receiving relevant health services provided or sub-contracted by the trust in 2018/19, that were recruited during that period to participate in research approved by a research ethics committee, was 10,098.

The above figure includes 4,522 patients recruited into studies on the National Institute for Health Research (NIHR) portfolio and 5,576 patients recruited into studies that are not on the NIHR portfolio. This figure is lower than that reported last year.

The trust is supporting a large research portfolio of over 800 studies, including both commercial and academic research. A total of 168 new studies were approved in 2018/2019. The breadth of research taking place within the trust is far reaching and includes clinical and medical device trials, research involving human tissue and quantitative and qualitative research, as well as observational research.

Patients first to help new eye disease research at Barnet Hospital



Left to right: Dr Dinushni Muthucumarana and Dr Haseena Sadhwani, research doctors; Mr Martin Harris, ophthalmology consultant; Susan Freedman, patient; Dr Sarah Ah-Moye, junior clinical research fellow in ophthalmology; Adaora Udenze, clinic nurse; Mr Hemal Mehta, ophthalmology consultant; Gloria Ferenando, research nurse; Steve Paratian, research medical photographer

Barnet Hospital has recruited the first European patient to take part in an international study exploring a potential new treatment for wet age-related macular degeneration (AMD).

Mr Hemal Mehta, consultant ophthalmic surgeon, leads ophthalmology clinical trials at Barnet Hospital. The latest research project aims to establish the effectiveness and safety of a new eye drop to treat the condition. Wet AMD occurs when abnormal blood vessels grow underneath the retina.

These unhealthy vessels leak blood and fluid, which can prevent the retina from working properly and lead to permanent loss of central vision. It does not usually cause total blindness but it can make every day activities difficult, such as reading or recognising faces.

We currently use injections to stabilise wet AMD and patients often need to have these every month or two.

“The potential benefits of using eye drops would be that fewer or possibly no injections would be needed, so it would be safer and less unpleasant for the patient.

It is also more convenient for them and their relatives as they would not need to attend hospital so often. We need clinical trials to establish how well these new drops work.”

Mr Hemal Mehta, consultant ophthalmic surgeon

The injections contain medicines called anti-vascular endothelial growth factor agents that reduce the growth of new blood vessels.

The molecules in the eye drops are a thousand times smaller than those in the injections, which mean they can enter and penetrate the eye more effectively.

CQUIN payment framework

A proportion of the trust income in 2018/19 was conditional upon achieving quality improvement and innovation goals agreed between ourselves and any person or body we entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework. Further details of the agreed goals for 2018/19 and for the following 12-month period are available electronically [here](#).

Table 8: CQUIN scheme priorities 2018/2019

CQUIN scheme priorities 2018/2019	Objective rationale
Staff health and well being	<p>This national initiative made up of three areas of improvement:</p> <ol style="list-style-type: none"> 1) Improvement of health and wellbeing of NHS staff with a focus on MSK and stress 2) Healthy food for NHS staff, visitors and patients 3) Improving the uptake in the flu vaccination for frontline staff.
Sepsis	<p>Timely identification and treatment of sepsis in emergency departments and acute inpatient settings.</p> <p>Sepsis is a common and potentially life-threatening condition with around 32,000 deaths in England attributed to sepsis annually.</p>
Antimicrobial	<p>Reduction in antibiotic consumption across the trust and an empiric review of antibiotic prescriptions.</p> <p>Antimicrobial resistance has risen alarmingly over the last 40 years and inappropriate plus overuse of antimicrobials is a key driver.</p>

Mental health in A&E	<p>Reducing the number of frequent attenders who would benefit from mental health and psychosocial interventions.</p> <p>The trust has worked closely with mental health providers and other partners (including police, ambulance, substance misuse, social care and the voluntary sector) to ensure that people presenting at A&E with primary or secondary mental health requirements have these needs met by an improved integrated service.</p>
Advice and guidance	Scheme requires the trust to set up and operate advice and guidance services for non-urgent GP referrals allowing GPs to access consultant advice prior to referring patients into secondary care.
Preventing ill health by risky behaviours – alcohol and tobacco	To support people to change their behaviour to reduce the risk to their health from alcohol and tobacco.
Hep C virus – Improving pathways	The trust is a lead provider in reducing harm from Hepatitis C. This is a continuing CQUIN that forms part of a long-term project with the end goal being the elimination of Hepatitis C as a major health concern by 2030.
Medicines optimisation	This CQUIN supports the optimisation and use of medicines commissioned by specialised services in identified priority areas.
Cancer dose banding	Supporting the implementation of nationally standardised doses of The Systemic Anti-Cancer Therapy (SACT) across England using dose banding principles and dosage tables published by NHS England.
Optimising palliative chemotherapy decision making	To support optimal care by ensuring that, in specific groups of patients, decisions to start and continue further treatment are made in direct consultation with peers and then as a shared decision with the patient.
Complex device optimisation	To ensure that complex implantable cardiac device selection for patients remains consistent with the commissioning policy, service specification, and relevant NICE guidance and that contractual requirements are in place for providers while new national procurement and supply chain arrangements are embedded.
Multisystem autoimmune rheumatic disease	This CQUIN oversees the development of coordinated multi-disciplinary team (MDT) clinics for patients with multisystem autoimmune rheumatic diseases. This MDT arrangement will also enable longitudinal data collection, particularly of outcome measures using validated tools and the use of patient activation measurement (PAM).

The Commissioning for Quality and Innovation (CQUIN) payment framework enables commissioners to reward excellence by linking a proportion of English healthcare providers' income to the achievement of local quality improvement goals. Since the first CQUIN framework in 2009/10, many CQUIN schemes have been developed and agreed.

In 2018/19 a total of 2.5% of the trust's income was conditional upon achieving quality improvement and innovation goals. Our CQUIN payment framework was agreed with NHS North East London Commissioning Support Unit and NHS England. The monetary total for 2018/19 was £11,625,000.

Registration with the Care Quality Commission (CQC)

The Royal Free London NHS Foundation Trust is required to register with the CQC and its current registration status is registered. The trust has the following conditions on registration: none.

The CQC has not taken enforcement action against the trust during 2018/19 and the trust has not participated in any special reviews or investigations by the CQC during 2018/19.

The trust was subject to an announced core service inspection across our three hospital sites during 11-13 December 2018. The inspection focused on the following core services:

Hospital site	Core service	Site inspected
Chase Farm Hospital	Urgent and emergency Care	Urgent care unit
	Surgery	Surgical ward and day surgery services
	Medical	Medical ward and outpatient clinics
Barnet Hospital	Urgent and emergency care	Urgent and emergency care unit
	Surgery	Surgical wards, theatres and day surgery services
	Critical care	Critical care and high dependency unit
	Medical	Medical wards
Royal Free Hospital	Urgent and emergency care	Urgent and emergency care unit
	Surgery	Surgical wards, theatres and day surgery services
	Critical care	Critical care unit
	Maternity	Maternity wards and midwifery service
	Medical	Medical wards

In addition to the December 2018 core services inspection the CQC undertook the well led and use of resources inspection between 8-10 January 2019. The trust is awaiting the final report from these inspections. See Section 3.4 for further information.

Information on the quality of data

Good quality information ensures the effective delivery of patient care and is essential for quality improvements to be made. Improving information on the quality of our data includes specific measures such as ethnicity and other equality data to improve patient care and increase value for money. This section refers to data that we submit nationally.

The patient's NHS number

A patient's NHS number is the key identifier for patient records. It is a unique 10-digit number which is given to everyone who is registered with the NHS and allows staff to find patient records and provide our patients with safer care.

The trust submitted records during 2018/19 to the secondary uses service (SUS) for inclusion in the hospital episode statistics which are included in the latest published data.

The percentage of records in the published data which included the patients' valid NHS numbers was:

% of records	2015/16	2016/17	2017/18	2018/19
For admitted patient care	98.6%	98.15%	98.8%	99.1%
For out-patient care	98.6%	98.65%	99.2%	99.5%
For accident and emergency care	94.4%	94.89%	95.7%	96.8%

General Medical Practice code

The percentage of records in the published data which included the patient's valid General Medical Practice code was:

% of records	2015/16	2016/17	2017/18	2018/19
For admitted patient care	99.95%	99.92%	99.8%	99.8%
For outpatient care	99.96%	100%	99.9%	99.9%
For accident and emergency care	99.94%	100%	100%	100%

Information Governance (IG)

The trust achieved 'standards not fully met (Plan Agreed)' for the data security and protection toolkit submission 2018/19. The trust completed all but one of the mandatory assertions and has agreed an action plan with NHS Digital to improve annual information governance and data security training compliance.

	2016/17	2017/18	2018/19
Information governance assessment score	66%	68%	Not scored
Overall grading	Green	Green	Not graded

During 2018/19 the toolkit assessment has changed and there is no longer an overall score and colour grading.

Payment by results

The trust was not subject to the payment by results clinical coding audit during the reporting period by the Audit Commission.

The Audit Commission was replaced by the Public Sector Audit Appointments Ltd, National Audit Office, Financial Reporting Council and Cabinet Office in April 2015.

Data quality

The trust continues to focus on this area to ensure that high quality information is available to support the delivery of safe, effective and efficient clinical services.

The trust will be taking the following actions to improve data quality:

The data quality team will be working with underperforming teams to ensure agreed key performance indicators (KPIs) are being met. Action plans will be put in place to resolve issues and any issues will be escalated to divisional management if required:

- A new audit programme will be rolled out during 2019/20 which focuses on areas of concern for the trust. This programme will be overseen by the audit and assurance oversight group which reports into the data quality steering group.
- The data quality dashboard will continue to be monitored and new KPIs will be added to ensure that we detect early any issues with our internal and external submissions.
- A new data quality workflows and awareness group will be set up to look at technical issues. They will create workflows to ensure staff are recording all the necessary information which in turn will help solve data quality issues.

Learning from deaths

The trust is committed to fully implementing the national guidance and has published a 'Learning from Deaths' policy which outlines its processes for identifying, reviewing and learning from deaths and the roles and responsibilities for staff involved in that process.

During 2018/19, 2,025 of the trust's patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

- 498 in the first quarter; 469 in the second quarter; 567 in the third quarter; 491 in the fourth quarter.

Due to differences in the reporting periods for learning from deaths (LfD) reviews and the quality accounts, for completeness data is included here for 2017/18 Q3 and Q4, as these were not included in last year's quality accounts. Likewise review data for 2018/19 Q3 and Q4 are not available for inclusion in this year's quality accounts.

Table 9: Learning from deaths

Reporting period		Number of deaths	Number of reviews completed	Number of serious incident investigations	Number of patient deaths considered likely to be avoidable (ie are judged to be more likely than not to have been due to problems in the care provided to the patient)	Percentage of patient deaths considered likely to be avoidable (ie are judged to be more likely than not to have been due to problems in the care provided to the patient)
Third quarter	October 2017 to December 2017	554	53	5	4	0.72%
Fourth quarter	January 2018 to March 2018	576	41	12	9	1.56%
Total		1130	94	17	13	1.15%
First quarter	April 2018 to June 2018	498	52	3	2	0.40%
Second quarter	July 2018 to September 2018	469	19	2	2	0.43%
Total		967	71	5	4	0.41%
Third quarter	October 2018 to December 2018	567	Not yet completed	Not yet completed	Not yet completed	Not yet completed
Fourth quarter	January 2019 to March 2019	491	Not yet completed	Not yet completed	Not yet completed	Not yet completed
Total		1058				

Reporting period 2018/19 (Q1 and Q2)

By 31 March 2019, 71 case record reviews and five investigations have been carried out in relation to 967 of the deaths included in the information presented in the Table.

In five cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review and an investigation was carried out was: 52 in Q1, 19 in Q2, as shown in the table. Data for Q3 and Q4 is not yet available.

Five representing 0.41% of patient deaths during the reporting period 2018/19 Q1 and Q2, is judged to be more likely than not to have been due to problems in the care provided to the patient.

In relation to each quarter, this consisted of: three representing 0.40% for Q1; two representing 0.42% for Q2, as shown in the table. Data for Q3 and Q4 is not yet available.

These numbers have been estimated using the Likert avoidability scale in line with the learning from deaths (LfD) policy and the incident management policy. Scores of 1-3 indicate those deaths considered likely (ie over 50%) to be avoidable. These scores are determined by the safety incident review panel (SIRP).

Likert avoidability Scale:

- 1 Definitely avoidable
- 2 Strong evidence of avoidability
- 3 Probably avoidable, more than 50:50
- 4 Possibly avoidable, but not very likely, less than 50:50
- 5 Slight evidence of avoidability
- 6 Definitely not avoidable (unavoidable)

Previous reporting period 2017/18 (Q3 and Q4)

By 31 March 2019 and from Q3 and Q4 of 2017/18, 92 case record reviews and 17 serious incident investigations have been carried out in relation to 1,130 of the deaths included in the information presented in the Table. In 17 cases a death was subjected to both a case record review and a serious incident investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was: 52 in Q3, 40 in Q4, as shown in the table.

There were 14 patient deaths, representing 1.33% of the patient deaths during the reporting period Q1 and Q2 that were considered likely to be avoidable. These patient deaths were also identified as incidents prior to the learning from deaths (LfD) process, and reported as serious incidents.

In relation to each quarter, this consisted of: four deaths representing 0.72% for Q3; 10 deaths representing 1.91% for Q4, as shown in the table. Data for Q1 and Q2 were presented in last year's quality accounts.

The number of deaths considered likely to be avoidable have been estimated using the Likert avoidability scales in line with the learning from deaths (LfD) policy and the incident

management policy. Scores of 1-3 indicate those deaths considered likely (ie over 50%) to be avoidable.

Likert avoidability scale:

- 1 Definitely avoidable
- 2 Strong evidence of avoidability
- 3 Probably avoidable, more than 50:50
- 4 Possibly avoidable, but not very likely, less than 50:50
- 5 Slight evidence of avoidability
- 6 Definitely not avoidable (unavoidable).

Previous reporting period 2017/18 (Q1 and Q2) – from 2018 quality accounts

Table 10: Learning from deaths

Reporting period		Number of deaths	Number of reviews completed	Number of serious incident investigations	Number of patient deaths considered likely to be avoidable (ie are judged to be more likely than not to have been due to problems in the care provided to the patient)	Percentage of patient deaths considered likely to be avoidable (ie are judged to be more likely than not to have been due to problems in the care provided to the patient)
First quarter	April 2017 to June 2017	480	31	4	3	0.63%
Second quarter	July 2017 to September 2017	460	39	2	2	0.43%
Total		940	70	6	5	0.53%

Summary of lessons learnt

The lessons learnt summarised below relate to all patient deaths which were reviewed as part of this process. We have included examples of good practice and areas for improvement; it should be noted that these do show differences in care for our patients and we continue to work to ensure that patient care is consistent and of high quality. During 2018/19, we developed a learning lessons from near misses, serious incidents and deaths communications plan to help us better define our processes and provide stakeholders with the objectives:

- Staff use the learning from serious incidents and deaths to improve care and prevent further patient/staff harm.
- Staff can describe the learning from a recent near miss, incident, serious incident, or never event.
- Staff know that they can receive practical and emotional support following a serious incident and how they can access this.

Some of our approaches include:

- **Newsletters:** Patient safety weekly and monthly bulletins, divisional newsletters, safety alerts, quarterly complaints, litigation, incidents, PALS and safety report.
- **Meetings:** Clinical innovations and standards committee, mortality surveillance group, hospital mortality review groups, hospital clinical performance and patient safety committees, safety incident review panel and divisional quality safety boards.
- **Events:** Learning from incidents and near misses event, audit and quality days, trainee doctors, nursing and allied health professionals induction.

Advance care planning

The learning from deaths (LfD) process has helped us to understand where we have areas for improvement, so that we can target these for specific focus. At Barnet Hospital we set up a quality improvement project to improve advance care planning (ACP), which is a process that supports adults at any age or stage of health in understanding and sharing their personal values, life goals, and preferences regarding future medical care. The goal of advance care planning is to help ensure that people receive medical care that is consistent with their values, goals and preferences during serious and chronic illness.

We have a growing population of frail patients who are frequent users of healthcare services. When discussing their place of death, the majority report that they would like to die at home, although statistically most deaths occur in hospital. Initially we reviewed a cohort of patients over one month to understand where and how we could improve the ACP process.

Our interventions included adding ACP to the board round, increasing training and identifying ACP champions, using ACP stickers to assist recording of the correct information, and enhancing CMC (co-ordinate my care) training and access.

On the pilot ward, advanced care planning increased from 39% to ~78%, and this was expanded to six further wards. The results showed that six months later 75% of these patients had remained in the community in their place of discharge. We showed that advanced care planning on the ward leads to more patients ending life in their preferred place of care and with reduced transfers of care.

Description of actions taken during 2017/18 (Q3 and Q4)

The actions summarised below relate to those patient deaths which were considered likely to be avoidable. From October 2017 to March 2018, we identified 15 patient deaths that were considered likely to be avoidable, all of which were identified and reported as serious incidents:

Following investigation, each serious incident report contains a detailed action plan that is agreed with our commissioners and shared with relatives. These actions are reviewed so that we have assurance that they are implemented. We have reworded some of the actions, so that our patients and their families are not identifiable:

- Amend the current ICU guideline for repositioning patients, to include that patients with a high BMI, a new tracheostomy and who require repositioning should have four staff members involved in the procedure (including the nurse managing the tracheostomy).

- Clarify that the medical doctor (Foundation Year 1 - FY1) doctor overnight is to be viewed as supernumerary and must not be asked to review acute or deteriorating patients without support.
- Complete a medication risk assessment for Amiodarone.
- Consider whether all wards should combine nursing and medical notes.
- Develop a business case to seek funding to explore the development of an electronic solution which would aid interpretation of plotted measurements on the GAP/GROW (foetal development chart) and in turn clinical management is currently being finalised for presentation to the technology board.
- Develop a communication decision tool with suggested strategies and contact information for staff to support their decision making and clinical history taking when dealing with patients and families where there are communication difficulties.
- Develop a GAP/GROW (foetal development chart) workbook of case studies as part of training improvement.
- Develop an appointment system to ensure an effective process for following up women who do not attend for planned CTG scans.
- Develop clear criteria identifying the appropriate waiting time for transfer of women following induction with the Cooks' balloon and this information will be incorporated into the maternity escalation policy as part of the maternity red flag triggers.
- Develop links with the infectious diseases team in order to produce training for paediatric staff.
- Develop multidisciplinary simulation training specifically relating to care of a child with Supraventricular tachycardia (SVT) including the administration of Amiodarone.
- Devise an action template for staff shortages to ensure that patients at risk are prioritised.
- Highlight and escalate displaced patients of concern at the bed meeting, with a list of outliers for daily review.
- Emphasise the importance of communication of cancellations of antenatal appointments to the midwife.
- Ensure all patients that are reported as having chest pain (regardless of the history) have a new ECG and have this reviewed by a Foundation Year 2 (FY2) doctor or registrar.
- Ensure all women booked under midwifery led care have their appointment booked and sent to them by the community midwife. In the event that they do not attend, this will be followed up by the community midwifery team.
- Ensure that if a patient is unpredictable, a behavioural chart will be completed daily.
- Ensure the enhanced care assessment form is available on all wards.
- Ensure there is an adequate supply of critical drug stickers with the prescription charts and with the critical drugs poster clearly visible for all prescribers to see with the correct process of identifying critical drugs.
- Explore a solution for accessing ice or a suitable alternative in the emergency department.
- Explore the possibility of increasing the referral rate from Barnet Hospital to the fetal medicine unit at Royal Free Hospital, focusing particularly on women who require increased surveillance.
- Have a permanent medical FY2 rotated in on the weekends who will conduct a daily ward round.

- Highlight the availability of interpreting services within the trust.
- Identify patients at handover and safety huddles that are at risk and who will be responsible for the patient safety that day.
- Implement weekend consultant-led ward rounds on the ward.
- Incorporate the learning from this death into training.
- Introduce a consistent 24-hour cover, which will help provide a better point of contact, particularly for outlier medical patients, and also ensure the on take FY1 doctor continues with clerking rather than being pulled to see ward patients.
- Offer to share a copy of the final report and a face to face meeting with the patient/carer/relative to feedback the findings of the investigation at a 'being open' meeting.
- Organise the schedule for ICU doctors to receive training on how to use the new ICU ultrasound machines.
- Place a safety alert regarding critical medications on to the trust screensaver.
- Prepare a continuous programme for staff to simulate the scenario of management of the deteriorating patient.
- Present the case at the governance meeting to share learning.
- Provide a clear process when access to the CCTV room is required out of hours.
- Reiterate the importance of safeguarding patient information during the safety briefing.
- Remind all staff of the importance of using capnography monitoring for tracheostomy patients.
- Remind staff about speaking up at safety huddles when patients have a triggering PAR/NEWS score.
- Remind staff about the need for comprehensive documentation and consideration of the use of a scribe to record events.
- Review and update the guidance on ultrasound scans to include clearer guidance for sonographers as to what to report on the scan report if a scan falls within the extremes of normal limits for fetal growth measurement parameters.
- Review and update the transfer checklist to ensure there is an escalation prompt/process for nursing staff to follow to ensure patients get a medical review prior to transfer if they have a PAR score of three and above.
- Review ICU discharge policy to reflect that complex ICU patients should not be stepped down to wards at night.
- Review safeguarding processes.
- Review the feasibility of implementing weekend safety huddles as part of the current quality improvement work on the safety huddles initiative of the NHS Improvement maternal and neonatal health safety collaborative.
- Review the guideline for women who fail to attend antenatal visits in the community or in hospital and include additional actions for the follow up of women who are having ongoing blood pressure profile assessments in the day assessment unit.
- Review the medical rota to ensure there are adequate medical staff covering the medical wards on the weekend.
- Set up a working group to review the pathway for escalating for a clinical review and the criteria for triggering the emergency bleep calls.

- Share a copy of the report with staff involved and ensure they reflect on what could have been done differently and include this in their appraisals.
- Share learning via CLIPS report (Complaints, Litigation, Incidents, PALS and Safety).
- Submit an ICU business case recommending the purchase of three new multi-modal ultrasound machines.
- Triage calls made to hospital at night co-ordinators as routine or urgent by asking the caller. All urgent calls to record SBAR (Situation, Background, Assessment, Recommendation) on a separate sheet and record outcomes based on a doctor's feedback.
- Undertake an audit on the use of MEOWS (mother's early warning score) charts.
- Update guideline for the induction of labour including pre-labour rupture of membranes at term guideline.
- Update the risk relating to nursing shortages.
- Ward manager to liaise with PARRT and organise a learning session for nursing team about deteriorating patients and escalation processes.
- Write the protocol recommending use of ultrasound imaging for all invasive procedures carried out on ICU. This should incorporate the radiology LocSSIPs (Local Safety Standards for Invasive Procedures) for invasive procedures.

Description of actions taken during 2018/19 (Q1 and Q2)

The actions summarised below relate to those patient deaths which were considered likely to be avoidable. From April 2018 to September 2018, we identified four patient deaths that were considered likely to be avoidable, all of which were identified and reported as serious incidents.

Following investigation, each serious incident report contains a detailed action plan that is agreed with our commissioners and shared with the relatives. These actions are reviewed so that we have assurance that they are implemented. We have grouped the actions into broader themes here, so that our patients and their families are not identifiable:

- Arrange simulation of adult emergency call situations in ward areas (including scenarios with patients displaying confusion).
- Develop guidance on the use of bed and chair alarms and the checks to undertake to ensure the equipment is safe for use.
- Develop a protocol for safe transfer of confused patient after 8pm.
- Ensure and document attendance of ward nursing staff at escalation and use of SBAR (Situation, Background, Assessment, Recommendation) training.
- Ensure staff attend refresher training on how to take lying and standing blood pressures.
- Ensure that monthly audits are undertaken to determine the accuracy of documentation on the NEWS 2 observation chart.
- Establish a midnight huddle where registered nurses go through each patient's notes and documentation with health care assistants and also discuss patients at risk of deterioration or/and patients who require escalation.
- Facilitate discussion and training about the use of continuous positive airway pressure (CPAP) in the emergency department.

- Offer to share a copy of the final report and a face to face meeting with the patient/carer/relative to feedback the findings of the investigation at a 'being open' meeting.
- Present the case at the governance meeting to share learning.
- Remind staff about using the "P" function on ECGs and audit to check understanding.
- Share a copy of the report with staff involved and ensure they reflect on what could have been done differently and include this in their appraisals.
- Share the learning via CLIPS report (Complaints, Litigation, Incidents, PALS and Safety)
- Update ECG audit template to include signatures and monitor results.

Description of proposed actions to take during 2018/19

Actions from Q3 and Q4 reviews when they are completed will be taken forward during 2018/19 and reported on in next year's quality accounts.

Assessment of the impact of the actions taken

For each patient death that was considered likely to be avoidable, an investigation was undertaken and the actions to prevent recurrence of the incident were recorded (these actions have been detailed above). These actions are logged on our risk management system Datix and are monitored by the hospital clinical performance and patient safety committee and clinical standards and innovations committee to ensure completion and compliance.

In addition, a number of actions are also reviewed by our commissioners, providing external assurance of our processes. This ongoing external review has been completed to the satisfaction of our commissioners. This will include a review of audits undertaken that provide evidence that the action continues to be implemented.

70 case record reviews and six investigations were completed after 1 April 2017 relating to deaths which took place before the start of reporting period.

Five, representing 0.53% of the patient deaths before the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using the Likert avoidability scale in line with the learning from deaths (LfD) policy and the incident management policy. Scores of 1-3 indicate those deaths considered likely (ie over 50%) to be avoidable. These scores are determined by the safety incident review panel.

Likert avoidability scale:

- | | |
|---|--|
| 1 | Definitely avoidable |
| 2 | Strong evidence of avoidability |
| 3 | Probably avoidable, more than 50:50 |
| 4 | Possibly avoidable, but not very likely, less than 50:50 |
| 5 | Slight evidence of avoidability |
| 6 | Definitely not avoidable (unavoidable) |

3.2.5 Reporting against core indicators

This section of the report presents our performance against eight core indicators, using data made available to the trust by NHS Digital. Indicators included in this report, show the national average and the performance of the highest and lowest NHS trust.

Areas covered will include:

1. Summary hospital-level mortality (SHMI)
2. Patient reported outcome measures scores (PROMS)
3. Emergency readmissions within 28 days
4. Responsiveness to the personal needs of our patients
5. Friends and family test (staff)
6. Venous thromboembolism (VTE)
7. C difficile
8. Patient safety incidents.

This information is based on the most recent data that we have access to from NHS Digital and the format is presented in line with our previous annual reports. In future annual reports we will look to standardise the information produced, including time period examined.



Summary hospital-level mortality (SHMI)

Indicator:

a) The value and banding of the SHMI for the trust for the reporting period.

Royal Free Performance Jul 14 – Jun 15	Royal Free Performance Jul 15 - Jun 16	Royal Free Performance Jul 16 - Jun 17	Royal Free Performance Jul 17 - Jun 18	National Average Performance Jul 17 - Jun 18	Highest Performing NHS Trust Performance Jul 17 - Jun 18	Lowest Performing NHS Trust Performance Jul 17 - Jun 18
0.853 (lower than expected)	0.9053 (as expected)	0.8777 (lower than expected)	0.8351 (lower than expected)	1.0 (as expected)	0.6982 (lower than expected)	1.2572 (higher than expected)

The SHMI score published in this report has been calculated by NHS Digital and uses finalised hospital episode statistics (HES) data for the financial years 2014/15, 2015/16, 2016/17 and 2017/18. NHS Digital has indicated that it believes there is a shortfall in the number of records in the HES data for discharges in the reporting period October 2015 – September 2016 for the trust (provider code RAL). This has the potential to either under or

over represent performance against this indicator and as such the report should be viewed with caution, however it should be noted that the trust participates in the Health and Social Care Information Centre (HSCIC) NHS Choices/clinical indicator sign off programme whereby data quality is reviewed and assessed on a monthly and quarterly basis.

No significant variance between the data held within trust systems and data submitted externally has been observed.

SHMI is a clinical performance measure which calculates the actual number of deaths following admission to hospital against those expected.

The trust considers that this data is as described for the following reasons; the data has been sourced from HSCIC.

The latest data available covers the 12 months to June 2018. During this period the Royal Free London had a mortality risk score of 0.8351, which represents a risk of mortality lower than expected for our case mix. This represents a mortality risk statistically significantly below (better than) expected with the Royal Free London ranked ninth out of 131 non-specialist acute trusts.

The trust has taken the following actions to improve the mortality risk score, and so the quality of its services:

- A monthly SHMI report is presented to the trust board and a quarterly report to the clinical performance committee. Any statistically significant variations in the mortality risk rate are investigated, appropriate action taken and a feedback report provided to the trust board and the clinical performance committee at their next meetings.

<https://indicators.hscic.gov.uk/webview/>^(A)

Patient deaths with palliative care code

Indicator:

(b) The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the trust for the reporting period.

Royal Free Performance Jul 15 - Jun 16	Royal Free Performance Jul 16 - Jun 17	Royal Free Performance Jul 17 - Jun 18	Royal Free Performance Jul 18 - Jun 19	National Average Performance Jul 18 - Jun 19	Highest Performing NHS Trust Performance Jul 18 - Jun 19	Lowest Performing NHS Trust Performance Jul 18 - Jun 19
25.4%	25.6%	34.2%	40.8%	33.8%	59.5%	14.3%

The trust considers that this data is as described for the following reasons; the data has been sourced from NHS Digital.

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 trust has taken 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.

This year there has been an increase in the percentage of deaths with palliative care coding so that it is now above the national average performance, with the trust ranking 36th out of 132 non-specialist acute trusts.

<https://indicators.hscic.gov.uk/webview/>

Patient reported outcome measures scores (PROMS)

Indicator:

The NHS asks patients about their health and quality of life before they have an operation, and about their health and the effectiveness of the operation afterwards. PROMs measure health gain in patients undergoing hip replacement, knee replacement and up to September 2017, varicose vein and groin hernia surgery in England, based on responses to questionnaires before and after surgery.

This provides an indication of the outcomes or quality of care delivered to NHS patients and has been collected by all providers of NHS-funded care since April 2009. The table below shows the scores for the adjusted average health gain, which is the case mix-adjusted average gain in health from pre to post-operative.

Royal Free Performance 2015/16	Royal Free Performance 2016/17	Royal Free Performance 2017/18	Royal Free Performance 2018/19	National Average Performance 2018/19	Highest Performing NHS Trust Performance 2018/19	Lowest Performing NHS Trust Performance 2018/19
Indicator: Groin hernia surgery						
Low number rule Applies	Low number rule Applies	0.05				
Indicator: Varicose vein surgery						
Low number rule Applies	0.12	0.11				
Indicator: Total hip replacement (EQ-5D Index)						
0.74	0.43	0.42	0.41	0.46	0.55	0.36
Indicator: Knee replacement surgery (EQ-5D index)						
0.68	0.31	0.32	0.299	0.34	0.40	0.25

The trust considers that this data is as described for the following reasons; the data has been sourced from the HSCIC and compared to internal trust data.

