



# Annual Report and Accounts 2017/18



Royal Free London  
NHS Foundation Trust

**ANNUAL REPORT AND ACCOUNTS  
2017/18**

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



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# Performance report

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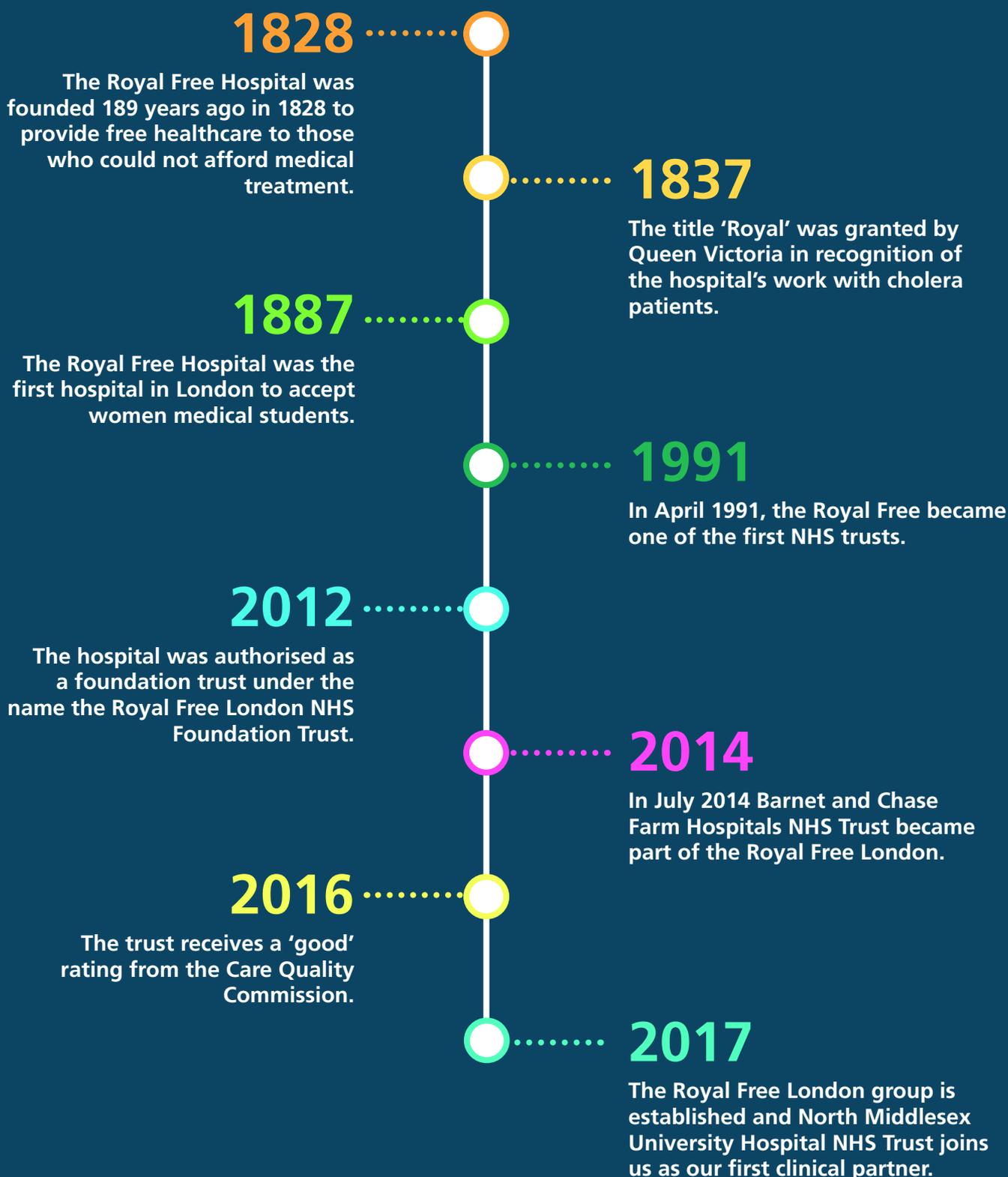
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# Overview

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 2017/18.

## About the Royal Free London





## Our work and activities

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

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

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

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

## Key issues and risks

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The board assurance framework has been re-organised to align the risks with the Royal Free London group goals and the committees responsible for managing those risks. The framework describes the risks and mitigations in place, sources of board assurance and actions required for each risk. See page 59.

## World class care values

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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

# Welcome to the Royal Free London group

Our staff are doing a fantastic job under growing pressure - treating more people than ever before. To manage this increasing demand we need to think differently about the way we deliver our services. For far too long, hospitals and other healthcare services have worked independently - collaboration and partnership working has to be the way forward.



## by doing things differently...

We will have a new operational structure with:

- local hospital management teams in place at our three main hospitals: Barnet Hospital, Chase Farm Hospital and the Royal Free Hospital
- new divisional structures
- a group board and group executive team which sets the strategy for the group.



## We have the opportunity of a generation...

We have been given the opportunity of a generation to improve the care we deliver to our patients through the NHS vanguard programme.

We have been chosen to set up and lead a group of NHS providers who will share services and resources in order to improve the experience of our staff and patients. To deliver on this opportunity, the Royal Free London group was established in July 2017.

## COLLABORATION PARTNERSHIP WORKING



## and collaborating with our partners...

Working side-by-side with other healthcare experts we can 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 that we see across the group, increasing our purchasing power.

We will also be able to share services which are essential to the day-to-day running of a hospital. By working at a larger scale, teams such as HR and finance can support a group of hospitals, rather than just one. This means we can improve efficiency and have more money to invest in patient care.





## Digital transformation at the RFL

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We've embarked on a journey which will see us become the most digitally advanced trust in the UK by 2020.

Clinicians will be at the heart of this transformation ensuring that new digital technologies will be designed to reflect what they – and their patients – need to make their experience of delivering and receiving healthcare at the RFL a positive one.

We all use the latest technology every day in our personal lives – from mobile devices, apps, online shopping and banking to alerting systems and voice recognition tools – but this digital transformation hasn't been implemented in healthcare.

We need to put mobile devices into the hands of clinicians which alert them when their patients are at risk – enabling them to deliver potentially life-saving treatment. We need to give them access to all of the information they need about their patients in one place – instantly available at the click of a button.

When patients come to our hospitals we need to make life easy for them – from the moment they walk through the door. Technology can help them get to where they want to be, worry free – without having to rely on using out-of-date maps and signs.

And when patients are at home we need to empower them to be able to look after their own healthcare – giving them access to their records; helping them to book their appointments online so their healthcare fits around them. To support all of this, we need to have a fast, secure and resilient state-of-the-art IT infrastructure. And we need to be leading the way on innovation.

Our status as a Global Digital Exemplar has given us the platform to deliver our ambition, The first step in this journey is the introduction of a new Electronic Patient Record, which will deliver better, safer, faster care by guiding clinicians to evidence-based treatments thanks to the introduction of digitised patient pathways.

EPR



### Electronic patient record (EPR)

A single EPR across all our hospital sites will guide clinicians to provide evidence-based treatment for each patient.

Clinicians will also be alerted in real time to a change in a patient's condition. The new EPR will be phased in across all three of our main hospital sites between autumn 2018 and the end of 2019.

It will replace paper records over the next two years. Staff will be able to enter documentation straight into the new system and patients will have the opportunity to access their own records through a patient portal.

Integrated medical devices will help to reduce error and free up clinical time.





## Digital pathways

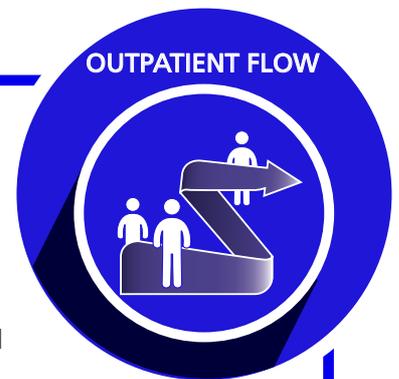
Clinical practice groups (CPGs) are clinically-led ways of working across several hospital sites aimed at reducing unwarranted clinical variation and ensuring patients receive the best standard of care, wherever they are treated. CPGs are the glue that binds our hospital group together.

Multidisciplinary teams made up of doctors, nurses, therapists, radiographers, analysts and administration staff are working together to design pathways – ways to treat a patient in hospital for a particular health issue.

They are working to ensure diagnostic and treatment decisions are consistent and based on the latest evidence to deliver the best possible outcome.

Work is underway to digitise these pathways – which are being co-designed with patients – and build them into EPR.

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 patients.



## Outpatient flow

Patients who visit our hospitals will be able to check-in for their appointments at the touch of button using kiosks.

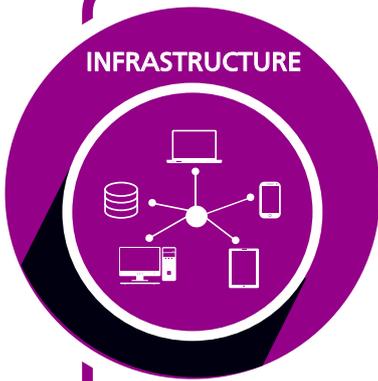
Once booked in they will be directed to the right area for their appointment.

Clinical teams will be able to see on a dashboard that the patient has arrived and call them to a specific clinical room.

The system will provide details of patients and their time of arrival. It will also help the clinical team to manage patients' appointments more easily, freeing up existing reception staff for other tasks and improving patient experience.

### Outpatient flow includes:

- **e-Outcomes** – replaces paper outcome documents with a digital form
- **Activity manager** – allows for a patient's full outpatient appointment to be booked and for all activities to be plotted to manage their visit to hospital
- **Kiosk check-in** – lets patients check themselves in for their appointments
- **Patient calling** – digital signs which show when the next patient appointment is scheduled
- **Mobile check-in** – patients can view appointments and be called from a mobile device
- **Walk in and flow** – allows patients to register themselves for non-appointed attendances such as blood tests
- **Phlebotomy SwiftQ** – online booking for blood tests



## INFRASTRUCTURE

### Infrastructure

We will be equipping clinicians and healthcare staff with the tools and technology to transform healthcare.

#### What we're doing:

- Cyber security – we're working with industry leading suppliers of network and data security products to make sure that hospital data continues to be safeguarded
- We're enhancing our WiFi speeds and resilience so staff can use high speed data
- **PCs/devices** – providing fast and reliable PC access to staff via desktop, laptop and mobile workstations
- **Medical devices** – new medical equipment is being integrated into clinical workflows and will automatically feed information to the new EPR wherever possible

## INNOVATION



### Innovation

We're developing the newest digital technologies, like our Streams app which was created by clinicians alongside digital experts from DeepMind, to improve outcomes for patients with acute kidney injury, together with other innovative technology.

#### New digital technologies include:

- e-Docs – a flexible archive where all patient documents will be searchable and stored
- e-Forms – replacing current paper forms with an online solution for clinical and admin teams
- Room management – a web-based booking service for hot-desks and meeting rooms
- Health information exchange – networking GP records to ours, we're working with satellite locations to make sure all services have records that feed into one system
- Voice recognition – allows clinicians to dictate into the clinical record rather than type
- Cerner archive management module – image capture and storage for photos, drawings and documents
- Ascum nurse call – requests are sent directly to a mobile handset, with escalation if a nurse is unavailable

### Chase Farm Hospital - the most digitally advanced hospital in the NHS

This autumn the newest and most digitally advanced hospital in the NHS will open at Chase Farm Hospital.

Theatre staff will be working in eight digitally-advanced operating theatres, including a 'barn theatre' - an open plan-style operating facility specifically designed for orthopaedic work.

Patients attending out-patient appointments at the new hospital will be able to use the latest technology to self check-in using interactive touch screen kiosks.

# A word from our chairman and chief executive

The Royal Free London NHS Foundation Trust has a rich history and 2017/18 will go down as another significant year: the year we formally organised ourselves as an NHS group.

We are proud to have been chosen as one of only four NHS trusts nationally to pioneer this new approach to delivering healthcare to our local residents and beyond.

In June 2017, new leadership teams at Barnet Hospital, Chase Farm Hospital and the Royal Free Hospital began their work. They have a common aspiration: to be the best place to be treated and to work in the NHS.

We were delighted to welcome North Middlesex University Hospital NHS Trust to the group as our first clinical partner in September. This is an important development for us and the culmination of more than two years of close working between our organisations.

The heart of our approach as an NHS group is to put our clinicians in charge. Teams of doctors, nurses, therapists, radiographers and analysts across our hospitals, supported by their managerial and administrative colleagues, are joining together to design new pathways - the way a patient is treated for a particular health issue - based on best practices and the latest clinical evidence. These teams, known as clinical practice groups, are the glue that binds our hospital group together.

We have identified 40 pathways covering 70% of our total activity, all of which will be co-designed with patients. We will test and implement 20 of these pathways in 2018/19 and they are already starting to show real benefits. For example, we know we can reduce admissions to our neonatal unit by doing all we can to

keep mothers and babies together after birth; and by standardising the way we treat patients who require knee operations, we can greatly reduce how long patients have to stay in hospital.

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. Working closely with the Institute for Healthcare Improvement, 500 clinicians have now received training in quality improvement techniques and we now have 80 improvement projects up and running and making a difference. In Barnet Hospital emergency department, for example, the new approach has dramatically increased our completion rate for patient discharge summaries. This has resulted in improved communication, fewer delays in treatment, better patient safety, and a fall in complaints.

To support all of this work, we are transforming the way the Royal Free London group uses digital technology. The world has changed so much, with technology pivotal to the way we all live our lives. People now expect the digital revolution to extend to their healthcare.

As part of our global digital exemplar award from the Department of Health, we received £10 million to pioneer new technology in the NHS. With this investment we will be working hard to make it much easier for our clinicians to improve our patients' outcomes and their experience of care.

The new Chase Farm Hospital, which will open in summer 2018, will be the most digitally advanced hospital in the NHS. Doctors and nurses will have the information they need at their fingertips and patients will have access to their appointment details

at the click of a button. As we all celebrate the 70th anniversary of the NHS, visitors will be entering a hospital equipped for the digital age.

Opening the new Chase Farm Hospital also gives us an opportunity to use all of our hospitals in a better, more coordinated, way. In surgery, for example, patients will be cared for at the best hospital for their needs: Chase Farm Hospital will specialise in planned operations; Barnet Hospital will focus on emergency surgery; and the Royal Free Hospital will concentrate on specialist surgery such as breast, vascular, plastics and transplants.

In January, permission was given to start construction work on the Pears Building which will house the new UCL Institute for Immunity and Transplantation next to the Royal Free Hospital. The £60 million building, generously funded by the Royal Free Charity and the Pears Foundation, will open in 2020.

The co-location of academics and clinicians will be crucial as we look to further our understanding of conditions like cancer and diabetes and translate research into the immune system into new treatments for patients. This development is central to the academic future of the Royal Free London and will put us on the world stage for research and innovation in this rapidly developing field.

During the year, our staff worked hard to come up with better ways to make limited funding go further. They met our financial targets for the year and the trust reported an operating surplus of £1.3 million and a deficit after asset impairment of £24.6 million.

Continued on page 16



Back row L – R: Merce Stanton (senior theatre sister), Flore Dohmatob (junior sister), Dominic Dodd (RFL group chairman), Lorraine Wallace (pre assessment administrator), Rebecca Antwi (healthcare assistant)

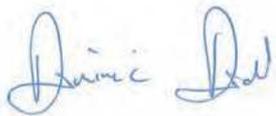
Font row L – R: Natalie Forrest (chief executive and director of nursing, Chase Farm Hospital), Ursula Knight (lead surgery and orthopaedic surveillance nurse), Sir David Sloman (RFL group chief executive), Dolores Bannon (junior sister), Amanda Johnson (senior clinical operations manager)

However, we know that given the constraints of what our local commissioners can afford to pay us for the care we provide, we will need to continue to reduce our costs considerably. In fact, given our local prices, we will need to have unit costs of about 10% below the average for the NHS if our financial position is to be sustainable. In 2017/18, we made good progress on this first year of a four-year plan to achieve this and now have 2% lower unit costs than average, or 5% lower than the average acute trust in London. As a result, we are one of only three London acute trusts to be assessed by our national regulators as providing both better than average quality and better than average cost efficiency.

But just improving the quality and reducing the cost of hospital care will not be enough. In the part of London we serve, the average resident can expect to live 20% of their life in poor health. Two thirds of adults in Enfield are overweight or obese – as are 40% of children. One in five adults in Camden binge drink at least once a week and the same proportion in Hertfordshire smoke.

If we are to tackle these fundamental issues, we have to think outside of our hospital walls, expand our horizons to the health of the population we serve, not define ourselves by the organisations we work for, or the buildings we work from. In the coming years, this will mean working more closely with our non-hospital partners in the NHS and in social care to help people to live longer in good health, rather than just treating people when they are sick.

These are exciting times, with new opportunities to do things differently for the benefit of our patients. But this is also a period of great challenge and change for our people – the 10,000 colleagues at the trust, together with the 800 volunteers in our hospitals. We know just how hard they are working to deliver the best care for our patients. They make the Royal Free London the special place that it is. Thank you to each and every one of them.



**Dominic Dodd**

Chairman

23 May, 2018



**Sir David Sloman**

Chief executive

23 May, 2018

# Our objectives

1



Excellent outcomes in clinical services, research and teaching

## Clinical services

- Pathology services at Barnet Hospital and Chase Farm Hospital transferred to Health Service Laboratories (HSL) on 1 October 2017 as part of our plans to modernise the service further, following the transfer of the Royal Free Hospital's pathology services to HSL in 2015. HSL is a joint venture partnership with University College London Hospitals NHS Foundation Trust and The Doctors Laboratory. Since commencing in April 2015, HSL has developed a state-of-the-art rapid response laboratory at the Royal Free Hospital as well as investing in new laboratory facilities in central London.
- Barnet Hospital's stroke unit was awarded an A, the highest grade possible, in a recent national audit. Barnet is part of the pan-London stroke network, which includes eight hyper-acute stroke units where immediate care is given to stroke patients by expert specialist staff. Patients are then transferred to their local acute stroke unit, such as Barnet, for ongoing acute management and rehabilitation. The Sentinel Stroke National Audit Programme is the single source of stroke data in England, Wales and Northern Ireland.

## Research

- A landmark study conducted at the Royal Free London offers new hope to heart attack patients. Six patients at the trust took part in the ground-breaking Canakinumab Anti-inflammatory Thrombosis Outcome Study (CANTOS) study which has proven that anti-inflammatory injections could lower the risk of heart attacks and may slow the progression of cancer. Heart attack survivors given injections of a targeted anti-inflammatory antibody called canakinumab had fewer attacks in the future, scientists found. Unexpectedly, cancer deaths were also halved in those treated with the drug, which is normally used only for rare inflammatory conditions.
- The first UK patient was recruited by the trust to a global research trial of a new drug for a rare autoimmune condition. Scleroderma is a rare disease caused by the immune system attacking the connective tissue of the skin, internal organs and blood vessels, leading to scarring and thickening of the tissue in these areas. Now a drug trial is offering patients new hope. The drug blocks particular proteins in the body, so they aren't able to send a signal to the immune cells that cause scleroderma. Without this signal, these immune cells aren't able to attack the connective tissues in the body.

2



Excellent experience for our patients and staff

### Patients

- The Royal Free Hospital School was given a Healthy Schools Silver Award, as well as being certified as a leading practitioner for mental health and wellbeing by Camden Council. The school provides lessons to in-patients on the children's ward at the Royal Free Hospital, and for some children who are receiving support from medical or mental health services but who are not in-patients.
- A pilot project which helps patients suffering from back pain see an expert immediately, without a GP referral, proved incredibly popular. The service aims to improve patients' experience and quality of care by ensuring they receive the most appropriate treatment from the most appropriate clinician as soon as possible. Patients with lower back pain can refer themselves to a clinic run by an advanced clinical practitioner with spinal expertise – practising out of Fairbrook Medical Centre in Borehamwood. Following a comprehensive assessment, which may include further investigations, a diagnosis is reached and a treatment plan agreed, significantly shortening the time the patient has to wait for treatment.

### Staff

- The endoscopy unit at Chase Farm Hospital is 'a service to be proud of' after it was recognised for its excellent patient service by the Joint Advisory Group on gastrointestinal endoscopy, the organisation responsible for setting standards and quality in endoscopy.

3



Excellent value for taxpayers' money

- Our financial position remained challenging in 2017/18 but we did exceed our control agreed with NHS Improvement, closing the year with an operating surplus of £1.3 million and deficit after asset impairment of £24.6 million, which is £5.1million favourable compared to plan. Our staff managed to find £44.1 million in savings which represents 5.4% (2016/17: 5.3%) of the trust's controllable income (excluding reimbursable drugs and devices). Key savings came from procurement and estates efficiencies, vacancy management and agency cost reductions and efficiencies from our clinical shared services.
- A trial of Warp It, an online recycling platform similar to eBay, began in September 2017, which allows staff to reuse unwanted items such as furniture and stationery. Caroline Clarke, group deputy chief executive and chief finance officer, launched the Warp it 100K challenge. Its aim is to save £100,000 by the end of April 2018 through redistributing unwanted furniture and stationery throughout the trust.

4



**Safe and compliant  
with our external  
duties**

- More formalised mortality reviews for all patients who die in our hospitals, which is just over 2,000 per year, were introduced in April 2017. The review requires a clinical opinion as to the avoidability of each death, which will be recorded in the new mortality reviews section in patient safety software, Datix. We are currently piloting this process with both our emergency departments.
- We achieved the national flu target with 70 per cent of frontline staff vaccinated across the trust.

5



**A strong and resilient  
organisation**

- In a landmark partnership for the Royal Free London group, the North Middlesex University Hospital NHS Trust announced in September it would join us as our first clinical partner.
- The first stage of construction work for the Pears Building, the new home for the UCL Institute for Immunity and Transplantation, started in March, after Camden Council gave the green light for work to commence.

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 objectives for the first year of the group included:

- Embedding quality improvement as our method of transformation in the group with a particular focus on reducing unwarranted variation in clinical pathways;
- Promoting digitisation as a global digital exemplar, to improve the staff and patient experience;
- Improving the recruitment and retention of staff and making the organisation a great place to work;
- A focus on operational improvement and efficiencies, which will help us meet our performance targets.

# Highlights of the year

April 2017

## Leading the way in robotic surgery



**Staff and visitors to the Royal Free Hospital (RFH) were given a unique opportunity to test drive a robot which is transforming surgery for patients.**

The RFH is one of the first hospitals in the country to carry out kidney transplants with the help of a surgical robot, which is also used to carry out kidney cancer operations.

The 'hands-on' simulation experience took place at a robotic surgery symposium held to discuss the future of robotics in surgery.

Neal Banga, consultant transplant and endocrine surgeon at the RFH, said the fact that the robot was now being used to assist in kidney transplants was 'a result of a decade of robotic surgery for prostate and kidney cancers worldwide'.

May 2017

## Boost for cancer care



**A one-stop shop for cancer testing is being developed after we were one of 10 trusts to be selected as a specialist centre for rapid diagnosis.**

The multidisciplinary diagnostic centre will allow many patients to be diagnosed and start their treatment much sooner. Patients with suspected cancer will no longer have to wait for each test to be carried out on a separate occasion. Instead patients will be offered a range of tests, such as CT scans, blood tests and biopsies during the same visit.

The trust has also received a new radiotherapy machine, known as a linear accelerator or linac. The machine uses high-dose radiation to destroy or shrink tumours.

Derralynn Hughes, clinical director for haematology and oncology, said: "We have already developed a one-stop system for patients with prostate cancer and it has been working incredibly well. Now we are able to roll this out to other cancers, such as colon and pancreatic cancer."

June 2017

## Glorious gardens open at Chase Farm Hospital



### Two gardens designed to help support patient care, rehabilitation and recovery at Chase Farm Hospital were officially opened.

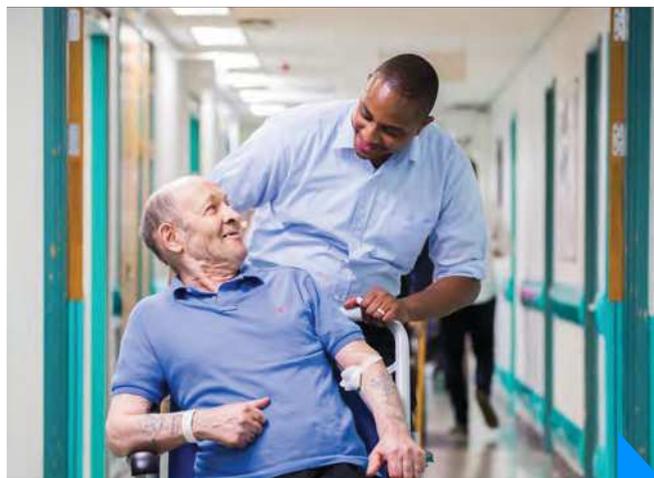
The therapy gardens were funded thanks to an appeal launched by the Chase Farm Charity, which raised over £135,000.

The first of the two gardens is a dementia care garden, which uses colour, scent and visual stimulation to evoke memories. It recreates a residential street from the post-war era, complete with shop fronts, street lamps and even a real Mini.

The second garden is aimed at patients recovering from a stroke. It is based on a Japanese design and will provide a haven for patients for whom the noise of a busy ward can be overwhelming, as well as a quiet place for family and friends to visit.

July 2017

## Patient trust and confidence rises



### Patients said they have great trust and confidence in our staff, according to feedback from an in-patient survey.

The survey, which was carried out by the Care Quality Commission, revealed that patient trust and confidence in nurses has risen from 8.4 out of 10 in 2015 to 8.9 out of 10 in 2016.

Patients also had trust and confidence in our doctors, with a score of 9.2 out of 10. The survey also revealed that the Royal Free London was better than most other trusts in helping patients control their pain with a score of 8.8 out of 10.

The overwhelming area identified for improvement was the quality of food which accounted for 31% of all comments. This is reflected in the quantitative survey results where the Royal Free Hospital scored 4.46 – the lowest score in the country was 4.03. The trust is tendering for a new catering service and patients will be on the evaluation panel.

August 2017

## Delivering the best start for women and babies



**The leader of an independent review into NHS maternity services praised the care delivered to women and their babies at the Royal Free London.**

The Better Births review, published in 2016, was led by Baroness Julia Cumberlege and set out wide-ranging proposals designed to make care safer, and give women greater control and more choice.

During her visit to the Royal Free Hospital, the Baroness said: "You are going to make the experience of giving birth something really different in the future, much more personalised, kinder, family friendly and professional.

"You are an early adopter of the recommendations in the maternity review. We are going to learn a lot from what you are doing here."

During her visit, the Baroness honoured the team by cutting the ribbon to mark the trust's achievement of the UNICEF Baby Friendly award. This means that mothers, their babies and families can expect quality and excellence in the care and support around infant feeding and the building of strong and loving parent-infant relationships.

September 2017

## Landmark partnership for Royal Free London group



**North Middlesex University Hospital NHS Trust (NMUH) joined the Royal Free London (RFL) group as its first clinical partner.**

As a clinical partner, NMUH will work alongside the RFL to ensure there are consistent approaches to designing and delivering care based on evidence and best practice – nationally and internationally.

Sir David Sloman, RFL group chief executive, became accountable officer at NMUH, which continued to be led by its own board. A new chief executive was appointed to NMUH in December, however Sir David remained accountable officer to the end of the financial year.

October 2017

## Same day testing for prostate cancer patients



**Patients with suspected prostate cancer are receiving their results much faster thanks to a one-stop clinic, which delivers all the tests they need on the same day.**

The clinic offers blood tests, MRI scans, prostate biopsies, nursing support and an appointment with a specialist consultant, all in one location, and at one session. It means that patients do not have to attend numerous appointments before finding out their diagnosis.

MRI scans – a key indicator of whether a patient has prostate cancer – are performed on the same day by an expert uro-radiologist. Because the results are available during the same appointment, around one in four patients are able to avoid a prostate biopsy – an invasive procedure which in the past was conducted routinely.

GPs previously received results for their patients in 37 days but since the clinic opened in July 2016, this has been reduced to less than 14 days. For prostate cancer, it means that 90% of patients start their cancer treatment within 62 days of urgent GP referral, against a national target of 85%.

November 2017

## Making the discharge process more streamlined



**A new approach to speeding up the discharge of patients on the wards who are ready to go home has already seen some success.**

Caterina Falce and Caroline Cahill are the new matron and sister in charge of the discharge lounge and, since starting in October, have worked hard to improve flow to the lounge, with the average numbers of patients almost tripling from 30 a week when they arrived to 84.

Caroline said: "We want staff on the wards to know that we can take many more patients and we have the level of support and seniority here to guarantee patient safety. Also, from a practical point of view we are right next to patient transport so we are better placed to have those conversations about getting the patients home.

"The discharge lounge is light and bright, has comfortable seating and we have newspapers for people to read, volunteers are now visiting daily to chat to people and we also have visits from the Pets As Therapy dogs."

December 2017

## Robo docs save more lives



**An ambitious team of seven at the specialist centre for kidney cancer, led by urology consultant Ravi Barod, carried out three nephrectomy (surgical removal of a kidney) operations on a single Saturday, as opposed to the usual two, with the help of the da Vinci Xi® robot.**

Ravi said: "Performing three operations can effectively increase theatre efficiency by 50%. The plan is to perform three cases on all of our Saturday lists from now on, with the aim of doing an extra 52 cases a year, and see how we can make this work for weekday lists, when the operating department is much busier."

Instead of the surgeon using standard tools via keyhole surgery they use a console to control the robot, which carries out the operation with a greater range of movement than the human hand.

Using the robot results in a quicker recovery time for patients, as there is less bleeding and less pain. This, coupled with the enhanced recovery after surgery programme, which gets patients moving and avoids strong painkillers, meant that two of the three patients went home the next day and the third patient left less than 48 hours after their surgery. Prior to this, patients stayed in hospital for four to five days after this operation.

January 2018

## A fresh new look designed for younger patients



**The children's ward at the Royal Free Hospital has literally reached for the skies as part of a total refurbishment to brighten up the visits of some of our youngest patients.**

There are now back-lit panels with blue skies and fluffy white clouds dotted around the ceiling of the ward. The ward has also upgraded its technology including an up-to-date call bell system. This enables patients to alert nurses without disturbing other patients and visitors.

Ade Adamolekun, paediatric matron, said: "Patients can request something such as a glass of water without us having to come and find out what they want and then go and get it for them. Now we will be able to just listen to what they want and immediately get them what they need."

Other new touches include plastic display boards by the beds so that children can display their artwork, curved corridor walls, a feedback board, splashes of colour and artwork featuring children at play.

Lynn Hutchison, whose daughter Katelyn stayed on the ward while she underwent facial reconstruction surgery, said: "We've been at the Royal Free Hospital twice before with Katelyn's treatment but this is a complete change, more modern and just a nicer environment."

February 2018

## Global research centre gets go ahead



**Research into revolutionary new treatments for conditions including leukaemia, diabetes and cancer has taken a giant step forward after Camden Council gave the green light for construction work on a new pioneering institute.**

The Pears Building, due to open in 2020, will be home to the University College London Institute of Immunity and Transplantation based on the campus of the Royal Free Hospital.

Funded by the Royal Free Charity, the institute will be one of five leading centres of its kind across the globe bringing scientists and clinicians together to research revolutionary new treatments for patients.

Planning permission for the Pears Building was granted by Camden Council in April 2016, subject to a number of legal obligations being met. Council planners have confirmed that these requirements have been delivered by the Royal Free Charity.

The building is being funded by the Royal Free Charity and from major donations including the Pears Foundation and an award from the UK Research Partnership Investment Fund.

The Pears Building, designed by leading architect Sir Michael Hopkins and Partners, will be a modern take on the old Hampstead Hospital, founded on that site in 1882, being similar to it in scope and size and in keeping with the unique architecture of Hampstead.

March 2018

## Top marks for Barnet Hospital stroke unit



**The stroke unit at BH was awarded an A, the highest grade possible, in the stroke national audit.**

Daniel Epstein, divisional director and consultant stroke physician, praised the work of the team which helped to achieve this result for the period between August and November 2017.

He said that BH was awarded the A grade thanks to several factors including the work of therapists, early identification of stroke patients in emergency areas, and strict adherence to the London stroke pathway. This involves sending patients with acute stroke to the hyper-acute stroke unit (HASU) at University College Hospital first, before being 'repatriated' back to the BH acute stroke unit for ongoing care.

Daniel said: "Our physios and speech and occupational therapists work under incredible pressure to make sure that each one of our patients gets the appropriate level of therapy. We only score well in the stroke audit if our patients receive the mandated amount of therapy.

"Our stroke co-ordinator, Alda Arnauth, is incredibly proactive in visiting the acute admission areas in the morning to ensure that stroke patients have been identified and referred to the HASU.

"It sometimes feels right to keep patients presenting with stroke but actually it's not, and they do better if they go to the HASU first."

# Performance analysis

## Key performance measures and meeting standards

2017/18 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 three A&E departments increased again in 2017/18, with greater numbers attending at the Royal Free Hospital and more arriving by ambulance at both Barnet Hospital and the Royal Free Hospital. Overall the trust failed the A&E standard, by which 95% of patients must be admitted, transferred or discharged within four hours of their arrival.

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 Improvement Programme, including:

- re-directing patients to alternatives to A&E, such as GP centres
- streaming patients quickly in A&E 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 in our hospitals by improving our discharge processes
- discharging patients into a new 'discharge to assess' service commissioned by Barnet CCG that means patients who are medically well can return home faster.

We opened the first section of the new emergency department at the Royal Free Hospital, which will be fully completed in 2018/19, providing us with greater capacity. In addition, the trust will continue to work to improve performance against the A&E standard, by:

- developing alternatives to A&E
- improving the speed at which patients are assessed at the front door of A&E
- increasing the numbers of patients who are treated in an ambulatory setting
- improving the medical model of care for patients who need to be admitted to hospital, reducing length of stay.

### 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 2017/18, the trust maintained compliance against the two-week wait target for all cancers including the symptomatic breast pathway. In addition, the trust has also met 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 unexpected increase in referrals to our skin cancer service, but overall there was an improved performance compared to 2016/17, and the trust met the standard overall in the third quarter of the year.

This recovery has been made possible by actions from across all our sites and services. Key factors in this positive change include:

- increases in renal theatre capacity
- implementation of our new faster prostate pathway across all our clinics
- introduction of a straight to diagnostic test pathway for our lung patients

- revising our communications with patients
- improvements in our measurement and reporting systems to ensure accurate and timely information on performance and trends.

While unexpected increases in referrals may create future risks to our compliance, we have plans to improve the reliability of our performance in 2018/19. These include:

- introducing a new straight to diagnostic test pathway for our colorectal patients
- re-designing our renal pathways to reflect new best clinical practice
- improving histopathology turnaround times with support from our joint venture with Health Services Laboratories
- working 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.

## 18-week waiting times

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 and we report our performance to the 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.

The trust returned to compliance against the incomplete pathway standard in June 2016. In August 2017, however, while continuing implementation of the recommendations of the national elective intensive support team, the trust changed the way that it compiled its patient tracking list (PTL). This list is used to measure performance

against the standard and it identified that some patients had been waiting longer than previously measured. This resulted in a drop in performance against the 18-week standard and an increase in the number of patients who have been waiting over 52 weeks. The trust has been working on a plan to recover performance against this standard and is prioritising identification and treatment of those patients who have been experiencing long waits. Our senior medical team review all patients who have waited over 52 weeks to assess whether any harm has resulted from their wait.

As part of our referral to treatment programme we have a rigorous independent clinical harm review process. This process has reviewed 206 of the 211 cases where patients have waited more than 52 weeks between August 2017 and December 2017. Of these cases 196 have been found to have been categorised 'no harm' and 10 categorised as 'low harm'. In no cases have we found moderate or severe harm.

## Infection control

### C. difficile

Cumulatively, for the 12 months to the end of March 2017 there were 84 confirmed cases of C.difficile infection.

Of these cases, six were defined as 'lapses in care'. 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. Five of these cases were at the Royal Free Hospital and one at Barnet Hospital. No cases were identified as a lapse in care at Chase Farm Hospital.

Each case is discussed at the monthly divisional leads' infection prevention and control 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 in 2017/18, all of which were 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 recorded a relative risk of 94.78 for the 12 months to November 2017, which is 5.22% lower than expected. Compared to all English non-specialist providers, we have the 39th lowest risk out of 138 non-specialist providers for which data is available.

Looking at SHMI for the period December 2016 to November 2017 (the latest period for which data is available), the trust mortality risk was lower than expected at 91.47.

## Looking ahead

Our focus for 2017/18 is to ensure all parts of our trust can reach and maintain the standards of our best services. The Royal Free London group model developments 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.



Jenny Law, senior sister, main out-patients department in the soon to be opened Chase Farm Hospital

## 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 2017/2018

Measures	Target	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
A&E - 95% of patients seen within 4 hours	95.0%	87.7%	90.3%	87.0%	86.4%	88.7%	84.5%	87.0%	87.8%	83.7%	86.1%	86.5%
Cancer: % < 14-day wait for first seen	93.0%	91.3%	94.1%	94.8%	94.1%	92.4%	91.9%	93.3%	93.5%	93.6%	92.2%	93.0%
Cancer: % < 14-day wait for first seen - Breast	93.0%	92.9%	92.8%	91.7%	93.1%	94.9%	93.1%	95.8%	95.5%	93.8%	93.2%	95.5%
Cancer: % < 31-day wait from diagnosis to first treatment	96.0%	97.7%	98.4%	96.4%	96.6%	98.3%	95.6%	99.2%	97.9%	98.9%	99.1%	98.5%
Cancer: % < 31-day wait from diagnosis to second or subsequent treatment	98.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cancer: % < 31-day wait from diagnosis to second or subsequent treatment	94.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	97.1%
Cancer: % < 31-day wait from diagnosis to second or subsequent treatment	94.0%	97.60%	98.0%	100.0%	95.1%	97.6%	94.1%	97.8%	100.0%	97.4%	96.9%	95.7%
Cancer: % < 62-day wait for first treatment - GP referral	85.0%	87.7%	82.4%	81.4%	76.8%	80.2%	81.3%	82.7%	84.3%	89.5%	84.4%	84.4%
Cancer: % < 62-day wait for first treatment - Screening	90.0%	91.8%	96.7%	85.7%	94.2%	94.6%	100.0%	86.4%	94.2%	85.3%	96.8%	94.4%
Clostridium Difficile infections	6	5	5	10	9	5	8	7	7	7	4	9
Clostridium Difficile infections from lapses in care	1		1			1				1		1
MRSA Bacteraemias	0	1	1						1			
RTT: % < 18 weeks wait to first treatment	92.0%	92.2%	92.7%	92.2%	92.0%	87.4%	87.4%	86.9%	87.5%	86.7%	83.0%	83.4%

## 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.

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.