This data has been reviewed and when we compare our clinical data with the data produced by the National Joint Registry (NJR) and National Hip Fracture Database (NHFD) there are no concerns regarding our performance which shows good care and above average performance. Therefore, it appears that the data is related to patient's mismatched expectations regarding their condition post-operative. To address this we have a joint school, where patients are informed of what to expect post-surgery and can manage their expectations of pain and mobility.

The trust has taken the following actions to improve the score, and so the quality of its services, by:

- obtaining data of actual number of procedures undertaken to compare with figures
- reviewing where pre-operative questionnaires are completed.

<http://content.digital.nhs.uk/proms>

Emergency readmissions within 28 days

Indicator:

The percentage of patients readmitted to a hospital which forms part of the trust within 28 days of being discharged from one of our hospitals during the reporting period. Please note that this indicator is currently suspended by NHS Digital. As a result, the trust has provided the latest available data to 2016/17. Internally the trust reviews its 30-day emergency readmission rates for elective patients as part of its board key performance indicators.

Royal Free Performance 2014/2015	Royal Free Performance 2015/2016	Royal Free Performance 2016/2017	National Average Performance 2016/2017	Highest Performing NHS Trust Performance 2016/2017	Lowest Performing NHS Trust Performance 2016/2017
Patients aged 0 to 15 years old					
9.93%	10.1%	5.2%	6.4%	3.3% ^z	10.5%
Patients aged 16 years old or over					
9.5%	8.5%	8.3%	10.6%	5.5%	10.6%

The trust considers that this data is as described for the following reasons; the data has been sourced from Dr Foster, 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 trust performance against non-specialist providers throughout England.

The Royal Free London carefully monitors 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. The table above demonstrates that the 28-day readmission rate at the trust compares favourably with the rate amongst the 136 non-specialist providers in England; with a lower than average readmission rate observed at the trust in both paediatric and adult cohorts.

The relative risk of emergency readmission within 28 days of previous discharge provides further evidence that the trust performs better than expected given its case mix and patient profile; the relative risk is 9.8% below (better than) expected. Standardised for both case mix and patient demographics this is the eighth lowest relative risk of any non-specialist English provider.

The trust has taken the following actions to improve the score, 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 readmission rate is lower (better) than the peer group average).
- undertaking detailed enquiries into patients classified as readmissions with our public health doctors, working with GPs and identifying the underlying causes of readmissions.

<http://content.digital.nhs.uk/article/6965/Domain-3---Helping-people-to-recover-from-episodes-of-ill-health-or-following-injury>

Responsiveness to the personal needs of our patients

Indicator:

The trust's responsiveness to the personal needs of its patients during the reporting period. This is the weighted average score of five questions relating to responsiveness to inpatient personal needs from the national inpatient survey (score out of 100).

Royal Free Performance 2015/2016	Royal Free Performance 2016/2017	Royal Free Performance 2017/18	Royal Free Performance 2018/19	National Average Performance 2018/19	Highest Performing NHS Trust Performance 2018/19	Lowest Performing NHS Trust Performance 2018/19
68.6	69.9	68.3	67.1	68.1	85.0	60.5

The trust considers that this data is as described for the following reasons; the data has been sourced from the HSCIC and compared to published survey results.

The NHS has prioritised, through its commissioning strategy, an improvement in hospitals' responsiveness to the personal needs of patients. Information is gathered through patient surveys. A higher score suggests better performance. Trust performance is just below the national average.

The trust has taken the following actions to improve this score, and so the quality of its services, by:

- Developing site-based experience strategies that identify local issues for patients.
- Continuing to deliver and monitor the patient experience strategy goals of cancer and dementia:
 - **Cancer experience**
 - Commenced the cancer clinical practice group across all tumour types where cancer patient experience will be a key focus.

- Established a cancer community of practice for all cancer nurses.
- Piloting a new app which will gather real-time patient experience metrics split by tumour site.
- o **Dementia experience**
- Two elderly care wards (8 West and 10 North) have undergone dementia friendly refurbishment.
- Publication of Royal Free London dementia handbook for carers.
- 100 members of staff joined Chickenshed theatre company to complete an innovative study day in advanced communications for dementia.
- Over 600 members of staff have completed specialist CAPER anchor training.

<https://indicators.hscic.gov.uk/webview/>

Friends and family test (staff)

Indicator:

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.

Royal Free Performance 2015	Royal Free Performance 2016	Royal Free Performance 2017	Royal Free Performance 2018	National Average Performance 2018	Highest Performing NHS Trust Performance 2018	Lowest Performing NHS Trust Performance 2018
72%	75%	74%	75%	76%	85%	57%

The trust considers that this data is as described for the following reasons; the data has been sourced from the HSCIC 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 better than the national average on this measure.

The trust has taken the following actions to improve this percentage, and so the quality of its services, by:

- Undertaking activities to enhance engagement of staff have resulted in an increase of the percentage of staff who would recommend their hospital as a care provider to family or friends. These include launching a trust wide Joy in Work quality improvement initiative and a 'no bullying, no bystanders' programme.
- We have also launched new staff networks, including a women's staff network, BAME staff network and disability staff network, to complement the established LGBT+ staff network.
- Royal Free Rounds implemented, enabling staff to talk freely about the impact of providing care upon them.
- Health and well-being initiatives and support for staff encouraging healthy lifestyles, work life balance and mental health awareness and support.

Implementing a world class care programme embodying the core values of welcoming, respectful, communicating and reassuring. These are the four words which 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.

<http://www.nhsstaffsurveys.com/Page/1056/Home/NHS-Staff-Survey-2016/>

Venous thromboembolism (VTE)

Indicator:

The percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period. NHS Digital publish the VTE rate in quarters and this is presented in the table below.

Royal Free Performance Oct 15 - Dec 15	Royal Free Performance Oct 16 - Dec 16	Royal Free Performance Oct 17 - Dec 17	Royal Free Performance Oct 18 - Dec 18	National Average Performance Oct 18 - Dec 18	Highest Performing NHS Trust Performance Oct 18 - Dec 18	Lowest Performing NHS Trust Performance Oct 18 - Dec 18
97.1%	96.6%	95.9%	95.9%	95.3%	100.0%	76.08%

The trust considers that this data is as described for the following reasons; the data has been sourced from NHS Improvement data collection.

The Venous Thromboembolism (VTE) data presented in this report is for the period October 2018 to December 2018. VTE results in many hospital deaths which are potentially preventable. The government has therefore set hospitals a target requiring 90% of patients to be assessed for risk of VTE.

The Royal Free London performed better than the 95% national target, achieving 95.9%, the same as Q3 in 2017/18.

The trust has taken 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 monthly meeting of the trust board and 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 trust board and clinical performance committee at their next meetings.
- The thrombosis unit conduct a detailed clinical audit into each reported case of HAT with finding shared with the wider clinical community.

<https://improvement.nhs.uk/resources/vte-risk-assessment-data-q3-201718/>

C difficile

Indicator:

The rate per 100,000 bed days of cases of C difficile infection that have occurred within the trust amongst patients aged two or over.

Royal Free Performance 2015/2016	Royal Free Performance 2016/2017	Royal Free Performance 2017/2018	Royal Free Performance 2018/2019	National Average Performance 2018/2019	Highest Performing NHS Trust Performance 2018/2019	Lowest Performing NHS Trust Performance 2018/2019
17.8	21.0	21.3	66.1	37.6	0	157.5

The trust considers that this data is as described for the following reasons; the data has been sourced from the HSCIC, compared to internal trust data, and data hosted by the Health Protection Agency.

Clostridium difficile is an infection which can cause severe diarrhoea and vomiting and has been known to spread within hospitals, particularly during the winter months. Reducing the rate of Clostridium difficile infections is a key government target.

Trust performance was worse than the national average during 2017/18. However, very few of these infections have been attributed to lapses in care by the trust.

The trust intends to take the following actions to improve the score, and so the quality of its services, by:

- Ensuring that all staff adhere to the trust's infection control policies, including hand hygiene and dress code. Delivery of educational programmes, comprehensive antibiotic policies, good bed management with early isolation of symptomatic patients and enhanced environmental cleaning.
- The microbiology, infection, prevention and control and pharmacy teams continue to perform C difficile ward rounds to ensure that all elements of the care and treatment of patients with C difficile are being appropriately managed.
- The trust C difficile 'action log' incorporates activity across the trust and is driven through the fortnightly divisional lead/C difficile action group.
- Learning from antimicrobial audits has provided evidence for a revised patient prescription chart with enhanced antimicrobial section. This has now been rolled out across the trust and elements are being audited to focus on embedding as best practice.

<https://www.gov.uk/government/statistics/clostridium-difficile-infection-annual-data%20>

Patient safety incidents

Indicator:

- (a) The number and rate of patient safety incidents that occurred within the trust during the reporting period and;
- (b) The number and percentage of such patient safety incidents that resulted in severe harm or death.

	Royal Free Performance Oct 15 - Mar 16	Royal Free Performance Oct 16 - Mar 17	Royal Free Performance Oct 17 - Mar 18	Royal Free Performance Oct 18 - Mar 19	National Average Performance Oct 18 - Mar 19	Highest Performing NHS Trust Performance Oct 18 - Mar 19	Lowest Performing NHS Trust Performance Oct 18 - Mar 19
(a)	5,734 (34.7)	5,915 (36.5)	6,549 (39.1)	6,527 (38.8)	4,713 (40.9)	1,828 (14.9)	2,100 (158.3)
(b)	43 (0.75)	26 (0.44)	33 (0.20)	24 (0.14)	17 (0.15)	0 (0.0)	4 (4.34)

Every six months, NHS Improvement publishes official statistics on the incidents reported to the National Reporting and Learning System (NRLS). These reports give NHS providers an easy-to-use summary of their current position on patient safety incidents reported to NRLS, in terms of patient safety incident reporting and the characteristics of their incidents. The information in these reports should be used alongside other local patient safety intelligence and expertise, and supports the NHS to deliver improvements in patient safety.

The trust considers that this data is as described for the following reasons; the data has been sourced from the NRLS.

NHS Improvement regards 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 volume of incidents per 1,000 bed days between October 2017 and March 2018 (38.8) compared to the national average (40.9).

The trust has taken the following actions to improve this percentage, and so the quality of its services, by:

1. Launching our patient safety clinical practice group (CPG), which is initially focused on embedding local safety standards for invasive procedures (LocSSIPs). The LocSSIPs are safety checklists for procedures that are undertaken outside theatres eg biopsies and some injections.
2. Developing its patient safety culture, supporting the trust goals of zero never events, reducing avoidable deaths and zero avoidable hospital-acquired infections. We have focused on improving our risk assessment processes for those most serious incidents and continue encouraging staff to report incidents. We have developed our safety learning and communications plan, that supports us providing timely feedback to staff on the outcomes and learning resulting from incident investigations. This is underpinned by safety events, newsletters, blogs and visits to ward areas.

We have robust processes in place to capture incidents and increase our reporting by an average of 9% year on year. 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. Whilst we have provided training to staff and 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.

All incidents resulting in severe harm or death undergo additional scrutiny at our weekly, site-based serious incident review panels. These multi-disciplinary panels are led by each hospital's medical director and they review all moderate harm, or above, incidents to determine level of harm, level of avoidability and level of investigation required. They also provide scrutiny of the final reports to ensure that the actions address the root causes identified in the investigations.

<https://indicators.hscic.gov.uk/webview/>

3.3 Part three: review of quality performance

3.3.1 Overview of the quality of care in 2018/19

This section of the quality report presents an overview of the quality of care offered by the trust based on performance in 2018/19 against indicators and national priorities selected by the board in consultation with our stakeholders.

The charts and commentary contained in this report represents the performance for all three of our hospital sites. This approach has been taken to ensure consistency with the indicators the trust is required to report on by the NHS Improvement single oversight framework and to show key performance indicators that are requested by the trust board.

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.

Relevant quality domain	Quality performance indicators
Section 1: 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 infections
Section 2: Clinical effectiveness	<ul style="list-style-type: none">• Referral to treatment (RTT)• A&E performance• Cancer waits• Average length of stay (elective and non-elective)• 30-day emergency readmission rates for elective patients
Section 3: Patient experience	<ul style="list-style-type: none">• Friends and family test• Volume of delayed transfers of care• Cancelled operations not readmitted within 28 days

Definitions

The following table sets out the definition for each performance measure. These are, to the best of our knowledge, consistent with standard national NHS data definitions. There has been no change in the basis for calculation for any of these measures since 2015/16.

Indicator / Metric	Description / Methodology	Source
Summary hospital mortality indicator (SHMI) and	These measures use routinely collected data to calculate an overall 'expected' number of deaths if the trust matched the national average performance. The result is a ratio (calculated by dividing the observed number of deaths by the expected deaths).	Stethoscope, methods analytics

Hospital standard mortality ratio (HSMR)	<p>The main differences between these measures are found in the data coverage:</p> <ul style="list-style-type: none"> - while HSMR only considers around 80% of deaths the SHMI metric ostensibly covers all hospital spells. - definition of death in HSMR includes in-hospital mortality only whilst SHMI captures any death occurring 30 days post discharge. - adjustments are made for palliative care in HSMR only. 	
MRSA	The count of meticillin resistant Staphylococcus aureus (MRSA) bacteraemias attributed to the trust.	Datix system
C. difficile infections	Number of Clostridium difficile infections reported at the trust.	Datix system
C. difficile lapses in care	Number of Clostridium difficile infections due to lapses in patient care.	Datix system
RTT incomplete performance - % waiting less than 18 weeks	Percentage of patients on the incomplete RTT patient tracking list waiting 18 weeks or less for treatment or discharge from referral.	Cerner system
Accident and Emergency – four hour standard	Percentage of A&E attendances where the patient was admitted, transferred or discharged within four hours of their arrival at an A&E department.	Cerner system
Two week wait - all cancer	Percentage of patients referred urgently with suspected cancer by a GP waiting no more than two weeks for first out-patient appointment or diagnostic.	Infoflex system
Two week wait - symptomatic breast	Percentage of patients referred urgently with breast symptoms (where cancer was not initially suspected) waiting no more than two weeks for their first out-patient appointment.	Infoflex system
31 day wait diagnosis to treatment	Percentage of patients waiting no more than one month (31 days) from diagnosis to first definitive treatment for all cancers.	Infoflex system
62 day wait - from urgent GP referral	Percentage of patients waiting no more than two months (62 days) from urgent GP referral to first definitive treatment for cancer.	Infoflex system
Average length of stay (non-elective and elective)	Mean length of stay for all inpatients based on whether their mode of admission was elective or non-elective. This includes patients with a 0-day length of stay.	Stethoscope, methods analytics
30-day readmission rate following elective or non-elective spell	<p>Number of emergency readmissions within 30 days of discharge as proportion of total discharges following an elective admission.</p> <p>Number of emergency readmissions within 30 days of discharge as a proportion of number of discharges following an elective admission</p>	Stethoscope, methods analytics
Friends and family in-patient, A&E and maternity scores	The number of responses that scored likely and extremely likely as a percentage of the total number of responses to the in-patient, A&E and maternity friends and family tests. (Neither likely or not likely excluded from responses).	To be confirmed

Volume of delayed transfer of care (DTOCs)	This is the number of bed days lost in a month to patients who are awaiting a transfer of care to social or NHS community care.	Cerner system
Cancelled operations	Volume of last minute (on the day of surgery or following admission) cancellations for non-clinical reasons as a proportion of all elective in-patient and day case operations.	Cerner system

Notes on the charts

This year the presentation of the data is the same as the previous quality account. Two chart types are now used: control charts and funnel plots. Only where appropriate funnel plots are unavailable have we used a standard bar chart to show Royal Free London performance benchmarked against other providers.

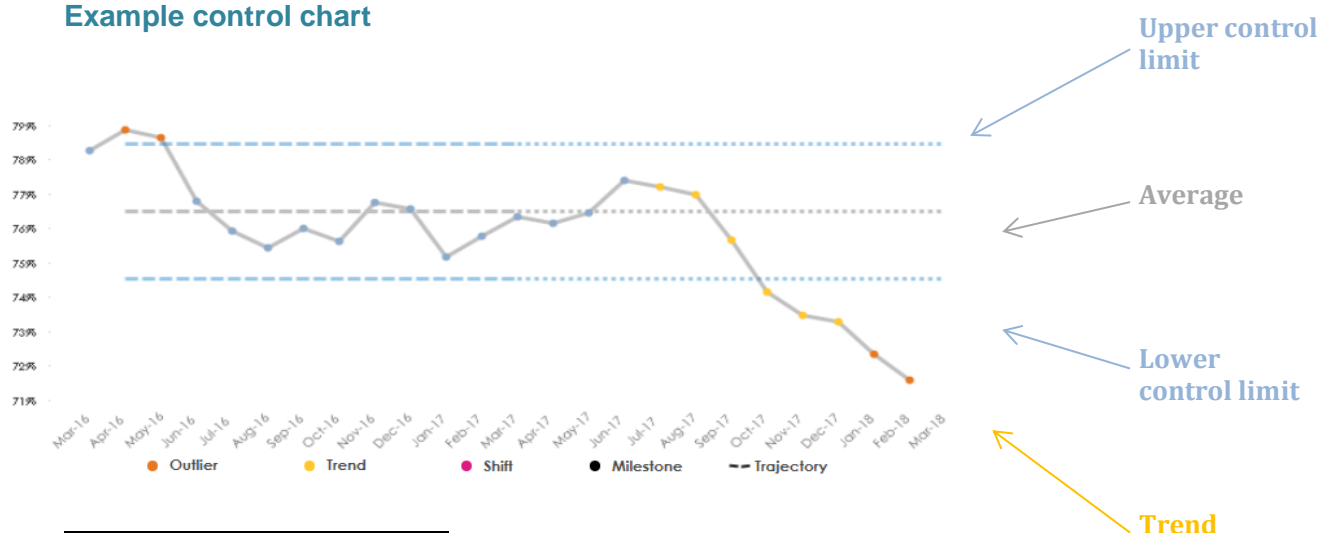
Control charts

The control chart is a graph used to study how a process changes over time. Data is plotted in time order. A control chart always has a central line for the average, an upper line for the upper control limit and a lower line for the lower control limit. These lines are determined from historical data. By comparing current data to these lines, you can draw conclusions about whether the process variation is consistent (in control) or is unpredictable (out of control, affected by special causes of variation).¹

Where there has been variation that signals a change in the underlying process, this is marked on the chart as:

- Outlier - data points either above the upper control limit or below the lower control limit
- Trend - six or more points either all ascending or all descending
- Shift - eight or more points either all above or all below the average line.

Example control chart



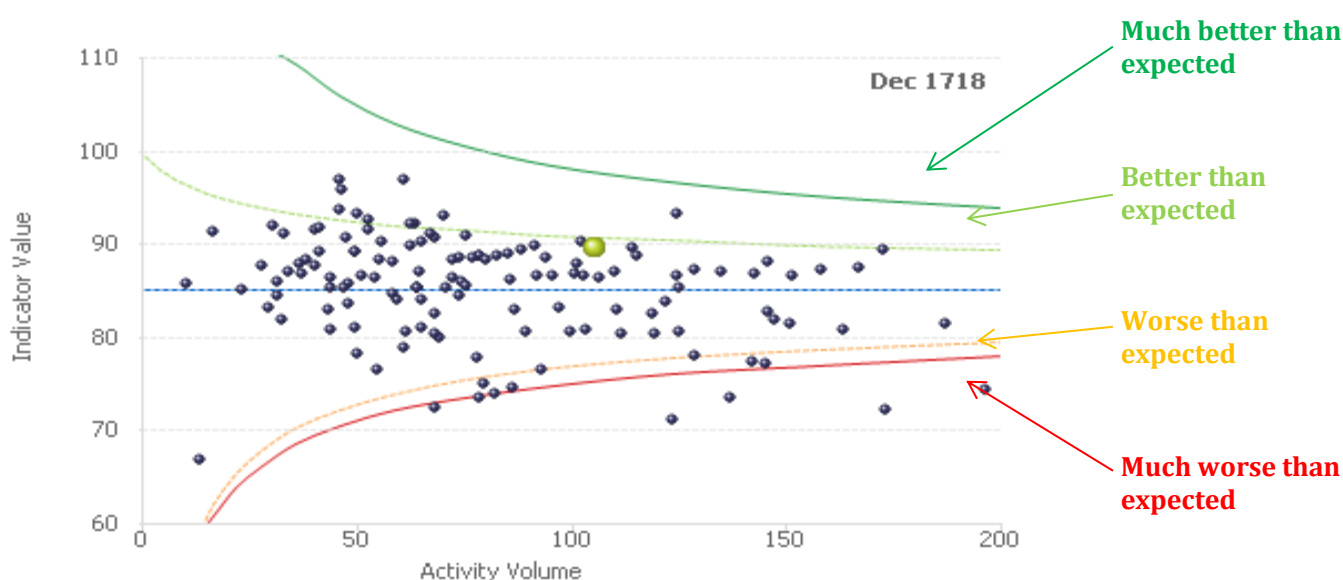
¹ <http://asq.org/learn-about-quality/data-collection-analysis-tools/overview/control-chart.html>

Spine charts are a way of displaying variation data that is derived from a funnel plot. A funnel plot shows data for a range of organisations at a single point in time. The denominator (count of activity, population etc.) is plotted on the x axis and the value of the measure (mortality rate, readmission rate) on the y axis.² The central line represents the mean for all organisations on the chart.

If the trust is within the central portion of the chart, it means that performance on this indicator does not differ from the national mean by more than can be explained by random chance. If the trust is within a coloured region, these can be interpreted as follows:

- Dark green: the rate is much better than expected by chance
- Light green: the rate is better than expected by chance
- Amber: the rate is worse than expected by chance
- Red: the rate is much worse than expected by chance.

Example spine chart



Source: Stethoscope benchmarking tool, Methods Analytics 2018

These charts can also be used to display measures that have been adjusted for case mix.

3.3.2 Performance against key national indicators

Section 1: Patient safety

Summary hospital mortality indicator (SHMI)

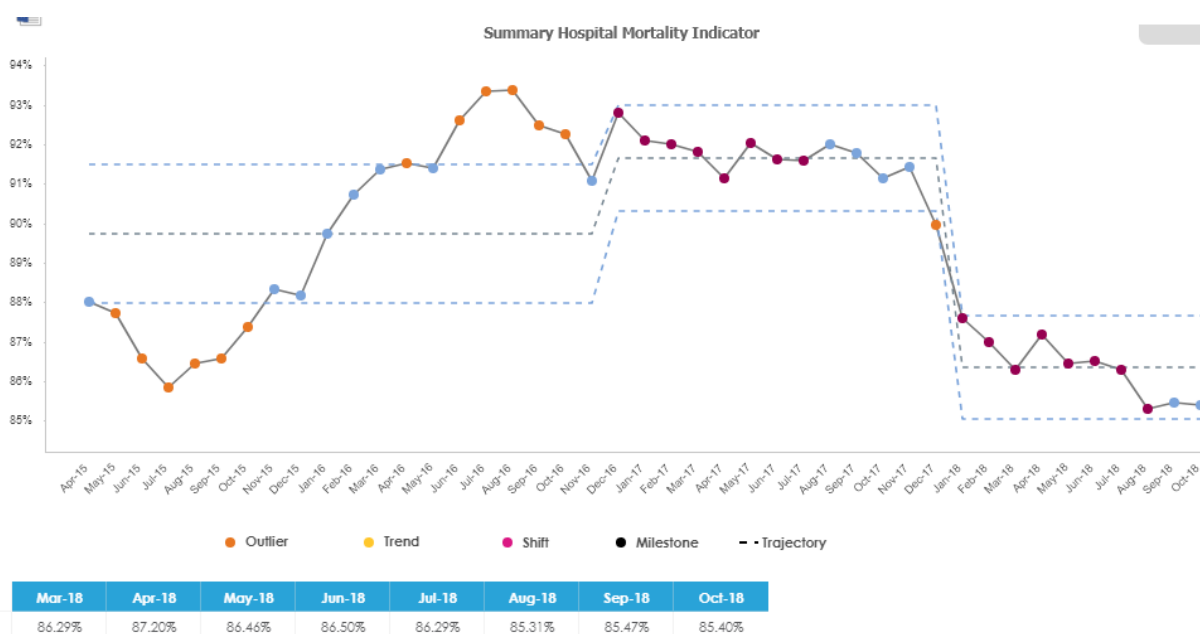
SHMI is a clinical performance measure which calculates the actual number of deaths following admission to hospital against those expected. This expression of mortality risk includes all diagnoses groups and mortality occurring up to 30 days post discharge.

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.

² Methods Analytics methodology, 2018

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 below for April 2015 to October 2018. This shows a recent improvement in the trust's score to a mean of 86.1 or 13.9% better than expected over the months April to October 2018.

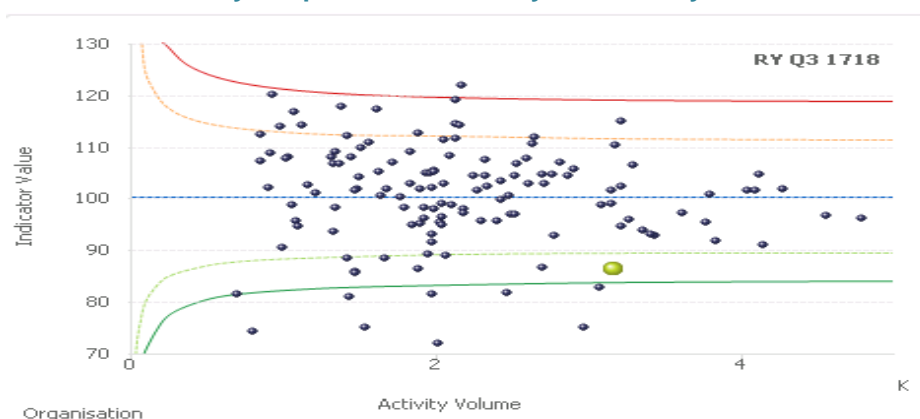


Source: Royal Free London NHS Foundation Trust 2015-2018

The chart below shows the Royal Free London SHMI performance compared to all other acute NHS trusts for the rolling year ending Q2 2018/19 (the latest for which information is currently available).

The Royal Free London SHMI was ninth lowest out of 134 acute trusts and was statistically lower than expected.

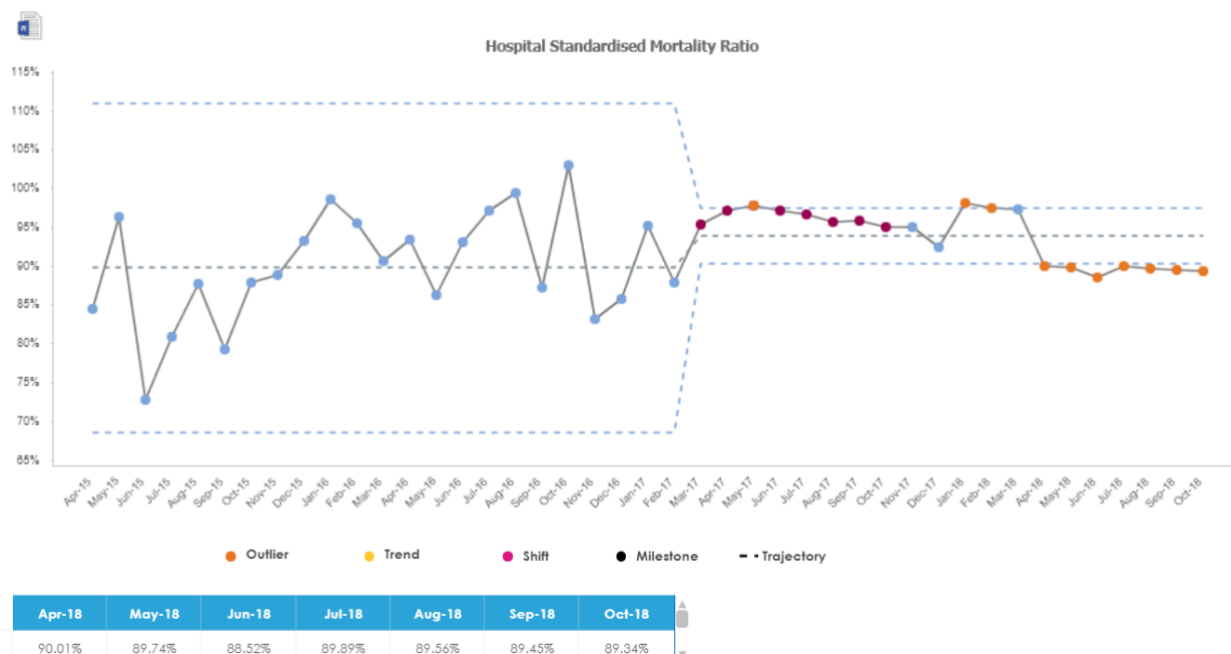
Chart: Summary hospital-level mortality indicator by NHS acute trust



Source: Stethoscope benchmarking tool, Methods Analytics 2019

Hospital standardised mortality ratio (HSMR)

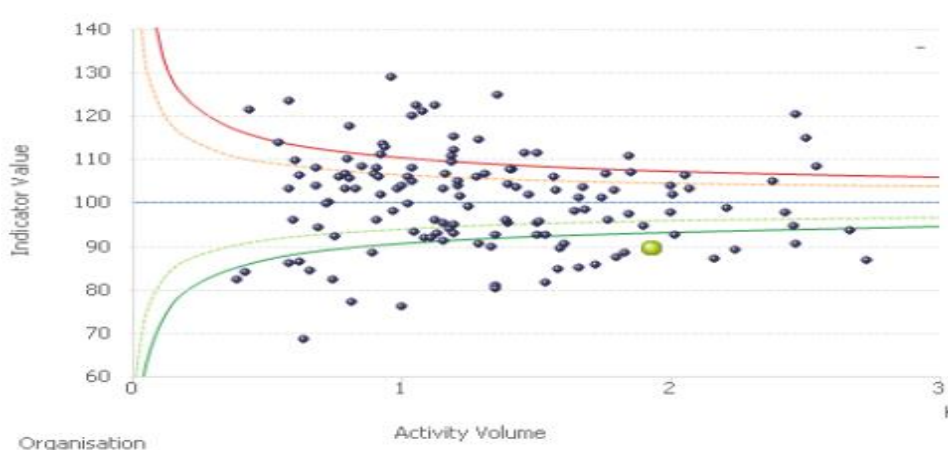
The HSMR includes 56 diagnoses groups responsible for 80% of deaths and only includes in-hospital mortality. Our data shows that there has been no significant change in our HSMR over the year to October 2018; our average over the period has been 90 or 10% better than expected.