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.

# Financial review

## Income

The trust receives most of its income from clinical commissioning groups and NHS England specialist commissioning. In 2017/18, the trust received £855m in income, which was £28.8m more than in 2016/17.

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 have met our control total. We had a number of projects linked to our financial improvement programme within the year where we delivered £44 million of efficiency savings which was 5.6% of our controllable income. We continue to have a reference cost index which was lower than average for 2017/18, 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 2017/18 the trust has had to access Department of Health lending facilities for £43 million. These loans are interest bearing and repayable.

	Actual £m	Plan £m	Var. £m	Var. %
<b>EBITDA</b>				
Year ended 31 March 2018	5.9	0.4	5.5	1576.1%
Year ended 31 March 2017	-18.1	53.4	-71.5	-133.9%
<b>Retained surplus/(deficit)</b>				
Year ended 31 March 2018	-24.6	-11.2	-13.4	119.6%
Year ended 31 March 2017	-47.4	15.5	-62.9	-405.8%

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 £35.5million in 2016/17 to £22.2million in 2017/18. The average number of substantive staff engaged has fallen slightly from 7,628 in 2016/17 to 7,609 in 2017/18.

		Actual £m	Plan £m	Var. £m	Var. %
<b>Staff costs 2017/18</b>	- Permanent staff	454.8			
	- Temporary staff	78.6			
<b>Total</b>		533.4	533.5	0.1	0.0%
<b>Staff costs 2016/17</b>	- Permanent staff	451.66			
	- Temporary staff	80.5			
<b>Total</b>		532.1	502.8	-29.3	-5.8%
Permanent staff numbers (avg.) 2017/18		7,609.0			
Permanent staff numbers (avg.) 2016/17		7,628.0			
Temporary staff numbers (avg.) 2017/18		2,684.0			
Temporary staff numbers (avg.) 2016/17		2,630.0			

The accounting policies for pensions and other retirement benefits are set out in note 1.5 to the accounts.

Details of senior employees' remuneration can be found in the remuneration report on page 90.

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 8.1 to the accounts.

Sickness absence data can be found on page 102.

## 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
<b>31 March 2018</b>					
Land	0	0	0	0	<b>0</b>
Buildings	-25.9	-13	-38.9	1.4	<b>-37.5</b>
<b>Total</b>	<b>-25.9</b>	<b>-13</b>	<b>-38.9</b>	<b>1.4</b>	<b>-37.5</b>
<b>31 March 2017</b>					
Land	-0.9	-0.5	-1.4	0.8	<b>-0.6</b>
Buildings	-0.9	-35.3	-36.2	1.4	<b>-34.8</b>
<b>Total</b>	<b>-1.8</b>	<b>-35.8</b>	<b>-37.6</b>	<b>2.2</b>	<b>-35.4</b>

The trust disposed of property assets in-year resulting in a material profit on disposal which is supporting the achievement of the overall planned surplus for the year. Without the property disposals, the trust would have reported a material in-year deficit, and currently has a material trading deficit underlying the headline results for the year.

Parcel B land at Chase Farm Hospital was disposed of, with the proceeds to be reinvested in the new Chase Farm Hospital in line with the sums assumed in the Chase Farm business case. This land was disposed of earlier than planned which will enable the new owners, the Royal Free Charity, to take forward plans to regenerate the site, whilst the trust has secured a lease to continue operations from the hospital site until the new hospital is commissioned. The disposal of site B represented a profit on disposal of £47.7m.

## Capital spend

Capital expenditure in 2017/18 totalled £112 million and was mainly on the new Chase Farm Hospital due to be open in the summer. Full details of the spend is shown below:

Capital spend 2017/18	£m
Chase Farm Redevelopment	71.8
Royal Free Emergency Department redevelopment	9.6
Other Building works	21.9
Information Technology	6.0
Medical Equipment	2.7
<b>Total</b>	<b>112.0</b>

## Financial improvement programme (FIP)

The FIP aims to deliver better patient care while improving productivity and maximising potential cost savings. It delivered £44.1 million in savings (£41.6 million in 2016/17), which represents 5.4% (5.3% in 2016/17) of the trust's controllable income (excluding reimbursable drugs and devices). Key savings came from procurement and estates efficiencies, vacancy management and agency cost reductions and efficiencies from our clinical shared services.

## Reference costs

The trust reference cost index (RCI), which measures the relative efficiency of English trusts against one another, increased from 97 to 98. An RCI of 98 implies that the trust is 2% 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 improvement from last year due to a healthier cash balance primarily caused by receipt of further loans and improved working capital. The trust has had to access Department of Health lending facilities for £43 million. These loans are interest bearing and repayable.

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 2018 £m	31 March 2017 £m
Cash	43.7	19
Net current assets	-7.2	-31.5
Net assets	468.1	413.5

## Events after the reporting date

The trust has established a wholly owned subsidiary RFL Property Service Limited with a share of £1 to manage the provision of estates and facilities services to the trust. The company is registered under company number 11180120 and was dormant at 31st March 2018 pending a decision by the trust board as to whether to commence trading.

## 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 that there is sufficient working capital in the short term, and 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 access to borrowing facilities for trusts, which are running deficit-operating plans. 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 31.1 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 33.

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

There were no interest charges paid in accordance with this act in 2017/18, 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:

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

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

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 London NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

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.

# 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, particularly in the newer measures of dementia and disability, we are reviewing why this is case and planning for future service improvement.

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 year round.

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



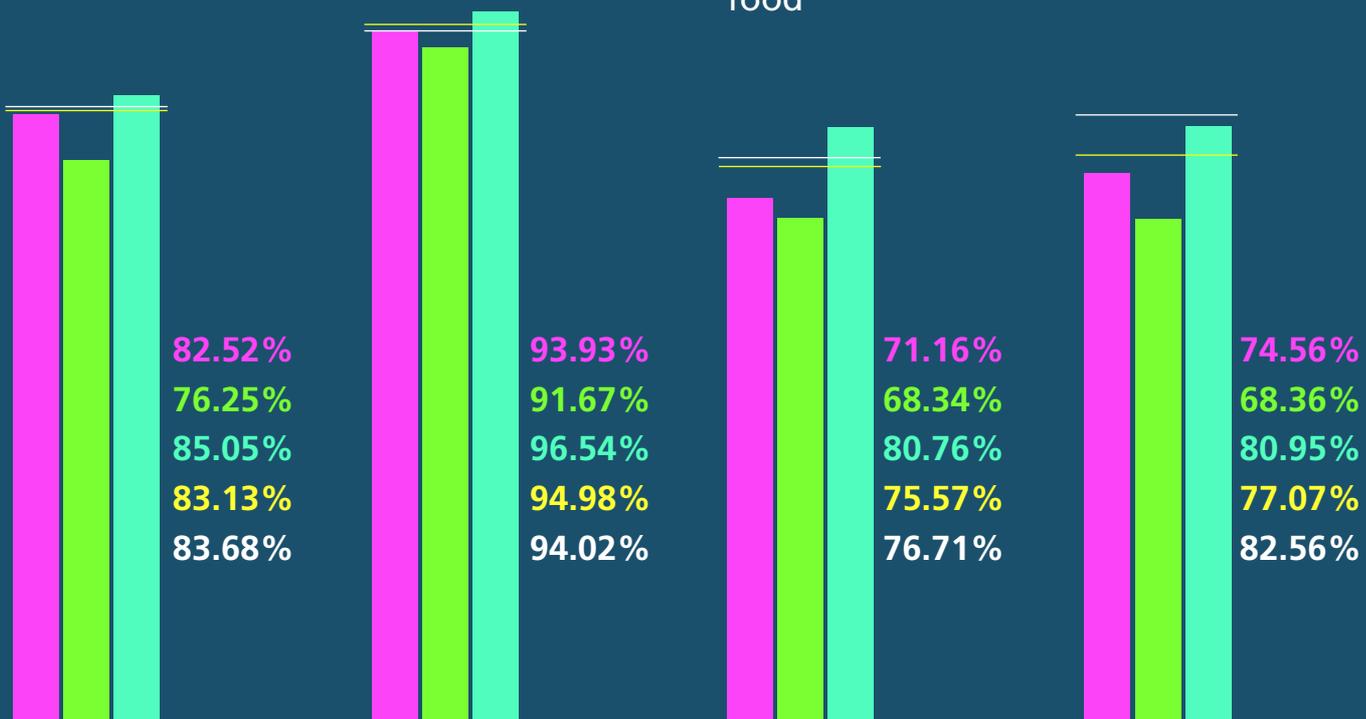


Cleanliness

Food

Organisation food

Ward food

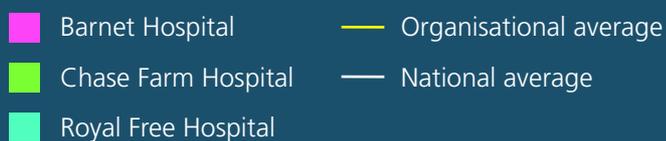


Privacy, dignity and wellbeing

Condition appearance and maintenance

Dementia

Disability



## Sustainability plans

A new energy centre for Chase Farm Hospital was completed in March 2018 as part of the trust's plans to invest in energy efficient schemes and support the NHS strategy of reducing its carbon footprint by 28% by 2020.

Inefficient infrastructure is being replaced as part of our planned refurbishment programmes where we are also prioritising key areas of sustainability, including energy, water resources and transport.

A number of external infrastructure projects restricted the trust's ability to utilise its energy centre facilities to the full in the last 12 months, but the trust still achieved a 0.4% reduction on energy spend on the previous year.

Resource		2014/15	2015/16	2016/17	2017/2018*
Gas	Use (kWh)	125,835,991	127,901,643	118,073,771	135,682,653
	tCO2e	23,174	23,555	21,745	24,988
Oil	Use (kWh)	25,328,561	19,752,368	15,868,025	15,117,178
	tCO2e	6,988	5,449	4,378	4,170
Electricity	Use (kWh)	36,244,761	29,685,831	45,208,041	38,669,074
	tCO2e	11,187	9,163	13,954	11,935
Total Energy CO2e		41,349	38,167	40,076	41,094
Total Energy Spend		£8,316,381	£8,286,837	£8,701,421.85	£8,554,469

Key schemes to reduce water use in the past 12 months have focused on refurbished ward areas and the final stage of the A&E redevelopment scheme at the Royal Free Hospital. Each of these projects has delivered increased washing facilities with high efficiency taps and showers to make better use of this finite resource.

Water		2014/15	2015/16	2016/17	2017/18
Mains	m3	336,397	429,718	435,653	402,817
	tCO2e	116	148	150	139
Water & Sewage Spend		£568,010	£876,670	£735,605	£639,392

We are also encouraging staff to use public transport when possible and are removing dedicated transport services between hospitals. Our future plans focus on consolidating some services, previously spread across multiple sites, in one location. Construction has started on our new sterile services department, currently with bases across all three hospital sites, at a new central location in Enfield. This will provide a more efficient, sustainable delivery service with reduced mileage.

## 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

Our emergency planning arrangements were put into action several times during the year, mainly in response to internal utility & IT failures. The trust was also one of the receiving hospitals following the fire at Grenfell Tower in west London.

## Trust response to Grenfell Tower fire

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After receiving 12 patients from the Grenfell Tower fire, the Royal Free Hospital put its well-rehearsed major incident plan into operation.

Many staff came in during the early hours when not on duty to help in what was a whole hospital effort to deal with the incident.

Daniel Almeida, charge nurse in the emergency department, said: "When the major incident was declared, people waiting in the emergency department were asked to go home unless their condition was life-threatening and a team of nurses and doctors prepared for an influx of potential patients with burns and breathing difficulties.

"When the patients started to come in, they were in shock but they didn't look particularly unwell. It was only when we started to have the blood results back that we realised that some of them were very sick. Several, including a child, had to be anaesthetised and intubated to allow their breathing to be controlled artificially.

"We've since had a staff debriefing. Everyone was happy with how things went. Our major incident plan meant we had capacity in the hospital to treat more patients if needed."

## Training exercises

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Regular training exercises to test our emergency response are part of our yearly plan. This year, they have included:

- A live exercise at the Royal Free Hospital in May 2017.
- A mass casualty incident requiring a response from Barnet Hospital and Royal Free Hospital alongside neighbouring trusts as part of an Emergo exercise of the North East London and Essex Trauma Network.

Lessons learnt during the course of the exercises have been incorporated into the trust's plans.

## On-call changes

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Due to organisational changes within the trust, the on-call arrangements for responding to an incident have been amended. All new and existing on-call managers have had training on their potential role in the event of an incident in the last six months.

Regular resilience groups at Chase Farm Hospital, Barnet Hospital and the Royal Free Hospital continue to play a key role in ensuring that any works required are undertaken with the least possible impact on the delivery of our clinical services. The trust's EPRR management group meets quarterly and is provided with updates of any common issues and key projects taking place.

## Our work overseas

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A high demand for education and training placements and courses from overseas delegates has led to The Royal Free International (RFI) being able to increase its revenue this financial year.

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 80% of its revenue is generated from China and Hong Kong, although the department is exploring new opportunities in India. In 2017 a Sino-UK conference took place at Sun Yat Sen University Hospital in Guangzhou where a number of Royal Free clinicians presented papers.

Other initiatives include a nine-week leadership programme with a group of chief executives and medical directors from Kazakhstan and delegate training from the following countries:

- disaster management (Kuwait and China)
- health services for the elderly (Japan and Hong Kong)
- infection prevention and control (China, Japan, Taiwan, Hong Kong)
- oral and maxillofacial surgery (China)
- plastic reconstructive surgery (China)
- risk management and patient safety (China)
- vascular surgery (Hong Kong)
- hepatology (China)

## Philanthropic work

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RFI continues to assist staff who want to undertake philanthropic work supporting clinicians and overseas charities. It is also committed to sharing practices in countries with poor healthcare.



**Sir David Sloman**  
Chief executive  
23 May, 2018



# Accountability report

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# Directors' report

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

- sections 415, 4166 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 (FRoM)
- 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/>

## NHS Improvement's well-led programme

Due to the establishment of the Royal Free group in early 2017/18, it was agreed in September 2017 that as the trust's four new board committees were newly formed, it would be prudent to aim to commission an independent review of their leadership in the first half of 2018 when the committees were more mature.

A timetable for the commissioning of a well-led review and membership of a well-led steering group was approved by the group executive committee in December 2017. One of the first

tasks was the undertaking of a self-assessment exercise against the eight key lines of enquiry of the Care Quality Commission's well-led domain.

This work is supported by the trust's internal auditors and an ongoing NHS England commissioned evaluation of the progress the trust has made in adopting a group structure as part of the vanguard programme.

## 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.

## Non-executive directors

Non-executive directors bring their individual expertise from a wide range of backgrounds to the board to ensure it acts in the public interest as well as monitoring management activity and 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 their agendas and ensuring their effectiveness.

During the financial year, 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
Deborah Oakley	April 2012*	1 June 2017	second
Mary Basterfield	December 2016	November 2019	first
Wanda Goldwag	December 2017	November 2020	first
Jenny Owen (vice chair and senior independent director)	April 2012*	31 August 2018	third
Akta Raja	January 2017	December 2019	first
Anthony Schapira	April 2012*	31 May 2020	third
James Tugendhat	January 2018	December 2020	first

\* formation of the foundation trust

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

Further details of each non-executive director can be found on pages 46 to 47 and also on the trust's website at [www.royalfree.nhs.uk](http://www.royalfree.nhs.uk)

## Executive directors

The executive directors are responsible for the day-to-day running of the organisation. The chief executive, as accounting officer, is responsible for ensuring 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
Caroline Clarke	Group chief finance officer and deputy chief executive	January 2011
Professor Stephen Powis	Group chief medical officer	January 2006 – February 2018
Deborah Sanders	Group chief nursing officer	May 2010
Kate Slemeck	Chief operating officer / Royal Free Hospital chief executive [from February 2018]	February 2011
Dr Chris Streater	Group chief medical officer	February 2018

Stephen Powis left the trust in February 2018 to become chief medical officer at NHS England. He was replaced by Dr Chris Streater. In the same month, Kate Slemeck became chief executive of the Royal Free Hospital.

## 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](http://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.

## 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 has identified six priority actions to be implemented in 2018/19:

### 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.

# Disclosures as set out in the NHS foundation trust code

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

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

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

For the year up to 31 March 2018, the trust has applied the principles of the code of governance on a comply or explain basis. The trust complied with all the provisions with the exception of paragraphs A1.9 and D2.3. Paragraph A1.9 provides that the trust board should operate a code of conduct that builds on the values of the NHS foundation trust and reflect high standards of probity and responsibility. A revised code of conduct was approved at the board in May 2017.

The current position is as follows:

Name	Position	Appointed	Term at 31 May 2018
Dominic Dodd	Chairman	1 April 2012*	6 years
Prof Anthony Schapira	Non-executive director	1 April 2012*	6 years
Jenny Owen	Non-executive director	1 April 2012*	6 years
Stephen Ainger	Non-executive director	1 April 2012*	6 years
Mary Basterfield	Non-executive director	December 2016	1 yr 6 mths
Akta Raja	Non-executive director	January 2017	1 yr 5 mths
Wanda Goldwag	Non-executive director	December 2017	6 months
James Tugendhat	Non-executive director	January 2018	5 months

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

Under provision B7.1 of the code of governance, in exceptional circumstances, non-executive directors may serve longer than six years beyond the licensing of the foundation trust, which was on 1 April 2012 for the Royal Free London. In 2017/18, the council of governors, on a recommendation from the nominations committee, agreed to the reappointment of the chairman and two non-executive directors:

Dominic Dodd was reappointed for a term of three years in 2017 (expiry 2020). During this process the nominations committee was chaired by the deputy chair of the trust. It was agreed to re-appoint the chair on the following grounds:

- The trust is undergoing the transition to a group model, which is an unprecedented process. The chairman's strategic vision and input to date has been central to the development of the proposed model for the trust, which is now entering the implementation phase. Continuity for a reasonable period in the chairmanship is particularly important at this critical point in the trust's development of a new model of care in a challenging environment within the NHS and the public sector.
- The nominations committee's unanimous view was that any risk that a re-appointment could represent to the independence of the non-executive directors would be mitigated by the appointment of two new non-executive directors, and plans for the cohort to be further refreshed in the future.
- The annual appraisal process for the chair routinely involves: 360° appraisal, external stakeholder views and assessment of performance against objectives. The deputy chair of the trust leads the annual appraisal process. The council asked that the deputy chair report to the nominations committee on the outcome of the chair's appraisal on an annual basis and the nominations committee will provide a report to the council of governors.
- Jenny Owen was reappointed for a year in 2017 (expiry 2018) for the following reasons:

- A rigorous review was carried out by the nominations committee, including a face-to-face meeting with Jenny Owen and opinions from governors and a senior executive from NHS Improvement who had witnessed her participation in debate with executives of the trust. The committee was satisfied of Jenny Owen's independence as a non-executive director and that she continued to provide constructive challenge and hold the executive team to account for the performance of the trust.
- Having considered the skills mix of the non-executive directors, it was noted that Jenny Owen brought senior local authority and social care experience to the board.
- The committee considered the spread of tenures of the non-executive directors and the chairman in absolute terms and relative to other trusts. With two new non-executive directors appointed earlier this year, and two to be recruited, half of the cohort will have a tenure of below 12 months. This is below average for other London acute foundation trusts.