Source: Royal Free London NHS FT 2015-2018

However, benchmarking shows that on this measure the Royal Free London is significantly below (better than) the national mean. Previously, we fell within expected limits.

Chart: Hospital standardised mortality ratio by NHS acute trust



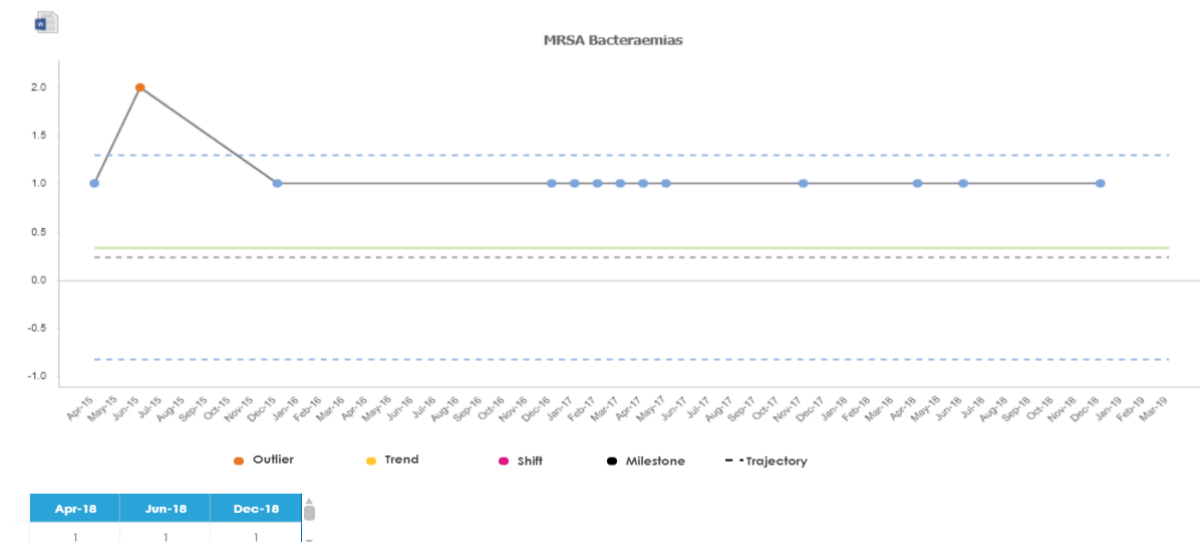
Source: Stethoscope benchmarking tool, Methods Analytics 2019

The charts describe the standardised mortality ratio for the 12 months ending 30 September 2018, and shows that the trust recorded the 23rd lowest relative risk of mortality of any English teaching trust with a relative risk of mortality of 89.46 (where a risk of 100 would

indicate mortality exactly as expected for this case mix across England), the reported risk signposts that our mortality risk is 9% below (better than) expected, and that this is statistically significant, in other words unlikely to have occurred by random chance.

Methicillin-resistant staphylococcus aureus (MRSA)

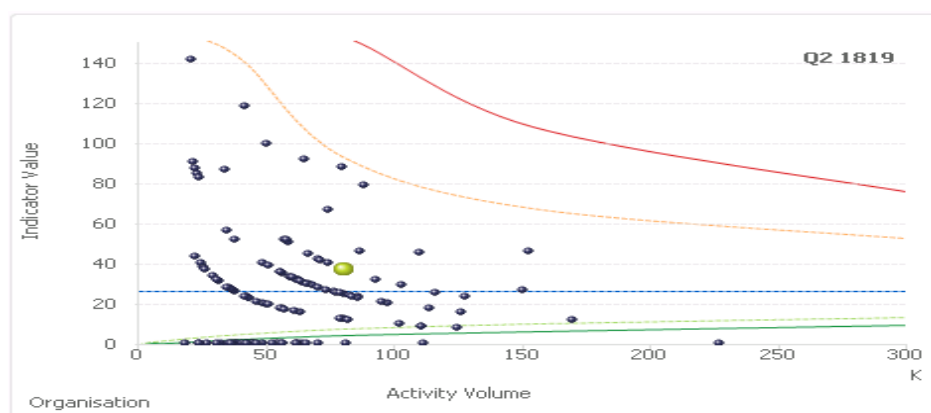
MRSA is an antibiotic resistant infection associated with admission to hospital. The infection can cause an acute illness, particularly when a patient's immune system may be compromised due to an underlying illness. Reducing the rate of MRSA infections is vital to ensure patient safety and is indicative of the degree to which our hospitals prevent the risk of infection by ensuring cleanliness of facilities and good infection control compliance by staff.



Source: Royal Free London NHS Foundation Trust 2015-2019

In the 12 months to the end of January 2019 the Royal Free London reported three MRSA bacteraemias. The chart below shows the Royal Free London Q2 2018/19 MRSA rate per 1,000,000 occupied bed days benchmarked against all other NHS trusts. This shows that our MRSA rate does not differ from the national mean by more than can be explained by random chance.

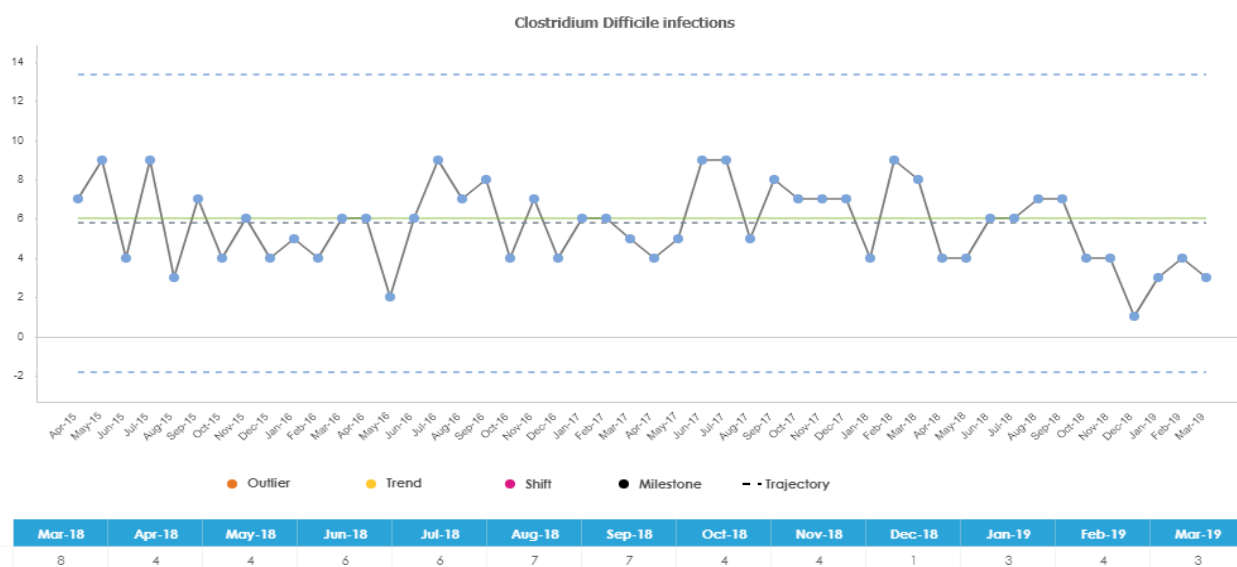
Chart: MRSA bacteraemia, rate per 1,000,000 occupied bed days by NHS acute trust



Source: Stethoscope benchmarking tool, Methods Analytics 2019

C. difficile

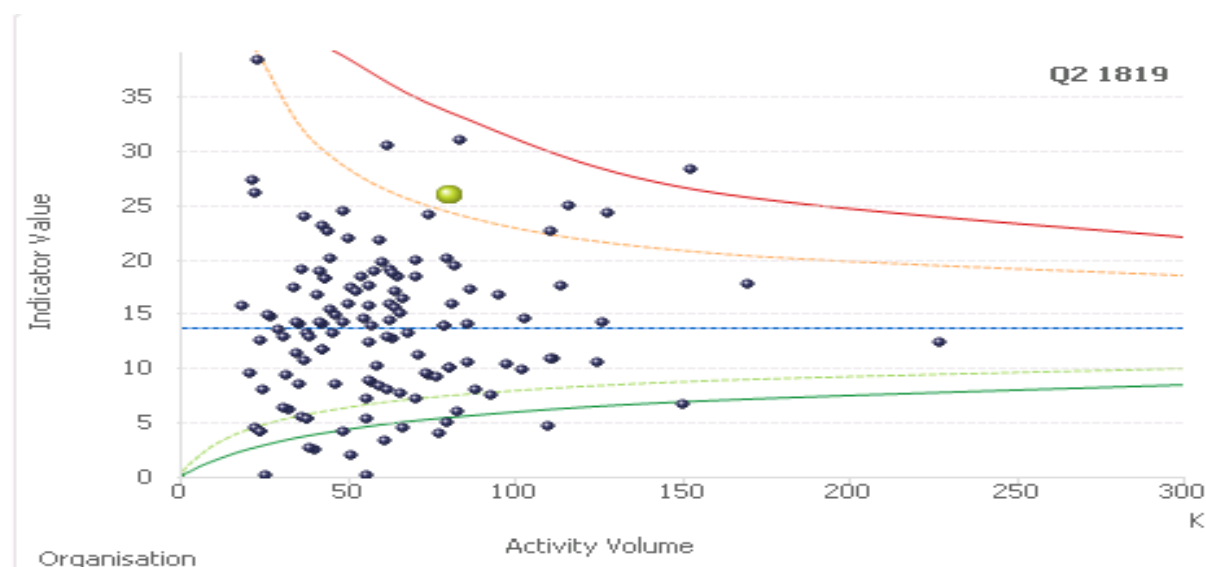
In relation to C. difficile the trust saw little change in 2018/19 from 2017/18 in terms of the rate of infections, with a mean of 4.8 per month.



Source: Royal Free London NHS Foundation Trust 2015-2019

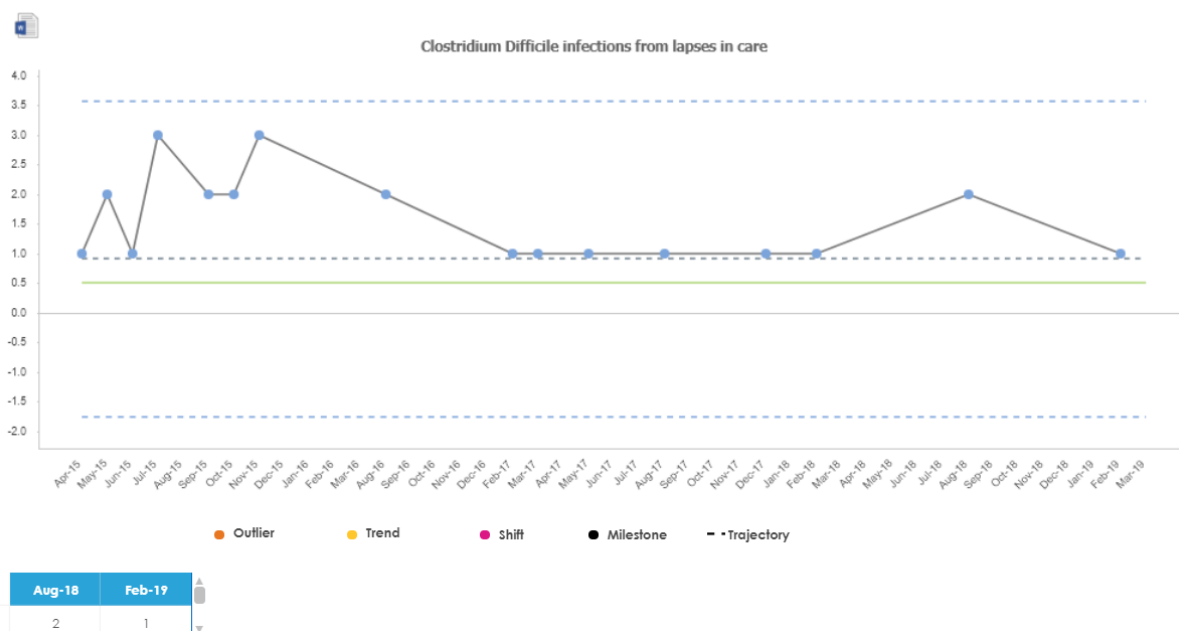
According to our benchmark information for Q2 2018/19, this indicates that our infection rate per 100,000 occupied bed days is higher than would be expected by chance. This is consistent with previous performance.

Chart: C. Difficile infection rate per 100,000 occupied bed days by NHS acute trust Q2 2018/19



Source: Stethoscope benchmarking tool, Methods Analytics 2019

However, the C.difficile volumes that can be attributed to 'lapses in care' by the trust are significantly lower. Against this measure of performance, the trust has seen one incident in the 12 months prior to February 2019.



Source: Royal Free London NHS FT 2015-2019

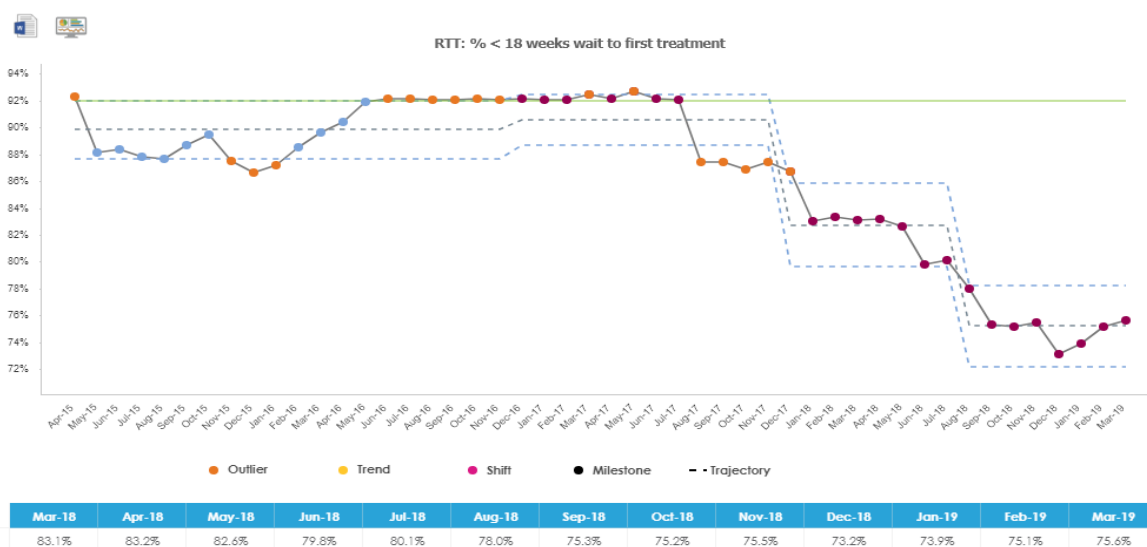
3.3.3 Section 2: Clinical Effectiveness

Referral to treatment (RTT)

In England, under the NHS constitution, patients have the right to access consultant-led services within a maximum waiting time of 18 weeks. This is known as referral to treatment (RTT) and we report our performance to the government on a monthly basis.

From September 2015, NHS England has used as the single measure of compliance with the NHS constitution, the proportion of pathways where the patient has yet to receive treatment and is actively waiting. For these pathways the national standard requires 92% should be waiting 18 weeks or less to start treatment. This is the 'incompletes' standard.

As shown in the chart below, since August 2017, the trust has failed the standard. Performance in March 2019 was 75.6%.



Source: Royal Free London NHS Foundation Trust 2015-2019

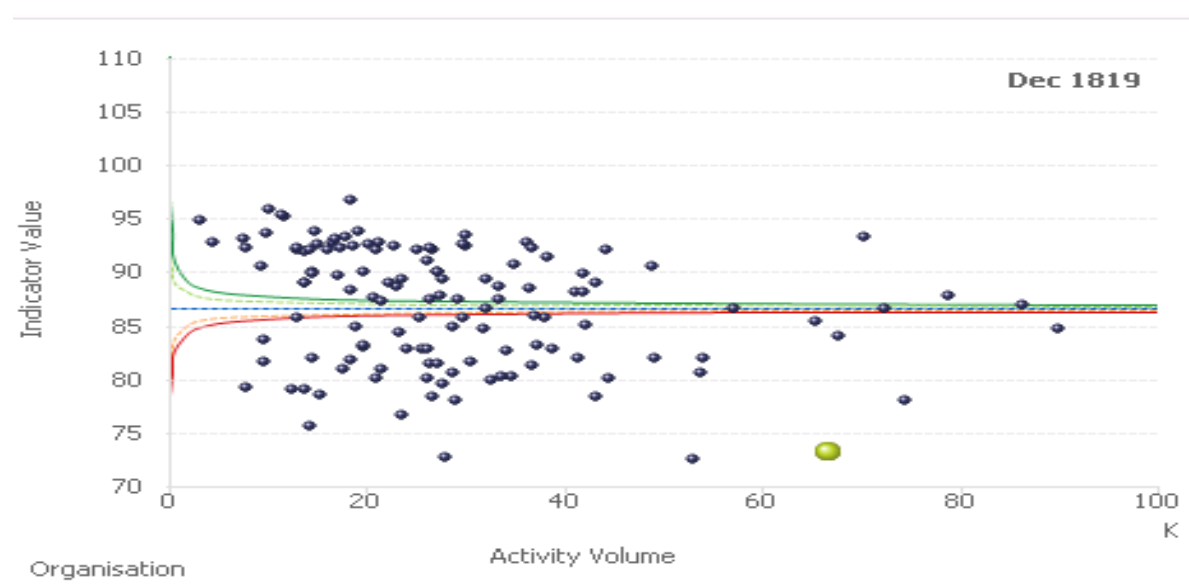
This was primarily a result of improvements the trust made to the way in which it tracks patient pathways using a patient tracking list (PTL). During 2018/19 the trust worked on improving the PTL for two main reasons:

1. In order to better link patient encounters together to identify whole pathways
2. To eliminate the need for the number of exclusion rules that were in place in the original PTL.

The logic which will be used to construct the new PTL has been written and agreed and we are in the process of agreeing timescales for validation of pathways that will become visible once implemented. It is expected that this exercise will take 12 months, after which we will have an accurate and complete list of the status of RTT pathways.

The chart below shows the Royal Free London December 2018 performance (the latest available data) compared to other NHS acute trusts in England. This shows that our performance was third lowest in England.

Chart: RTT % waiting <18 weeks for first treatment by NHS acute trust December 2018/19

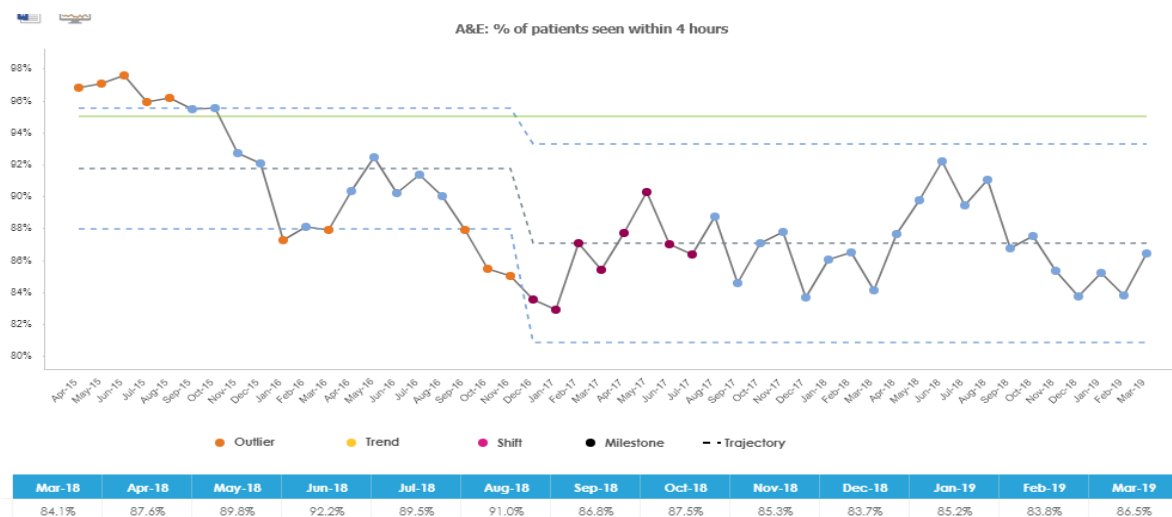


Source: Stethoscope benchmarking tool, Methods Analytics 2019

Accident and Emergency performance [Ⓐ]

The Accident and Emergency department is often the patient's point of arrival. The graph below summarises the Royal Free London's performance in relation to meeting the four-hour maximum wait time standard set against the performance of A&E departments. The national waiting time standard requires trusts to treat, transfer, admit or discharge 95% of patients within four hours of arrival.

During the period December 2018 to March 2019, the Royal Free London achieved an average monthly performance of 87.4%. This was not significantly different from average performance in 2017/18.

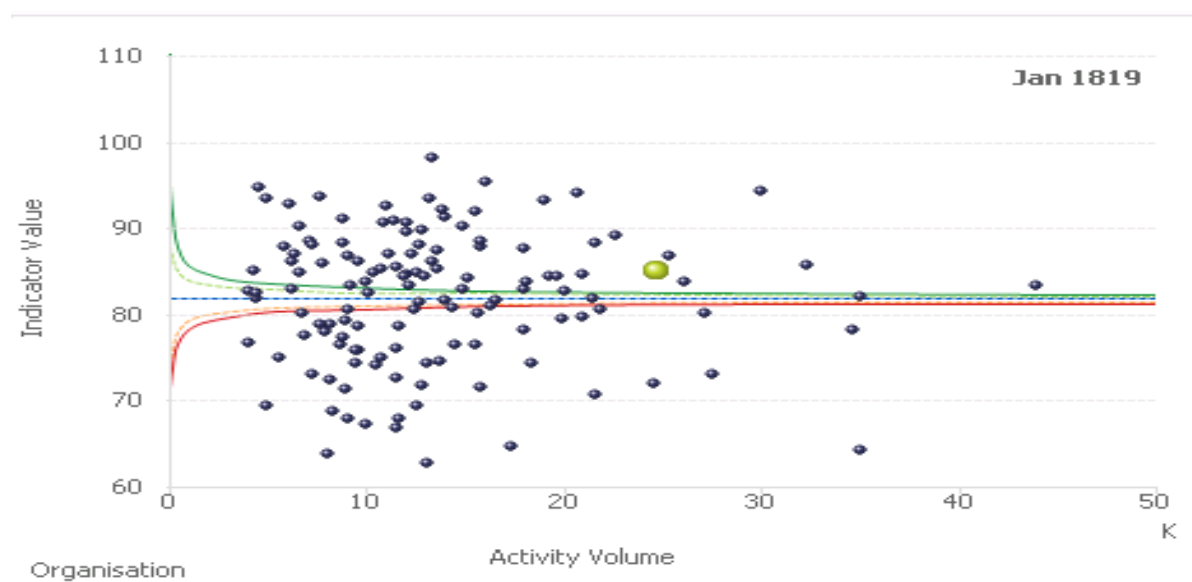


Source: Royal Free London NHS Foundation Trust 2015-2019

Pressure on A&Es has been increasing with more people than ever before selecting accident and emergency as their preferred means of accessing urgent healthcare. In response, the trust has invested in rebuilding the Royal Free Hospital A&E department, the last elements of which will open early in 2018/19. In addition, the trust has been working closely with system colleagues to improve flow of patients through the hospital.

The chart below shows the Royal Free London January 2019 performance (the latest available data) compared to other NHS acute trusts in England. This shows that our performance was significantly above the national mean by more than can be explained by random chance when compared with other type one A&E providers in England.

Chart: Performance against four hour A&E standard in January 2019 by NHS acute trust



Source: Stethoscope benchmarking tool, Methods Analytics 2019

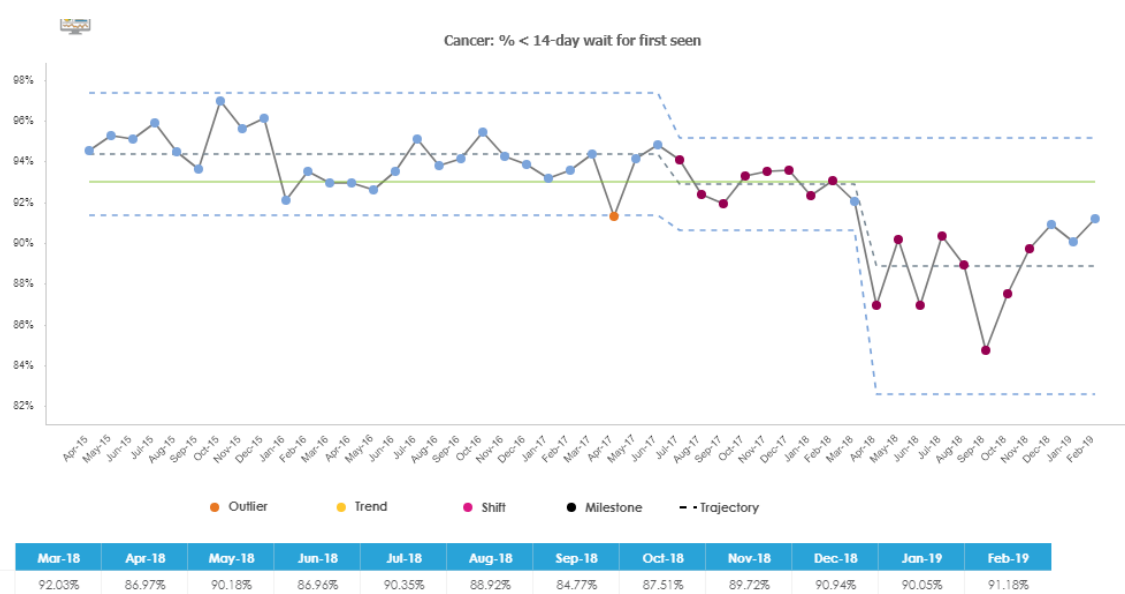
Cancer waits:

All cancer two week waits

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 targets require 93% of patients urgently referred by their GP to be seen for an out-patient or diagnostic appointment within two weeks, 96% of patients to have begun first definitive treatment within 31 days of the decision to treat and 85% of patients to have begun first definitive treatment within 62 days of referral.

For 2018/19, trust performance has declined against the standard to see at least 93% within two weeks from GP referral, achieving an average performance of 88.86%. The main factors influencing below standard performance have been the holiday periods for Easter and summer as well as significant unexpected increases in referral rates in some tumour sites. The trust continues with robust seasonal planning processes to ensure that no capacity is lost and that patients are brought in as quickly as possible following the end of the holiday period.

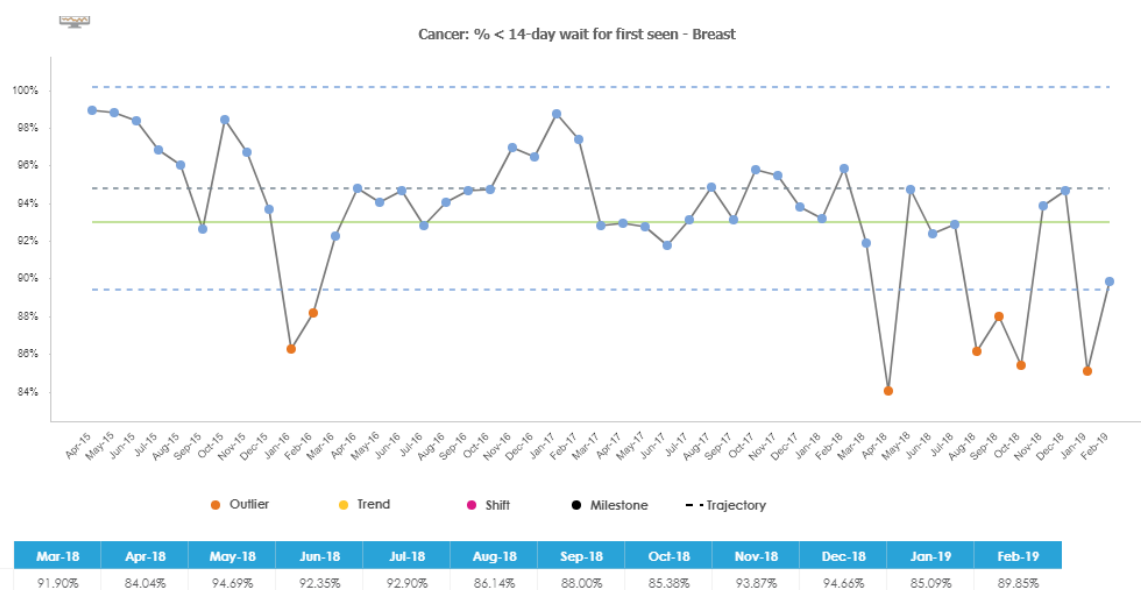
In addition, we have seen performance decline in conjunction with the roll out of the national 'paperless' referral system (ERS) which means patients book and can reschedule their appointments without speaking to a member of staff and this limits our ability to encourage a patient to attend sooner.



Source: Royal Free London NHS Foundation Trust 2015-2019

Breast urgent referral two week waits

In 2018/19 up to February, the trust saw 88.86% of patients on an urgent (symptomatic) breast referral pathway within two weeks, below the national standard.



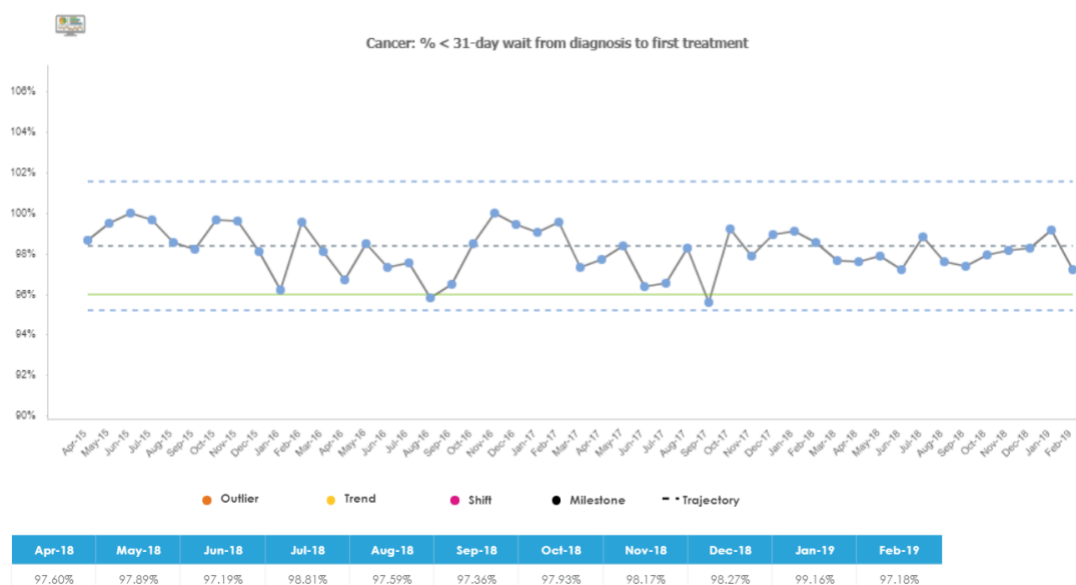
Source: Royal Free London NHS Foundation Trust 2015-2019

This is discrepant to previous years where we met the standard. The service had undertaken an audit of patients who do not accept an appointment within two weeks and have found many patients are not informed about the urgency prior to referral. The service will now work with clinical commissioning groups to improve communication with patients prior to referral.