Anthony Schapira was reappointed for a term of three years in 2017 (expiry 2020). In 2017, Professor Schapira was reappointed as the as dean of the University College London (UCL) campus at the Royal Free Hospital in an open competitive process. Under the constitution, Professor Schapira is the non-executive director who exercises functions for the purposes of UCL. The nominations committee and the council were satisfied that the process by which Professor Schapira had been appointed as dean of campus, and the context of this unique role, meant that re-appointment for three years was appropriate and proportionate.

Paragraph D2.3 of the code states the council of governors should consult external professional advisers to market test the remuneration levels of the chair and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive. However, in view of the costs associated with this, the council of governors resolved that the board secretary should undertake a benchmarking exercise instead. This was completed in spring 2015 and will be undertaken again in spring 2018.

# 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 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 currently under review in the context of the implementation of the group structure.

The trust board reports to a range of regulatory bodies on performance and compliance matters. During 2017/18 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.

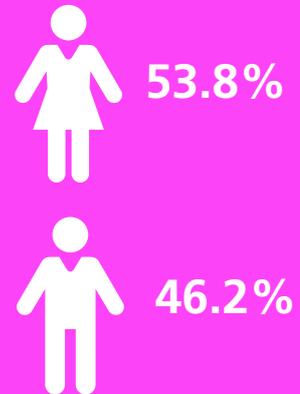
Strategic priorities are set by the trust board annually. The risks to achieving these priorities are monitored through the Board Assurance Framework (BAF), which provides the board with a systematic process of obtaining assurance to support the mitigation of risks. The BAF is also used to identify potential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

Deborah Oakley stepped down from her role as a non-executive director on 1 June 2017 and the council of governors appointed two new non-executive directors, Wanda Goldwag and James Tugendhat.

The removal of a non-executive director or chair from office requires a resolution by a governor, which is supported by at least five other governors, and requires the resolution to be approved by three quarters of the members of the council of governors. The circumstances when this can happen are outlined in the trust's constitution.

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

The trust board's composition is currently



### Non-executive directors



**Mr Dominic Dodd**  
Chair

Dominic has been chairman of the Royal Free London NHS Foundation Trust since 2012. 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.

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 remuneration committee.



**Mr Stephen Ainger**  
Appointed as non-executive director in 2012

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 has been on the board as a non-executive director of the trust since 2012. He is also a trustee of the ATL trust fund.

Stephen is a member of the group services and investment committee, the quality improvement and leadership committee, the audit committee and the remuneration committee.



**Ms Jenny Owen CBE**  
Appointed as a non-executive director in 2012 and appointed vice chair and senior independent director in July 2014

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

She is an experienced non-executive director who is also on the board of the housing association Housing and Care 21 and 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.

Jenny chairs the quality improvement and leadership committee and is a member of the remuneration committee.



**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 one of the principal investigators on the Medical Research Council (MRC) and Wellcome Trust programme 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.

Anthony chairs the trust's clinical standards and innovation committee and is a member of the remuneration committee, the quality improvement and leadership committee and the population health and pathways committee.



**Ms Mary Basterfield**

Appointed as non-executive director in December 2016

Mary is chief financial officer for UKTV, which is the biggest multichannel broadcaster in the UK, reaching over 40 million viewers every month through brands including UKTV Play, Dave, Yesterday and Gold. She is a qualified accountant and her experience spans e-commerce, media, strategy and financial management of businesses undergoing rapid change. Previously, she was chief financial officer UK and Ireland, at global media, digital marketing and communications group Dentsu Aegis Network, and chief financial officer for Hotels.com at Expedia Group Inc. Mary is also currently a trustee of both the National Cancer Research Institute and Students' Union UCL. She has previously served as a non-executive director and chair of audit committee for Hounslow and Richmond Community Healthcare NHS Trust.

Mary chairs the audit committee and is a member of the remuneration committee and the clinical standards and innovation committee.



**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 Ansoor Ventures, a firm that incubates startups where Akta is now a partner.

Akta is a member of the remuneration committee, and group services and investment committees.



**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 financial and travel marketing and was previously chief executive of British Airways Air Miles, the subsidiary responsible for the airline's loyalty programme.

Alongside her senior executive work, Wanda has also led on consultancy work for major clients.

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



**Mr James Tugendhat**  
Appointed non-executive director in January 2018

James has spent his career in the commercial sector in variety of leadership roles across healthcare, education and consumer goods and services.

James is currently managing director of the international division of Bright Horizons Family Solutions, a global leader in early years education with 30,000 employees in over 1000 sites across five countries. During his 10 years in healthcare, James spent several years in US as chief executive officer of Health Dialog, a pioneer of population health management. He also previously served as a non-executive director of Islington Primary Care Trust for five years.

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

## Executive directors



**Sir David Sloman**  
Group chief executive

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.



**Ms Caroline Clarke**

Group 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.



**Professor Stephen Powis**

Group chief medical officer

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

Stephen left the trust in February 2018 to take up the post of medical director at NHS England.



**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 23 years' NHS management experience, mainly in acute trusts (including Northwick Park Hospital and the Royal Hospital for Neurodisability). She originally trained as an occupational therapist.



**Dr Chris Streater**  
Group chief  
medical officer

Dr Chris Streater 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.

### 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 a NHS foundation trust.

### Board meetings and directors' attendance

Trust board meetings are held in public unless there is confidential or sensitive information to be discussed. This is detailed on the board agenda which is published, together with the meeting papers on the trust's website, five days prior to the date of meeting and circulated to the council of governors. At the request of the chief executive and with the consent of the chair, 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 to observe the work of the trust board and facilitate their statutory role of holding the non-executive directors individually and collectively to account for the performance of the board.

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

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

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

The performance of the executive directors is reviewed by the 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° evaluation and feedback.

The board holds periodic development sessions during the year. Its programme has been largely incorporated into the normal working of the board, to ensure it is relevant and applicable to the board's responsibilities.

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

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

The trust board met on 13 occasions throughout the reporting period. Details of attendance by voting board members are given in the table below:

	Attendance at board meetings (actual/possible)
<b>Non-executive directors</b>	
Dominic Dodd – chair	13/13
Stephen Ainger	12/13
Wanda Goldwag	4/4
Jenny Owen	11/13
Professor Anthony Schapira	10/13
James Tugendhat	2/3
Mary Basterfield	12/13
Akta Raja	12/13
<b>Executive directors</b>	
Sir David Sloman	13/13
Caroline Clarke	12/13
Professor Stephen Powis	9/10
Deborah Sanders	12/13
Kate Slemeck	9/13
Dr Chris Streater	4/4

**Board meetings are also attended by six other group directors and the chief executive of Barnet Hospital:**

- **Glenn Winteringham** – group chief information officer
- **Elizabeth McManus** – group chief transformation officer
- **Andrew Panniker** – group director of capital and estates
- **Peter Ridley** – group director of planning
- **Emma Kearney** - group director of corporate affairs and communications
- **Dr Steve Shaw** - Barnet Hospital chief executive

These additional attendees do not have voting rights but bring their specialist advice and expertise to board discussions.

## Council of governors' meetings

During 2017/18, non-executive directors attended council of governors' meetings (both informal and formal), which enabled them to listen to governors' views and 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 and population health and pathways. 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 external auditors on the approach to audit and, following governor elections, a programme of induction seminars covering a wide range of topics from finance to governance.

## Annual members' meeting

The annual members' meeting was held in July 2017. 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 2018, enabled board members to focus on specific topics such as the annual plan and provided an opportunity for all board members to actively engage with the governors and better understand their views and concerns.

# The Royal Free London group and its committee structures

In 2017, the trust reformed its committees as part of the adoption of a group structure. Barnet Hospital, Chase Farm Hospital and the Royal Free Hospital now have their own management teams in place with greater autonomy for operational matters. The overarching group board meanwhile will focus on realising the vision of the group. A new group executive committee has been established to deliver this vision alongside a number of new committees chaired by non-executive directors:

- The group services and investment committee, chaired by Wanda Goldwag.
- The quality improvement and leadership committee, chaired by Jenny Owen
- The clinical standards and innovation committee, chaired by Prof Anthony Schapira
- The population health and pathways committee, chaired by James Tugendhat

Each hospital also has its own committees consisting of the following: local executive, patient and staff experience, finance and performance and clinical performance and patient safety committees.

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

Board Committees at 31 March 2017	Board Committees at 31 March 2018
Audit committee	Audit committee
Trust executive committee	Group executive committee
Shadow group board	Group services and investment committee
Finance, investment and performance committee	
Patient safety committee	Clinical standards and innovation committee
Clinical performance committee	
Patient and staff experience committee	Quality improvement and leadership committee
	Population health and partnerships committee

A phased transition has taken place as shown below:

	April 17	May 17	June 17	July 17	August 17	September 17	October 17	November 17	December 17	January 18	February 18	March 18
Clinical performance committee												
Patient and staff experience committee												
Shadow group board		✓										
Finance, investment and performance committee	✓	✓		✓								
Patient safety committee		✓		✓		✓		✓				
Quality improvement and leadership committee	✓			✓			✓			✓		✓
Clinical standards and innovation committee	✓				✓		✓			✓	✓	✓
Group services and investment committee							✓	✓	✓	✓	✓	✓
Population health and pathways committee												✓
Audit committee		✓				✓		✓		✓		✓

In addition to the committees above, the audit and remuneration committees continue to meet.

The board approves the terms of reference detailing the role, duties and the delegated authority of each committee annually. Committees routinely report on how they are fulfilling their duties as required by the board and each board meeting is presented with a report from the previous committee meeting. The audit committee, as the senior independent committee of the board, undertakes a yearly self assessment of effectiveness and provides an annual report on its performance to the board. With the exception of the group executive committee, the chair of each committee routinely provides the board with an exception report following each of their meetings.

All committees are chaired by a non-executive director, except for the group executive committee, which is chaired by the group chief executive. A number of board responsibilities are delegated either to these committees or individual directors.

## Patient safety committee

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

The committee met four times in the reporting period. Three governors attended this committee as observers.

## Membership and attendance

	Attendance at meetings (actual/possible)
<b>Non-executive directors</b>	
Stephen Ainger - chair	4 out of 4
Deborah Oakley	1 out of 1
Mary Basterfield	1 out of 2
<b>Executive directors</b>	
Prof Stephen Powis	3 out of 4
Deborah Sanders	2 out of 4
Kate Slemeck	2 out of 4

## Finance, investment and performance committee

This committee was responsible for seeking and securing assurance that the trust achieves the high levels of financial performance expected by the board. Our aim is to be in the top 10% of our relevant peers, ensuring that the trust's investment decisions support the achievement of its governing objectives. The committee met six times during the reporting period.

Membership and attendance	Attendance at meetings (actual/possible)
<b>Non-executive directors</b>	
Dominic Dodd - chair	6 out of 6
Stephen Ainger	6 out of 6
<b>Executive directors</b>	
Caroline Clarke	6 out of 6
Kate Slemeck	3 out of 6

## Shadow group board

The Royal Free London shadow group board was established as a standing committee of the trust board in May 2016. The purpose of the committee was to make recommendations to the trust board on all material decisions regarding the creation and operation of the Royal Free London group. All final decisions regarding the group were taken at full board meetings.

It met once in the reporting period.

Membership and attendance	Attendance at meetings (actual/possible)
<b>Non-executive directors</b>	
Dominic Dodd - chair	1 out of 1
Stephen Ainger	1 out of 1
Deborah Oakley	1 out of 1
Jenny Owen	1 out of 1
Professor Anthony Schapira	0 out of 1
Mary Basterfield	1 out of 1
Akta Raja	1 out of 1
<b>Executive directors</b>	
Sir David Sloman	1 out of 1
Caroline Clarke	1 out of 1
Professor Stephen Powis	1 out of 1
Kate Slemeck	1 out of 1
Deborah Sanders	1 out of 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 trust's annual report and accounts, and the work of internal and external audit and local counter fraud providers, and any actions arising from that work.

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

## 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.

It met seven times in the reporting period.

Membership and attendance	Attendance at meetings (actual/possible)
<b>Non-executive directors</b>	
Deborah Oakley - chair*	2 out of 2
Mary Basterfield - chair*	5 out of 6
Stephen Ainger	5 out of 5
Jenny Owen	5 out of 6
Akta Raja	4 out of 6
Wanda Goldwag**	1 out of 1

\*Mary Basterfield became chair of the committee in June 2017 after Deborah Oakley left the board

\*\* Wanda Goldwag joined the audit committee in 2018

Membership and attendance	Attendance at meetings (actual/possible)
<b>Non-executive directors</b>	
Dominic Dodd - chair*	3 out of 3
Wanda Goldwag - chair*	4 out of 4
Stephen Ainger	6 out of 7
Akta Raja	7 out of 7
<b>Executive directors</b>	
Sir David Sloman	3 out of 7
Caroline Clarke	7 out of 7
Kate Slemeck	5 out of 7

\*Wanda Goldwag became chair of the committee in January 2018.

## Quality improvement and leadership committee

The quality improvement and leadership committee focuses on ensuring that the group is recruiting, developing and retaining talent and fostering an ethos of improvement. It also looks at improving the patient and staff experience and addressing any variation.

The committee met five times in the reporting period.

Membership and attendance	Attendance at meetings (actual/possible)
<b>Non-executive directors</b>	
Jenny Owen - chair	5 out of 5
Professor Schapira	5 out of 5
Stephen Ainger*	2 out of 2
<b>Executive directors</b>	
Prof Powis**	1 out of 1
Dr Streater****	2 out of 2
Kate Slemeck	4 out of 5
Deborah Sanders	5 out of 5

\*Stephen Ainger joined the committee in January 2018

\*\* Prof Powis became a member of the committee in October 2017

\*\*\* Dr Streater joined the committee in February 2018 when Prof Powis left the trust

## 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 six times in the reporting period.

Membership and attendance	Attendance at meetings (actual/possible)
<b>Non-executive directors</b>	
Prof Schapira - chair	6 out of 6
Deborah Oakley	0 out of 1
Mary Basterfield*	4 out of 5
<b>Executive directors</b>	
Prof Powis	3 out of 3
Deborah Sanders	6 out of 6
Kate Slemeck	3 out of 6
Dr Streater**	3 out of 3

\*Mary Basterfield joined the committee in June 2017 when Deborah Oakley left the trust

\*\* Dr Streater joined the committee in February 2018 when Prof Powis left the trust

## Population health and pathways committee

The population health and pathways committee is responsible for overseeing efforts to realise the benefits of whole care pathway design.

The committee met once in the reporting period.

Membership and attendance	Attendance at meetings (actual/possible)
<b>Non-executive directors</b>	
Dominic Dodd - chair	1 out of 1
James Tugendhat	1 out of 1
Professor Schapira	1 out of 1
<b>Executive directors</b>	
Sir David Sloman	1 out of 1
Caroline Clarke	1 out of 1
Dr Streater	1 out of 1

James Tugendhat now chairs the meeting but Dominic Dodd will continue to attend.

## Remuneration committee

The remuneration committee sets improvement objectives and target levels of performance before the start of the financial year. It reviews executive director pay and the previous year's performance once benchmarking and other information becomes available from other organisations. The committee reviews the assessments of performance by directors 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, taking the advice of the chief executive and other executive directors where necessary.

The director of workforce and organisational development attends each meeting in an advisory capacity.

Remuneration Committee 17/18	Attendance at meetings (actual/possible)
Dominic Dodd (chair)	7/7
Stephen Ainger	7/7
Deborah Oakley	2/2
Jenny Owen	5/7
Professor Anthony Schapira	6/7
Akta Raja	7/7
Mary Basterfield	7/7
Wanda Goldberg	1/2
James Tugendhat	1/1

## Group executive committee

The committee is chaired by the group chief executive and is responsible for the operational management of the trust, overseeing Chase Farm Hospital, Barnet 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, and two meetings a month are also attended by the hospital chief executives and group directors of clinical practice groups. This way a close working relationship is maintained between the group and local executive teams and group-wide issues can be discussed. A monthly performance improvement meeting also takes place between the group chief executive, group chief finance officer, group chief medical officer and group chief nursing officer and their hospital counterparts. At this meeting key financial and operational performance issues for that hospital are discussed.

# Audit committee annual report 2017/18

## Purpose of the report

The annual report has been prepared for the attention of the group trust board and reviews the work and performance of the audit committee during 2017/18 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 group trust board. Through the audit committee, the group 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 two non-executive directors; Deborah Oakley until May 2017 and Mary Basterfield since then. 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 group chief finance officer, although they are not members of the committee. The group chief executive and 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. Following the formal audit committee meeting in May 2017, a further exceptional meeting was held for audit committee members and other members of the group trust board and group executive directors to resolve an outstanding accounting issue in the 2016/17 accounts before undertaking final approval of the annual report and accounts. This exceptional meeting is not captured in the table below.

Non-executive directors (members)	Attendance at meetings (actual / possible)
Deborah Oakley (previous chair)*	1 / 1
Mary Basterfield (current chair)**	5 / 5
Jenny Owen***	1 / 1
Stephen Ainger	5 / 5
Akta Raja****	2 / 3
Wanda Goldwag*****	2 / 2

\*Deborah Oakley ceased to be chair of the audit committee from May 2017.

\*\*Mary Basterfield was a member of the audit committee and became chair of the audit committee following Deborah Oakley's departure, chairing her first meeting in September 2017.

\*\*\* Jenny Owen ceased to be a member of the audit committee in May 2017.

\*\*\*\*Akta Raja became a member of the audit committee in November 2017.

\*\*\*\*\*Wanda Goldwag became a member of the audit committee in January 2018.

## Work and performance of the audit committee during 2017/18

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 2017/18, the audit committee has remained observant of the key financial, operational and strategic risks facing the trust through regular reviews of the group board assurance framework and through internal sources of assurance and validation by way of triangulation with the following group level committees: patient safety committee (now disbanded), quality improvement and leadership committee and clinical standards and innovation committee. 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.

### GROUP BOARD ASSURANCE FRAMEWORK

The committee has undertaken regular scrutiny of the group BAF to see whether the detail within adequately reflected the strategic risks to the trust and that these were scored appropriately. The audit committee has also recommended to the group trust board a number of amendments to existing risks; one around the trust's transition to a group model to include focus on ensuring that there was effective operational governance in place; the second to clearly define the separate elements to IT risks - data quality, future changes planned, cyber security and current infrastructure stability.

During the reporting period, the audit committee agreed that there was no issue on the BAF that needed to be programmed into its forward meeting agenda.

### DATA QUALITY

The audit committee has received regular updates in respect of the trust's data quality processes. Improving data quality has been identified as one of the trust's key goals, the aim of which was to have high quality data available to confirm income claimed, inform business decisions and ensure that patient safety was not compromised. The audit committee wished to be assured on the short, medium and long-term priorities for data quality improvement, order of those priorities and timeframes so that it could assure itself that the data quality issues identified in the previous year in respect of income and billing would not be repeated. The audit committee requested a report outlining target dates and a high level timeline for implementation of data quality matters so that it could understand progress and identify slippage.

### CYBER SECURITY

The audit committee requested a high level discussion on the trust's cyber security control framework, recognising that cyber security was currently a high profile issue. It was pleased to note that a digital strategy and cyber security roadmap was in place, plus the executive leadership alongside that. The audit committee discussed the key areas of vulnerability to the trust, the trust's preparedness, and investment both in terms of cyber security and the trust's current IT infrastructure more generally.

## FINANCIAL YEAR 2016/17 LEARNING

The audit committee undertook a review of the trust's 2016/17 year-end accounts process, included what had gone well and identifying lessons for the future. The audit committee recognised that improvement was needed in respect of the communication and timeliness around the accounting treatment. It agreed that the trust's proposed structure of significant financial transactions would be completed earlier in the year to allow for detailed debate and assurance (in written form) to be taken on the accounting treatment, thus providing assurance for the group trust board during the decision making process, and ensuring there were better lines of communication between the audit partner, group chief finance officer and committee members.

In light of the prior period adjustment made to the previous year's accounts in respect of the 2015/16 income loss, the audit committee had kept a watching brief on the trust's current income position. The audit committee requested an update on progress against the recommendations arising from internal audit's review of the effectiveness of the trust's processes for recording clinical activity and was encouraged to see that all was on track. In terms of the 2017/18 accounts, the audit committee was assured that this was being managed at a more granular level with management being better sighted on provisions earlier in the year.

## GROUP GOVERNANCE AND EVOLUTION

The audit committee has discussed the trust's new group model governance structure and benefits realisation monitoring arrangements that were being embedded across the group. The audit committee recognised that the group structure was new and had few precedents so the focus had been on a process of review and learning as the group progressed. However, the audit committee wished to see clarity of accountability between the group and hospitals, and the appropriate flow of information from group to hospital units and between hospital units. The committee was therefore pleased that this would be a focus of the trust's upcoming externally facilitated well-led review. The audit committee also wished to see some assurance milestones at this stage of the group's development and, on the back of this, it was now receiving a formal report from the well led steering group at each meeting, alongside the project milestone plan.

## REGISTER OF INTERESTS, GIFTS, GRATUITIES, BENEFIT HOSPITALITY AND SPONSORSHIP

The committee approved a new conflicts of interest policy. A key area of concern for the audit committee was whether staff who were required under the policy to make declarations were in fact doing so. The audit committee noted the effort made in trying to achieve an increased compliance rate and discussed simplifying the declaration process so that staff had to sign a positive statement that they were complying with the policy, as well as looking at the lack of sanctions for non-responders. These two issues would be followed up on later in 2018.

## LOCAL SECURITY MANAGEMENT SERVICE (LSMS)

The audit committee receives an annual report on the provision of the trust's LSMS which undertakes the delivery of a full range of security management work across the trust's three main hospital sites. It was assured that the trust's security management compliance was good and met the standards set by NHS Counter Fraud Authority and that a programme of work was underway to improve this further, including investing in improved technology for new lone worker devices. The audit committee was pleased to see that the trust was continuing to report on assaults on staff, both clinical and non-clinical, and that clarity had been provided on Datix, the trust's incident reporting system, to clearly differentiate between clinical and other types of assaults on staff. The audit committee was also assured of the trust's counter-terrorism processes in terms of resilience, policies and procedures, and planning.

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 also receives a log of whistleblowing ('speaking up') incidents. This captures whistleblowing incidents logged by the trust's workforce and organisational development department and those logged via other routes, thus ensuring all incidents are captured and tracked so that the audit committee can fulfil its role set out in its terms of reference.

The committee approved the speaking up policy and procedure at its meeting in January 2018 and was assured on the associated processes; speaking up incidents were being investigated and closed, the speaking up champions were promoting their work across the trust which had been well received, and it was clear that the messages behind this were being embedded across the trust's three main hospital sites. The audit committee had requested that its regular report include trend data and this was now presented in graph form. At its meeting in May 2018, the audit committee received a presentation from one of the trust's speaking up champions on their view of how the whistleblowing procedures and processes were faring across the organisation. The audit committee would seek further assurance around ensuring there was sufficient staff resource to assist with carrying out future speaking up investigations.

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).

All the respondents' ratings were reviewed to provide a median average score in order to highlight any potential areas for improvement. Out of 32 statements, the median score for almost all the statements was four and above. There were six statements which received a median score of 5, namely:

- quality of chairmanship
- frank, open working relationship with executive directors
- open channels of communication
- sufficient number and timings of meetings
- private meetings with internal and external auditors and
- role in relation to whistleblowing.

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'. Overall, the group board members rated the committee's performance as 'strong' on all questions, with the exception of one where a comment under 'needs improvement' was raised in respect of oversight of the audit processes.

The audit committee ensures that any action that could be taken to help improve the committee's performance in relation to the feedback raised is agreed and acted upon. Those themes raised for forward action were:

- oversight of the audit processes
- quality of interaction with external auditors and
- understanding of key financial matters.

As reported above, the audit committee has taken to steps to address these issues, particularly in the context of the audit of the trust's 2017/18 accounts.

### External audit

#### Appointment of the trust's external auditors

The trust's external audit services have been provided by PricewaterhouseCoopers (PwC). The council of governors appointed PwC in September 2012 for a period of three years following a full procurement exercise with the potential to extend the contract for a further two years. In March 2015 the council of governors agreed to re-appoint PwC for a further

year following completion of the 2015/16 statutory audit. The council of governors was asked to consider whether to extend the contract for a further year, or to start the process for tendering the Royal Free London 2016/17 audit provision from May 2016. The council of governors took the decision to reappoint PwC until June 2017 after which time a full tender exercise would be undertaken.

Following a robust and competitive tender exercise, the trust appointed PwC for a further three years in October 2017 with the option to extend the contract for two additional years. The council of governors debated the appointment of PwC as the external auditor at an extraordinary meeting on 13 October 2017. Particular note was made of the importance of the trust's external auditor having a higher profile with the council and that an invitation should be extended for the external auditor to present to the council. The council also agreed that it should seek to shape its relationship with the external auditor more actively in future given that all bidders had indicated they would be flexible as to the support they could offer the council.

The audit committee approved the external audit plan 2017/2018 which outlined how PwC planned to discharge its audit duties for the financial year. The audit committee also agreed the planned audit fee which was lower than the previous year. The audit committee considered the risks which were thought to be either significant or elevated in relation to PwC's audit for the year ended 31 March 2018:

- Fraud in revenue recognition
- Fraud in expenditure recognition
- Management override of controls
- Valuation of trust's land and buildings
- Significant asset disposals
- Going concern and financial stability
- Allowance for doubtful debts.

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 had specifically received an update on PwC's accounting matters and/or judgments expected to impact on the 2017/18 year end and their audit work. This item was requested in order to draw members' attention to those areas where either heightened audit focus or material changes to the way items were accounted for were needed. In addition, the trust worked closely with the audit partner to schedule any work arising from this in good time.

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 the majority of responses rated as "strongly

agree" or "agree" with the statements made. Two statements in particular were rated very strongly by the majority of respondents, with the first having been rated as such by all six respondents:

- the external audit team has an effective working relationship with internal audit and
- the quality report is completed in a timely fashion and recommendations are made to help the trust improve.

For the purposes of reflection and continuous improvement, details on those areas where less favourable ratings were received, albeit by a limited number of respondents, included:

- **the external auditor discusses the critical accounting policies and passes judgment on whether the accounting treatment is conservative or aggressive and the external audit firm resolves accounting issues in a timely manner** - as reported above, the audit committee has taken steps to address these issues, particularly in the context of the audit of the trust's 2017/18 accounts.
- **the audit team spend time engaging with governors and assisting their development** – in March 2018, the external auditors provided a seminar for governors. The chair of the audit committee and the group chief finance officer also attended. During the session, the external auditors went through the draft audit strategy with the governors and reviewed the last annual report and accounts in the context of the trust's development as a hospital group. The format of the session allowed governors to ask questions of the auditors as well as the group chief finance officer and the chair of the audit committee. The intention was that this session would be the start of a closer working relationship between the council of governors and external audit. Feedback from governors about the session was positive.

## Independence of external auditor

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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

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During the reporting period, the trust's internal audit services have been provided by KPMG. KPMG was appointed in November 2016 for a period of three years following a full and competitive procurement exercise in September 2016.

The audit committee received and approved the draft internal audit strategic and operational plan for 2017/18 at its meeting in March 2017. 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 2017/18 was presented to the audit committee in May 2018 and for the period 1 April 2017 to 31 March 2018 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' and 'significant assurance with minor improvement potential'. There was only one internal audit where limited assurance had been given (cyber security) and one review (medical illustrations) had been deferred to 2018/19.

The audit committee noted the conclusions in and accepted the recommendations arising from

the internal audit reviews. It has continued to receive status reports on implementing the recommendations at each meeting. Over the course of the reporting period, internal audit has raised 57 recommendations in the course of its reviews. No high risk recommendation has been raised in that period. Internal audit has also followed up outstanding recommendations both this year and the previous year. There is no high priority recommendation outstanding.

The audit committee approved the internal audit strategic and operational plan 2018/19 at its meeting in March 2018.

## Review of effectiveness of the trust's internal auditors

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The audit committee undertakes an annual review of effectiveness of the internal audit provision. This consisted of six participants comprising committee members and senior finance managers who 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 having been rated as either "strongly agreeing" or "agreeing". Two statements in particular were rated highly, namely **internal audit regularly attend audit committee meetings to present audit findings, trends and current views (of the control environment) and through its activities the internal audit is able to articulate to senior management the risks of their actions in a structured and balanced manner, and provide credible recommendations to mitigate risks.**

In terms of forward action, it was suggested that consideration needed to be given on how to involve internal audit in group business and governance in the future.

## Limited assurances and significant issues considered

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The audit committee focussed on the audit report which had received limited assurance and where the risk profile represented significant issues for the trust as noted above. The chair requested the presence of key individuals at that meeting so the audit committee could discuss the current position, take assurance or note action plans where necessary.

## Financial matters

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**Tender waivers** - the audit committee receives reports of all single tender actions at each meeting and requests additional information where it is not satisfied with the explanation provided. During the reporting period, the committee agreed that the contract limit should be reduced from £90,000 to £30,000. Specific assurance has been sought in respect of the tender waiver process, including the timeline for extending contracts, and achieving value for money. The audit committee has received trend data within the report but agreed that this could be improved upon in order to provide a more meaningful data set.

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

The audit committee has also taken action over the course of the year in respect of the following financial issues:

- reviewed private patient outstanding debt
- approved the implementation of the inventory management system, Genesis, having discussed the risks and how these would be mitigated and

- approved a revision to the trust's scheme of delegation within the standing financial instructions.

## Anti-fraud

During the reporting period, the trust's local counter fraud services have been provided by RSM. RSM were appointed in November 2016 for a period of three years following a full and competitive procurement exercise in September 2016.

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 fraud and bribery risks within the trust's IT department and a comprehensive review of the trust's expenses policy from a counter fraud perspective. 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 Counter Fraud Authority standards.

As part of the audit committee's approval of the external audit plan 2017/18, 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. 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, no negative responses were given. Responses were 100% positive for three of the statements in particular:

- There is a regular trust liaison with suitable qualifications and access to suitably qualified staff (investigatory officers and specialist fraud staff)
- The LCF has an effective working relationship with management
- The LCF team consider the wider control environment when conducting reviews and investigations, and make recommendations to improve controls.

There were a number of statements where half the respondents had provided a 'neither agree nor disagree' rating but there was no comment to elucidate why this was so. The audit committee requested that the group chief finance officer address those comments outside of the audit committee.

In terms of future actions, the audit committee has agreed that it would be helpful to get a broader view of counter fraud effectiveness. A review of the questionnaire would be addressed in advance of the next survey and colleagues working in key areas, such as finance, HR and so on, will also be asked for their views.

## 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 2018/19

The audit committee will continue to carry out its current functions, modified to accommodate the new group model structures and requirements, and will give particular focus to data quality and assurance, the process for compliance with top level regulators, the process or inspections from second tier regulators, clinical audit, quality of care and other assurance items, declarations on the trust's register of interests, speaking up investigations resource, and monitoring audit recommendations and reviewing all audits with a limited assurance rating.

## 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 2017/18 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.

# 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 by sharing information and views to develop and improve health services. It is also an essential part of the trust's decision-making processes.

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 four new quality board committees and at other key meetings. These are explained in more detail below.

The period 1 April 2017 to 31 March 2018 represents the CoG's sixth 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.

In July 2017, the CoG and the trust board voted in favour of amending the trust's constitution with regard to the composition of the CoG. The amendments were:

1. the removal of the specific profession requirements in the staff governor cohort.
2. a reduction in the number of commissioner appointed governors from four to two.

### The composition of a full CoG is:

- 8** elected governors from the patient constituency
- 7** elected public governors who are resident in Camden, Barnet, Enfield or Hertfordshire
- 1** elected public governor who is resident elsewhere
- 6** staff governors who must include a member of staff from the three main trust sites
- 7** appointed governors comprising two commissioner governors representing Clinical Commissioning Groups (CCG) 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.

During 2017/18, the trust held two elections for governors as the three-year terms of two groups of elected governors expired on 1 October 2017 and 1 April 2018. Elections were held in September 2017 and March 2018.

Governors whose terms expired on 1 October 2017:

1. Patient	Mr	Peter	Atkin
2. Patient	Ms	Frances	Blunden
3. Patient	Prof	Montgomery	Cole
4. Patient	Ms	Vanessa	Gearson
5. Patient	Mr	David	Myers
1. Public	Ms	Sue	Cullinan
2. Public	Dr	Anthony	Isaacs
3. Public	Mr	Richard	Lindley
4. Public	Dr	Richard	Stock
5. Public	Dr	Morvarid	Woollacott
6. Public	Vacant		
7. Public	Vacant		
1. Public (ROE)	Vacant		
1. Staff	Ms	Jude	Bayly
2. Staff	Ms	Ann	Brizan
3. Staff	Mr	John	Kireru
4. Staff	Ms	Becky	Lawson
5. Staff	Dr	Tony	Wolff
6. Staff	Dr	Patrick	McGowan

Governors whose terms expired on 1 April 2018:

1. Patient	Mrs	Judy	Dewinter
2. Patient	Ms	Linda	Davies
3. Patient	Dr	Stephen	Cameron

The result of the election held in September 2017 is set out below. In the March 2018 election, Mrs Dewinter, Ms Davies and Dr Cameron were all re-elected.

CONSTITUENCY	INCUMBENT			RESULT		
1. Patient	Mr	Peter	Atkin	<b>Re-elected</b>		
2. Patient	Ms	Frances	Blunden	<b>Re-elected</b>		
3. Patient	Prof	Montgomery	Cole	Mr	David	Bedford
4. Patient	Ms	Vanessa	Gearson	Ms	Sneha	Bedi
5. Patient	Mr	David	Myers	<b>Re-elected</b>		
1. Public	Ms	Sue	Cullinan	Ms	Jude	Bayly
2. Public	Dr	Anthony	Isaacs	RE-ELECTED		
3. Public	Mr	Richard	Lindley	Ms	Lata	Mistry
4. Public	Dr	Richard	Stock	<b>Re-elected</b>		
5. Public	Dr	Morvarid	Woollacott	Ms	Maria	Higson
6. Public	Vacant			Dr	David	Daniels
7. Public	Vacant			Dr	Effiong	Akpan
1. Public (ROE)	Vacant			Prof	Paul	Ciclitira
1. Staff	Ms	Jude	Bayly	Dr	Banwari	Agarwal
2. Staff	Ms	Ann	Brizan	Mr	Wale	Bakare
3. Staff	Mr	John	Kireru	Dr	Nicholas	Macartney
4. Staff	Ms	Becky	Lawson	Mrs	Marva	Sammy
5. Staff	Dr	Tony	Wolff	<b>Re-elected</b>		
6. Staff	Dr	Patrick	McGowan	Mr	George	Verghese

The table below sets out the council of governors as at 1 April 2018:

CONSTITUENCY	GOVERNOR			APPTD OR ELECTED	End of term
1. Appointed (University)	Prof	Hans	Stauss	01/04/12	30/09/20
2. Appointed (LB Camden)	Cllr	Abi	Wood	16/06/17	15/06/20
3. Appointed (LB Barnet)	Cllr	Peter	Zinkin	14/09/15	30/09/20
4. Appointed (Herts council)	Cllr	William	Wyatt-Lowe	22/12/14	30/09/20
5. Appointed (LB Enfield)	Vacant				
6. Appointed (NCL CCGs)	Vacant				
7. Appointed (Herts CCGs)	Vacant				
8. Patient	Mrs	Judy	Dewinter	01/04/15	TBA
9. Patient	Ms	Linda	Davies	01/04/15	TBA
10. Patient	Dr	Stephen	Cameron	01/04/15	TBA
11. Patient	Mr	Peter	Atkin	01/10/14	30/09/20
12. Patient	Ms	Frances	Blunden	01/10/14	30/09/19
13. Patient	Mr	David	Bedford	01/10/17	30/09/19
14. Patient	Ms	Sneha	Bedi	01/10/17	30/09/19
15. Patient	Mr	David	Myers	01/10/14	30/09/20
16. Public	Ms	Jude	Bayly	01/10/17	30/09/20
17. Public	Dr	Anthony	Isaacs	01/10/14	30/09/20
18. Public	Ms	Lata	Mistry	01/10/14	30/09/19
19. Public	Dr	Richard	Stock	01/10/14	30/09/20
20. Public	Ms	Maria	Higson	01/10/17	30/09/19
21. Public	Dr	David	Daniels	01/10/17	30/09/19
22. Public	Dr	Effiong	Akpan	01/10/17	30/09/19
23. Public (ROE)	Prof	Paul	Ciclitira	01/10/17	30/09/20
24. Staff	Dr	Banwari	Agarwal	01/10/17	30/09/20
25. Staff	Mr	Wale	Bakare	01/10/17	30/09/20
26. Staff	Dr	Nicholas	Macartney	01/10/17	30/09/20
27. Staff	Mrs	Marva	Sammy	01/10/17	30/09/20
28. Staff	Dr	Tony	Wolff	01/10/14	30/09/20
29. Staff	Mr	George	Verghese	01/10/17	30/09/20

During 2017/18, Will Huxter resigned as the NHS England appointed governor and Councillor Donald McGowan stepped down as the appointed governor for Enfield Council. There are currently three vacancies on the CoG: both CCG appointed governor posts and the appointed governor for Enfield Council. Appointed local authority governors for Barnet and Hertfordshire have had their terms renewed.

## Lead governor

The CoG elects one of its members to be the lead governor who 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.



Governors' initial terms of office started on 1 April 2012 – the day that 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.