We have also seen performance decline in conjunction with the roll out of the national 'paperless' referral system (ERS) which means patients book and can reschedule their appointments without speaking to a member of staff and this limits our ability to encourage a patient to attend sooner.

First definitive treatment within 31 days

In 2018/19, the trust met the standard to see 96% of patients within 31 days for their first definitive treatment for cancer, meeting the national standard for the year overall.

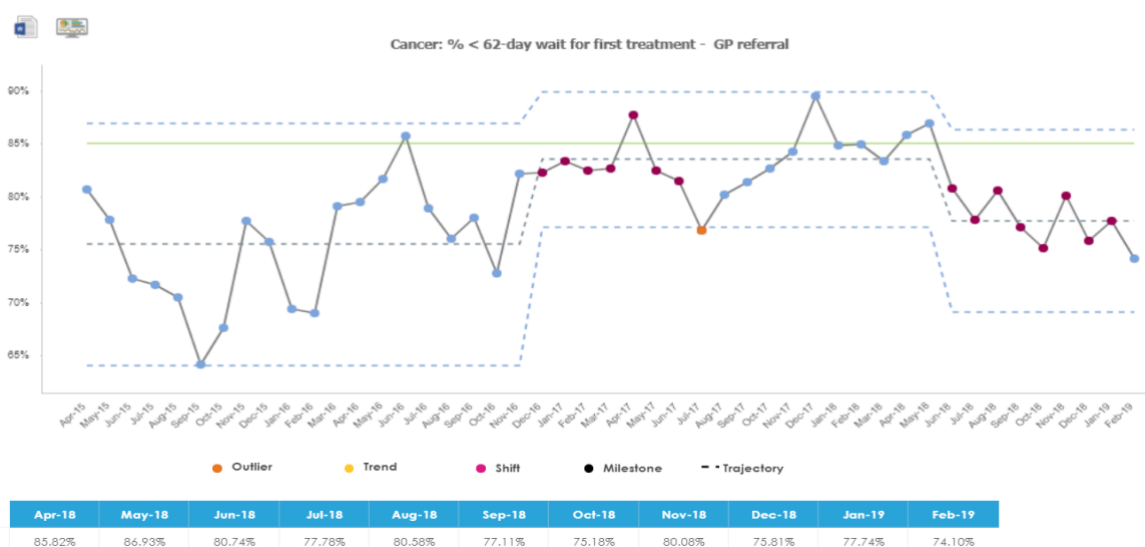


Source: Royal Free London NHS Foundation Trust 2015-2019

This is a similar performance to 2017/18 when we also met the standard.

First definitive treatment within 62 days of an urgent GP referral [Ⓐ]

The trust did not meet the 62 day standard in 2018/19 (up to February), with 80% of patients receiving first treatment within 62 days of a GP referral. This represents a slight deterioration on 2017/18 where 82.9% of patients were treated within the standard.

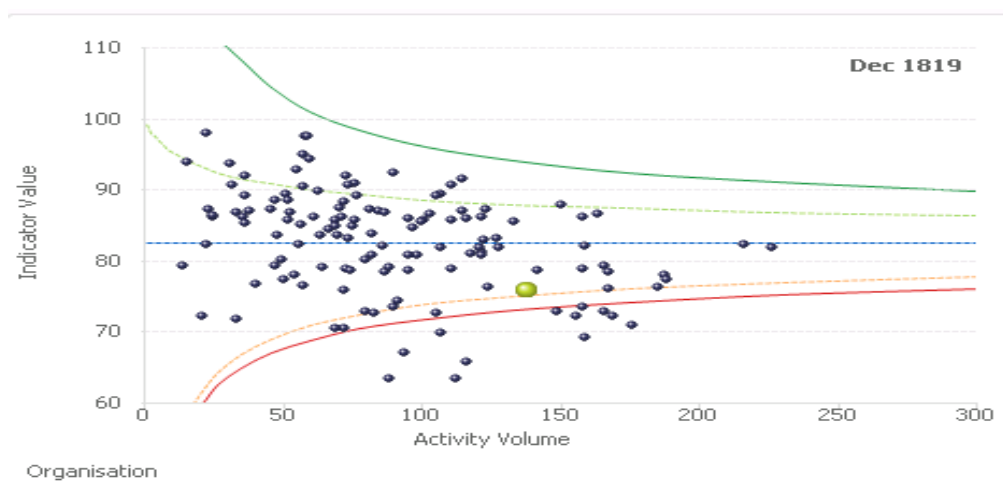


Source: Royal Free London NHS Foundation Trust 2015-2019

The trust has had a recovery plan in place for cancer since July 2016 which has been working through improvement actions across all tumour sites. Q3 2017/18 was the first quarter of compliance since 2014. In 2019/20 the trust plans to launch a clinical pathway group dedicated to cancer. This will be a large, clinically-led, programme of improvement work using methodology that has been tested and proven in other areas within the trust (e.g. 'keeping mothers and babies together').

When comparing the Royal Free London to benchmarks in December 2018 (the latest available data), this suggests that performance did not differ from the national mean by more than can be explained by random chance.

Chart: Cancer 62 day wait for first treatment from GP referral, all acute trusts, December 2018

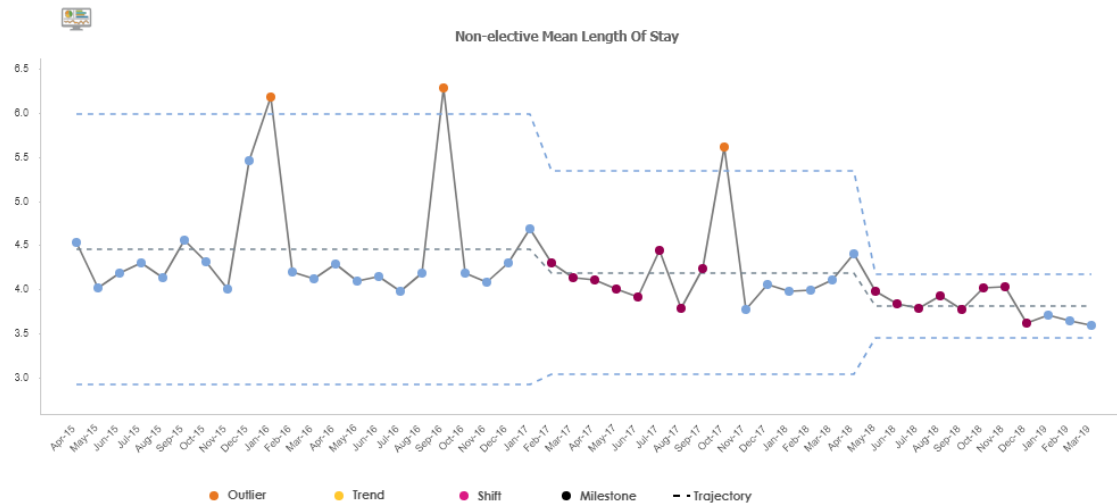


Source: Stethoscope benchmarking tool, Methods Analytics 2019

Average length of stay:

Non elective mean length of stay

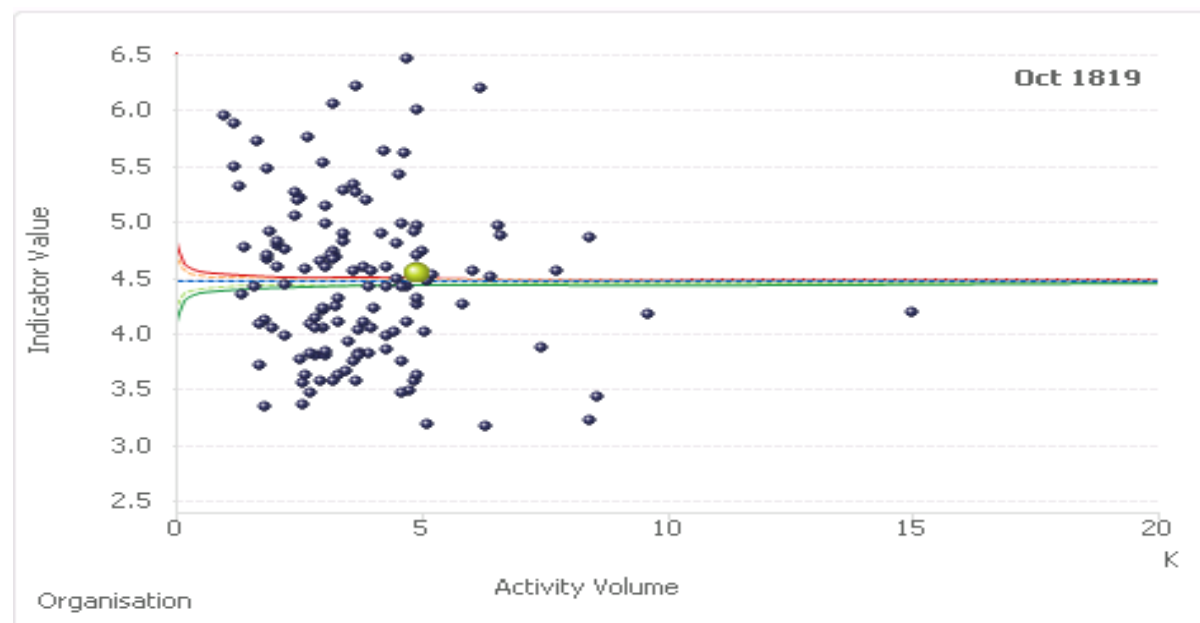
The trust average in-patient length of stay for patients admitted as non elective from April 2018 to March 2019 shows that the trust average length of stay was 3.9 days. This is significantly improved from the average length of stay reported in 2017/18 at 5.1 days and you can see from the chart below we had a positive shift in performance starting in May 2018.



Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
4.1	4.4	4.0	3.8	3.8	3.9	3.8	4.0	4.0	3.6	3.7	3.6	3.6

Source: Royal Free London NHS Foundation Trust 2015-2019

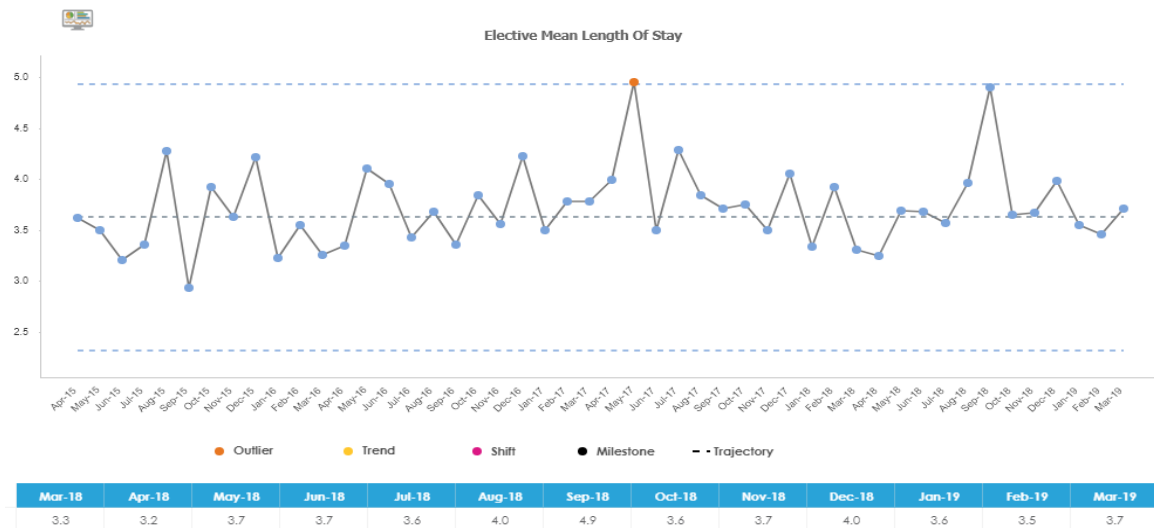
When comparing the Royal Free London to benchmarks in October 2018 (the latest available data), this suggests that length of stay was slightly higher (worse) than the national mean by more than can be explained by random chance.



Source: Stethoscope benchmarking tool, Methods Analytics 2019

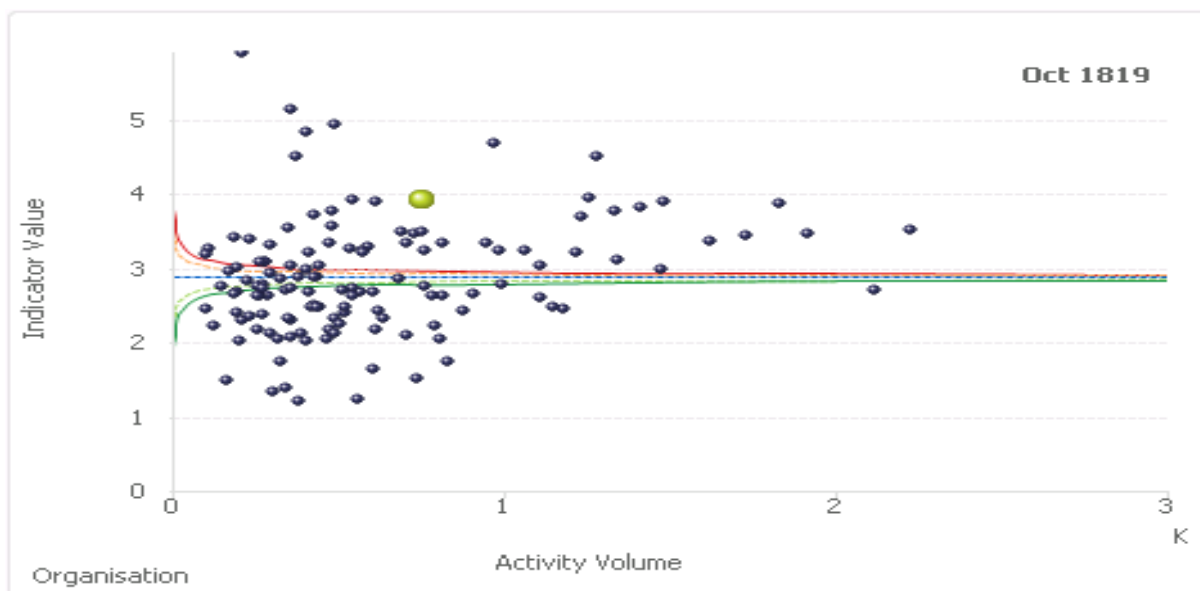
Elective mean length of stay

The trust average in-patient length of stay for patients admitted as non elective to March 2019 (the latest available data) shows that the trust average length of stay in the period April 2018 to February 2019 was 3.8 days. This is an improvement on the average length of stay from 2017/18 which was reported at 4.6 days.



Source: Royal Free London NHS Foundation Trust 2015-2019

When comparing the Royal Free London to benchmarks in October 2018 (the latest available data), this suggests that average length of stay was significantly higher (worse) than the national mean by more than can be explained by random chance.

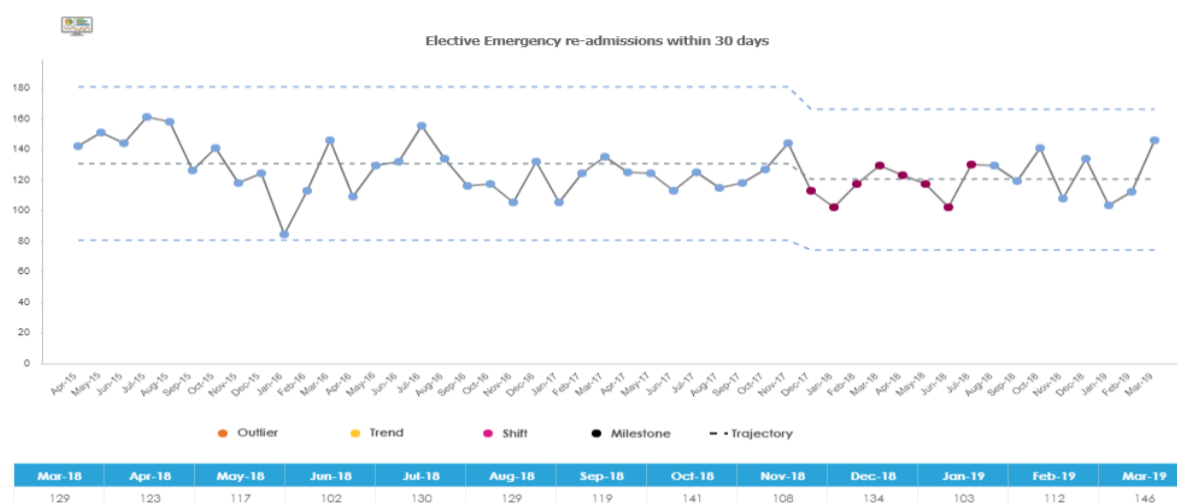


Source: Stethoscope benchmarking tool, Methods Analytics 2019

Emergency readmissions: 30-day emergency readmissions following an elective admission

The chart below shows the proportion of patients readmitted as an emergency following an elective admission in the previous 30 days between April 2015 and March 2019 (the latest

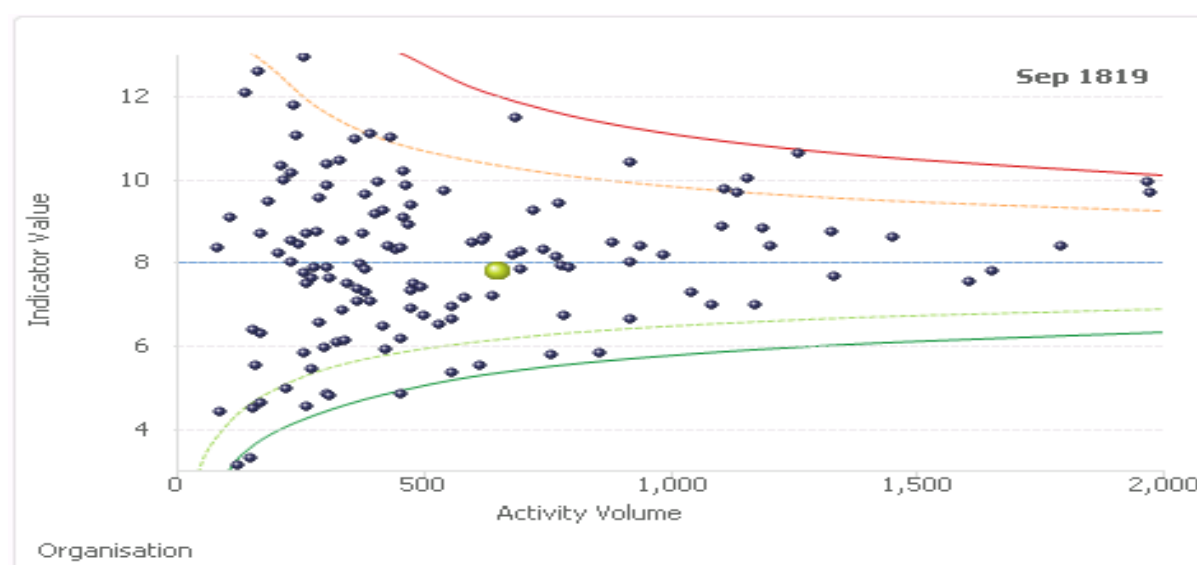
available data). The average for April 2018 to March 2019 was 122. There was a positive shift which ended in June 2018.



Source: Royal Free London NHS Foundation Trust 2015-2019

When comparing the Royal Free London to benchmarks in September 2018 (the latest available data), this suggests that average length of stay did not differ from than the national mean by more than can be explained by random chance.

Chart: Emergency readmissions, percentage within 30 days of an elective admission August 2018

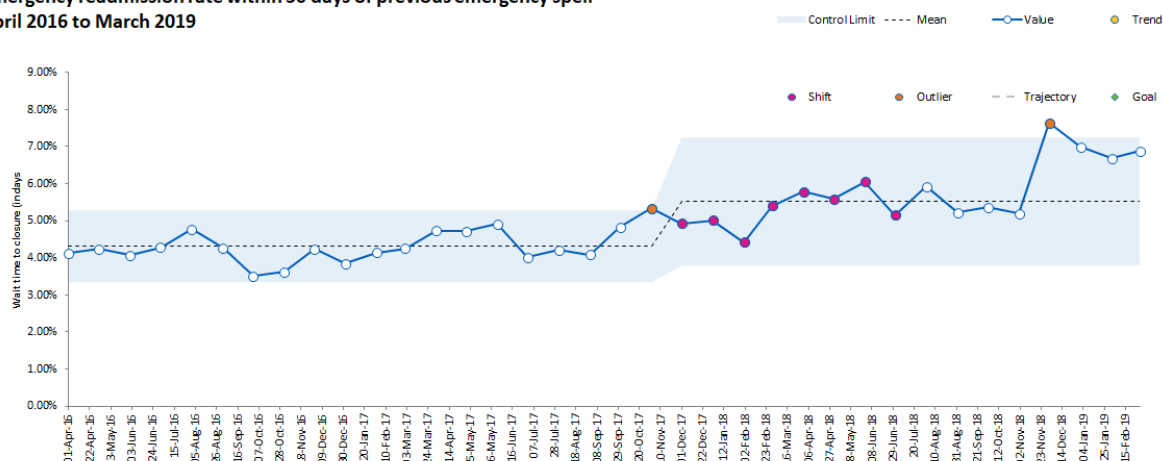


Source: Stethoscope benchmarking tool, Methods Analytics 2019

30 day emergency readmission rate following a non elective admission

The chart on the following page shows the proportion of patients readmitted as an emergency following a non elective admission in the previous 30 days between January 2015 and November 2017 (the latest available data). The average for April 2017 to November 2017 was 15.1%. This shows that there has been no significant change since a reduction that started in October 2016.

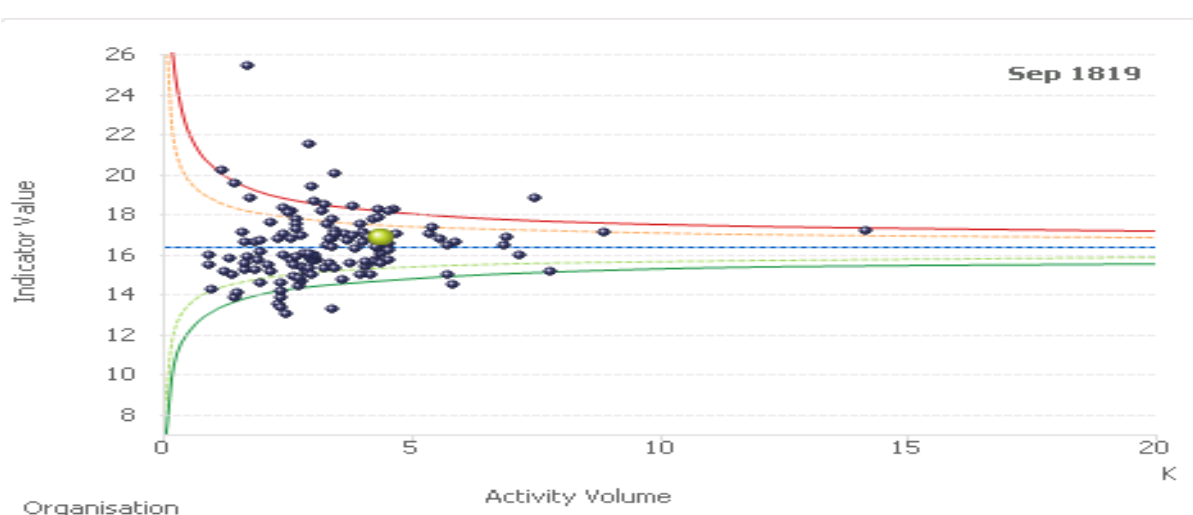
**Emergency readmission rate within 30 days of previous emergency spell
April 2016 to March 2019**



Source: Royal Free London NHS Foundation Trust 2016-2019

When comparing the Royal Free London to benchmarks in September 2018 (the latest available data), this suggests that average length of stay did not differ from than the national mean by more than can be explained by random chance.

**Chart: Emergency readmissions, percentage within 30 days of a non elective admission
September 2018**



Source: Stethoscope benchmarking tool, Methods Analytics 2019

3.3.4 Section 3: Patient experience indicators

Friends and family test (patients)

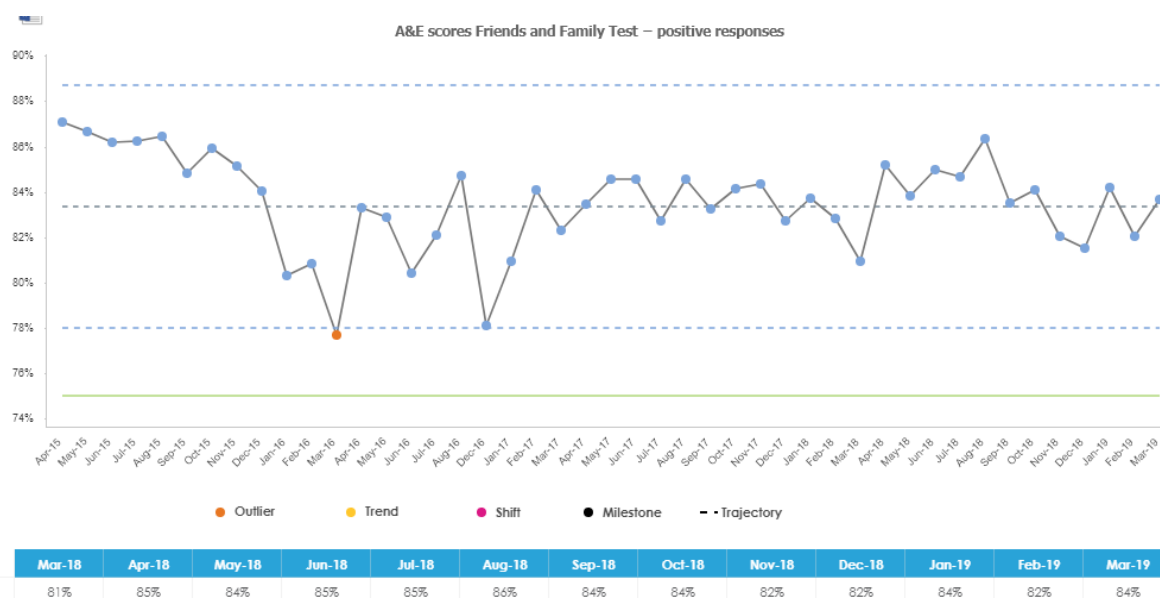
The friends and family test (FFT) was introduced in April 2013. Its purpose is to track and therefore improve patient experience of care. FFT aims to provide a simple, headline metric which, when combined with follow-up questions, can be used to drive cultural change and continuous improvements in the quality of care received by NHS patients. Across England the survey covers 4,500 NHS wards and 144 A&E services.

The data below on the following page shows our performance from April 2015 to March 2019 with regards to our A&E, in-patient and maternity FFT scores.

The scores for A&E suggest that there has been a significant improvement in our FFT scores that started in April 2017 and has been largely maintained since then. The positive

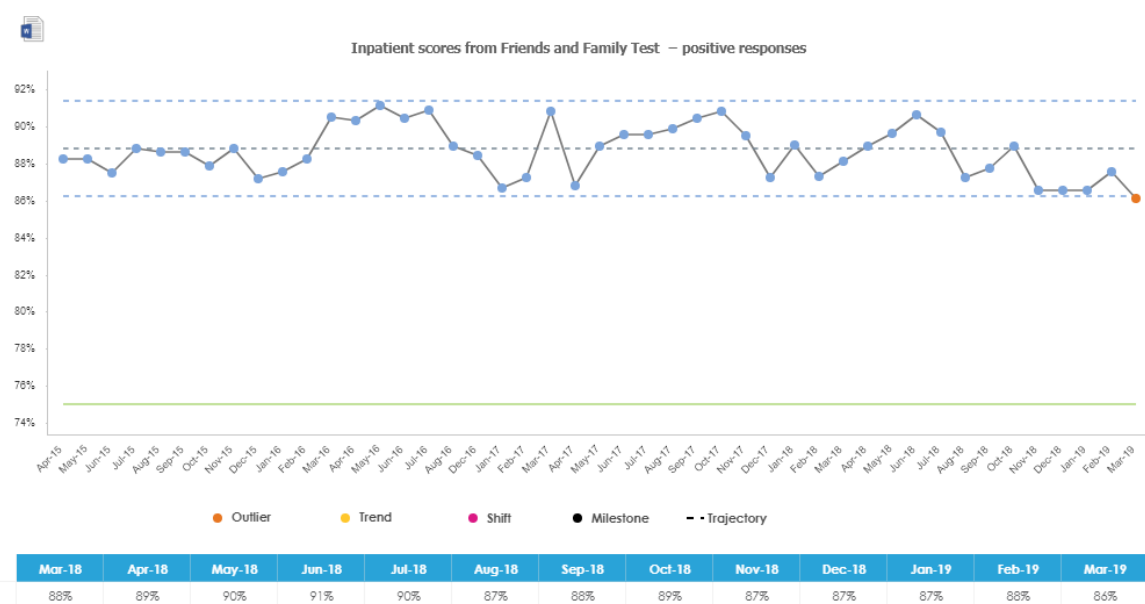
shift in performance was driven by improvements at the Royal Free Hospital, likely to be linked to the opening of the new emergency department in 2017.

For all areas we have maintained performance over the last year. Whilst we previously did include benchmarking charts for these measures, NHS England recommends that benchmarking is not used to compare providers due to the flexibility of local data collection methods and variation in local population.