### 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.

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

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

### Formal meetings of the council of governors

Governors are expected to attend all formal CoG meetings and there are provisions in the constitution relating to non-attendance at three consecutive meetings. The CoG met formally on five occasions during 2017/18. All meetings have been 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 a good representation of non-executive directors in attendance. There is regular RFL communication with individual directors and questions regarding their performance is channelled through the chair or chief executive as appropriate.

In 2017/18, the CoG did not exercise its power to require one or more of the directors to attend a

governors' meeting for the purpose of obtaining information about the trust's performance 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 2017/18. As well as formal meetings, governors have attended a number of informal sessions on a range of topics which are designed to support development and allow new governors to get a feel for the environment in which the trust and the council operate.

The table below summarises the attendance of governors at formal meetings of the CoG during 2017/18.

Present members of the council

CONSTITUENCY	GOVERNOR			Attendance at formal CoG
1. Appointed (University)	Prof	Hans	Stauss	5/5
2. Appointed (LB Camden)	Cllr	Abi	Wood	3/4
3. Appointed (LB Barnet)	Cllr	Peter	Zinkin	5/5
4. Appointed (Herts council)	Cllr	William	Wyatt-Lowe	5/5
5. Appointed (LB Enfield)	Vacant			
6. Appointed (NCL CCGs)	Vacant			
7. Appointed (Herts CCGs)	Vacant			
8. Patient	Mrs	Judy	Dewinter	5/5
9. Patient	Ms	Linda	Davies	5/5
10. Patient	Dr	Stephen	Cameron	5/5
11. Patient	Mr	Peter	Atkin	5/5
12. Patient	Ms	Frances	Blunden	5/5
13. Patient	Mr	David	Bedford	0/2
14. Patient	Ms	Sneha	Bedi	2/2
15. Patient	Mr	David	Myers	3/5
16. Public	Ms	Jude	Bayly	2/2
17. Public	Dr	Anthony	Isaacs	5/5
18. Public	Ms	Lata	Mistry	1/2
19. Public	Dr	Richard	Stock	4/5
20. Public	Ms	Maria	Higson	2/2
21. Public	Dr	David	Daniels	1/2
22. Public	Dr	Effiong	Akpan	2/2
23. Public (ROE)	Prof	Paul	Ciclitira	2/2
24. Staff	Dr	Banwari	Agarwal	2/2
25. Staff	Mr	Wale	Bakare	2/2
26. Staff	Dr	Nicholas	Macartney	2/2
27. Staff	Mrs	Marva	Sammy	2/2
28. Staff	Dr	Tony	Wolff	4/5
29. Staff	Mr	George	Verghese	1/2

## Past members of the council

CONSTITUENCY	GOVERNOR			Attendance at formal CoG
Appointed (NHS England)	Mr	Will	Huxter	0/1
Appointed (LB Enfield)	Cllr	Donald	McGowan	3/3
Patient	Prof	Montgomery	Cole	3/3
Patient	Ms	Vanessa	Gearson	2/3
Public	Ms	Sue	Cullinan	3/3
Public	Mr	Richard	Lindley	3/3
Public	Dr	Morvarid	Woollacott	2/3
Staff	Ms	Jude	Bayly	3/3
Staff	Ms	Ann	Brizan	2/3
Staff	Mr	John	Kireru	3/3
Staff	Ms	Becky	Lawson	1/3
Staff	Dr	Patrick	McGowan	3/3

### Other meetings of the council of governors

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

In 2017/18, the CoG also agreed to create three new working groups of the council called local members' councils (LMCs), the remit of which will be 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 will be 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 will report back regularly to the full council.

A joint meeting of the trust board and the CoG took place in March 2018, which focused on the trust's strategic planning and operational forward plans.

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

## 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 2017/18 were satisfactorily discharged.

Duty	Comments
Receive annual accounts, auditor's report and annual report	Received at July 2017 meeting
Appoint and, if appropriate, remove the external auditor	A working group of the council was formed to take forward the process and timetable for the appointment of external auditors, recommending to the full council in October 2017 that PwC be appointed as the trust's external auditors, which was accepted.
Directors must have regard to governors' views when preparing the plan	A joint board and CoG meeting was held on 20 March 2018 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 2017, the council appointed Professor Schapira for a further three-year term and Jenny Owen for an additional one-year term.
Decide remuneration and terms of conditions for chair and other non-executive directors	During 2017/18 remuneration levels remained unchanged.
Approve appointment of chief executive	No new appointments were made in 2017/18.
Approve significant transactions	No significant transactions required approval in 2017/18.
Approve an application by the trust to enter into a merger, acquisition, separation or dissolution	No such applications occurred in 2017/18.
Decide whether the trust's non-NHS work would significantly interfere with its 'principle purpose'	No such interferences occurred in 2017/18.

## Delivery of other duties and functions of the council of governors

The governors have general duties in relation to holding 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 have been a series of seminars to which governors have been invited on issues such as foundation trust accounting, the position of the trust within the wider health economy and challenges facing the trust
- 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 2017/2018, 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 14 occasions during 2017/18 and attendance is detailed in the table below.

2017/18	Constituency	Attendance at committee meetings
<b>Name</b>		<b>Actual/possible</b>
Dominic Dodd	chairman	11/11
Peter Atkin	patient	14/14
Prof Hans Stauss	appointed	14/14
Judy Dewinter	patient	14/14
Jenny Owen	senior independent director	3/3
Abi Wood*	appointed	2/2

\*Abi Wood was appointed as member of the nominations committee in December 2017.

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

- overseen the process for the re-appointment of the chair and two non-executive directors, making a recommendation to the full CoG
- led a competitive recruitment process for two additional non-executive directors with the support of an external search consultancy. A formal recommendation went to the full CoG in November 2016 and the non-executive directors were appointed in December 2016 and January 2017 respectively.

### Local engagement task and finish working group

This group considers proposals for structures, which would facilitate better engagement with the trust's hospitals. Following its work, the CoG has decided that local members' councils, which will be working groups of the CoG, should be established at Barnet Hospital, Chase Farm Hospital and Royal Free Hospital. The first meetings took place in May 2018.

## 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 28,388, including staff members. The trend in membership figures is shown below.

RFL membership over time



## Membership community

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Membership is voluntary and free of charge to anyone over 16 years of age 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

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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 that 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 2017) with presentations from the chair and chief executive highlighting performance and achievements for the last year and emerging plans for the ensuing year.

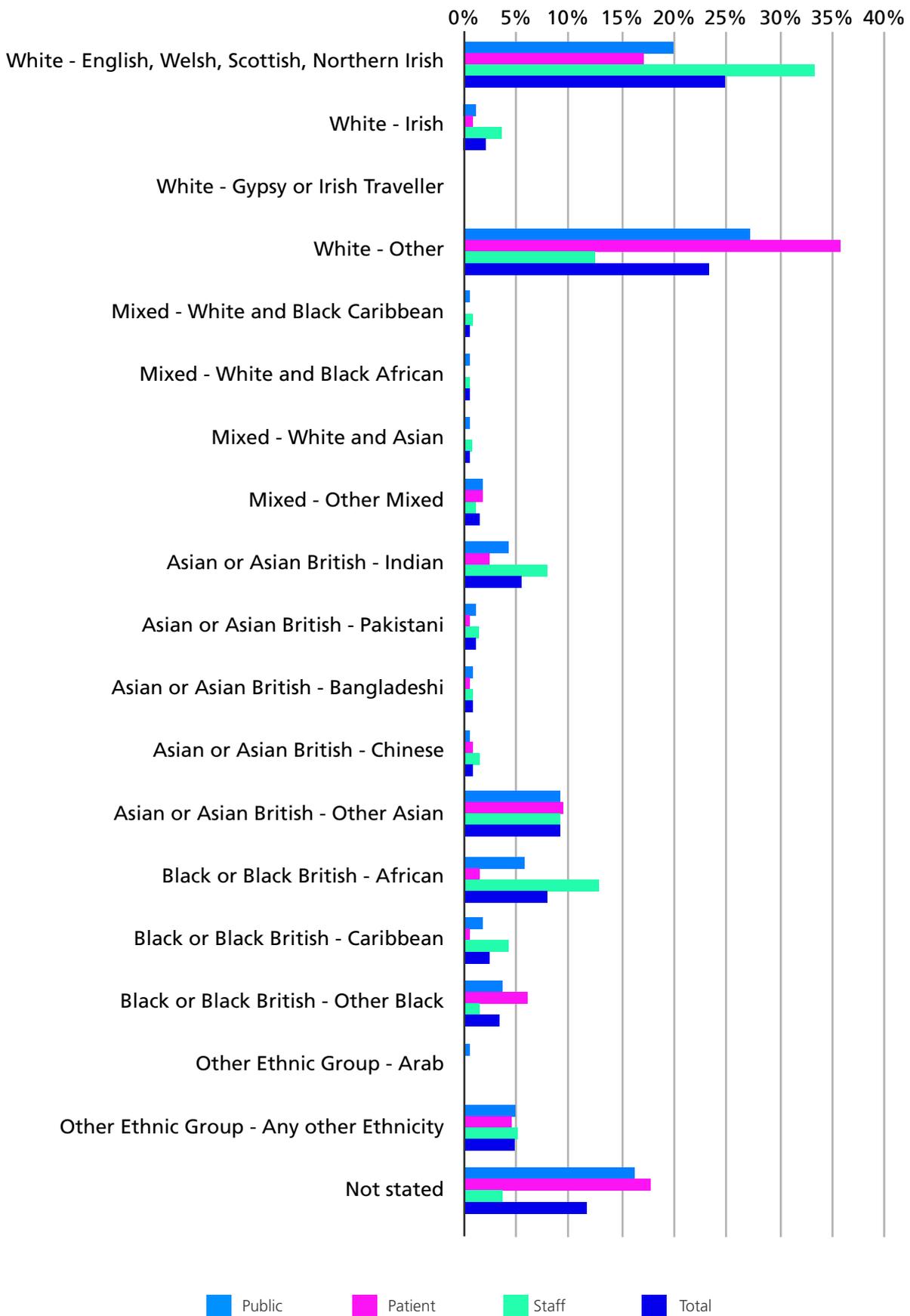
## Diversity and representation

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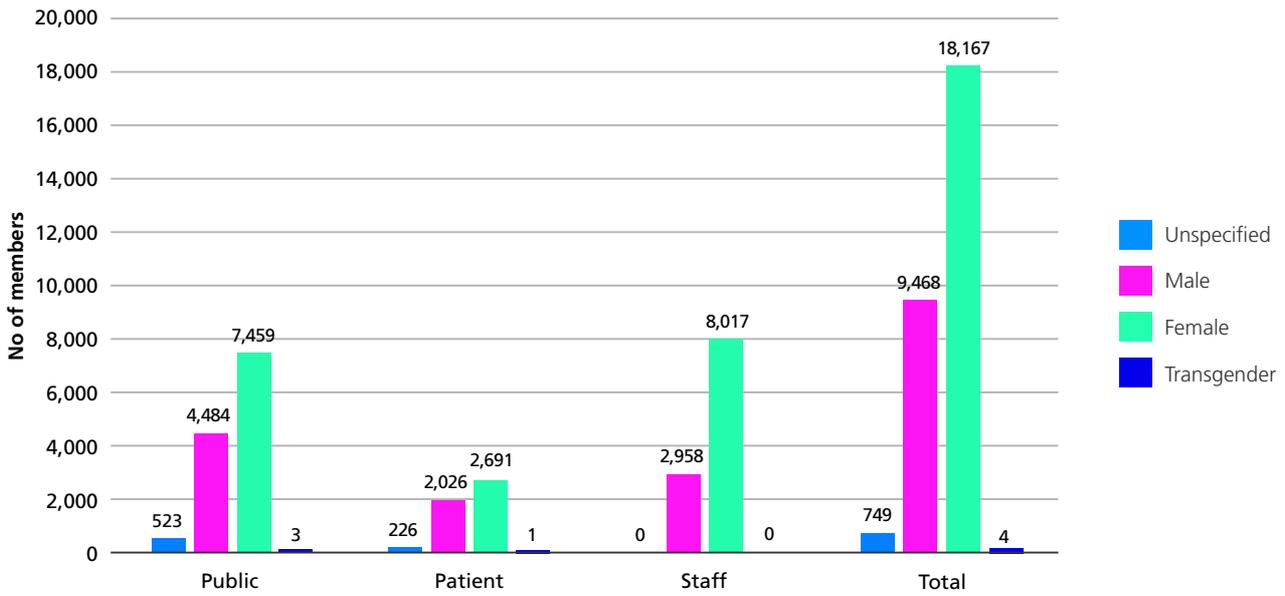
As part of the process of becoming a member of the trust, applicants are asked to provide demographic data so the trust can ensure its membership reflects the communities it serves. Whilst a sizeable proportion of applicants choose not to volunteer this information, membership profiling has been conducted 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.

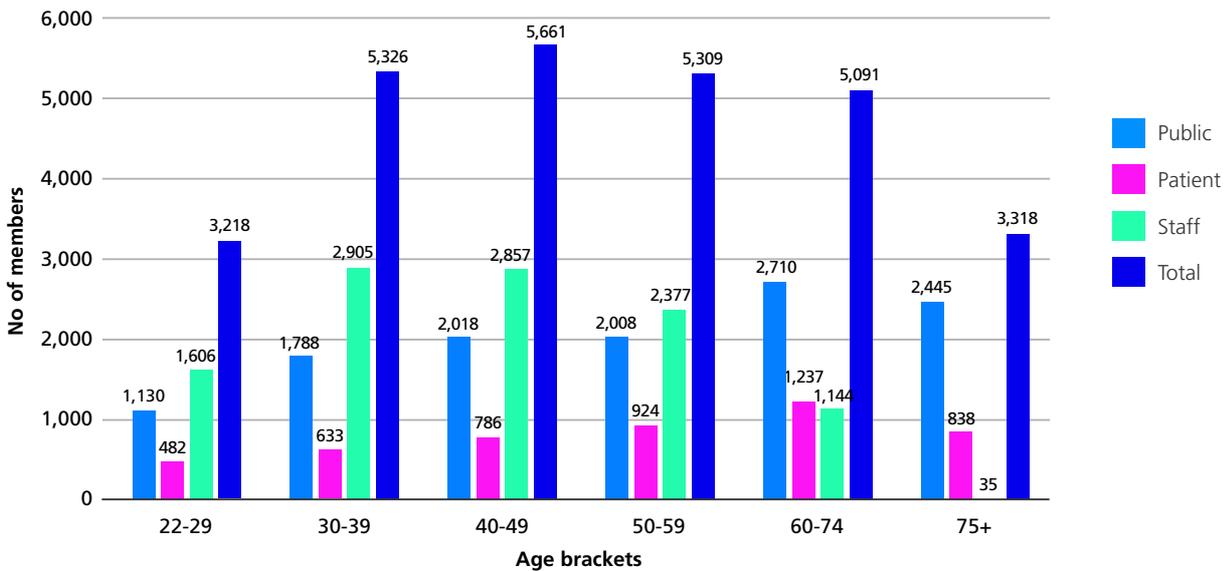
### RFL membership ethnicity



## RFL membership by gender



## RFL membership age breakdown



## Monitoring, evaluating, learning and improving

We are in the process of developing a survey to gain a better understanding of how our membership thinks we are doing in terms of engagement and to glean suggestions for how they can be better involved.

## Contact procedures for members

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

Members' and public views and opinions are also canvassed by governors at key membership and trust events, including the annual members' meeting. Event information is available on the trust website and also promoted via FreePress and regular emails.

# Patient care

At the Royal Free London, we define patient experience as:

*“The sum of all interactions, shaped by the culture of the Royal Free London, that influence patient and carer perceptions across their pathway”.*

Every day there are opportunities for staff to affect a patient’s experience. A smile or a cup of tea can go a long way to ensuring that the experience of being in hospital is not as bad as it could be.

We are committed to focusing on listening and acting on patient feedback, and gather data on patient experience from national and local sources to help us set priorities to deliver a better service.

## Friends and family test

The friends and family test (FFT) is an important feedback tool which asks people if they would recommend the services they have used. It highlights both good and poor patient experience in in-patients, out-patients, A&E and maternity services.

In 2017/18 the trust received 90,137 responses to the FFT and 86% (or 77,582) of the respondents said that they would be likely or extremely likely to recommend our services.

In-patient	Barnet Hospital	Chase Farm Hospital	Royal Free Hospital	Responses
<b>Month</b>	<b>% would recommend</b>			
Apr-17	82%	95%	89%	1,284
May-17	89%	95%	88%	1,430
Jun-17	89%	95%	89%	1,369
Jul-17	87%	93%	90%	1,438
Aug-17	89%	94%	89%	1,327
Sep-17	86%	98%	92%	1,317
Oct-17	89%	95%	91%	1,403
Nov-17	87%	94%	90%	1,416
Dec-17	88%	95%	85%	1,142
Jan-18	85%	94%	90%	1,299
Feb-18	83%	96%	87%	1,193
Mar-18	85%	95%	88%	1,320
<b>Total responses for In-patient FFT 2017-18</b>				<b>15,938</b>

A&E	Barnet Hospital	Royal Free Hospital	Responses
<b>Month</b>	<b>% would recommend</b>		
Apr-17	78%	89%	4,483
May-17	82%	87%	4,851
Jun-17	80%	86%	4,801
Jul-17	80%	83%	4,976
Aug-17	81%	88%	4,901
Sep-17	81%	86%	4,848
Oct-17	80%	88%	4,880
Nov-17	82%	87%	4,505
Dec-17	79%	86%	4,197
Jan-18	79%	88%	5,043
Feb-18	78%	87%	4,480
Mar-18	76%	85%	5,266
<b>Total responses for A&amp;E FFT 2017-18</b>			<b>57,231</b>

	Q1 - antenatal care -308 respondents		Q2 - labour and birth - 1,609 respondents		Q3 - postnatal care - 1,666 respondents		Q4 - postnatal community services - 707 respondents	
	Barnet Hospital	Royal Free Hospital	Barnet Hospital	Royal Free Hospital	Barnet Hospital	Royal Free Hospital	Barnet Hospital	Royal Free Hospital
<b>Month</b>	<b>% would recommend</b>							
Apr-17	100%	88%	98%	96%	97%	92%	100%	100%
May-17	97%	100%	97%	99%	94%	96%	100%	100%
Jun-17	83%	100%	99%	91%	95%	91%	100%	100%
Jul-17	100%	100%	99%	99%	91%	99%	100%	100%
Aug-17	100%	100%	96%	93%	91%	91%	100%	100%
Sep-17	100%	100%	97%	96%	99%	94%	100%	100%
Oct-17	100%	100%	96%	96%	94%	88%	100%	100%
Nov-17	100%	100%	100%	95%	98%	87%	100%	100%
Dec-17	100%	100%	97%	100%	88%	100%	100%	100%
Jan-18	100%	86%	100%	95%	100%	94%	100%	100%
Feb-18	100%	100%	100%	98%	90%	98%	100%	100%
Mar-18	98%	100%	95%	94%	92%	91%	98%	100%

Out-patient	Barnet Hospital	Chase Farm Hospital	Edgware Hospital	Royal Free Hospital	Responses
Month	% would recommend				
Apr-17	92%	90%	97%	94%	1,198
May-17	93%	94%	100%	91%	1,050
Jun-17	96%	90%	100%	94%	1,331
Jul-17	93%	94%	100%	94%	1,134
Aug-17	91%	95%	100%	94%	1,549
Sep-17	96%	94%	100%	98%	1,034
Oct-17	91%	94%	100%	95%	938
Nov-17	92%	95%		96%	951
Dec-17	95%	95%	99%	91%	641
Jan-18	92%	94%	95%	98%	1,240
Feb-18	88%	95%	90%	97%	726
Mar-18	91%	96%	96%	95%	886
<b>Total responses for out-patient FFT 2017-18</b>					<b>12,678</b>

## NHS Choices

Six out of every 10 reviews of the trust on NHS Choices are given a five star rating by patients.

In 2017/18, 275 reviews were responded to by the patient experience team after they began replying to people's comments at the beginning of 2017.

It is not permitted for staff names to be included in the reviews, but the patient experience team is asking reviewers to send them this detail via email in their reply so compliments can be forwarded to the staff involved, or if there are areas of concern, reviewers have been offered the opportunity to meet with staff.

## National survey programme

There are four national surveys applicable to acute NHS trusts. Results of all of these were published in 2017/18 using a standardised format by the Care Quality Commission (CQC). The reports inform trusts, patients and other stakeholders whether each organisation is rated 'better than', 'worse than' or 'about the same' as most other trusts. The full results can be seen on the CQC website: [www.cqc.org.uk](http://www.cqc.org.uk)


Jodie gave Plastic surgery at Royal Free Hospital a rating of 5 stars

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**Breast Surgery**

I am 5days post surgery. My consultant is fantastic, I was very nervous but they made me feel at ease throughout the whole process. I would be grateful if you could send my thanks to this consultant personally. I am very happy with the results and would highly recommend them. My surgery was cancelled once before I finally had my op but these things happen and it's not the staffs fault. The nurses throughout my day surgery were also very caring and professional. Thankyou again. My results have already been life changing.

Visited in November 2017. Posted on 29 November 2017  
[Report as unsuitable](#)

**Royal Free Hospital** replied on 01 December 2017

Dear Jodie,

Thank you for taking the time to leave a review about your experience.

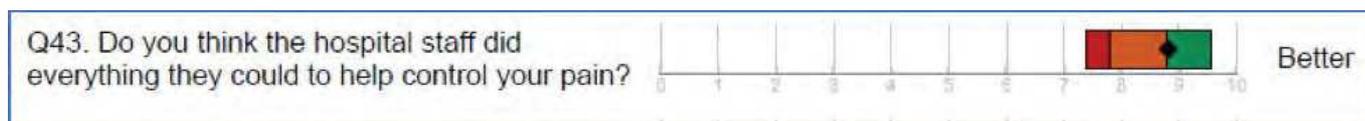
It's great to read how you were reassured and made to feel at ease throughout the process. I am sorry that you had your surgery cancelled once, but am glad that you have now had the procedure and are already seeing the life changing results.

I'd be happy to pass on your thanks to your consultant and to the nurses too if you wish; you can email me at [rf.patientexperience@nhs.net](mailto:rf.patientexperience@nhs.net) with their details.

Wishing you all the best with your continued recovery.

## In-patient survey

A total of 32% of patients responded to the 2016 national in-patient survey, which was published in May 2017, compared to 44% nationally. The trust scored 'about the same' as most other trusts for all 11 sections, as in 2015. There was one question where the trust scored 'better than' most other trusts:



The trust also performed statistically better in 2016 than in 2015 on two questions:

- Did you have confidence and trust in the nurses treating you?
- In your opinion, did the members of staff caring for you work well together?

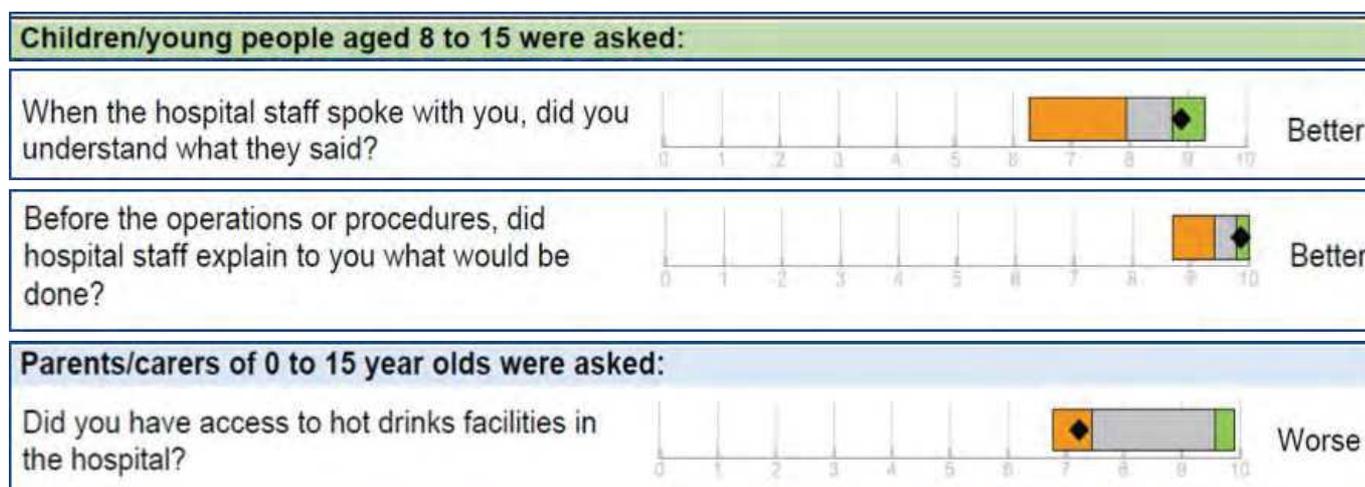
## Emergency department survey

The trust received a response rate of 24% to the 2016 emergency department survey, published in October 2017, compared to a national response rate of 28%. In eight out of nine areas, the trust scored 'about the same' as most other trusts, but was 'worse than' in the 'leaving the emergency department' section. The survey was undertaken in September 2016, a change in month on previous years, so we are unable to compare results.

## Children and young people's survey

Young people scored the trust as 'better than' most in choice of admission dates and in how staff communicated with children in this 2016 survey, published in November 2017. However, they found it to be 'worse than' other trusts in the accessibility of hot drinks facilities.

The trust received a response rate of 26% to the survey, which is the same nationally. The scores for the top and worst performing areas are as follows:



## Maternity survey

The 2017 maternity survey was published in January 2018 showing that the trust scored 'better than' most other trusts in four questions:

- During your pregnancy were you given a choice about where your antenatal check-ups would take place?
- Were you given enough information about your own physical recovery after the birth?
- Were you given enough information about any emotional changes you might experience after the birth?
- Did a midwife tell you that you would need to arrange a postnatal check-up of your own health with your GP?

The trust also saw a statistically significant improvement from the 2015 survey in five questions:

- Thinking about your care during labour and birth, were you spoken to in a way you could understand?
- If you needed attention while you were in hospital after the birth, were you able to get a member of staff to help you within a reasonable time?
- Think about the care you received in hospital after the birth of your baby, were you given the information or explanations you needed?
- Were you given enough information about your own physical recovery after the birth?
- Were you told who to contact if you needed advice about any emotional changes you might experience after the birth?

A total of 35% responded to the survey, compared to 37% nationally.

## National cancer patient experience survey

Patients felt that their experience of cancer care fell outside of the 'expected range' in 19 out of 59 questions.

This is the first year that questions have been scored in this way, so we are unable to compare our results with those of the previous year. The survey, carried out by Quality Health on behalf of NHS England, received a response rate of 57% compared to 67% nationally.

### Patient advice and liaison service (PALS)

PALS provides information and advice on how patient concerns can be managed, and takes action to find resolutions quickly and informally.

During 2017/18, PALS had contact with 10,601 people compared to 12,000 in the previous year. The table below shows the top five themes from this year and how they rank compared to last year.

	2016/17	2017/18
1	General assistance / enquiries	General assistance / enquiries
2	Communication	Communication
3	Appointments	Appointments
4	Car parking	Positive comments
5	Positive comments	Car parking

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

### Complaints

The trust recognises 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 responses. Complaints data, including lessons learnt and actions taken is included in:

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

The table shows that the main subjects of the complaints received in 2017/18 were the same as in 2016/17.

	2016/17	2017/18
1	Clinical treatment	Clinical treatment
2	Communication	Communication
3	Values and behaviours	Values and behaviours
4	Appointments	Appointments
5	Car parking	Car parking

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

- There will be increased signage from the main entrance along the route to the cashier's office.
- A restructuring of the dermatology service is currently taking place, along with the recruitment of additional staff to help with the flow of patients, which have increased due to a rise in the number of referrals received.
- A capped fee for car parking has been introduced at the Royal Free Hospital following the closure of the multi-storey car park and the use of number plate recognition technology.
- The diabetes clinic has recently taken on a pump nurse, who can undertake reviews by telephone and email, which both increases convenience for patients and means clinic consultations by medical staff can take less time, thereby reducing delays.
- The ophthalmology team has employed another member of staff to support the service at the Whittington Hospital site and prevent difficulties in patients getting through to the clinic.

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

	2016/17	2017/18
Complaints received by the trust	1,566	1,529
Complaints upheld (partially or fully) by the trust	890	698
Complaints taken to the Parliamentary Health Service Ombudsman	28	16
Complaints upheld (partially or fully) by the Parliamentary Health Service Ombudsman	10	0
Complaints still under investigation with the Parliamentary Health Service Ombudsman	1	11

## Interpretation and translation

New and improved interpreting and translation services have been put in place at the trust where patients have instant access over the phone to a qualified interpreter 24 hours a day, seven days a week. Face-to-face interpreters can also be arranged when required.

This commissioned service provides qualified interpreters in all 256 languages and dialects requested by patients in the past three years. This also includes British sign language and deaf blind signing.

Between January and December 2017, the trust received the following requests for translation:

- calls 2,885
- face to face 8,266
- British sign language 459
- number of patient contacts 11,610

An analysis of the most requested languages shows a similar pattern of requests since 2012. The exception is Romanian, which has moved from seventh place in 2012 to third in 2017, reflecting the settlement of Romanian immigrants in the north west London area.

Rank	Language	% of use
1	Turkish	27.6%
2	Farsi	24.8%
3	Romanian	10.5%
4	Arabic	7.9%
5	Polish	7.8%
6	British Sign Language	5.2%
7	Portuguese	3.5%
8	Albanian	2.6%
9	Gujarati	2.5%
10	Chinese Mandarin	2.3%

The range of languages spoken amongst our pool of volunteers is also considerable. The table below shows a breakdown of the nationalities of volunteers and those who have learned a second language.

Australian	German	Macedonian	Somali
Bangladeshi	Greek	Mexican	South African
Brazilian	Hungarian	Nepal	Spanish
British	Indian	Netherlands	Sri Lankan
Bulgarian	Iranian	Nigerian	Swiss
Burmese	Iraq	Pakistani	Syrian
Congolese	Irish	Palestinian	Thai
Danish	Italian	Polish	Ugandan
Dutch	Jamaican	Portuguese	Uzbek
Eritrea	Japanese	Romanian	Yemen
Filipino	Kenyan	Russian	Zimbabwean
French	Kosovar	Singaporean	

Volunteers are not used for interpretation during clinical episodes but having access to over 70 languages means we are better able to deliver our world class care values.

## Making Every Contact Count

Supporting patients to make healthy lifestyle choices is the key driver of the Making Every Contact Count programme.

Its focus is on removing health inequalities through prevention, by helping patients stop smoking, reduce the amount of alcohol they drink, eat healthily, be active and improve their mental health.

As part of the programme we are running training courses across all sites for staff so they can support patients or colleagues to make healthy lifestyle choices during their many interactions. The courses also address some of the underlying causes of ill health such as housing, debt and mental health.

As an employer, we also have a responsibility to our staff to ensure they are informed and motivated to make healthy choices.



## Chaplaincy

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The chaplaincy and spiritual care department provides numerous services for patients, staff and visitors, including:

- 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 and end of life support
- staff and volunteer training.

On average, it sees 150 patients per week for one-to-one spiritual care at the bedside and has about 60 out of hours call outs every month from in-patients and out-patients, staff and visitors, predominantly, but not exclusively, from Christian, Jewish, Muslim and no identifiable faith backgrounds.

Attendance at weekly religious services is between 90 and 120 people. Every Friday the Muslim prayer is offered, which has risen to an attendance of around 50 to 60 people each week as patients often book their out-patient appointment and then attend ummah prayers at the hospital.

This year there have been a number of improvements achieved such as the implementation of a procedure regarding the chaplaincy response during a major incident, support for the bereavement department and representation on the trust's equality steering group and end of life committee. The head of chaplaincy services also took on the role of chair of the ethics committee.

## Volunteers

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The trust has over 600 volunteers that provide more than 40,000 hours of service across our hospitals. Their roles include:

- dementia companion
- meet and greet service to help people find their way around the hospital
- enquiry desk volunteers
- ward assistants, serving tea and coffee, meals and interacting with patients
- admin
- shopping trolley
- weekend newspaper round
- A&E and discharge lounge presence to talk to patients, offer water and assist staff
- interacting with patients on the hepatology ward to help them separate between night and day
- beauty therapy, such as nail painting
- hairdressing and barbering
- therapy dog volunteers where dogs and their owners visit the wards to brighten up patients' (and staff) days
- gardening
- massage
- chaplaincy
- information and support in MacMillan Cancer Support, and soon in the Charity Information and Support Centre for patients with long-term conditions.

## Building for a better experience

Two of the Royal Free Hospital's wards have been transformed to create a more sensitively designed hospital environment which is expected to have significant therapeutic benefits, provide a better patient experience and boost staff morale.



## Retro styling on 10 North ward

Patients on 10 North ward are being transported back to 1970s Hampstead High Street in a first-of-its-kind renovation at the Royal Free Hospital.

The refurbishment has transformed the clinical area into a therapeutic and reminiscence space for elderly patients.

The corridor walls, which show headlines from the past, can be used to stimulate conversation and memories. The patient day room has also been changed into a living/dining room complete with a fireplace, dining tables and a TV playing hit films from the 60s and 70s.

The ward is equipped with a post box, bus stop and a working hair salon, so patients can experience familiar settings during their recovery.

Danielle Wilde, trust dementia lead, said: "People with dementia need something different from a regular hospital ward. Our main priority is to diagnose and treat our patients. For a person with dementia, however, their main priority is about establishing where they are, who we are and what we are going to do. And so our main challenge is to build a world in which we can communicate with them and build a relationship.

"This new ward environment is almost like a set – it creates the perfect space to perform those interactions and form the connections that are essential in the care of dementia patients."



The refurbishment of the ward was funded through Camden's Community Infrastructure Levy and the support of the Royal Free Charity and the clinical and executive teams at the Royal Free London.

# Bright colours liven up the children's ward

The children's ward at the Royal Free Hospital has had an injection of colour with back-lit panels and blue skies and fluffy white clouds dotted around the ceiling.

The fresh modern look has gone down well with staff and patients who are enjoying their new environment.

Ade Adamolekun, paediatric matron, said: "Yes we're in hospital but now it's as colourful and welcoming as possible with lots of creative touches."

As well as looking good, the ward has also upgraded its technology, including an up to date call bell system. This enables patients to alert nurses without disturbing other patients and visitors.

Other new touches include plastic display boards by the beds so that children can display their artwork, but then also take it home. Curved corridor walls, a feedback board, splashes of colour and artwork featuring children at play all give the space a less sombre feel.



## Working with our partners

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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.

## North Central London sustainability and transformation plan

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We are working with our local partners across north central London to encourage clinicians to collaborate and share best practice to improve patient care as part of north London's sustainability and transformation partnership (North London Partners in health and care). This incorporates healthcare organisations from the five London boroughs of Barnet, Camden, Enfield, Haringey and Islington.

The partnership's aim is to reduce the pressure on the health and care system by:

- increasing our prevention programmes with the aim of supporting people to stay well and when people become unwell, to recover quickly
- partnering with people and organisations to help our residents to remain independent for as long as possible as they age, and to have more control over their own health and wellbeing
- giving our children and their mothers, families and their care givers the right support so they can have the best possible start in life
- providing care closer to home so people only go to hospital when it is clinically necessary
- giving mental health services equal priority to physical health services
- improve cancer services
- provide a consistent standard of care available to everyone and reduce variation
- attract people to live and to work in north London so we have the best possible workforce to deliver high quality services to our community

Currently, work is ongoing in urgent care, planned care, care closer to home and mental health, with the aim of redesigning services to avoid admission where possible and promote early discharge with the appropriate support.

Revised joint policies with our commissioners have been implemented to better manage challenges and new contract models are being considered to enable a more collaborative approach.

## Service improvements

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Commissioners have developed tender opportunities for some of our services, which have changed how they are delivered. For example, we are now working in partnership with Enfield Optical Ltd and North Middlesex University Hospital for community ophthalmology and with other providers for musculoskeletal services.

The trust is also working closely with Barnet, Enfield and Haringey and Camden and Islington mental health trusts to ensure patients who come to the Royal Free London get effective and rapid mental healthcare, especially in the emergency department.

## Improving quality with the Institute for Healthcare Improvement

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Embedding quality improvement as our method of transformation is a trust priority. In order to achieve this we entered a three-year strategic partnership with the Institute for Healthcare Improvement (IHI) in August 2017.

We are one of 14 organisations around the world to partner with IHI, other partners locally include East London Foundation Trust and NHS Scotland and the Scottish Government.

A programme of activity with IHI as strategic partners spans four areas; strategic guidance and leadership, capability and capacity development, QI infrastructure development, and running a trust wide Joy in Work project.

We believe through working on these four areas we can significantly improve patient care, patient and staff experience, quality and safety of care, while also better using resources and reducing unwarranted variation in care.

## Working with the Royal Free Charity

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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.

The charity also helps support patients in various ways, such as massage therapy for cancer patients and companions for dementia patients. At the beginning of 2018 the Royal Free Charity opened its first 'hub' based at the Royal Free Hospital. The hub is aimed at patients with long-term conditions and offers welfare and benefits advice, resources on local and national services and a programme of talks and workshops, ranging from peer education and self-management to healthy eating, relaxation and music and art therapy. Further local hubs are planned.

In 2017 the Royal Free Charity also supported the refurbishment of 10N ward at the Royal Free Hospital which has transformed the clinical area into a therapeutic and reminiscence space for elderly patients. Barnet Hospital Charity also helped organise the opening of the new teenage chemotherapy lounge at Barnet Hospital to help young people feel more at home when they are in hospital.

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)

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We continue to work hard with our lead commissioners, Barnet CCG, and local authority partners to improve the experience of our patients – particularly those who require urgent care.

We had another challenging winter with pressure on our emergency departments at Barnet Hospital and the Royal Free Hospital due to growing demand for our services and higher volumes of sicker patients.

Close collaboration between hospital trust, CCG and local authority is essential if patients are to get the care they deserve and if staff are to feel that they are supported to do their jobs to the best of their ability.

RFL are working effectively with all our commissioners. We have revised joint policies for managing claims and challenges and procedures of limited clinical effectiveness. We are exploring new contracting models to enable a more collaborative approach and to work through developing and redesigning services such as urgent care centres and services that avoid admission and promote early discharge.