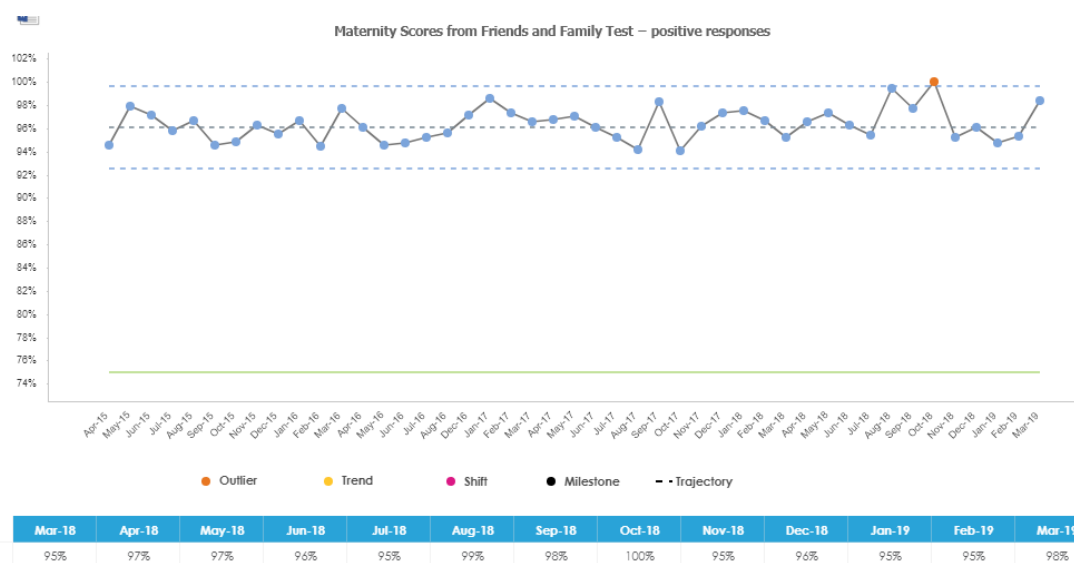
Source: Royal Free London NHS Foundation Trust 2015-2019

The FFT scores for in-patients have remained compliant and stable over 2018/19. Any variation has been within expected limits with the exception of a negative outlier in March 2019. Whilst this is below usual performance, it is still well above target.



Source: Royal Free London NHS Foundation Trust 2015-2019

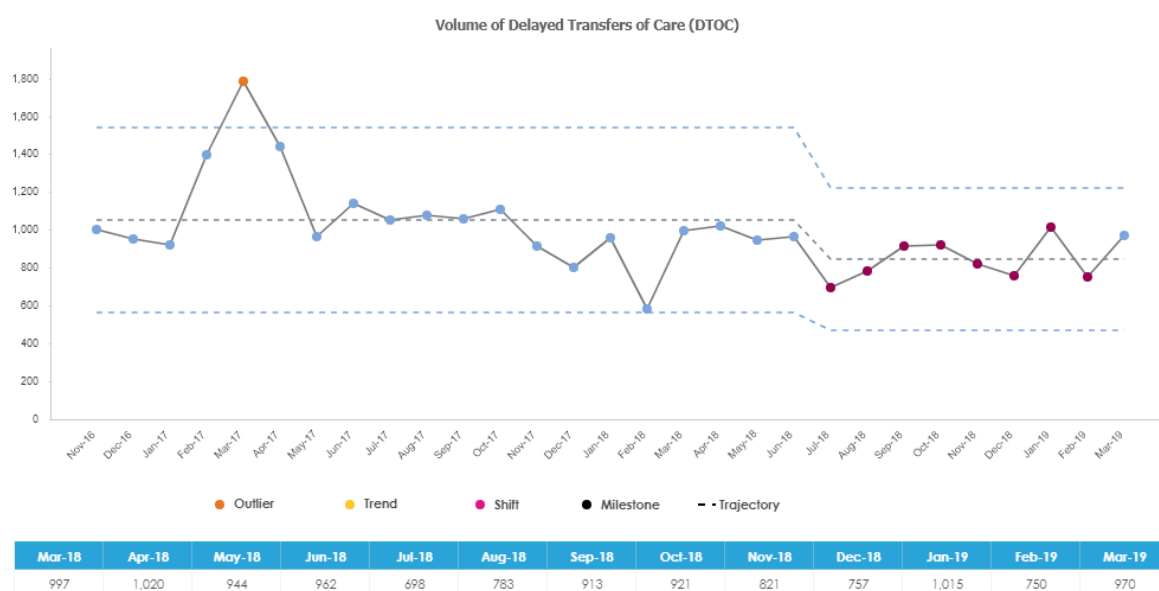
The FFT scores for maternity have remained stable over 2017/18. Any variation has been within expected limits.



Source: Royal Free London NHS Foundation Trust 2015-2019

Volumes of delayed transfers of care

This is the number of bed days per month that the trust lost to patients who were waiting for a transfer to social or NHS community care. Over the course of 2018/19, we have seen a positive shift which started in July 2018. We have been working closely with our local commissioners and social and community care providers to continue to reduce this rate.

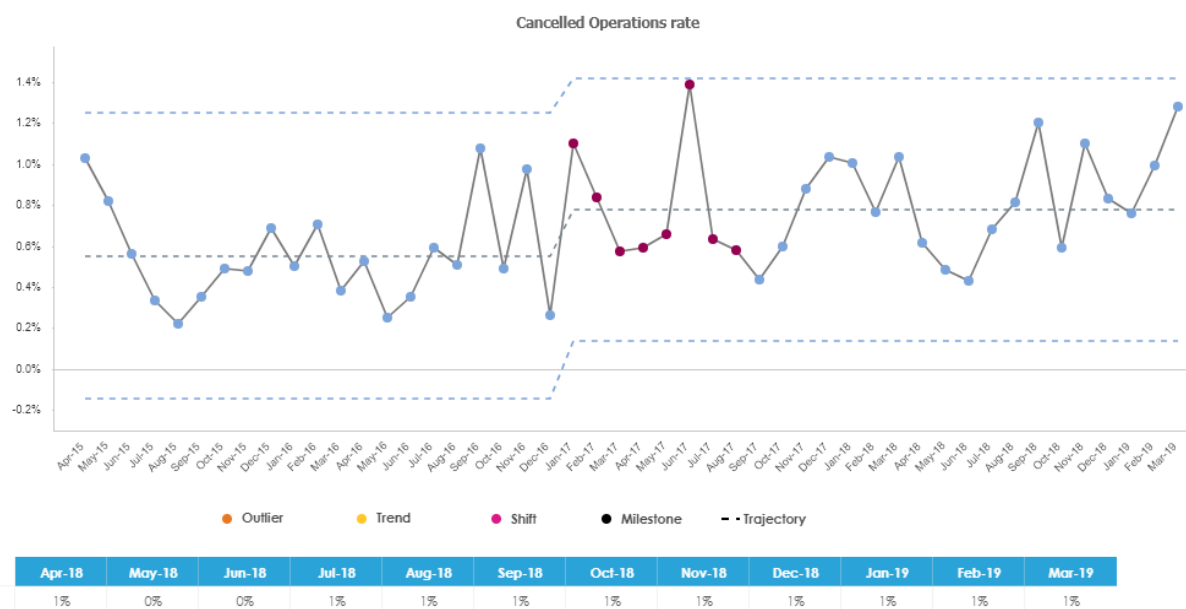


Source: Royal Free London NHS Foundation Trust 2016-2019

Benchmark information is not available for this measure.

Cancelled operations rate

This is the volume of last minute (on the day of surgery or following admission) cancellations for non clinical reasons as a proportion of all elective in-patient and day case operations. Over the course of 2018/19, this rate has remained within expected control limits.



Source: Royal Free London NHS Foundation Trust 2015-2019

Benchmark information is not available for this measure.

3.3.5 Performance against key national indicators

The following indicators are reported in accordance with national indicator definitions.

Indicators of governance	Target	Q1	Q2	Q3	Q4
Summary hospital level mortality indicator	<100	86.7	85.7	Not available	Not available
A&E maximum waiting time of four hours from arrival to admission/transfer/discharge ^(A)	>=95%	89.9%	89.1%	85.5%	85.1%
C difficile number of cases against plan	18/Qtr	14	20	9	10
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway	>=92%	81.9%	77.8%	74.6%	74.9%
Maximum six-week wait for diagnostic procedures	>=99%	99.6%	99.0%	98.0%	98.0%
**Cancer: two week wait from referral to date first seen					
All cancers	>=93%	88.0%	88.0%	89.4%	Not available

Symptomatic breast patients	>=93%	90.4%	89.0%	91.3%	Not available
**All cancers: 31 day wait from diagnosis to first treatment	>=96%	97.6%	97.9%	98.1%	Not available
**All cancer 31 day second or subsequent treatment					
Surgery	>=94%	99.29%	96.5%	98.1%	Not available
Drug	>=98%	100%	100%	100%	Not available
Radiotherapy	>=94%	97.3%	100%	100%	Not available
All cancers: 62-day wait for first treatment, from:					
Urgent GP referral for suspected cancer ^(A)	>=85%	84.5%	78.49%	77.0%	76.87%
NHS cancer screening service referral	>=90%	88.0%	90.1%	85.2%	Not available
Venous thromboembolism (VTE) risk assessment	95%	96.4%	97.1%	96.5%	Not available

External testing on two indicators

Our external auditors PricewaterhouseCoopers LLP (PwC) are required under NHS Improvement requirements for quality reports; 'Detailed Guidance for External Assurance on Quality Reports' to perform testing on two national indicators.

The indicators tested for 2018/19 were:

- Percentage of patients with a total time in A&E of four hours or less
- Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.

A detailed definition and explanation of the criteria applied for the measurement of the indicators tested by PwC is included below:

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 and 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 2018 to March 2019 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 2018 to March 2019 was: 87.3% Ⓐ	

The reported indicator performance has been calculated based on all patients recorded as having an unplanned attendance at our A&E departments and urgent care centre.

Completeness of this information is therefore dependent on the complete and accurate entry of data at source (in our A&E departments and urgent care centre) and the complete recording of those patients who breached the four hour standard.

The clock start for ambulance arrivals to Barnet Hospital is the time of patient offload or 15 minutes after patient arrives at the hospital, whichever is sooner.

The clock start for ambulance arrivals to Royal Free Hospital is the time of ambulance arrival. To the best of our knowledge, this information is complete.

The maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers	
Descriptor	The maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers. Percentage of patients receiving first definitive treatment for cancer within two months (62 days) of an urgent GP referral for suspected cancer.
Numerator	Number of patients receiving first definitive treatment for cancer within 62 days following an urgent GP (GDP, GMP or optometrist) referral for suspected cancer within a given month/quarter, for all cancer.
Denominator:	Total number of patients receiving first definitive treatment for cancer following an urgent GP (GDP, GMP or optometrist) referral for suspected cancer within a given month/quarter, for all cancers.
Indicator format	The indicator is calculated as the arithmetic average for the monthly reported performance for April 2018 to March 2019 and is reported as a percentage.
The maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers for the period of April 2018 to March 2019 was: 79.3% Ⓐ	

The reported indicator performance has been calculated based on all patients recorded as having been referred to the trust for consultant led services and who are on an incomplete pathway at the end of the period, consistent with the national indicator guidelines.

Completeness of this information is therefore dependent on the complete and accurate entry of data at source (referrals received for consultant led services) and the complete recording of all those on incomplete pathways at period end.

It is not possible to check completeness to source because referrals may be received through different routes, for example, by letter, fax or via the live 'Choose and Book' system or may have been received in a prior period. Patients who have not been identified within the

population will therefore not be included in the indicator calculation. To the best of our knowledge, this information is complete.

3.3.6 Our plans

This section contains an overview on our plans in regards to:

- Implementing seven day hospital services
- Speaking up: it's safe to speak up
- The Care Quality Commission.

Implementing seven day hospital services

A series of clinical standards for seven day services in hospitals were developed in 2013 through the seven day services forum, chaired by Sir Bruce Keogh and involving a range of clinicians and patients. The standards were founded on published evidence and on the position of the Academy of Medical Royal Colleges (AoMRC) on consultant-delivered acute care. Ten standards were agreed and are now being rolled out across the NHS in England in acute hospitals. With the support of the AoMRC, four of these were identified as priority clinical standards on the basis of their potential to positively affect patient outcomes.

These were:

- **Standard 2** – Time to first consultant review*
- **Standard 5** – Access to diagnostic tests**
- **Standard 6** – Access to consultant-directed interventions
- **Standard 8** – Ongoing review by consultant (twice daily if high dependency patients, daily for others).

*Measured from time of admission rather than time of presentation to emergency department

**Self-assessment survey from trusts regarding arrangements for seven day provision of CT, USS, endoscopy, microbiology, ECHO and MRI. Histopathology is no longer recorded in the survey.

The trust is part of a regional support group for the seven day services implementation and audit (north central London seven-day service network group). The purpose of the group is to discuss the audit process, share ideas on how to approach it and provide a safe space for open discussion. The group includes representatives from University College London Hospital (UCLH), Royal Free London, North Middlesex Hospital, Whittington Hospital and NHS England.

The trust showed an improvement in its performance against the standards of the seven day services survey in 2018 compared with 2017. During the reporting period, focus has been made on standards 2 and 8. The key findings were as follows:

Standard 2:

- The overall proportion of trust patients seen and assessed by a suitable consultant within 14 hours of admission was 80% (March 2017 - 56%).
- The overall proportion of Barnet Hospital patients seen and assessed by a suitable consultant within 14 hours of admission was 88%.
- The overall proportion of Royal Free Hospital site patients seen and assessed by a suitable consultant within 14 hours of admission was 73%.

Standard 8:

For the trust as a whole, the overall proportion of once daily consultant or delegated reviews where the patient required a once daily review and received this was 85% on a weekday and 82% on a weekend. Equally, for the trust as a whole, where the patient required twice daily reviews and received these was 83% on a weekday and 83% on a weekend:

- 57% of the once daily reviews were undertaken directly by a consultant on a weekday and 36% of these reviews on a weekend.
- 72% of the twice daily reviews were undertaken directly by a consultant on a weekday and 53% of these reviews on a weekend.

The Royal Free London is undertaking a limited audit of specific specialties in order to meet the board assurance requirements for the seven day audit services. The specialties which will be audited will include those which did not meet the 90% standard for consultant review within 14 hours of admission (standard 2). For standard 8 patients on ICU/HDU under the above specialties will be audited as to whether they have had twice daily reviews. The following specialties will be surveyed:

Barnet Hospital	Royal Free Hospital
<ul style="list-style-type: none">• Cardiology• Emergency medicine• General surgery• Paediatric medicine• Trauma and orthopaedics	<ul style="list-style-type: none">• Acute internal medicine• Cardiology• General surgery• Geriatric medicine• Infectious diseases• Oncology• Trauma and orthopaedics• Vascular surgery

The audit will cover a sample of emergency patients admitted between 2 April 2019 and 8 April 2019. The completed data will be validated by the medical director for the site.

Speaking up: it's safe to speak up



Sir Robert Francis's 'Freedom to Speak Up' review in February 2015 highlighted the need for the creation of the national guardian and freedom to speak up guardians at every trust in England as a 'vital step towards developing the right culture and environment for speaking up'.

Our strategy sets out the trust's vision for an open and effective speaking up culture and how the outcomes will be measured to ensure that all of our staff feel safe to speak up. Having a healthy speaking up culture is an indicator of a well-led trust. We are committed to promoting an open and transparent culture across the organisation to ensure that all members of staff feel safe and confident to speak out.

Our board, group executive committee and local executive committees have been supporting this agenda by:

- Role-modelling our world class care values and behaviours to promote a positive culture

- Providing the resources required to deliver an effective freedom to speak up function;
- Having oversight to ensure the policy and procedures are being effectively implemented.

Our freedom to speak up guardian and other champions have a key role in:

- Helping to raise the profile of raising concerns in our organisation
- Providing confidential advice and support to staff in relation to concerns they have about patient safety
- Providing confidential advice and support to staff in relation to the way their concern has been handled.

Representatives of the trust are fully engaged with the national guardian's office and the local network of freedom to speak up guardians in our region to learn and share best practice.

Our strategy

The trust will take the following actions to deliver this vision:

- Increase the level of awareness for all staff so they are clear about what concerns they can raise and how to raise them using the appropriate pathways.
- Ensure managers are clear about their roles and responsibilities when handling concerns and are supported to do so effectively.
- Ensure the freedom to speak up guardian and local speaking up champions are clear about their roles and responsibilities when supporting staff to raise concerns.
- Continue to increase the number of local speaking up champions across all sites, staff groups and backgrounds, so they are representative of the workforce.
- Provide regular communications to all staff (including those permanently employed on a full/part time basis, temporary workers and volunteers) to raise the profile and understanding of how to raise speaking up concerns.
- Communicate key findings to staff about the level and type of concerns raised and any resultant actions taken, as is appropriate under the scope of confidentiality.
- Share good practice and learning from concerns raised, through a variety of mediums, with the key aim of fostering openness and transparency such as staff briefings, team meetings, intranet and social media.
- Actively seek the opinion of staff to assess that they are aware of and are confident in using local processes and use this feedback to ensure our arrangements are improved based on staff experiences and learning.

Outcome and measures

- Annual staff survey results.
- Feedback from 'go see' visits and board and executive walk rounds.
- Feedback from structure walk rounds undertaken by freedom to speak up guardian and local champions.
- Regular review of speaking up issues being raised through other routes e.g. Datix, counter fraud etc.

- Number of channels available for staff to raise concerns including champions and other internal and external routes e.g. staff side, staff networks, national guardian office, Care Quality Commission etc.
- Feedback from staff on the speaking up process once the complaint has been investigated.
- Quarterly freedom to speak up updates for all staff via various methods e.g. staff briefings, social media, freepress, intranet etc.
- Evidence that investigations are factually based and led by someone suitably independent in the organisation, producing a report which focuses on learning lessons and improving care.
- High level findings of cases provided to the audit committee on a bi-monthly basis.
- Speaking up policy reviewed annually.

Monitoring

A freedom to speak up annual report will be presented to the board each year by the freedom to speak up guardian and the executive lead for speaking up which will include:

- An overview of the cases reported and the themes identified.
- Action taken within the last 12 month period.
- Planned action to be taken within the following 12 month period.



The Care Quality Commission (CQC)

During 11 to 13 December 2018 the CQC undertook hospital inspections across our three hospital sites: Barnet Hospital, Chase Farm Hospital and the Royal Free Hospital in addition to a well led inspection of the overall trust from 8 to 10 January 2019.

The inspection report rated the trust overall as requires improvement - unfortunately a drop from our rating of 'good' in 2016.

While this was disappointing news to everybody who works at the trust, the inspectors were full of praise for the hard work, dedication and commitment of our staff and our patients were incredibly positive about the care they receive in our hospitals saying they were treated with kindness, dignity and compassion.

The overall ratings were as follows:

Rating for acute services/acute trust

	Safe	Effective	Caring	Responsive	Well-led	Overall
The Royal Free Hospital	Requires improvement ↔ May 2019	Good ↔ May 2019	Good ↔ May 2019	Requires improvement ↓ May 2019	Good ↔ May 2019	Requires improvement ↓ May 2019
Barnet General Hospital	Requires improvement ↓ May 2019	Good ↔ Apr 2019	Good ↔ May 2019	Requires improvement ↓ May 2019	Good ↔ May 2019	Requires improvement ↓ May 2019
Chase Farm Hospital	Requires improvement ↓ May 2019	Good ↔ May 2019	Good ↔ May 2019	Good ↔ May 2019	Good ↔ May 2019	Good ↔ May 2019
Overall trust	Requires improvement ↔ May 2019	Good ↔ May 2019	Good ↔ May 2019	Requires improvement ↓ May 2019	Good ↔ May 2019	Requires improvement ↓ May 2019

Ratings for the trust are from combining ratings for hospitals. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

The inspection and its report is an opportunity for the trust to reflect on what we stand for at the Royal Free London and what we need to do to ensure that our patients feel safe in our care; how we ensure our colleagues feel supported, nurtured and valued; and what working at this fantastic organisation means for us.

Over the forth coming weeks and months the trust will be focused on developing our action plans in response to areas of improvement as our priority and will share these with the CQC and report our improvement progress through our governance arrangements to our trust board and to our commissioning partners and the regulator.

The trust continues to improve on areas identified from the previous CQC inspection in February 2016 and have achieved the following improvements in response to the 2016 report during 2018/19 - **‘Should do’s and Must do’s’**.

Completed actions from CQC 2016 report ‘Should do’s and Must do’s’

Chase Farm Hospital must review the selection criteria for cases at the Chase Farm Hospital site: Strict selection criteria was reviewed and agreed and is being reviewed periodically.	Trust wide, arrangements around equipment storage should be reviewed so that shower rooms are not used: At Chase Farm Hospital, this was included in the development of the new building.	Royal Free and Barnet Hospitals should improve the termination of pregnancy pathway: The service was reconfigured with a new clinical guideline and pathway.
--	--	---

<p>The trust should address the compliance with the National Emergency Laparotomy Audit (NELA) at Barnet Hospital: Compliance for NELA has now improved.</p>	<p>Nursing staffing levels on the children's ward on the Royal Free site must be improved: Additional nursing staff have been recruited.</p>	<p>The trust should introduce the use of POSSUM scoring. We routinely use P-POSSUM scoring in our emergency general surgery and it is a mandatory part of the booking process. CR-POSSUM is not used for elective colorectal surgery as national guidelines for colorectal cancer do not recommend its use.</p>
<p>Royal Free Hospital should identify a dedicated bereavement facility for women and families to use in or near the labour ward: A room within the Heath Birth Centre was identified; the Royal Free Charity provided funding for the refurbishment.</p>	<p>Royal Free and Barnet hospital sites should ensure all staff interacting with children have an appropriate level of safeguarding training: Compliance is >90%</p>	<p>Barnet Hospital must address the inconsistencies in mandatory training records for clinical staff in medicine: Data on MAST training is now only taken from one source.</p>

3.4 Annexes

Annex 1. Statements from commissioners, local Healthwatch organisations, overview and scrutiny committees and council of governors

Statements from commissioners:



Statement from Barnet Clinical Commissioning Group

NHS Barnet Clinical Commissioning Group (CCG) is the lead commissioner, responsible for the commissioning of health services from Royal Free London NHS Foundation Trust on behalf of the population of Barnet and associated commissioners; this includes Royal Free Hospital, Barnet Hospital and Chase Farm Hospital. NHS Barnet CCG welcomes the opportunity to provide this statement on the trust's quality account.

The CCG continues to meet with the trust on a monthly basis at its clinical quality review group meetings (CQRG). This forum is where the commissioners are provided with assurance regarding the quality of care and services provided by the trust. The meeting receives a quality report from the trust and there is robust discussion and challenge with the trust regarding the quality objectives it has met and those that require further work.

We confirm that we have reviewed the information contained within the draft quality account (provided to the CCG in April 2019). We confirm that the document received complies with the required content as set out by the Department of Health or where the information is not yet available a place holder has been inserted.

In reviewing this quality account Barnet CCG was pleased that the trust had set a target to achieve zero never events by the end of March 2019. This was not achieved; the trust reported nine never events in 2018/19. Barnet CCG worked collaboratively with the trust and supported the production of a comprehensive remedial action plan, with robust outcomes and actions to reduce the risk of subsequent never events. Early indications show a reduction of never events in the latter part of 2018/19 and we look forward to the trust achieving zero never events in 2019/20.

There has been significant improvement in the management of dementia care with clear examples used in the document. As this priority is taken forward into 2019/20, commissioners look forward to further improvements being made.

Barnet CCG commends the trust on the extensive work done in the area of quality improvement and the rolling out of the quality improvement (QI) methodology across many specialities. With increasing clinical practice groups established as the hubs for this work, we look forward to the embedding of the methodology and the rolling out of further improvements across the trust.

Commissioners are concerned that the Royal Free London compliance for Referral to Treatment (RTT) has been below the national average from 2017 with the latest compliance in January 2019 at 73.9% against a target of 92%. Commissioners would like to acknowledge the work the trust has put in place through the use of a patient tracking list (PTL) to ensure patients are linked to whole pathways. After longstanding issues with data quality, the trust, in agreement with NHS England/Improvement, suspended in April 2019 the

external reporting of the referral to treatment (RTT) data. In the meantime, the Royal Free London has continued to share with its commissioners internal waiting time monitoring for RTT reports and their associated harm reviews, enabling shared scrutiny of this information and any impact on patients which then will be monitored via the CQRG. Commissioners will continue to work with the trust to ensure all patients receive their treatment as quickly as possible and are reviewed appropriately.

We note that many of the quality account priorities for 2018/19 were not achieved and have been carried forward by the trust into 2019/20 priorities; this was disappointing. It would have been beneficial for the trust to have been explicit what learning has resulted from the 2018/19 work and how this has informed focus and renewed efforts with stretch targets for 2019/20 quality account priorities for its work programme.

Many of the quality account priorities lacked clear description of proposed outcomes, key actions and true measures of success. Commissioners would like to see more detail on outcomes measures and the actions required to ensure delivery. Commissioners will work with the trust via the CQRG to monitor and support delivery of priorities.

In this quality account the Royal Free London described a number of patient experience priorities for 2018/19 and 2019/20. Whilst the patient experience sections give a number of examples of patient engagement, there is a lack of a coherent strategy describing how patient experience informs the way services are delivered and improved. To strengthen this important work, commissioners recommend the Royal Free London produce a patient experience and engagement strategy in 2019/20, and incorporate learning on themes and trends from complaints and staff survey results.

The trust has continued to experience challenges in meeting the cancer 62-day target (from urgent GP referral). We note the Royal Free London continued efforts to improve the target via revised cancer recovery plans and rolling out the quality improvement focus to cancer services through the setting up of the cancer clinical practice group. Commissioners look forward to seeing the Royal Free London improving its national performance against cancer targets in 2019/20.

During the period April 2018 to February 2019, the Royal Free London achieved an average monthly performance of 87.4 % for the four-hour access target for the emergency department (ED). Barnet CCG notes and commends the collaborative working of the trust with the wider system and the focus on maintaining patient safety in the ED. Commissioners will continue to work proactively with the trust on improving the ED performance across the Barnet and Royal Free Hampstead sites. With the current investments into the Royal Free Hampstead site ED, the commissioners would expect to see an improvement in performance in 2019/20.

We look forward to working with the Royal Free London in collaboration with system partners, on building on success and further developing the quality of services it provides to the populations it serves in 2019/20.

Chief Operating Officer
Kay Matthews

CCG Chair
Dr Charlotte Benjamin

**Herts Valleys Clinical Commissioning Group and East and North Hertfordshire
Clinical Commissioning Group's response to the 2018/19 quality account provided by
the Royal Free London NHS Foundation Trust**

Herts Valleys Clinical Commissioning Group (HVCCG) and East and North Hertfordshire Clinical Commissioning Group (ENHCCG) recognise the steps that the Royal Free London NHS Foundation Trust (RFL) is taking to improve the quality of services provided to patients, service users, carers and staff. Both CCGs welcome the opportunity to review the RFL quality account and to provide a commissioning statement to the trust.

The information provided within this quality account presents a balanced report of the quality of healthcare services that RFL provides and is, to the best of our knowledge, accurate and fairly interpreted. The quality account clearly evidences the improvements made and importantly where improvements are still required.

Commissioners have been working with RFL during the year; gaining assurance on quality of care ensuring it is safe, effective and delivers a positive patient experience. In line with the NHS (Quality Accounts) Regulations 2011 and the Amended Regulations 2017, commissioners have reviewed the information contained within the RFL annual account and checked this against data sources, where this is available to us as part of our existing monitoring discussions, and confirm this to be accurate and fairly interpreted to the best of our knowledge.

The CCGs note that the RFL compliance for Referral to Treatment (RTT) has been below the national average since 2017; with the latest compliance in January 2019 at 73.9% against a target of 92%. The CCGs would like to acknowledge the work the RFL has put in place through the use of a patient tracking list (PTL) to address this. The CCG notes that the trust has issued a statement in April 2019 following the decision to pause reporting RTT figures. Whilst this is a temporary measure until the issue has been resolved, the quality account lacks data in relation to a trajectory for improvement and mitigations which would provide the assurance and expectations around improvements. The CCGs will continue to monitor to ensure that patients on the waiting list will be treated according to clinical need and those waiting longest are prioritised. In particular, the RFL continues to experience challenges addressing patients waiting over 52 weeks and the CCGs supports the approach to undertake harm reviews to understand the impact of these waits.

It is also noted that performance against the four hour emergency department (ED) target remains a challenge. The account notes that during the period December 2018 to January 2019, the RFL achieved an average monthly performance of 87.4% against the 95% target, which was not significantly different from average performance in 2017/18. The CCGs note that the account does not provide a breakdown of performance at Barnet Hospital, but we are aware from our in-year monitoring that it remains equally challenging at our local site. We are working closely with the trust on improvements at Barnet to see this performance improve.

In 2018/2019, the RFL reported nine never events against the national target of zero. The RFL has worked closely with commissioners, NHS Improvement and NHS England to learn from the never events by undertaking root cause analysis, risk assessments and

implementing actions to prevent reoccurrence. Although the majority of the never events are not related to Hertfordshire residents, the CCGs support the focus on 'safer surgery' and local safety standards for invasive procedures (LocSSIPs), to address the concerning numbers of never events reported previously and the CCGs will continue to monitor and scrutinise the implementation of learning and actions around the never events.

The CCGs would like to commend the trust for the quality improvement project that has been put in place over the past 12 months in reducing the falls resulting in harm across the hospital sites. The overall trend for falls in Barnet Hospital has improved and the majority of falls reported are recorded as no harm to the patients.

Over the last 12 months, the RFL has reported infection rates for *Clostridium difficile* above the north central London rate and the national rate for hospital onset *C. difficile* infection. Over half of the trust cases for *C. difficile* were reported from the Barnet and Chase Farm sites. The RFL has also reported rates of MRSA and *Escherichia coli* (*E. coli*) which are above the national rate. It is good to see that this is an ongoing priority area for the trust and the CCGs will closely monitor the remedial action plan to support an improvement.

During this year, there have been concerns related to delays in GP pathology results. The CCGs are pleased that the trust has given significant attention to this issue and will continue to work with the trust towards full resolution.

Last year HVCCG and ENHCCG noted that there was no mention made of safeguarding adults and children in the 2017/18 quality account and it was agreed that RFL would include how it met its responsibility in this key area. However, this is not evident in 2018/19 account. The CCGs would like to see an improvement in training/supervision compliance and implementation of learning from serious case reviews as this would provide some level of assurance on quality of safeguarding.

The RFL has participated in national clinical audits and national confidential enquiries. Work has also occurred with implementing learning from deaths and mortality reviews. Learning from these will support quality improvements which will be monitored by the CCGs.

HVCCG and ENHCCG in collaboration with Barnet and Enfield CCGs support the trust's quality priorities for 2019/2020, in particular the focus on dementia care, clinical pathways and learning from serious incidents/never events and deaths as set out in the annual account. In doing so, we advise that the trust include; a breakdown of serious incident numbers, themes and learning, complaints data themes and learning, including any learning from parliamentary and health service ombudsman recommendations and also a reference to staff survey results and workforce.

HVCCG and ENHCCG will monitor the progress of the trust robustly in driving forward the 2019/2020 initiatives and improvements to ensure high quality healthcare and outcomes for the population of Hertfordshire and welcome the opportunity to continue working in partnership.

Kathryn Magson
Chief Executive Officer
Herts Valleys Clinical Commissioning Group

Beverley Flowers
Chief Executive Officer
East and North Herts Clinical Commissioning Group

Statement from Healthwatch

Response to the quality account 2018/19



Thank you for the opportunity to comment on the quality account. We are always interested to read this overview of services and performance and we recognise the hard work and commitment that RFL staff show in their care and support to patients, families and local residents.

In reviewing the quality account (QA), we look at the documents from a patient/carer point of view and consider what would be important for them to know. We also review the feedback we have received from residents through the year, to see how the QA links with their actual experience of the service.

General

We welcome the user friendly layout, the use of visual images and case studies. We are pleased to see the range of developments for patients, from the achievements with liver transplants to a patient group for inflammatory bowel disease.

Review of priorities for achievement for 2018/19

- We welcome the trust's commitment to continuing to aim to reach the 'Information Standards' and we have noticed improvements to the website, with improved visuals and categorisation of information. However, we were very concerned about the lack of patient information during the changes to the criteria and process for hospital transport in summer 2018. Changes were made, but patients were informed at short notice and the website was not updated at the time.
- We note that there was little detail on what was achieved for patient and carer involvement and are pleased to see that this will be a priority for 2019/20, with a suite of tools that include cultural considerations.
- Through the quality account, we welcome the information and transparency given about serious incidents, never events and learning from deaths, and emergency readmission. We understand that BCCG has worked closely with RFL on these areas. However, we have had feedback from relatives about the lack of information and support when they have tried to find out more about the patients' experiences or death, slow or no responses from the PALS team or other staff. These areas (and the overall complaints handling) cannot be improved unless RFL engages in a structured and empathic way with patients and their carers. This must be from the culture of senior management to ward and support staff.

Proposed priorities for 2019/20

We welcome all the proposed priorities. We note the continued focus on patient involvement, however specific targets and measurements need to be set for this. We know that patients in principle support digital pathways and have received positive reports where this has worked well. We have also escalated individual patient cases where there seemed to be system difficulties for patients being referred or booking appointments in some clinics, such as gastroenterology and cardiology. It's important that patients and carers are fully informed of changes and support is provided so that patients receive timely care.

During 2019 Healthwatch Barnet will aim to:

- Undertake enter and view visits to Royal Free London sites, potentially covering pain management; patients' and carers' understanding of their diagnosis, medication and changes to medication; quality of care and responsiveness of staff. We will liaise with BCCG and RFL on this.
- We note the variable performance on cancer treatment. We are currently in initial discussions with BCCG to do some patient engagement on awareness and attendance of cancer screenings and potentially with in-patients and out-patients on the quality of the service.

Head of Healthwatch Barnet
Selina Rodrigues



Healthwatch Camden thanks the trust for the opportunity to comment on your quality accounts. We are pleased to be working with the trust on gathering feedback on the experience of the new elective care facilities at Chase Farm. However, we are not making a formal comment on quality accounts this year. This decision should not be seen as any lack of interest in or support for your work. Pressure of other work in the context of falling core income and increased complexity in the local NHS means that we do not have the human resources to consider quality accounts in the detail that they deserve this year. We look forward to commenting in future years.

Frances Hasler, Director Healthwatch Camden, May 2019



Statement on Royal Free London NHS Foundation Trust quality accounts 2018/2019

At Healthwatch Enfield, we are pleased to note the achievements around the clinical pathways work undertaken by the Royal Free London NHS Foundation Trust and, where it has occurred, the involvement of patients in design of the pathways, communications material etc. Work carried out on dementia is also a significant accomplishment as is the advanced care planning work. It is important to note that this work has been shared with others, particularly North Middlesex University Hospital NHS Trust, which is the main provider hospital for Enfield residents. The quality improvement methodology appears to be well established and continues to be rolled out across the organisation.

Whilst Healthwatch Enfield welcomes the inclusion of improving the involvement of patient and carers in the delivery processes, as a priority for 2019/2020, to date this has been at a pace slower than expected. Healthwatch Enfield would be pleased to support an acceleration of these activities so that feedback is seen to be acted on and that local people are kept informed about progress on this priority.

The areas of immediate concern to patients: Referral to Treatment times, A&E and cancer waiting times have not been achieved for some time and we would suggest these to be high priorities for inclusion in the coming year. The level of 'never events' – the highest in the country - and serious incidents is noted and the long list of actions taken appears extensive. We would encourage the trust to undertake a review of these actions in the next 12 months.

Having reviewed the document, we are disappointed to note that the quality accounts remains inaccessible. Whilst we recognise that quality accounts have to include specified information, they are meant to be an important way for NHS services to report on quality and improvements in the services they deliver to local communities and stakeholders. We suggest that the trust reviews its approach to producing this report so that a more accessible version is offered in future.

This should address issues raised by patients as part of an engagement process put in place to support the development of the quality accounts. This could be a key outcome of the priority to improve the involvement of patients and carers.



Healthwatch Hertfordshire (HWH) would like to thank the RFL for sending its draft quality account which we have read with interest.

This year we have again decided to focus on the NHS trusts that we have worked closely with in our sustainability and transformation partnership area over the last year and will therefore not be providing a formal response to the Royal Free London quality account.

We will of course continue to share any patient feedback that we receive from Hertfordshire residents and value the connection we have with the trust.

A handwritten signature in black ink, appearing to read 'Steve Palmer', with a horizontal line underneath.

Steve Palmer, Chair Healthwatch Hertfordshire, April 2019

Statements from overview and scrutiny committees



Comments from the Chair of the LB Camden Health and Adult Social Care Scrutiny Committee

Disclaimer: The Health and Adult Social Care (HASC) Scrutiny Committee did not sit between the receipt of the draft quality report and the due date for comments. They could not therefore provide comments on the named quality report. The following statement was provided solely by the Chair of the HASC Scrutiny Committee,

Councillor Alison Kelly, and they should not be understood as a response on behalf of the committee.

Thank you for sending us your 2018/19 quality report for comment. The report is comprehensive. The trust is to be congratulated on the progress made in 2018/19 and for the dedication of so many RFL colleagues who ensured this happened. The following observations were made in accordance with a set of core governance principles which guide the scrutiny of health and social care in Camden.

1) Putting patients at the centre of all you do

The report makes clear that the organisation's overriding priorities are excellent outcomes and experience for patients, their families and carers.

It was positive to read of key achievements ranging from treatment for haemophilia patients, to trials for smart devices, to the theatre space for performances by actors, musicians and poets co-designed by Danielle Wilde and Chito Gabutin. This space is part of the innovative programme to improve dementia care for the benefit of patients, carers and staff.

2) Focusing on a common purpose, setting objectives, planning

The report contains eight clear priorities which were taken forward during 2018/19, and into 2019/20, overseen by individual committees, with key measures for success.

The first part of the report gives improving patient experience as *Priority 1*. However, this becomes *Section 3* later in the report under the review of quality performance. This is a cause for confusion.

3) Working collaboratively

The trust demonstrates how seriously it takes working with, listening to and learning from the wide range of experts – including local residents and patients, as well as other local, regional, national and international experts. The trust may want to consider how best to describe its learning during the year around positive working and communicating with local people to achieve common priorities.

4) Acting in an open, transparent and accountable way - using inclusive language, understandable to all - in everything it does

The report, while comprehensive, can be difficult to navigate. This is partly due to the lack of pagination.

Some information in the report is included in more than one place and it is not immediately clear why this is necessary. Sometimes providing less text can lead to more clarity and greater understanding.

The trust could demonstrate more clearly its commitment to openness and transparency by reporting where sufficient progress had not been made during 2018/19 and the reasons for this; being specific and linking this to the information in Part 3, for example.

It is not clear how statements of assurance linked to patient outcomes.

It may be appropriate to check the whole report for technical words, acronyms, use of adjectives, abbreviations, long sentences and passive verbs. For example, will be difficult for many to understand what 'case ascertainment', 'CQUIN', 'Infoflex', 'Cerner' or 'Datix' mean. The font size could also be increased to make the report more accessible and easier to read.

I have reviewed quality reports which are similarly comprehensive but are easier to navigate. It might be helpful to share best practice across north central London partners.

I would like to finish by thanking the trust for its huge commitment to high clinical standards and the best possible patient experience across the trust. I would also like to thank the trust for the impressively smooth transition from David Sloman as chief executive to Caroline Clarke. She has only been in post a very few months and is already having a major positive impact throughout the trust.

Councillor Alison Kelly
Chair of Health and Adult Social Care Scrutiny Committee



Royal Free Hospital Quality Account
HOSC 15 May 2019

The Chairman invited the following to the table:

- Dr Chris Streather, chief medical officer and deputy chief executive, Royal Free London NHS Foundation Trust

The committee scrutinised the draft Royal Free London NHS Foundation Trust quality account 2018/19 and wish to put on record the following comments:

- The committee congratulated the trust on reaching its landmark 2000th liver transplant.
- The committee was pleased to see interventions to improve patients' experience, such as the introduction of 'silent saws' for removal of plaster casts. This was particularly helpful for children, people with learning disabilities and older people with dementia.
- The committee praised the trust for continuing to make improvements to care for dementia patients, one of which was the decoration of the 8 West Ward with a seaside theme. The committee was pleased to see that the trust had focused on such workable interventions as well as clinical ones. This was one example of significant improvements that had been made in the management of dementia care.
- The trust was commended for a reduction in the cases of C.difficile to well below the threshold.
- The committee praised the trust for its innovation in many areas and for becoming a world leader in many specialist treatments.
- The trust was congratulated by the committee for making improvements to the consistency and quality of information it provided for patients, resulting in it achieving Information Standard Certification before the scheme closed.
- The committee was pleased to see that the trust's progress around its digital transformation and development of clinical pathways was going well.
- The committee commended the trust on the extensive work done around quality improvement and the rolling out of the quality improvement (QI) methodology across many specialities, with clinical practice groups established as the hubs for this work.

- The committee was pleased to see that the trust had prioritised 'learning from deaths' for the past year and would continue to prioritise this in the coming year.
- The committee noted and valued the trust's priorities for improvement including:
 - trying to build capacity in the workforce
 - working to reduce unwarranted clinical variation
 - improving its involvement with patients and carers
 - improving safer surgery
 - learning from deaths.
- The committee was pleased with the amount of clinical research carried out by the trust. It was noted that Barnet Hospital had recruited the first European patient to take part in an international study exploring a potential treatment for wet age-related macular degeneration.
- The committee was pleased that a focus on sepsis was noted as one of the CQUIN scheme priorities.
- The trust was commended for its haemophilia treatment centre and thought the new treatments for haemophilia were exciting and benefiting patients.
- The committee was pleased with the trial at Chase Farm Hospital of an innovative respiratory monitoring device to help detect patient deterioration.

However:

- The committee commented that as the quality account was a document intended for use by the public, it should be clearly set out and easy to navigate: this was not felt to be the case. The draft report had no page numbers, the language was vague in places and it was suggested that SMART be used as a methodology (Specific, Measurable, Agreed upon, Realistic and Time-based). The overall presentation should be reviewed to make the report easier to assimilate and scrutinise. The audit data was unclear, for example the section on cancer (section 2.2) could not be deciphered at all by the layperson. Many figures were missing from the audit data and it was not clear how figures above 100% were possible. This did not give confidence to the committee that other aspects were being recorded accurately.
- The committee was disappointed that there was much data missing from the CQUIN scheme priorities section.
- The committee noted that the target of zero 'never events' by the end of March 2019 had not been achieved. Instead there had been an increase to nine. The committee noticed an effort from the trust to reduce 'never events' but progress had not been made at the pace required to protect patients' safety.
- The committee reported that it was frustrating that data was missing from the report. The data on the number of deaths reviewed contained in the report related to April, May and June 2018 and more up-to-date data was needed. The mid-year data had previously been made available so it was inexcusable that the final figures were not available. There was no data therefore in relation to the priority 'learning from deaths'. *
- The committee noted some of the 'Actions taken during 2017/18' were self-evident and should be routine, such as reviewing safeguarding processes and reviewing the medical rota.
- The committee was disappointed with some of the trust's national performance targets. Its compliance for referral to treatment was below the national average - the

latest compliance in January 2019 was 73.9% against a target of 92%. The cancer 62-day target had also not been met although it was hoped that improvements would be achieved in the future since the trust set up the cancer clinical practice group. Accident and emergency targets had been at 87.4% for several months, below the 95% target, though it was acknowledged that the trust received a huge volume of patients and was investigating how it might tackle this.

- The report does not mention the walk-in centres at Cricklewood and Finchley Memorial Hospital. It is believed that Finchley Memorial Hospital and Edgware Community Hospital are also run by the trust.*
- Some of the quality priorities, such as ‘further enhance and support dementia’, were vague and not measurable so it was not clear how the trust would know whether its strategies were successful.
- The report detailed the trust’s completed actions but it would be helpful if it also included the actions outstanding and a firm timescale for dealing with them.
- The committee noted that many of the quality account priorities for 2018/19 were not achieved.

The following had previously been noted in 2017/18 Q3 and Q4 reports and there was no update in the 2018/19 quality account so these do not appear to have been followed up on:*

- Deprivation of liberty safeguards (DoLs) were not in place.
- Oral care was not well documented in nursing notes and an oral care plan not triggered on admission. In addition under ‘patient care’ it was noted that staff were slow to act on poor oral intake. There has been no further update on this.
- Correct storage of medicine was not always adhered to ie not stored at the correct temperatures and not returned to locked cupboards.



Council of governors

Governors reviewed the draft quality account at the council of governors meeting in March 2019 and provided detailed feedback and comments which have informed changes made to the final report. Much of the information included in the report has been shared with the council of governors during the year by:

- Regular provision of information on the trust’s performance
- Updates in the chief executive’s briefing to the council of governors
- Briefings from non-executives on individual board committee work programmes
- A quality account consultation and stakeholders event was held in February 2019.

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 enable governors to carry out their statutory responsibilities, governors attend board sub-committees and provide challenge to

the trust in the robustness and timeliness of improvement plans to enhance both patient and staff experience.

The progress made on the quality priorities in 2018/19:

Priority one: To achieve trust certification for 'The Information Standard'

The governors noted that although the information standard certification scheme closed at the end of 2018 and that the trust was unable to complete accreditation; the principles that underpinned the information standard have been embedded into the trust's patient information policy. This has led to information being reviewed and signed off by patients in all parts of the trust. A specific example is that information for patients, produced as a result of clinical pathway group (CPG) work on care pathways is also being signed off by patients who are part of the CPG team. This priority has been monitored by the population health committee which has two governors as members.

Priority two: To further enhance and support dementia care

Governors were pleased further progress has been made to support dementia care across the trust. An action plan for the national audit of dementia has been completed and the results will be available in July 2019. The governors will consider the trust's performance at the November 2019 council of governors meeting.

Priority three: To improve our involvement with our patients and carers

Governors welcomed the adoption of the patient experience framework published by NHS England. The council of governors has set up local members' councils at each hospital site which are tasked to improve engagement and involvement with the trust membership, local residents, patients and their carers. The programme of medicine for members events which has included understanding our CPG work hosted at the Royal Free Hospital, neonatal services hosted at Barnet Hospital and an introduction to the new Chase Farm Hospital have been very popular with the trust membership.

Overall the governors welcome the opportunity to comment on the quality account 2018/19 and look forward to further engagement and monitoring of progress made during 2019/20 to improve our services and the outcomes for our patients.

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.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

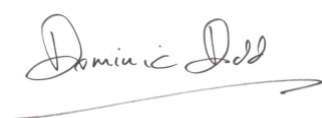
In preparing the quality report, directors are required to take steps to satisfy themselves that:

- the content of the quality report meets the requirements set out in the NHS foundation trust annual reporting manual 2018/19 and supporting guidance: detailed requirements for quality reports 2018/19

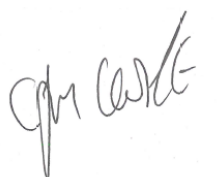
- the content of the quality report is not inconsistent with internal and external sources of information including:
 - board minutes and papers for the period April 2018 to May 2019
 - papers relating to quality reported to the board over the period April 2018 to May 2019
 - feedback from commissioners dated 10 and 11 May 2019
 - feedback from governors dated 18 April 2019
 - feedback from local Healthwatch organisations dated 18 April, 13 May, 16 May and 21 May 2019
 - feedback from overview and scrutiny committee dated 3 May 2019 and 15 May 2019
 - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 dated 23 July 2018
 - the latest national patient survey dated 2017
 - the latest national staff survey dated 2018
 - the head of internal audit's annual opinion over the trust's control environment dated 22 May 2019
 - Care Quality Commission inspection report dated 10 May 2019
- 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
- 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



Caroline Clarke
Chief Executive

22 May 2019

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 2019 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2019 subject to limited assurance (the 'specified indicators') marked with the symbol **A** in the quality report, consist of the following national priority indicators as mandated by Monitor:

Specified Indicators	Specified indicators criteria
Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers	Page 244
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.	Page 245

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 for foundation trusts 2018/19' issued by Monitor (operating as NHS Improvement) (NHSI).

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- The quality report does not incorporate the matters required to be reported on as specified in the FT ARM and the 'Detailed requirements for quality reports for foundation trusts 2018/19'
- The quality report is not consistent in all material respects with the sources specified below
- The specified indicators have not been prepared in all material respects in accordance with the criteria set out in the FT ARM and the 'Detailed requirements for external assurance for quality reports for foundation trusts 2018/19'.

We read the quality report and consider whether it addresses the content requirements of the FT ARM and the 'Detailed requirements for quality reports for foundation trusts 2018/19'; 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 financial year, April 2018 to May 2019
- Papers relating to quality report reported to the board over the period April 2018 to May 2019
- Feedback from the commissioners dated 10 and 11 May 2019
- Feedback from governors dated 18 April 2019
- Feedback from local Healthwatch organisations, dated 18 April, 13 May, 16 May and 21 May 2019
- Feedback from overview and scrutiny committee dated 3 May 2019 and 15 May 2019
- The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 23 July 2018
- The latest national and local patient survey dated 2017
- The latest national and local staff survey dated 2018
- Care Quality Commission inspection, dated 10 May 2019
- The head of internal audit's annual opinion over the trust's control environment dated 22 May 2019.

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) 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 of the trust's quality agenda, performance and activities. We permit the disclosure of this report within the annual report for the year ended 31 March 2019, 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 the 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 the 'Detailed requirements for quality reports for foundation trusts 2018/19'
- 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 walk throughs 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
- 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 and 'Detailed requirements for quality reports for foundation trusts 2018/19' and the criteria referred to above.

The nature, form and content required of quality reports are determined by NHSI. 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 disclaimer of conclusion – percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge indicator

From discussions with management and from our review of individual case records, for the majority of cases making up the indicator, the trust's clinical staff enter details directly onto two relevant systems (Cerner and FirstNet). However, paper records relating to admission or ambulance transfers are not always retained by the trust. Therefore, the trust was unable to provide sufficient evidence to support the entries made into Cerner or FirstNet. As such, we were unable to obtain the evidence we needed to reach a conclusion on this indicator.

In addition, the following issues were noted:

(i) 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. Our review of individual cases records considered an initial sample of 15 ambulance cases. For 1/15 of the samples relating to Barnet Hospital the clock start per the Cerner system is not the earlier of patient handover time or 15 minutes after the ambulance arrived, per the national guidance. It was noted to be 17 minutes later. This has therefore not been accurately recorded in line with the guidance.

(ii) The trust's Cerner system reports a single registration time. The trust confirmed that this represents the end of registration. This is not in line with guidance. There were 52,621 ambulance cases in the period, 23,345 relate to Royal Free Hospital, 29,143 for Barnet Hospital and 133 for Chase Farm Hospital.

(iii) At Barnet Hospital, we identified one ambulance arrival and three walk in cases where there were no clinical notes for this patient meaning we were unable to confirm the accuracy of the start and stop clocks for these patients. On investigation of the root cause we were advised by the trust that there was a system upgrade at Barnet Hospital in November 2018 to ensure all clinical notes made are electronic and that during system implementation some notes were lost. We have been unable to conclude how many patient notes have been lost.

Disclaimer of conclusion

Because of the significance of the matters described in the basis for disclaimer of conclusion, we have not been able to form a conclusion on whether 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 been prepared in all material respects in accordance with the criteria.

Based on the results of our procedures, nothing has come to our attention that causes us to believe that for the year ended 31 March 2019:

- The quality report does not incorporate the matters required to be reported on as specified in the FT ARM and the 'Detailed requirements for quality reports for foundation trusts 2018/19'
- The quality report is not consistent in all material respects with the documents specified above
- The specified indicator maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers has not been prepared in all material respects in accordance with the criteria set out in the FT ARM and the 'Detailed requirements for external assurance for quality reports 2018/19'.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
London
28 May 2019

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.

3.5 Appendices

Appendix a: Changes made to the quality report

The views of our stakeholders and partners are essential in developing our quality report. Our report has changed in response to comments received following the distribution of the draft as follows:

1. The presentation of full data for the year (2018/19)
2. Overview of quality of care in 2018/19 against key indicators and performance against Monitors indicators.
3. Additional information on our clinical pathway groups and quality improvement initiatives.

Glossary of terms

Term	Explanation
ASA	The ASA physical status classification system is a system for assessing the fitness of patients before surgery adopted by the American Society of Anesthesiologists (ASA) in 1963.
Best Practice Tariff (BPT)	A BPT is a national price that is designed to incentivise quality and cost effective care. The first BPTs were introduced in 2010/11 following Lord Darzi's 2008 review. The aim is to reduce unexplained variation in clinical quality and spread best practice.
Cardiotocography (CTG)	Cardiotocography (CTG) is a technical means of recording the fetal heartbeat and the uterine contractions during pregnancy . The machine used to perform the monitoring is called a cardiotocograph.
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.
Clinical Practice Group (CPG).	Permanent structures which the trust is developing to address unwarranted variation in care.
CQUIN: Commissioning for Quality and Innovation.	CQUIN is a payment framework that allows commissioners to agree payments to hospitals based on agreed improvement work.
Continuous positive airway pressure (CPAP)	Continuous positive airway pressure (CPAP) is a form of positive airway pressure ventilator, which applies mild air pressure on a continuous basis to keep the airways continuously open in people who are not able to breathe spontaneously on their own.
HIMSS	Healthcare Information and Management Systems Society (HIMSS) is a not-for-profit organisation that is based in Chicago with additional offices in North America, Europe, United Kingdom and Asia. Its aim is to be leaders of health transformation through health information and technology with the expertise and capabilities to improve the quality, safety, and efficiency of health, healthcare and care outcomes. HIMSS drives innovative, forward thinking around best uses of information and technology in support of better connected care, improved population health and low cost of care.
Infoflex	InfoFlex is an information management software tool dedicated to managing and improving patient pathways and treatment processes within the NHS. Instead of imposing a 'system', InfoFlex is modelled to fit the needs of the clinicians, IT staff and management who will use it.
MDT: Multi-Disciplinary Team	A team consisting of staff from various professional groups i.e. nurses, therapist, doctors etc.
NHS NCL	NHS north central London clinical network.
Never event	Never events are extremely serious and largely preventable patient safety incidents that should not occur if the relevant preventative measures have been put in place.
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.

Patient at Risk and Resuscitation Team (PARRT)	The Patient at Risk and Resuscitation Team (PARRT) is a combined nursing service to provide 24/7 care to patients at risk, including attending medical emergency calls (2222) and reviewing all patients post discharge from intensive care. The team members provide education, training and support to manage life-threatening situations, including in-hospital resuscitation, care of the patient with a tracheostomy and CPAP.
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.

4 Annual accounts

Foreword to the accounts

Royal Free London NHS Foundation Trust

These accounts, for the year ended 31 March 2019, have been prepared by Royal Free London NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

A handwritten signature in black ink, appearing to read 'Caroline Clarke', is positioned above the printed name and title.

Caroline Clarke
Chief Executive
22 May 2019

Independent Auditors' Report to the Council of Governors of Royal Free London NHS Foundation Trust

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the Group's and Trust's affairs as at 31 March 2019 and of the Group's and Trust's income and expenditure and the Group's and Trust's cash flows for the year then ended 31 March 2019; and
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19.

We have audited the financial statements, included within the Annual Report and Accounts 2018/19 (the "Annual Report"), which comprise: the Group and Trust's Statement of Financial Position as at 31 March 2019; the Group and Trust's Statements of Comprehensive Income for the year then ended; the Group and Trust's Statement of Cash Flows for the year then ended; the Group and Trust's Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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 of Audit Practice"), International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty relating to going concern – Group and Trust

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Group's and Trust's ability to continue as a going concern.

The Trust has reported a deficit for a number of years, recorded a deficit for 2018/19, and is forecasting a deficit in 2019/20. The forecast deficit is based on a number of assumptions including the delivery of financial improvement plans. The Trust has assumed it will receive further financial support from the Department of Health and Social Care during the course of 2019/20 in order to meet its liabilities and continue to provide healthcare services. The extent and nature of the financial support from the Department of Health and Social Care, including whether such support will be forthcoming or sufficient, is currently uncertain, as are any terms and conditions associated with the funding.

These conditions, along with the other matters explained in note 1 (accounting policies) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group or the Trust were unable to continue as a going concern.

Explanation of material uncertainty

The Department of Health and Social Care Group Accounting Manual 2018/19 requires that the financial statements of the Trust should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the NHS foundation trust without the transfer of the services to another entity, or has no realistic alternative but to do so.

The Trust recorded a deficit in 2018/19 of £80.9million.

In 2018/19 the Trust has drawn down an additional £53million of loans from the Department of Health and Social Care. The Trust plans to draw down an additional £75million in 2019/20 (as projected within its cash flow plan). The Trust is forecast to hold approximately £243.9million in loans with the Department of Health and Social Care at the end of 2019/20. Two (out of seven held) of the loans (£30million) are due for repayment in 2020/21. The Trust's plan also includes the assumption that the Trust will need to deliver £45.9million of financial savings, which the Board believe will be challenging but achievable.

What audit work we performed

In considering the financial performance of the Trust and the appropriateness of the going concern assumption in the preparation of the financial statements, we obtained the 2019/20 annual plan and going concern paper that considered the Trust's financial plans and cash flows to May 2020 and:

- Understood the Trust's budget, cash flow forecast and levels of reserves, and the impact of cash flow sensitivities on the Trust's ability to meet its liabilities as they fall due; and
- Understood and challenged the assumptions behind the Trust's financial forecasts and cash flows.

Our audit approach

Context

Our audit for the year ended 31 March 2019 was planned and executed having regard to the fact that the Group's and Trust's operations had changed with the establishment of Royal Free London Property Services Limited. The Trust's financial stability also remained a key area of focus. In light of this, our approach to the audit in terms of scoping and key audit matters was updated to reflect these areas of focus. Group consolidation and accounting considerations related to Royal Free London Property Services Ltd became a new key audit matter for this year. As part of our key audit matters we also considered the new accounting standards for revenue (IFRS 15) and financial instruments (IFRS 9) that were implemented in 2018/19.

Overview



- Overall Group materiality: £20,825,900 (2018: £20,884,000) which represents 2% of total revenue.
- During our audit we visited the three Group and Trust sites (Royal Free, Barnet and Chase Farm Hospitals) and performed our audit of the financial information from the Enfield Civic Centre.
- Our audit scope includes the Trust, its wholly owned subsidiary, and its interests in two joint arrangements, UCL Partners Limited and Health Services Laboratories LLP.
- Going concern
- Management override of control and fraud in revenue and expenditure recognition.
- Valuation of the Trust's land and buildings (including dwellings).
- Group consolidation and accounting considerations.

The scope of our audit

As part of designing our audit, we determined materiality and assessed 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.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to going concern, described in the 'Material uncertainty relating to going concern' section on the previous page, we determined the matters described on the following pages to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><i>Management override of control and fraud in revenue and expenditure recognition</i></p> <p>See note 1 to the financial statements for the Group'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.</p> <p>Under ISAs (UK) 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 2018/19 and defer expenditure to 2019/20. As the Trust did not agree a control total for 2018/19 we also performed cut off procedures to ensure that revenue and expenditure transactions were recorded in the right period. 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 to be:</p> <ul style="list-style-type: none"> recognition of revenue and expenditure; recognition of revenue in accordance with IFRS 15; and manipulation of journal postings to the general ledgers. 	<p><i>Recognition of revenue and expenditure</i></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 Department of Health and Social Care Group Accounting Manual 2018/19 and IFRS 15. We noted no issues in this respect.</p> <p>Where revenue was recorded through journal entries, we traced the journal to invoices on a sample basis to establish whether a service had been provided.</p> <p>We did not identify any transactions that were indicative of fraud in the recognition of revenue or expenditure.</p> <p>We obtained and read all commissioner service level agreement contracts with an annual contract value of above £10million and agreed the overall contract value to invoices raised and cash received.</p> <p>We tested a sample of remaining clinical income by tracing the transaction to invoices and cash receipt (if not received we have agreed to the trade receivables ledger). These amounts were agreed to the Service Level Activity Monitoring system to ensure the amounts 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 expenses 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 on a sample basis, to agree large payments made and invoices received after the year end to supporting documentation and checking that, where they related to 2018/19 expenditure, an accrual was recognised appropriately.</p> <p><i>Manipulation of journal postings to the general ledgers</i></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 documentation, consistent with that documentation and recognised in the correct accounting period.</p>

Key audit matter**How our audit addressed the key audit matter**

Valuation of the Group's land and buildings (including dwellings)

See note 1 to the financial statements for the Group's disclosures of the related accounting policies, judgements, estimates, and use of experts relating to the valuation of the Group's land and buildings (including dwellings), and note 15 for further information.

The Trust is required to regularly revalue its assets in line with the Department of Health and Social Care Group Accounting Manual 2018/19.

We have focused on this area due to the material nature of this balance, and the consequential impact on the financial statements were it to be materially misstated.

As at the balance sheet dated 31 March 2019, the Group's land and buildings (including dwellings) are valued at £548million (2018: £436million). During the year the Group transferred £112million from assets under construction to fixed assets following the opening of Chase Farm. The overall valuation, at 31 March 2019, including the Chase Farm Hospital site, at the Group resulted in a net impairment of £5.3million to the Group's assets.

All property, plant and equipment is measured initially at cost, with land and buildings (including dwellings) subsequently measured at fair value.

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.

The specific areas of risk are:

- 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.

We obtained and read the relevant sections of the valuation performed by the Group'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.

We checked that the valuer had a UK qualification, was part of an appropriate professional body and was not connected with the Group.

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.

We checked that the change in valuation was disclosed in the Annual Report and correctly reflected in the Group's workings and the general ledger. This we did by testing a sample of asset values which had increased or decreased by checking the Group had posted the journals to account for the valuation correctly, and found that, for all assets tested, the revaluation or impairment had been posted accordingly in the general ledger.

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 significant matters.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
Group consolidation and accounting considerations	
The Trust set up a subsidiary, RFL Property Services Limited, in 2017/18. Trading commenced within the 2018/19 financial year.	We confirmed that the RFL Property Services Ltd company was set up appropriately with share capital paid up and governance arrangements put in place.
The Trust prepared an accounting paper that sets out the accounting treatment related to the set up and first year of operation of the company and transactions between the company and Trust.	We completed audit testing on key transactions between the Trust and RFL Property Services Limited in the year. We also ensured that transactions were recorded in line with the accounting policies for the company and Group.
The Trust was required to produce Group financial statements for the first time and prepare schedules to show the accounting for intra-company transactions and consolidation.	We tested the consolidation and considered working papers to ensure that company transactions were appropriately included in the Group accounts in line with the accounting policies of the Group and substance of the transactions.
This was the first time the Trust had established a subsidiary and therefore we included a specific risk to ensure that the consolidation was completed accurately, transactions were recorded between the Trust and company appropriately, and the accounting treatment proposed was in line with accounting standards.	

Other than the matters noted in the 'Material Uncertainty relating to going concern' and 'Arrangements for securing economy, efficiency, and effectiveness in the use of resources' paragraphs, we determined that there were no further key audit matters relating to the financial statements of the Group to communicate in our report.

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 and the Group, the accounting processes and controls, and the environment in which the Group operates. All books and records for the Trust and Group are retained at the finance team based in the Enfield Civic Centre and at the Royal Free Hospital. We focused our work on the key audit matters described above. During our audit we visited the three Trust sites (Royal Free, Barnet and Chase Farm Hospitals) and performed our audit of the financial information from the Enfield Civic Centre.

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:

	<i>Group financial statements</i>	<i>Trust financial statements</i>
Overall materiality	£20,825,900 (2018: not applicable)	£20,825,900 (2018: £20,884,000)
How we determined it	2% of revenue (2018: not applicable)	2% of revenue (2018: 2% of revenue)
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.	Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was £318,480 to £20,825,900. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We agreed with the Group Audit Committee that we would report to them misstatements identified during our audit above £250,000 (Group and Trust audit) (2018: £250,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Performance Report and the Accountability Report, we also considered whether the disclosures required by the NHS Foundation Trust Annual Reporting Manual 2018/19 have been included. Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) and the Code of Audit Practice require us also to report certain opinions and matters as described below.

Performance Report and Accountability Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Performance Report and Accountability Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

In light of the knowledge and understanding of the Group and the Trust and their environment obtained in the course of the audit, we did not identify any material misstatements in the Performance Report or Accountability Report.

In addition, the parts of the Remuneration and Staff Reports to be audited have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Accountability Report set out on page 39, the directors are responsible for the preparation of the financial statements in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19, and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Trust or to cease operations, or have no realistic alternative but to do so.

The Trust is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors' responsibilities for the audit of the financial statements

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

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

We are required under Schedule 10 (1) of the National Health Service 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 of Audit Practice, 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.

Our audit did not consider any impact that the United Kingdom's withdrawal from the European Union may have on the Group as the terms of withdrawal are not clear, and it is difficult to evaluate all of the potential implications on the Group's activities, patients, suppliers and the wider economy.

Use of this report

This report, including the opinions, has been prepared for and only for the Council of Governors of 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.

Other required reporting

Arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report, by exception, if we conclude we are not satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We draw your attention to the Group's Financial Review and Annual Governance Statement on pages 25 and 117 of the Annual Report which includes further details on the matters noted below and the Trust's actions to address the issues.

Adverse opinion

As a result of the matters set out in the Basis for adverse opinion section immediately below, we have concluded that the Trust has not put in place proper arrangements for securing economy, efficiency and effectiveness in the use of its resources for the year ended 31 March 2019.

Basis for adverse opinion and Key Audit Matter

The Trust set a planned deficit target for 2018/19 of £80.1million. The Trust did not, however, achieve this target and recorded a deficit of £80.9million for 2018/19. The Trust's Board papers set out that savings of £43.1million were realised in 2018/19, against budgeted savings of £45.5million. The Trust Board papers note that approximately 52% of these savings were driven from non-recurrent schemes. We understand that management are forecasting future savings of £45.9million for 2019/20, which the Board believe will be challenging but achievable.

In 2018/19, the Trust has drawn down £53million of agreed loan facilities from the Department of Health and Social Care. The cash position in 2019/20 will be reliant on further loans from the Department of Health and Social Care which the Trust believes will need to be in the region of £75million. The Trust is forecast to hold approximately £243.9million in loans with the Department of Health and Social Care at the end of 2019/20. Two (out of seven held) of the loans (£30million) are due for repayment in 2020/21.

Based on the financial position at the Trust and the performance of the Trust in 2018/19, NHS Improvement issued a formal enforcement undertaking dated 4 April 2019 that set out a number of actions for the Trust, which included:

- Regular communication with NHS Improvement during 2019/20 regarding the Trust's financial position;
- The development of an action plan to address the findings from the external governance reviews that considered organisational capacity and capability to deliver the financial recovery together with the governance in place at the Trust; and
- An update to the Trust's financial strategy and recovery plan that presents a robust strategy and plan to deliver quality services on a sustainable basis by 2021/22.

The Trust had a CQC inspection in 2018/19 and received the resulting Use of Resources assessment report on 10 May 2019. This gave an overall rating for the Trust as *Requires Improvement*. The Trust also received a combined rating for quality and use of resources as *Requires Improvement*. The Trust is developing an action plan to address the findings.

In considering the Trust's arrangements we:

- Understood the Trust's 2018/19 and 2019/20 financial plan, including its cash flows and assumptions underpinning borrowing needs; and
- Considered the results of external scrutiny of the Trust's plans for 2018/19 and 2019/20.

Other matters on which we report by exception

We are required to report to you if:

- The statement given by the directors on pages 39 to 41, 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 patients, regulators, and other stakeholders to assess the Group's and Trust's performance, business model, and strategy is materially inconsistent with our knowledge of the Group and Trust acquired in the course of performing our audit.
- The section of the Annual report on page 63, 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.
- The Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19 or is misleading or inconsistent with our knowledge acquired in the course of performing 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 referred a matter to Monitor under Schedule 10 (6) of the National Health Service 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.
- We have issued a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006.
- We have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

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 of Audit Practice.



Lynn Pamment (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 May 2019

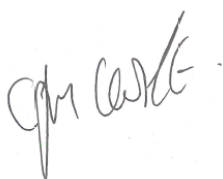
Statement of Comprehensive Income

	Note	Group		Trust	
		2018/19	2017/18	2018/19	2017/18
		£000	£000	£000	£000
Operating income from patient care activities	3	929,367	892,886	929,367	892,886
Other operating income	4	111,930	151,315	111,549	151,315
Operating expenses	7, 9	(1,102,613)	(1,097,318)	(1,102,857)	(1,097,318)
Operating deficit from continuing operations		(61,316)	(53,117)	(61,941)	(53,117)
Finance income	12	440	126	5,206	126
Finance expenses	13	(8,322)	(7,754)	(12,617)	(7,754)
PDC dividends payable		(11,700)	(12,698)	(11,700)	(12,698)
Net finance costs		(19,582)	(20,326)	(19,111)	(20,326)
Other gains	14	6	47,712	6	47,712
Share of profit of joint arrangements	19	67	1,127	67	1,127
Corporation tax expense		(27)	-	-	-
Deficit for the year		(80,852)	(24,604)	(80,979)	(24,604)
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	8	(8,277)	(1,832)	(8,277)	(1,832)
Revaluations	18	16,248	14,822	16,248	14,822
Total comprehensive expense for the period		(72,881)	(11,614)	(73,008)	(11,614)

Statement of Financial Position

	Note	Group		Trust	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		£000	£000	£000	£000
Non-current assets					
Intangible assets	16	20,508	15,589	20,508	15,589
Property, plant and equipment	17	608,628	592,408	608,628	592,408
Investments in associates and joint ventures	19	17,764	17,697	17,764	17,697
Investments - Subsidiaries	20	-	-	50	-
Receivables	22	2,512	2,566	124,250	2,566
Total non-current assets		649,412	628,260	771,200	628,260
Current assets					
Inventories	21	11,002	9,466	11,002	9,466
Receivables	22	121,461	126,995	121,785	126,995
Cash and cash equivalents	23	35,929	43,664	33,900	43,664
Total current assets		168,392	180,125	166,687	180,125
Current liabilities					
Trade and other payables	24	(181,554)	(167,497)	(182,222)	(167,497)
Borrowings	26	(4,154)	(3,326)	(4,154)	(3,326)
Provisions	28	(8,421)	(4,109)	(8,421)	(4,109)
Other liabilities	25	(15,107)	(12,326)	(15,107)	(12,326)
Total current liabilities		(209,236)	(187,258)	(209,904)	(187,258)
Total assets less current liabilities		608,568	621,127	727,982	621,127
Non-current liabilities					
Trade and other payables	24	(425)	(425)	(425)	(425)
Borrowings	26	(203,579)	(142,437)	(323,121)	(142,437)
Provisions	28	(4,984)	(6,556)	(4,984)	(6,556)
Other liabilities	25	(3,436)	(3,604)	(3,436)	(3,604)
Total non-current liabilities		(212,424)	(153,022)	(331,966)	(153,022)
Total assets employed		396,144	468,105	396,017	468,105
Financed by					
Public dividend capital		496,911	495,991	496,911	495,991
Revaluation reserve		160,289	152,362	160,289	152,362
Income and expenditure reserve		(261,056)	(180,248)	(261,183)	(180,248)
Total taxpayers' equity		396,144	468,105	396,017	468,105

The notes on pages 288 to 327 form part of these accounts.



Caroline Clarke
Chief Executive
22 May 2019

Statement of Changes in Equity for the year ended 31 March 2019

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2018 - brought forward	495,991	152,362	(180,248)	468,105
Surplus/(deficit) for the year	-	-	(80,852)	(80,852)
Impairments	-	(8,277)	-	(8,277)
Revaluations	-	16,248	-	16,248
Transfer to retained earnings on disposal of assets	-	(44)	44	-
Public dividend capital received	2,323	-	-	2,323
Public dividend capital repaid	(1,403)	-	-	(1,403)
Taxpayers' and others' equity at 31 March 2019	496,911	160,289	(261,056)	396,144

Statement of Changes in Equity for the year ended 31 March 2018

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2017 - brought forward	429,808	139,372	(155,644)	413,536
Surplus/(deficit) for the year	-	-	(24,604)	(24,604)
Impairments	-	(1,832)	-	(1,832)
Revaluations	-	14,822	-	14,822
Public dividend capital received	66,183	-	-	66,183
Taxpayers' and others' equity at 31 March 2018	495,991	152,362	(180,248)	468,105

Statement of Changes in Equity for the year ended 31 March 2019

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2018 - brought forward	495,991	152,362	(180,248)	468,105
Surplus/(deficit) for the year	-	-	(80,977)	(80,977)
Impairments	-	(8,277)	-	(8,277)
Revaluations	-	16,248	-	16,248
Transfer to retained earnings on disposal of assets	-	(44)	44	-
Public dividend capital received	2,323	-	-	2,323
Public dividend capital repaid	(1,403)	-	-	(1,403)
Taxpayers' and others' equity at 31 March 2019	496,911	160,289	(261,181)	396,019

Statement of Changes in Equity for the year ended 31 March 2018

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2017 - brought forward	429,808	139,372	(155,644)	413,536
Surplus/(deficit) for the year	-	-	(24,604)	(24,604)
Impairments	-	(1,832)	-	(1,832)
Revaluations	-	14,822	-	14,822
Public dividend capital received	66,183	-	-	66,183
Taxpayers' and others' equity at 31 March 2018	495,991	152,362	(180,248)	468,105

Information on reserves (group and trust)

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

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

Financial assets reserve/available-for-sale investment reserve

This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevivable election at recognition.

Income and expenditure reserve

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

Statement of Cash Flows

	Note	Group		Trust	
		2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
Cash flows from operating activities					
Operating deficit		(61,316)	(53,117)	(61,941)	(53,117)
Non-cash income and expense:					
Depreciation and amortisation	7.1	35,752	34,815	35,752	34,815
Net impairments	8	13,292	25,915	13,292	25,915
Income recognised in respect of capital donations	4	(151)	(1,750)	(151)	(1,750)
(Increase) / decrease in receivables and other assets		5,696	(21,323)	4,625	(21,323)
(Increase) / decrease in inventories		(1,536)	(796)	(1,536)	(796)
Increase / (decrease) in payables and other liabilities		25,153	(682)	22,300	(682)
Increase / (decrease) in provisions		2,734	487	2,734	487
Net cash flows from / (used in) operating activities		19,624	(16,451)	15,075	(16,451)
Cash flows from investing activities					
Interest received		440	130	5,206	130
Purchase of intangible assets		(9,388)	(3,858)	(9,388)	(3,858)
Purchase of PPE and investment property		(52,751)	(106,643)	(52,751)	(106,643)
Sales of PPE and investment property		394	65,262	394	65,262
Receipt of cash donations to purchase assets		151	1,750	151	1,750
Net cash flows from / (used in) investing activities		(61,154)	(43,359)	(56,388)	(43,359)
Cash flows from financing activities					
Public dividend capital received		2,323	66,183	2,323	66,183
Public dividend capital repaid		(1,403)	-	(1,403)	-
Movement on loans from DHSC		51,422	41,422	51,422	41,422
Movement on other loans		-	-	(10,000)	-
Other capital receipts		3,182	-	10,936	-
Capital element of finance lease rental payments		(139)	(51)	(139)	(51)
Capital element of PFI, LIFT and other service concession payments		(1,611)	(1,402)	(1,611)	(1,402)
Interest on loans		(3,267)	(2,684)	(3,267)	(2,684)
Interest paid on finance lease liabilities		(1,368)	(1,256)	(1,368)	(1,256)
Interest paid on PFI, LIFT and other service concession obligations		(3,536)	(3,749)	(3,536)	(3,749)
PDC dividend (paid) / refunded		(11,808)	(13,960)	(11,808)	(13,960)
Cash flows from (used in) other financing activities		-	-	-	-
Net cash flows from / (used in) financing activities		33,795	84,503	31,549	84,503
Increase / (decrease) in cash and cash equivalents		(7,736)	24,693	(9,764)	24,693
Cash and cash equivalents at 1 April - brought forward		43,664	18,971	43,664	18,971
Cash and cash equivalents at 31 March	23	35,929	43,664	33,900	43,664

Notes to the Accounts

Note 1 Accounting policies and other information

The accounting policies disclosed below are applicable to the group and trust, unless noted otherwise. Details of the accounting policies for the subsidiary company, following FRS 101, are noted in the relevant sections.

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Note 1.1.1 Accounting convention

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

Note 1.2 Going concern

The group has reported a deficit for the past three financial years (2018/19, 2017/18 and 2016/17) and is forecasting a deficit for 2019/20. The forecast deficit is based on a number of assumptions including the delivery of cost improvement programmes. The group has assumed it will receive financial support from the Department of Health during the course of 2019/20 in order to meet its liabilities and continue to provide healthcare services. The extent and nature of the financial support from the Department of Health, including whether such support will be forthcoming or sufficient, is currently uncertain, as are any terms and conditions associated with the funding. Based on this position, the external auditors in their auditors' report, have included a material uncertainty in relation to going concern.

After making enquiries, the directors have a reasonable expectation that the group 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. The expectation is informed by the anticipated continuation of the provision of service in the future, as evidenced by inclusion of financial provision for that service in published documents. Contracts for Service, being the NHS Standard Contract 2018/19 has been signed with the group's main commissioners.

Note 1.3 Consolidation

Subsidiaries

The group financial statements consolidate the financial statements of the trust and entities controlled by the trust (its subsidiaries) and incorporate its share of the results of wholly controlled entities and associates using the equity method of accounting. The financial statement of the subsidiaries are prepared for the same reporting year as the trust.

Subsidiary entities are those over which the trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

Where subsidiaries' accounting policies are not aligned with those of the trust (including where they report under UK FRS 101) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

Subsidiaries which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less costs to sell'.

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 financial statement 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 (eg revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, eg, share dividends are received by the trust from the associate.

Associates which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less costs to sell'.

Joint ventures

Joint ventures are 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.

Joint operations

Joint operations are arrangements in which the trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The trust includes within its financial statements its share of the assets, liabilities, income and expenses.

Note 1.4.1 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the trust accrues income relating to performance obligations satisfied in that year. Where the trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The main source of income for the trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Revenue is recognised if the collection of consideration is probable and the full amount is recognised. Where contract challenges from commissioners are expected to be upheld, the trust reflects this in the transaction price and derecognises the relevant portion of income.

The impact of the readmissions credits are applied directly to the unit price charged to commissioners. We apply the rules as per the national guidance. It is therefore within contract baselines, and within actuals each month, so does not require a year end adjustment. Readmissions are not considered additional performance obligations, rather are satisfied under the original transaction price.

The Trust receives CQUIN monies from commissioners, based on schemes agreed within the respective commissioner contracts. They are considered separate performance obligations within their own right, and these obligations are detailed within the CQUIN schedules within each contract. Payment of CQUIN is based on achievement of performance against those specific measures.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the trust's interim performance does not create an asset with alternative use for the trust, and the trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the trust recognises revenue each year over the course of the contract.

NHS injury cost recovery scheme

The trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.4.2 Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.4.3 Other income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the 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 Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme.

Employer's 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.

Note 1.6 Expenditure on other goods and services

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

Note 1.7 Property, plant and equipment

Note 1.7.1 Recognition

Property, plant and equipment is capitalised where:

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

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

Note 1.7.2 Measurement

Valuation

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

All assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either frontline services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value

where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

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

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

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is derecognised. 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 lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

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

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating 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 GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower

of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

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

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

Note 1.7.3 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 ie:
 - management are committed to a plan to sell the asset
 - an active programme has begun to find a buyer and complete the sale
 - the asset is being actively marketed at a reasonable price
 - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned 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 derecognised when all material sale contract conditions have been met.

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

Note 1.7.4 Donated and grant funded assets

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

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

Note 1.7.5 Private Finance Initiative (PFI) transactions

PFI and LIFT 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, 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, the charges for services and lifecycle replacement of components of the asset.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

Note 1.7.6 Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	18	60
Dwellings	18	60
Plant & machinery	3	7
Transport equipment	7	7
Information technology	3	5
Furniture & fittings	7	7

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

Note 1.8 Intangible assets

Note 1.8.1 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 and
- 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.

Note 1.8.2 Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of 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 lives in a manner consistent with the consumption of economic or service delivery benefits.

Note 1.8.3 Useful economic life of intangible assets

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

	Min life Years	Max life Years
Information technology	3	7
Development expenditure	3	7
Websites	3	7
Software licences	3	7
Licences & trademarks	3	7
Patents	3	7
Other (purchased)	3	7

Note 1.9 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.

Note 1.10 Cash and cash equivalents

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

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

Note 1.11 Financial assets and financial liabilities

Note 1.11.1 Recognition

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

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

Note 1.11.2 Classification and measurement

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

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income.

Financial liabilities classified as subsequently measured at amortised cost or fair value through income and expenditure.

Financial assets and financial liabilities at amortised cost

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

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

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

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the trust elected to measure an equity instrument in this category on initial recognition.

Financial assets and financial liabilities at fair value through income and expenditure

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

Impairment of financial assets

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

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

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

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

Note 1.11.3 Derecognition

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

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Note 1.12 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Note 1.12.1 The trust as lessee

Finance leases

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

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

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is derecognised when the liability is discharged, cancelled or expires.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

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

Note 1.12.2 The trust as lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Note 1.13 Provisions

The trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 28 but is not recognised in the trust's accounts.

Non-clinical risk pooling

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.14 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.

Note 1.15 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for:

- (i) donated 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 and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.16 Value added tax

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.17 Corporation tax

The trust board has reviewed the commercial activities of the trust and consideration has been given to the implications of corporation tax. At this stage the trust board is satisfied that there is a liability of £27,000 in respect of profits made on the activities of RFL Property Services Ltd.

The tax expense for the period comprises current tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income. The current tax charge is calculated on the basis of the tax laws enacted in the UK at the date of the Statement of Financial Position where the company operates and generates taxable income. Management evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Note 1.18 Foreign exchange

The functional and presentational currency of the trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.19 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the 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.

Note 1.20 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 the trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.21 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.22 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Valuation of land and buildings

The trust's land and building assets are valued on the basis explained in note 1.7 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.

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.

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.

Note 1.23 Sources of estimation/uncertainty

The following are assumptions about the future and other major sources of estimation / uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Allowances for credit losses

The trust makes allowances for 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 are disclosed in note 22 to the accounts.

Clinical income estimates

The trust does a full review of its activity and invoices commissioners in accordance with the contracts agreed for the year. However, at the year end some balances - as reflected in higher trade receivables - have not been approved or paid by commissioners and therefore there remains a possibility that not all receivables will be paid.

Note 1.3 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

Note 1.4 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 2018/19:

IFRS 14 Regulatory Deferral Accounts

IFRS 16 Leases

IFRS 17 Insurance Contracts

IRFIC 23 Uncertainty over Income Tax Treatments

The group is in the process of assessing the impact on the financial statements from the adoption of IFRS16 in 2020/21. The group has considered the other standards that are expected to be effective in 2019/20 and does not believe, at this stage, based on a high level review, that they will lead to a material impact on the position in 2019/20. Further work will be completed in 2019/20.

Note 2 Operating segments

The board as 'Chief Operating Decision Maker' has determined that healthcare services operate in a single reportable segment, which is the provision of healthcare services. The segmental reporting

format reflects the trust's management and internal reporting structure. The trust has identified segments in line with the thresholds in IFRS 8, applying the requirement of the ARM to adopt three significant operating segments subject to the external reporting requirement of IFRS 8. Applying the aggregation criteria to the trust's three significant operating segments found that in all cases the segments had similar economic characteristics, the nature of the services are similar, the nature of the production process are similar, the type or class of customer for the services are similar, the methods used to provide the services are similar and the nature of the regulatory environment is similar.

The trust's significant operating segments satisfy all of the criteria listed for an aggregation to be deemed appropriate. The three significant operating segments of the trust are all active in the same business – the provision of healthcare, and all operate within the same economic environment – the United Kingdom. Given that the purpose of disclosing segmental information is to enable users of the annual report and accounts to evaluate the nature and financial effects of business activities and economic environments, reporting a single segment of 'Healthcare' would be consistent with the core principle of IFRS 8, as it would show the singular nature of both the business activity and the economic environment of the trust.

The trust established a group structure from the 1st July 2017 and the Board received reporting on a segmental basis since then. The reporting has been refined over the financial years but no segmental information is provided in these accounts.

Note 3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.1

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Note 3.1 Income from patient care activities (by nature)				
Elective income	97,779	99,188	97,779	99,188
Non elective income	193,092	176,071	193,092	176,071
First outpatient income	58,221	56,398	58,221	56,398
Follow up outpatient income	59,479	59,925	59,479	59,925
A & E income	40,235	34,619	40,235	34,619
High cost drugs income from commissioners (excluding pass-through costs)	183,691	190,974	183,691	190,974
Other NHS clinical income	263,090	248,736	263,090	248,736
Private patient income	23,187	22,425	23,187	22,425
Agenda for Change pay award central funding	6,785	-	6,785	-
Other clinical income	3,808	4,550	3,808	4,550
Total income from activities	929,367	892,886	929,367	892,886

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Note 3.2 Income from patient care activities (by source)				
Income from patient care activities received from:				
NHS England	326,774	326,943	326,774	326,943
Clinical commissioning groups	558,782	527,428	558,782	527,428
Department of Health and Social Care	6,785	-	6,785	-
Other NHS providers	4,637	4,430	4,637	4,430
NHS other	5,087	5,561	5,087	5,561
Local authorities	-	1,088	-	1,088
Non-NHS: private patients	23,187	22,425	23,187	22,425
Non-NHS: overseas patients (chargeable to patient)	1,884	2,379	1,884	2,379
Injury cost recover scheme	1,925	2,171	1,925	2,171
Non NHS: other	306	461	306	461
Total income from activities	929,367	892,886	929,367	892,886
Of which:				
Related to continuing operations	929,367	892,886	929,367	892,886
Related to discontinued operations	-	-	-	-

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

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Income recognised this year	1,884	2,379	1,884	2,379
Cash payments received in-year	1,247	1,104	1,247	1,104
Amounts added to provision for impairment of receivables	686	1,166	686	1,166
Amounts written off in-year	262	556	262	556

Note 4 Other operating income (Group)

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Other operating income from contracts with customers:				
Research and development (contract)	9,361	8,397	9,361	8,397
Education and training (excluding notional apprenticeship levy income)	36,765	38,096	36,765	38,096
Non-patient care services to other bodies	20,221	19,196	20,221	19,196
 Provider sustainability / sustainability and transformation fund income (PSF / STF)	-	22,515	-	22,515
Other contract income	23,644	38,480	23,263	38,480
Other non-contract operating income:				
Receipt of capital grants and donations	151	1,750	151	1,750
Charitable and other contributions to expenditure *	9,457	652	9,457	652
Support from the Department of Health and Social Care for mergers	12,090	21,810	12,090	21,810
Rental revenue from operating leases	241	419	241	419
Total other operating income	111,930	151,315	111,549	151,315
Of which:				
Related to continuing operations	111,930	151,315	111,549	151,315

* During 2018/19 the trust received £8.6m from the Royal Free Charity as a grant to fund quality improvement, digital transformation and other patient schemes.

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period**Group and Trust**

	2018/19
	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	12,158
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-

Note 5.2 Transaction price allocated to remaining performance obligations

There are no material transaction prices allocated to remaining performance obligations.

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

Note 5.3 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2018/19	2017/18
	£000	£000
Income from services designated as commissioner requested services	885,556	855,459
Income from services not designated as commissioner requested services	43,811	37,427
Total	<u>929,367</u>	<u>892,886</u>

Note 5.4 Profits and losses on disposal of property, plant and equipment

The trust has not disposed of land and buildings assets used in the provision of Commissioner Requested Services during the year ended 31 March 2019 nor the year ended 31 March 2018.

Note 6.1 Fees and charges (Group and Trust)

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2018/19	2017/18
	£000	£000
Income	10,580	16,160
Full cost	(10,195)	(16,020)
Surplus / (deficit)	<u>385</u>	<u>140</u>

Note 7.1 Operating expenses (Group)

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Purchase of healthcare from NHS and DHSC bodies	17,129	20,972	17,129	20,972
Purchase of healthcare from non-NHS and non-DHSC bodies	57,491	43,227	57,491	43,227
Staff and executive directors costs	539,091	527,034	537,550	527,034
Remuneration of non-executive directors	168	159	168	159
Supplies and services - clinical (excluding drugs costs)	71,967	80,321	71,418	80,321
Supplies and services - general	30,389	18,085	28,438	18,085
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	198,299	213,061	198,299	213,061
Inventories written down	90	82	91	82
Consultancy costs	4,135	7,401	3,920	7,401
Establishment	5,446	6,110	5,446	6,110
Premises	36,772	31,592	35,725	31,592
Transport (including patient travel)	13,465	12,038	13,464	12,038
Depreciation on property, plant and equipment	31,283	29,927	31,283	29,927
Amortisation on intangible assets	4,469	4,888	4,469	4,888
Net impairments	13,292	25,915	13,292	25,915
Movement in credit loss allowance: contract receivables / contract assets	9,861	-	9,811	-
Movement in credit loss allowance: all other receivables and investments	-	8,003	50	8,003
Increase/(decrease) in other provisions	1,753	(538)	1,753	(538)
Change in provisions discount rate(s)	(112)	96	(112)	96
Audit fees payable to the external auditor	-	-	-	-
audit services- statutory audit	162	164	162	164
other auditor remuneration (external auditor only)	12	12	12	12
Internal audit costs	159	140	159	140
Clinical negligence	24,392	25,099	24,392	25,099
Legal fees	1,236	947	1,236	947
Insurance	892	509	878	509
Research and development	8,731	7,563	8,731	7,563
Education and training	1,888	3,880	1,888	3,880
Rentals under operating leases	3,517	3,108	3,517	3,108
Early retirements	-	166	-	166
Redundancy	-	4,076	-	4,076
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (PFI)	25,057	22,869	25,057	22,869
Car parking & security	75	59	73	59
Hospitality	61	93	61	93
Losses, ex gratia & special payments	-	-	-	-
Other	1,443	260	7,008	260
Total	1,102,613	1,097,318	1,102,857	1,097,318
Of which:				
Related to continuing operations	1,102,613	1,097,318	1,102,857	1,097,318

Note 7.2 Other auditor remuneration (Group and Trust)

	2018/19	2017/18
	£000	£000
Other auditor remuneration paid to the external auditor:		
Audit-related assurance services	12	12
Total	12	12

Note 7.3 Limitation on auditor's liability (Group and Trust)

The limitation on auditor's liability for external audit work is £1m (2017/18: £1m).

Note 8 Impairment of assets (Group and Trust)

	2018/19	2017/18
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	13,292	25,915
Total net impairments charged to operating surplus / deficit	13,292	25,915
Impairments charged to the revaluation reserve	8,277	1,832
Total net impairments	21,569	27,747

The impairments recognised above arise as a result of the revaluation exercise undertaken in the year, as described in note 18.

Note 9 Employee benefits (Group)

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	Total	Total	Total	Total
	£000	£000	£000	£000
Salaries and wages	417,736	406,267	416,501	406,267
Social security costs	52,818	51,357	52,690	51,357
Apprenticeship levy	2,471	2,301	2,471	2,301
Employer's contributions to NHS pensions	55,369	54,034	55,252	54,034
Temporary staff (including agency)	21,535	22,241	21,474	22,241
Total gross staff costs	549,929	536,200	548,388	536,200
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	549,929	536,200	548,388	536,200
Of which				
Costs capitalised as part of assets	3,819	2,807	3,819	2,807

Further details of staff numbers and directors remuneration is available in the annual report.

Note 9.1 Retirements due to ill-health (Group)

During 2018/19 there were 5 early retirements from the trust agreed on the grounds of ill-health (5 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £219k (£334k in 2017/18).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 10 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care has recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Note 11 Operating leases (Group and Trust)

Note 11.1 Royal Free London NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Royal Free London NHS Foundation Trust is the lessor.

Operating lease income arises principally to leasing parts of the Royal Free's buildings.

	2018/19 £000	2017/18 £000
Operating lease revenue		
Minimum lease receipts	215	419
Contingent rent	26	-
Total	241	419
	31 March 2019 £000	31 March 2018 £000
Future minimum lease receipts due:		
- not later than one year;	215	215
- later than one year and not later than five years;	561	652
- later than five years.	270	394
Total	1,046	1,261

Note 11.2 Royal Free London NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Royal Free London NHS Foundation Trust is the 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.

	2018/19 £000	2017/18 £000
Operating lease expense		
Minimum lease payments	3,103	2,729
Contingent rents	414	379
Total	3,517	3,108
	31 March 2019 £000	31 March 2018 £000
Future minimum lease payments due:		
- not later than one year;	1,865	2,252
- later than one year and not later than five years;	6,892	7,620
- later than five years.	1,885	4,044
Total	10,642	13,916
Future minimum sublease payments to be received	-	-

Note 12 Finance income (Group)

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

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Interest on bank accounts	440	126	440	126
Interest on other investments / financial assets	-	-	4,766	-
Total finance income	440	126	5,206	126

Note 13.1 Finance expenditure (Group)

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

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Interest expense:				
Loans from the Department of Health and Social Care	3,412	2,732	3,412	2,732
Other loans	-	-	4,295	-
Finance leases	1,368	1,256	1,368	1,256
Main finance costs on PFI and LIFT schemes obligations	3,536	3,749	3,536	3,749
Total interest expense	8,316	7,737	12,611	7,737
Unwinding of discount on provisions	6	17	6	17
Total finance costs	8,322	7,754	12,617	7,754

Note 13.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group and trust)

	2018/19	2017/18
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims made under this legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 14 Other gains (Group and Trust)

	2018/19	2017/18
	£000	£000
Gains on disposal of assets	6	47,712
Total gains / (losses) on disposal of assets	6	47,712
Total other gains / (losses)	6	47,712

Note 15.1 Intangible assets - 2018/19

Group and Trust	Software licences £000	Licences & trademarks £000	Development expenditure £000	Total £000
Valuation / gross cost at 1 April 2018 - brought forward	2,034	126	28,027	30,187
Additions	-	-	9,388	9,388
Disposals / derecognition	(849)	(63)	(4,002)	(4,914)
Valuation / gross cost at 31 March 2019	1,185	63	33,413	34,661
Amortisation at 1 April 2018 - brought forward	1,183	61	13,354	14,598
Provided during the year	158	10	4,301	4,469
Disposals / derecognition	(849)	(63)	(4,002)	(4,914)
Amortisation at 31 March 2019	492	8	13,653	14,153
Net book value at 31 March 2019	693	55	19,760	20,508
Net book value at 1 April 2018	851	65	14,673	15,589

Note 15.2 Intangible assets - 2017/18

Group and Trust	Software licences £000	Licences & trademarks £000	Development expenditure £000	Total £000
Valuation / gross cost at 1 April 2017 - as previously stated	2,418	126	21,282	23,826
Valuation / gross cost at 1 April 2017 - restated	2,418	126	21,282	23,826
Additions	291	-	3,567	3,858
Reclassifications	(675)	-	6,174	5,499
Disposals / derecognition	-	-	(2,996)	(2,996)
Valuation / gross cost at 31 March 2018	2,034	126	28,027	30,187
Amortisation at 1 April 2017 - as previously stated	1,730	42	6,955	8,727
Amortisation at 1 April 2017 - restated	1,730	42	6,955	8,727
Provided during the year	127	19	4,742	4,888
Reclassifications	(674)	-	4,653	3,979
Disposals / derecognition	-	-	(2,996)	(2,996)
Amortisation at 31 March 2018	1,183	61	13,354	14,598
Net book value at 31 March 2018	851	65	14,673	15,589
Net book value at 1 April 2017	688	84	14,327	15,099

Note 16.1 Property, plant and equipment - 2018/19

Group and Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2018 - brought forward	67,652	368,377	190	116,908	90,491	43	28,741	13,960	686,362
Additions*	-	24,100	-	11,819	10,987	-	5,562	744	53,212
Impairments	(193)	(24,233)	-	-	-	-	-	-	(24,426)
Reversals of impairments	-	2,857	-	-	-	-	-	-	2,857
Revaluations	-	(2,466)	(10)	-	-	-	-	-	(2,476)
Reclassifications	-	111,903	-	(113,127)	381	-	843	-	-
Disposals / derecognition*	-	-	-	-	(7,035)	-	(14,657)	(280)	(21,972)
Valuation/gross cost at 31 March 2019	67,459	480,538	180	15,600	94,824	43	20,489	14,424	693,557
Accumulated depreciation at 1 April 2018 - brought forward	-	-	-	-	69,373	43	21,037	3,501	93,954
Depreciation at start of period as FT	-	-	-	-	-	-	-	-	-
Provided during the year	-	18,714	10	-	6,662	-	4,042	1,855	31,283
Revaluations	-	(18,714)	(10)	-	-	-	-	-	(18,724)
Disposals / derecognition	-	-	-	-	(6,681)	-	(14,623)	(280)	(21,584)
Accumulated depreciation at 31 March 2019	-	-	-	-	69,354	43	10,456	5,076	84,929
Net book value at 31 March 2019	67,459	480,538	180	15,600	25,470	-	10,033	9,348	608,628
Net book value at 1 April 2018	67,652	368,377	190	116,908	21,118	-	7,704	10,459	592,408

* Buildings excluding dwellings have been reduced in value by £18.368m due to a VAT refund from HMRC received in March 2019. The VAT related to payments made in past periods. On 28 June 2018 the construction contract for Chase Farm was transferred from the trust to RFL Property Services Limited. The transfer was deemed to be a taxable supply which resulted in the trust able to make an additional claim to input tax under VAT Regulations 1995. This refund has been offset against in year additions.

Note 16.2 Property, plant and equipment - 2017/18

Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2017 - as previously stated	67,652	334,015	203	83,204	108,448	43	39,691	13,921	647,177
Additions	-	25,385	-	75,687	5,812	-	2,105	869	109,857
Impairments	-	(2,906)	(1)	(24,840)	-	-	-	-	(27,747)
Revaluations	-	(3,313)	(11)	-	-	-	-	-	(3,324)
Reclassifications	-	15,196	-	(17,143)	48	-	(3,600)	-	(5,499)
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(23,817)	-	(9,455)	(830)	(34,102)
Valuation/gross cost at 31 March 2018	67,652	368,377	190	116,908	90,491	43	28,741	13,960	686,362
Accumulated depreciation at 1 April 2017 - as previously stated	-	-	-	-	86,737	43	30,872	2,602	120,254
Provided during the year	-	18,135	11	-	6,453	-	3,599	1,729	29,927
Revaluations	-	(18,135)	(11)	-	-	-	-	-	(18,146)
Reclassifications	-	-	-	-	-	-	(3,979)	-	(3,979)
Disposals / derecognition	-	-	-	-	(23,817)	-	(9,455)	(830)	(34,102)
Accumulated depreciation at 31 March 2018	-	-	-	-	69,373	43	21,037	3,501	93,954
Net book value at 31 March 2018	67,652	368,377	190	116,908	21,118	-	7,704	10,459	592,408
Net book value at 1 April 2017	67,652	334,015	203	83,204	21,711	-	8,819	11,319	526,923

Note 16.3 Property, plant and equipment financing - 2018/19

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2019									
Owned - purchased	67,459	390,385	180	15,600	23,951	-	10,033	9,348	516,956
Finance leased	-	6,699	-	-	1,193	-	-	-	7,892
On-SoFP PFI contracts and other service concession arrangements	-	74,163	-	-	-	-	-	-	74,163
Owned - donated	-	9,291	-	-	326	-	-	-	9,617
NBV total at 31 March 2019	67,459	480,538	180	15,600	25,470	-	10,033	9,348	608,628

Note 16.4 Property, plant and equipment financing - 2017/18

Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2018									
Owned - purchased	67,652	285,923	190	116,908	20,623	-	7,704	10,459	509,459
Finance leased	-	4,413	-	-	107	-	-	-	4,520
On-SoFP PFI contracts and other service concession arrangements	-	68,179	-	-	-	-	-	-	68,179
Owned - donated	-	9,862	-	-	388	-	-	-	10,250
NBV total at 31 March 2018	67,652	368,377	190	116,908	21,118	-	7,704	10,459	592,408

Trust - In June 2018 the trust entered into an agreement with RFL Property Services Limited (RFLPS) to manage and be financially and operationally responsible for the completion of the Chase Farm site in accordance with the development contract novated to it. RFLPS will substantially fund this additional construction work through the receipt of loans from the Trust and will subsequently recover those costs, together with a margin, from the Trust through the 'unitary charge' payable by the Trust in accordance with the service agreement.

The Trust has granted RFLPS a non exclusive licence to occupy the Chase Farm site to enable to to both complete the development of the site and to subsequently enable it to access the site to provide the contracted property services. RFLPS is not granted legal title over the site, nor does it acquire any other property or ownership rights under the licence and the trust continues to retain the rights to occupy and use the site as well as allow other parties access to it should it wish. The trust therefore retains the right to direct and control the asset and secures all the economic benefits arising from its use.

Note 17 Donations of property, plant and equipment

During the year £0.6m was donated by the Royal Free Charity as a contribution to capital expenditure towards the refurbishment of the Charles Wolfson Centre for Reconstructive Surgery at the Hampstead site (2017/18: £1.75m). The trust has recognised £0.2m in revenue which is equal to the amount of capital spent in 2018/19 and deferred the balance into 2019/20.

Note 18 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 2019 (2017/18: 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 Depreciated Replacement Cost 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.

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.

Note 19 Investments in joint ventures

Details of the trust's investments in joint arrangements are as follows.

UCL Partners Limited

The group 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 2018; the reported assets, liabilities, revenues and profit/loss are not material to the trust.

Health Services Laboratories LLP ("HSL LLP")

The group 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.

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	17,697	16,570	17,697	16,570
Prior period adjustments		-		
Carrying value at 1 April - restated	17,697	16,570	17,697	16,570
Share of profit / (loss)	67	1,127	67	1,127
Carrying value at 31 March	17,764	17,697	17,764	17,697

Note 20 Investments in Subsidiary

RFL Property Services Limited was incorporated on the 28th June 2018 with £50,000 of called up share capital. It is a wholly owned subsidiary of the Trust. The primary purpose of the company is to manage the provision of estates and facilities services to the trust.

The agreement with RFL Property Services Limited (RFLPS) is to manage and be financially and operationally responsible for the completion of the Chase Farm site in accordance with the development contract novated to it. RFLPS will substantially fund this additional construction work through the receipt of loans from the Trust and will subsequently recover those costs, together with a margin, from the Trust through the 'unitary charge' payable by the Trust in accordance with the service agreement.

Note 21 Inventories

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Drugs	4,801	5,424	4,801	5,424
Work In progress	-	-	-	-
Consumables	6,022	3,906	6,022	3,906
Energy	179	136	179	136
Other	-	-	-	-
Charitable fund inventory	-	-	-	-
Total inventories	11,002	9,466	11,002	9,466
of which:				
Held at fair value less costs to sell	-	-	-	-

Inventories recognised in expenses for the year were £198,299k (2017/18: £213,061k). Write-down of inventories recognised as expenses for the year were £90k (2017/18: £82k).

Note 22.1 Receivables

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Current				
Contract receivables*	132,950		133,033	-
Trade receivables*		115,607	-	115,607
Accrued income*		24,549	-	24,549
Allowance for impaired contract receivables / assets*	(42,722)	-	(42,722)	-
Allowance for other impaired receivables	-	(33,808)		(33,808)
Prepayments (non-PFI)	6,004	3,600	5,987	3,600
Interest receivable	-	-	42	-
PDC dividend receivable	2,817	2,709	2,817	2,709
VAT receivable	22,390	3,454	22,615	3,454
Other receivables	22	10,884	13	10,884
Total current receivables	121,461	126,995	121,785	126,995
Non-current				
Contract receivables*	-		121,738	-
Capital receivables	1,853	1,853	1,853	1,853
Prepayments (non-PFI)	659	713	659	713
Total non-current receivables	2,512	2,566	124,250	2,566
Of which receivable from NHS and DHSC group bodies:				
Current	91,688	115,761	91,688	115,761
Non-current	-	-	-	-

*Following the application of IFRS 15 from 1 April 2018, the trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

Non - current receivables (Trust) relates to the disposal of the Chase Farm property to RFL Property Services (a wholly owned subsidiary of the trust) and the creation of a loan receivable.

Note 22.2 Allowances for credit losses - 2018/19

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2018 - brought forward		33,808		33,808
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	33,808	(33,808)	33,808	(33,808)
New allowances arising	-	-	-	-
Changes in existing allowances	13,381	-	13,381	-
Reversals of allowances	(3,520)	-	(3,520)	-
Utilisation of allowances (write offs)	(947)	-	(947)	-
Allowances as at 31 Mar 2019	42,722	-	42,722	-

Allowances for credit losses have been calculated against each class of receivable using specific knowledge, age of receivable and past experience.

Note 22.3 Allowances for credit losses - 2017/18

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

	Group All receivables £000	Trust All receivables £000
Allowances as at 1 Apr 2017 - as previously stated	27,272	27,272
Increase in provision	10,562	10,562
Amounts utilised	(1,467)	(1,467)
Unused amounts reversed	(2,559)	(2,559)
Allowances as at 31 Mar 2018	33,808	33,808

Note 22.4 Ageing of impaired receivables

	31 March 2019 other £000	31 March 2018 other £000
Ageing of impaired Receivables		
0 - 30 days	3,926	6,036
30-60 Days	1,626	523
60-90 days	384	120
90- 180 days	959	1,089
Over 180 days	33,314	24,531
Total	40,209	32,299
Ageing of non-impaired receivables past their due date		
0 - 30 days	13,427	16,328
30-60 Days	5,310	6,788
60-90 days	5,446	10,575
90- 180 days	6,464	14,640
Over 180 days	20,515	12,574
Total	51,162	60,905

Of the non- impaired receivables past their due date the trust fully expects to receive these amounts.

Note 23.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
At 1 April	43,664	18,971	43,664	18,971
Net change in year	(7,735)	24,693	(9,764)	24,693
At 31 March	35,929	43,664	33,900	43,664
Broken down into:				
Cash at commercial banks and in hand	2,667	530	638	530
Cash with the Government Banking Service	33,262	43,134	33,262	43,134
Total cash and cash equivalents as in SoCF	35,929	43,664	33,900	43,664

Note 23.2 Third party assets held by the trust

Royal Free London NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group and Trust	
	31 March 2019 £000	31 March 2018 £000
Bank balances	11	16
Monies on deposit	-	-
Total third party assets	11	16

Note 24.1 Trade and other payables

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Current				
Trade payables	54,060	47,835	51,037	47,835
Capital payables	4,278	12,717	4,543	12,717
Accruals	94,310	80,351	93,548	80,351
Social security costs	7,597	6,988	7,576	6,988
Other taxes payable	7,005	6,236	6,956	6,236
Accrued interest on loans*	-	71	-	71
Other payables	14,304	13,299	18,561	13,299
Total current trade and other payables	181,554	167,497	182,222	167,497
Non-current				
Other payables	425	425	425	425
Total non-current trade and other payables	425	425	425	425
Of which payables from NHS and DHSC group bodies:				
Current	30,774	28,431	30,774	28,431
Non-current	-	-	-	-

*Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note 26. IFRS 9 is applied without restatement therefore comparatives have not been restated.

Note 25 Other liabilities

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Current				
Deferred income: contract liabilities	14,939	12,158	14,939	12,158
Lease incentives	168	168	168	168
Total other current liabilities	15,107	12,326	15,107	12,326
Non-current				
Deferred income: contract liabilities	-	1	-	1
Lease incentives	3,436	3,603	3,436	3,603
Total other non-current liabilities	3,436	3,604	3,436	3,604

Note 26 Borrowings

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Current				
Loans from DHSC	1,794	1,578	1,794	1,578
Obligations under finance leases	505	138	505	138
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	1,855	1,610	1,855	1,610
Total current borrowings	4,154	3,326	4,154	3,326
Non-current				
Loans from DHSC	164,466	113,044	164,466	113,044
Obligations under finance leases	19,282	7,707	138,824	7,707
Obligations under PFI, LIFT or other service concession contracts	19,831	21,686	19,831	21,686
Total non-current borrowings	203,579	142,437	323,121	142,437

Further details of loans from DHSC:

Loan and Purpose	Date of Loan	Date of Maturity	Amount Borrowed £000	Current £000	Non Current £000	Interest rate
Capital Loan	2014/15	2033/34	30,000	1,603	22,110	2.63%
Revenue	2016/17	2021/22	46,356	-	46,356	3.5%
Revenue	2017/18	2021/22	13,000	-	13,000	3.5%
Revenue	2017/18	2020/21	10,000	30	10,000	1.5%
Revenue	2017/18	2020/21	20,000	11	20,000	1.5%
Revenue	2018/19	2021/22	18,000	83	18,000	3.5%
Revenue	2018/19	2021/22	35,000	67	35,000	3.5%
			172,356	1,794	164,466	

Note 26.1 Reconciliation of liabilities arising from financing activities

Group	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2018	114,622	-	7,845	23,296	145,763
Cash movements:					
Financing cash flows - payments and receipts of principal	51,422	-	(139)	(1,611)	49,672
Financing cash flows - payments of interest	(3,267)	-	(1,368)	(3,536)	(8,171)
Non-cash movements:					-
Impact of implementing IFRS 9 on 1 April 2018	71	-	0	-	71
Additions	-	-	12,081	1	12,082
Application of effective interest rate	3,412	-	1,368	3,536	8,316
Carrying value at 31 March 2019	166,260	-	19,787	21,686	207,733

Trust	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2018	114,622	-	7,845	23,296	145,763
Cash movements:					
Financing cash flows - payments and receipts of principal	51,422	-	(139)	(1,611)	49,672
Financing cash flows - payments of interest	(3,267)	-	(1,368)	(3,536)	(8,171)
Non-cash movements:					
Impact of implementing IFRS 9 on 1 April 2018	71	-	0	-	71
Additions	-	-	131,623	1	131,624
Application of effective interest rate	3,412	-	1,368	3,536	8,316
Carrying value at 31 March 2019	166,260	-	139,329	21,686	327,275

Note 27 Finance leases

Note 27.1 Royal Free London NHS Foundation Trust as a lessee

Obligations under finance leases where the trust is the lessee.

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Gross lease liabilities	42,341	29,364	161,883	29,364
of which liabilities are due:				
- not later than one year;	1,772	1,251	1,772	1,251
- later than one year and not later than five years;	11,132	4,382	11,132	4,382
- later than five years.	29,437	23,731	148,979	23,731
Finance charges allocated to future periods	(22,554)	(21,520)	(22,554)	(21,520)
Net lease liabilities	19,787	7,845	139,329	7,845
of which payable:				
- not later than one year;	505	138	505	138
- later than one year and not later than five years;	5,290	6	5,290	6
- later than five years.	13,992	7,701	133,534	7,701
Total of future minimum sublease payments to be received at the reporting date	-	-	-	-
Contingent rent recognised as expense in the period	-	(263)	-	(263)

Group - the group 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 group also holds finance leases for various miscellaneous equipment.

Trust - In June 2018 the trust entered into an agreement with RFL Property Services Limited (RFLPS) to manage and be financially and operationally responsible for the completion of the Chase Farm site in accordance with the development contract novated to it. RFLPS will substantially fund this additional construction work through the receipt of loans from the Trust and will subsequently recover those costs, together with a margin, from the Trust through the 'unitary charge' payable by the Trust in accordance with the service agreement.

The completion work elements of the total asset are in effect being acquired by the Trust on the basis of an undertaking to subsequently make payments to RFLPS over the full period of the service agreement. This agreement reimburse RFLPS the initial cost to it of the works and the interest it is charging the Trust for accepting a form of deferred payment for those works. As such the arrangement is an asset financing arrangement analogous to a finance lease or service concession arrangement under which the Trust secures the right to control the use of the underlying asset in return for a series of payments, namely the capital element of the 'unitary charge'. The element of this arrangement is therefore classified as a finance lease.

Note 28.1 Provisions for liabilities and charges analysis (Group and Trust)

	Pensions: early departure costs £000	Pensions: injury benefits* £000	Legal claims £000	Equal Pay (including Agenda for Change) £000	Redundancy £000	Other £000	Total £000
At 1 April 2018	6,222	519	138	-	1,459	2,327	10,665
Change in the discount rate	(101)	(11)	-	-	-	-	(112)
Arising during the year	161	-	28	1,918	3,127	717	5,951
Utilised during the year	(524)	(48)	-	-	(707)	-	(1,279)
Reversed unused	(668)	-	-	-	(752)	(406)	(1,826)
Unwinding of discount	6	-	-	-	-	-	6
At 31 March 2019	5,096	460	166	1,918	3,127	2,638	13,405
Expected timing of cash flows:							
- not later than one year;	524	48	166	1,918	3,127	2,638	8,421
- later than one year and not later than five years;	2,096	192	-	-	-	-	2,288
- later than five years.	2,476	220	-	-	-	-	2,696
Total	5,096	460	166	1,918	3,127	2,638	13,405

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.

* In 2018/19 the analysis of provisions has been revised to separately identify provisions for injury benefit liabilities. In previous periods, these provisions were included within other provisions

Note 28.3 Clinical negligence liabilities

Group and Trust

At 31 March 2019, £383,685k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Royal Free London NHS Foundation Trust (31 March 2018: £356,551k).

NHS Resolution operates a risk pooling scheme under which the NHS foundation trust pays an annual contribution to them, which, in return, settles all clinical negligence claims. Although the NHS Resolution 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 NHS Resolution on behalf of the NHS foundation trust is disclosed here but is not recognised in the trust's accounts.

	31 March 2019 £000	31 March 2018 £000
Value of contingent liabilities		
NHS Resolution legal claims	(121)	(59)
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	-
Gross value of contingent liabilities	(121)	(59)
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	(121)	(59)
Net value of contingent assets	-	-

Note 29 Contractual capital commitments

	Group	
	31 March 2019 £000	31 March 2018 £000
Property, plant and equipment	5,236	51,635
Intangible assets	-	-
Total	5,236	51,635

Note 30 On-SoFP PFI, LIFT or other service concession arrangements

Group and Trust

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.

Note 30.1 Imputed finance lease obligations

The following are obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2019 £000	31 March 2018 £000
Gross PFI, LIFT or other service concession liabilities	41,339	46,486
Of which liabilities are due		
- not later than one year;	5,147	5,147
- later than one year and not later than five years;	19,946	20,588
- later than five years.	16,246	20,751
Finance charges allocated to future periods	(19,653)	(23,190)
Net PFI, LIFT or other service concession arrangement obligation	21,686	23,296
- not later than one year;	1,855	1,610
- later than one year and not later than five years;	10,056	9,289
- later than five years.	9,775	12,397

Note 30.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2019 £000	31 March 2018 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	380,450	379,229
Of which liabilities are due:		
- not later than one year;	29,265	27,088
- later than one year and not later than five years;	117,062	108,351
- later than five years.	234,123	243,790

Note 30.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2018/19 £000	2017/18 £000
Unitary payment payable to service concession operator	30,204	28,016
Consisting of:		
- Interest charge	3,536	3,749
- Repayment of finance lease liability	1,611	1,398
- Service element and other charges to operating expenditure	25,057	22,869
Total amount paid to service concession operator	30,204	28,016

Note 31 Financial instruments

Note 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 group has with clinical commissioning groups and the way those organisations are financed, the NHS group 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 group in undertaking its activities. The group does not undertake speculative treasury transactions.

The group's treasury management operations are carried out by the finance department, within parameters defined formally within the group's standing financial instructions and policies agreed by the board of directors. Group treasury activity is subject to review by the group's internal auditors.

Currency risk

The group is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The group has no overseas operations. The group therefore has low exposure to currency rate fluctuations.

Interest rate risk

The group borrows from government for capital expenditure, subject to affordability. The borrowings are for up to 20 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 group therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the group's income comes from binding contracts with other public sector bodies, the group has low exposure to credit risk. The maximum exposures as at 31 March 2019 and 31 March 2018 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The group's operating costs are incurred under contracts with clinical commissioning groups, which are financed from resources voted annually by Parliament. The group funds its capital expenditure from funds obtained within its prudential borrowing limit. The group is therefore not exposed to significant liquidity risks.

Note 31.2 Carrying values of financial assets

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

Group	Held at amortised cost £000	Total book value £000
Carrying values of financial assets as at 31 March		
2019 under IFRS 9		
Trade and other receivables excluding non financial assets	86,386	86,386
Other investments / financial assets	5,717	5,717
Cash and cash equivalents	35,929	35,929
Total at 31 March 2019	128,032	128,032

Group	Loans and receivables £000	Total book value £000
Carrying values of financial assets as at 31 March		
2018 under IAS 39		
Trade and other receivables excluding non financial assets	117,999	117,999
Other investments / financial assets	-	-
Cash and cash equivalents	43,664	43,664
Total at 31 March 2018	161,663	161,663

Trust	Held at amortised cost £000	Total book value £000
Carrying values of financial assets as at 31 March		
2019 under IFRS 9		
Trade and other receivables excluding non financial assets	92,177	92,177
Other investments / financial assets	5,717	5,717
Cash and cash equivalents	33,900	33,900
Total at 31 March 2019	131,794	131,794

Trust	Loans and receivables £000	Total book value £000
Carrying values of financial assets as at 31 March		
2018 under IAS 39		
Trade and other receivables excluding non financial assets	117,999	117,999
Other investments / financial assets	-	-
Cash and cash equivalents	43,664	43,664
Total at 31 March 2018	161,663	161,663

Note 31.3 Carrying values of financial liabilities

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

Group	Held at amortised cost £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9		
Loans from the Department of Health and Social Care	166,260	166,260
Obligations under finance leases	19,787	19,787
Obligations under PFI, LIFT and other service concession contracts	21,686	21,686
Trade and other payables excluding non financial liabilities	166,951	166,951
Provisions under contract	6,104	6,104
Total at 31 March 2019	380,788	380,788

Group	Held at amortised cost £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2018 under IAS 39		
Loans from the Department of Health and Social Care	114,622	114,622
Obligations under finance leases	7,845	7,845
Obligations under PFI, LIFT and other service concession contracts	23,296	23,296
Trade and other payables excluding non financial liabilities	154,698	154,698
Provisions under contract	1,884	1,884
Total at 31 March 2018	302,345	302,345

Trust	Held at amortised cost £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9		
Loans from the Department of Health and Social Care	166,260	166,260
Obligations under finance leases	139,329	139,329
Obligations under PFI, LIFT and other service concession contracts	21,686	21,686
Trade and other payables excluding non financial liabilities	168,436	168,436
Provisions under contract	6,104	6,104
Total at 31 March 2019	501,815	501,815

Trust	Held at amortised cost £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2018 under IAS 39		
Loans from the Department of Health and Social Care	114,622	114,622
Obligations under finance leases	7,845	7,845
Obligations under PFI, LIFT and other service concession contracts	23,296	23,296
Trade and other payables excluding non financial liabilities	154,698	154,698
Provisions under contract	1,884	1,884
Total at 31 March 2018	302,345	302,345

Note 31.4 Fair values of financial assets and liabilities

Book value (carrying value) is a reasonable approximation of fair value. Interest on Department of Health loans is charged at the rates specified in note 26.

Note 31.5 Maturity of financial liabilities

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
In one year or less	177,207	159,483	178,692	159,483
In more than one year but not more than two years	100,226	36,802	100,226	36,802
In more than two years but not more than five years	67,125	71,742	67,125	71,742
In more than five years	36,230	34,318	155,772	34,318
Total	380,788	302,345	501,815	302,345

Note 32.1 Initial application of IFRS 9

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £71,000, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model did not result in a material movement in the carrying value of receivables.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £5,435k.

Note 32.2 Initial application of IFRS 15

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

Note 33 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 2019 and 31 March 2018 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 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
University College London Hospitals NHS Foundation Trust	4,917	2,413	7,373	5,690
Barts Health NHS Trust	3,630	1,922	692	2,952
NHS Barnet CCG	13,389	18,716	1,980	2,246
NHS Brent CCG	2,340	2,385	310	459
NHS Camden CCG	11,603	11,429	389	451
NHS East and North Hertfordshire CCG	1,578	191	184	222
NHS Enfield CCG	7,617	11,708	735	810
NHS Haringey CCG	582	1,890	165	118
NHS Harrow CCG	700	605	287	272
NHS Herts Valleys CCG	298	1,838	553	553
NHS Islington CCG	294	4	185	805
NHS England	6,425	30,331	1,788	785
Health Education England	389	3,414	197	7
NHS Resolution (formerly NHS Litigation Authority)	-	-	44	19
NHS Property Services	-	-	3,587	2,989
Department of Health	1,563	1,099	-	59
HM Revenue & Customs	22,390	3,454	14,603	13,224
NHS Pension Scheme	-	-	8,132	7,683
HSL Laboratories	952	550	652	-
UCL Partners Limited	162	113	-	-
Royal Free Charity	1,026	244	-	-
BMI Healthcare (Kings Oak)	41	46	-	-
HFMA	-	3	-	-

Note 33 Related parties (continued)

	Income		Expenditure	
	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
University College London Hospitals NHS Foundation Trust	5,206	3,800	3,646	3,015
Barts Health NHS Trust	3,423	3,408	10,169	9,467
NHS Barnet CCG	200,163	194,783	12	251
NHS Brent CCG	25,310	23,212	-	140
NHS Camden CCG	74,577	72,012	4	9
NHS East and North Hertfordshire CCG	26,834	24,973	-	-
NHS Enfield CCG	88,522	81,843	-	-
NHS Haringey CCG	21,613	21,149	5	-
NHS Harrow CCG	11,162	10,307	-	-
NHS Herts Valleys CCG	54,417	57,053	-	-
NHS Islington CCG	13,664	12,943	-	156
NHS England	329,403	354,803	20	-
Health Education England	37,319	39,577	-	7
NHS Resolution (formerly NHS Litigation Authority)	-	-	24,953	25,599
NHS Property Services	-	-	5,664	3,520
Department of Health	19,723	23,631	-	-
HM Revenue & Customs	-	-	55,316	53,658
NHS Pension Scheme	-	-	55,369	54,034
HSL Laboratories	50	3,289	45,544	34,732
UCL Partners Limited	193	332	-	226
Royal Free Charity	12,338	3,527	2,692	2,052
BMI Healthcare (Kings Oak)	-	17	13	6
Institute of Cancer Research	-	12	-	0
MRC Clinical Trials at UCL	-	14	-	0
HFMA	-	-	-	13

Note 34 Events after the reporting date

The Trust has established a wholly owned subsidiary RFL Dispensary Services Limited with a share of £1 to manage the outpatient pharmacies at the Hampstead and Chase Farm sites. The company was registered with company number 11493155 and commenced trading on 1st April 2019.