The focus of the key performance indicators with our commissioners has been on delivering the key national targets for A&E, cancer and referral to treatment times which are covered elsewhere in the report.

We continue to develop new pathways which improve the experience for patients, for example, 'straight to test' which removes an outpatient appointment allowing patients to have a diagnostic procedure and then have an appointment, if necessary, with

the results of their diagnostic test. We are also increasing the number of telephone clinics which prevent the patient having to travel to the hospital but continue to have access to the care and support that they need.

We continue to lead the way with digital medicine and are constantly looking for new ways to use technology. We are currently using telemedicine for diagnostics and dermatology.

We have worked hard with commissioning colleagues and local authorities to implement the discharge to assess pathways which enable patients discharge in a timely way from hospital. Thereby reducing the time that is spent in hospital and facilitating a return to their own home.

## North Middlesex University Hospital NHS Trust

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In September 2017, North Middlesex University Hospital NHS Trust (NMUH) announced that it had decided to join the Royal Free London (RFL) group as its first clinical partner. The decision cemented the NMUH board's commitment to improving the care it delivers to its patients.

As a clinical partner, NMUH work alongside the RFL to ensure there are consistent approaches to designing and delivering care based on evidence and best practice – nationally and internationally. The clinical practice group approach is central to the delivery of this aim.

This decision represented an important milestone for the Royal Free London group and was the culmination of work between the trusts for a number of years. By creating this partnership we will be able to learn from the good practice at both trusts and jointly share expertise and learning to provide consistent, excellent care for the population of north London.



## GPs

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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

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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

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We have been working with residents and local groups in regard to the construction of the Pears Building (artist's impression above), which will house the new Institute of Immunity and Transplantation on the grounds of the Royal Free Hospital.

This is a hugely exciting project that will benefit patients locally and nationally by massively advancing our understanding and treatment of conditions such as cancer and diabetes. The new building will invigorate the part of Hampstead where the Royal Free Hospital is located and provide attractive spaces that can be shared by patients, staff and members of the public.

Construction work commenced in early 2018.

Sir David Sloman  
Chief executive  
23 May, 2018

# Remuneration report

The trust's remuneration of board level executive and non-executive level directors is determined by the remuneration committee (for executives) and nominations committee (for non-executives). These committees also oversee recruitment and performance of board members. This year the remuneration committee broadened its remit to include the consideration of salaries for senior managers below the board level for the first time, following the move to the group structure. This is typically for the senior leadership roles of each hospital down to divisional level (for example divisional nurse directors), and their corporate equivalent.

## Annual statement on remuneration

Key decisions taken this year were the migration of some senior managers from an agenda for change national pay scale to the trust's own salary scales. This was done on the creation of the group structure and applies to senior managers leading hospitals and divisions, and corporate equivalents. The committee also approved salaries of two new appointments at director level and an increase in salary on promotion to one voting executive director made within the year (with required approvals and in line with the trust's remuneration policy below). It also approved arrangements for the secondment of two senior staff into other organisations and for the RFL group chief executive to temporarily act as accountable officer for the North Middlesex University Hospital NHS Trust, for which there was no charge. For all current board member and other directors no pay increases were awarded in 2017/18 with the exception of Prof Stephen Powis. He received an increase in his basic pay in April 2017 in line with the national NHS pay increase for clinical academic staff (1%

in 2017/18). No exit or other payments were agreed in 2017/18 for any board members or directors. The detail of board member salaries is provided at pages 92. No director other than those board members listed is paid more than £150,000 per annum. There is more about how directors' salaries and those of other senior managers are determined and reviewed below.

## 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.

No performance-related pay or bonuses or other incentive payments are currently made that are in addition to, or separate from, the annual salary of directors. 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. It does not, at present, believe that incentive schemes or bonus payments would offer any advantage or increase directors' performance.

Remuneration components – directors	Review process
Basic salary	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
Taxable benefits	No allowances or payments made in addition to basic salary
Annual performance related bonuses or incentive payments	None made
Long-term performance related bonuses or incentive payments	None made
Pension benefits	All directors and VSM/SM staff are members of the NHS pension scheme with associated employer and employee contributions paid on their salary – a statement of pension benefits for directors is on page 93
Cars, health or other benefits	None paid (but managers have access to a car lease scheme and other benefits as do other staff)

## 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.

## 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 2017/18. 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.

## 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.

## High paid off-payroll engagements

**Table 1: For all off-payroll engagements as of 31 March 2018, for more than £245 per day and that last for longer than six months**

Existing engagements as of 31 March 2018	14
No. that have existed for less than one year at time of reporting	7
No. that have existed for between one and two years at time of reporting	1
No. that have existed for between two and three years at time of reporting	4
No. that have existed for between three and four years at time of reporting	0
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 2017 and 31 March 2018, 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 2017 and 31 March 2018	7
Of which:	
Number assessed as within the scope of IR35	5
Number assessed as not within the scope of IR35	9
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 2017 and 31 March 2018**

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

## Salaries and allowances

	2017/18						2016/17					
	Salary and fees	Taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	Pension-related benefits <sup>2</sup>	Total	Salary and fees	Taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	Pension-related benefits <sup>3</sup>	Total
	(in bands of £5,000)	(total to the nearest £100)	(in bands of £5,000)	(in bands of £5,000)	(in bands of £2,500)	(in bands of £5,000)	(in bands of £5,000)	(total to the nearest £100)	(in bands of £5,000)	(in bands of £5,000)	(in bands of £2,500)	(in bands of £5,000)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Mr Dominic Dodd</b>	60-65	-	-	-	-	60-65	60-65	-	-	-	-	60-65
<b>Mr Stephen Ainger</b>	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
<b>Ms Jenny Owen</b>	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
<b>Ms Deborah Oakley</b>	0-1	-	-	-	-	0-5	10-15	-	-	-	-	10-15
<b>Professor Anthony Schapira</b>	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
<b>Mr Dean Finch</b>	-	-	-	-	-	-	0-5	-	-	-	-	0-5
<b>Wanda Goldwag (joined Dec17)</b>	0-5					0-5	-					-
<b>Mrs Akta Raja</b>	10-15					10-15	0-5					0-5
<b>Ms Mary Basterfield</b>	15-20					15-20	0-5					0-5
<b>Sir David Sloman</b>	245-250	-	-	-	-	245-250	245-250	-	-	-	-	245-250
<b>Ms Caroline Clarke</b>	175-180	-	-	-	45-47.5	225-230	175-180	-	-	-	45-47.5	225-230
<b>Dr Chris Streater (Joined Jan-18)</b>	45-50						45-50	-	-	-	-	-
<b>Professor Stephen Powis (left Feb18)<sup>1</sup></b>	185-190				5-7.5	195-200	245-250	-	-	-	145-147.5	390-395
<b>Ms Deborah Sanders</b>	155-160	-	-	-	27.5-30	185-190	155-160	-	-	-	27.5-30	185-190
<b>Ms Kate Slemeck</b>	155-160	-	-	-	37.5-40	195-200	155-160	-	-	-	37.5-40	195-200

<sup>1</sup>Stephen Powis' salary includes a national clinical excellence award. He is employed by UCL Medical School and his salary is recharged to the trust.

<sup>2</sup>The pension related benefit is calculated as:

$$\text{Increase} = ((20 \times \text{PE}) + \text{LSE}) - ((20 \times \text{PB}) + \text{LSB}) - \text{employee pension contributions}$$

Where

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

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

## Pay multiples

The banded remuneration of the highest paid director in the Royal Free London NHS Foundation Trust in the financial year 2017/18 was £247,500 (2016/17: £247,500). This was 6.6 times (2016/17: 6.8 times) the median remuneration of the workforce, which was £36,997 (2016/17: £36,338). In 2017/18, one employee (2016/17: four employees) received remuneration in excess of the highest paid director.

Annualised remuneration ranged from £737 to £249,393 (2016/17: £661 to £403,902).

### Pension benefits of executive directors

Name	Title	Real increase/ (decrease) in pension at age 60 (bands of £2,500)	Real increase/ (decrease) in lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2018 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2018 (bands of £5,000)	Cash equivalent transfer value at 31 March 2018 (rounded to the nearest £000)	Real increase/ (decrease) in cash equivalent transfer value (rounded to the nearest £000)	Cash equivalent transfer value at 31 March 2017 (rounded to the nearest £000)
		£000	£000	£000	£000	£000	£000	£000
<b>Sir David Sloman</b>	Chief executive	-	-	-	-	-	-	-
<b>Caroline Clarke</b>	Director of finance and deputy chief executive	2.5-5.0	0-2.5	50-55	130-135	892	63	821
<b>Prof Stephen Powis</b>	Medical director	0-2.5	0-2.5	85-90	255-260	1,896	115	1,763
<b>Dr Chris Streater</b>	Group Medical director	-	-	-	-	-	-	-
<b>Deborah Sanders</b>	Director of nursing	0-2.5	5.0-7.5	45-50	145-150	960	83	868
<b>Kate Slemeck</b>	Executive director of operations	2.5-5.0	0-2.5	40-45	90-95	702	78	618

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.

## Staff costs

	Group			
	Permanent £000	Other £000	2017/18 Total £000	2016/17 Total £000
Salaries and wages	349,323	56,944	406,267	399,638
Social security costs	51,357	-	51,357	49,241
Apprenticeship levy	2,301	-	2,301	-
Employer's contributions to NHS pensions	54,034	-	54,034	51,688
Pension cost - other	-	-	-	-
Other post employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Temporary staff	-	22,241	22,241	35,547
<b>Total gross staff costs</b>	<b>457,015</b>	<b>79,185</b>	<b>536,200</b>	<b>536,114</b>
Recoveries in respect of seconded staff	-	-	-	-
<b>Total staff costs</b>	<b>457,015</b>	<b>79,185</b>	<b>536,200</b>	<b>536,114</b>
<b>Of which</b>				
Costs capitalised as part of assets	2,265	542	2,807	4,055

## Average number of employees (WTE basis)

	Permanent	Other	2017/18	2016/17
	Number	Number	Total Number	Total Number
Medical and dental	663	962	1,625	1,594
Ambulance staff	-	-	-	-
Administration and estates	1,859	671	2,530	2,504
Healthcare assistants and other support staff	1,420	280	1,700	1,651
Nursing, midwifery and health visiting staff	2,686	589	3,275	3,331
Nursing, midwifery and health visiting learners	-	-	-	-
Scientific, therapeutic and technical staff	804	166	970	943
Healthcare science staff	177	16	193	236
Social care staff	-	-	-	-
Other	-	-	-	-
<b>Total average numbers</b>	<b>7,609</b>	<b>2,684</b>	<b>10,293</b>	<b>10,258</b>
<b>Of which:</b>				
Number of employees (WTE) engaged on capital projects	33	7	40	54

## 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
<b>Exit package cost band (including any special payment element)</b>			
<£10,000	-	11	11
£10,001 - £25,000	-	2	2
£25,001 - 50,000	2	1	3
£50,001 - £100,000	1	-	1
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
<b>Total number of exit packages by type</b>	<b>3</b>	<b>14</b>	<b>17</b>
Total resource cost (£)	£142,028	£75,506	<b>£217,534</b>

## Reporting of compensation schemes - exit packages 2016/17

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
<b>Exit package cost band (including any special payment element)</b>			
<£10,000	5	13	18
£10,001 - £25,000	1	2	3
£25,001 - 50,000	3	-	3
£50,001 - £100,000	1	-	1
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
<b>Total number of exit packages by type</b>	<b>10</b>	<b>15</b>	<b>25</b>
Total resource cost (£)	£182,000	£75,000	£257,000

## Exit packages: other (non-compulsory) departure payments

	2017/18		2016/17	
	Payments agreed	Total value of agreements	Payments agreed	Total value of agreements
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	14	76	15	75
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
<b>Total</b>	<b>14</b>	<b>76</b>	<b>15</b>	<b>75</b>

### Of which:

Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary

- - - -



### Sir David Sloman

Chief executive  
23 May, 2018

Better payment practice code	Expected Sign	19ACTYTD01	19ACTYTD	19ACTYTDPM01	19ACTYTDPM
		Actual 31/03/2018 YTD Number	Actual 31/03/2018 YTD £'000	Actual 31/03/2017 YTD Number	Actual 31/03/2017 YTD £'000
<b>Non NHS</b>					
Total bills paid in the year	+	215,698	793,054	252,374	783,259
Total bills paid within target	+	74,587	388,490	90,004	346,057
Percentage of bills paid within target	%	34.6%	49.0%	35.66%	44.18%
<b>NHS</b>					
Total bills paid in the year	+	5,626	104,455	4,184	104,773
Total bills paid within target	+	229	12,625	148	4,223
Percentage of bills paid within target	%	4.1%	12.1%	3.54%	4.03%
<b>Total</b>					
Total bills paid in the year	+	221,324	897,509	256,558	888,032
Total bills paid within target	+	74,816	401,115	90,152	350,280
Percentage of bills paid within target	%	33.8%	44.7%	35.14%	39.44%



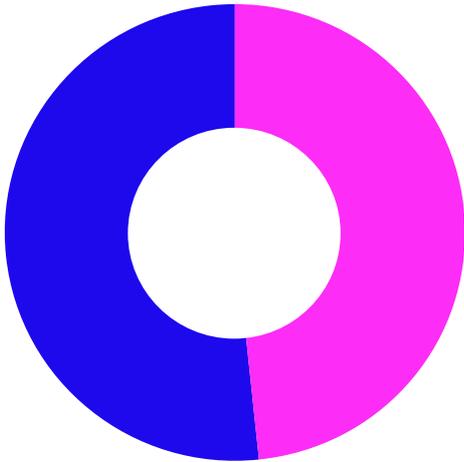
# Staff report

## About our employees

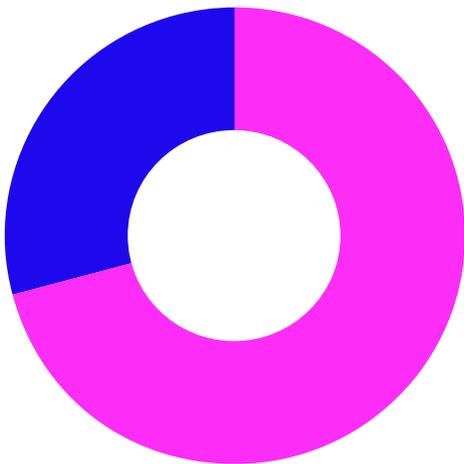
The trust employs 8,788 substantive and fixed term contracted staff and spent £533.4m on pay and benefits in 2017/18. A breakdown of our employees and pay spend is provided below.

Total staff numbers by staff group	Total	Permanent	Other	Pay Costs
Medical and dental	1,524	663	861	£146.3m
Ambulance staff	0			£0.0m
Administration and estates	2,002	1,859	143	£54.2m
Healthcare assistants and other support staff	1,470	1,420	50	£69.4m
Nursing midwifery and health visiting staff	2,760	2,686	74	£131.2m
Nursing, midwifery and health visiting learners	0			£0.0m
Scientific therapeutic and technical staff	839	804	35	£48.3m
Healthcare science staff	193	177	16	£5.9m
Social care staff	0			£0.0m
Agency and contract staff	337		337	£22.2m
Bank staff	1,168		1,168	£56.3m
Other	0			£2.3m
Total average numbers	10,293	7,609	2,684	£0.0m
Of which				£0.0m
Number of employees (WTE) engaged on capital projects	0			£2.8m

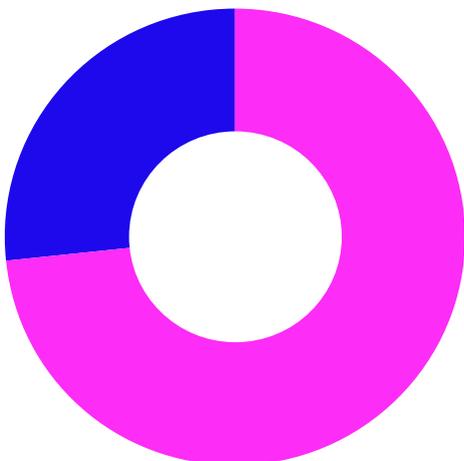
The following is a snapshot of the breakdown of staff taken on 31 March 2018:



Directors	Trust total	% of Trust total
Female	15	48.39%
Male	16	51.61%
<b>Total</b>	<b>31</b>	<b>100.00%</b>



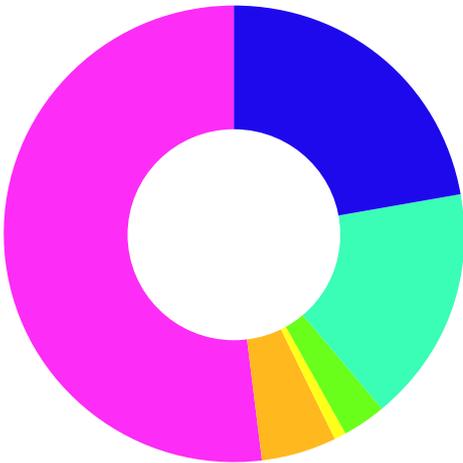
Senior Managers	Trust total	% of Trust total
Female	513	71.05%
Male	209	28.95%
<b>Total</b>	<b>722</b>	<b>100.00%</b>



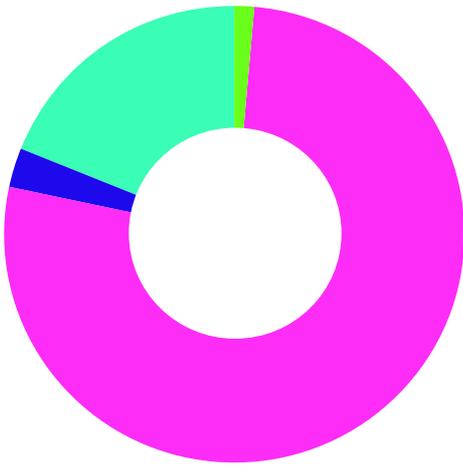
Total Staff	Trust total	% of Trust total
Female	6,926	73.46%
Male	2,502	26.54%
<b>Total</b>	<b>9,428</b>	<b>100.00%</b>



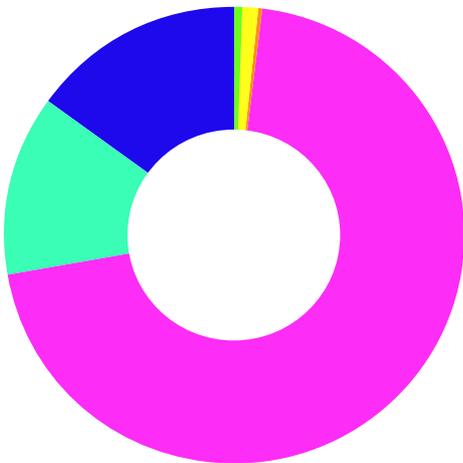
Staff Group	Trust total	% of Trust total
Add prof scientific and technic	290	3,08%
Additional clinical services	447	4,74%
Administrative and clerical	2,059	21.84%
Allied health professionals	605	6.42%
Estates and ancillary	308	3.27%
Healthcare assistants	893	9.47%
Healthcare scientists	163	1.73%
Medical and dental	1,669	17.70%
Nursing and midwifery registered	2,961	31.41%
Students	33	0.35%
<b>Total</b>	<b>9,428</b>	<b>100.00%</b>



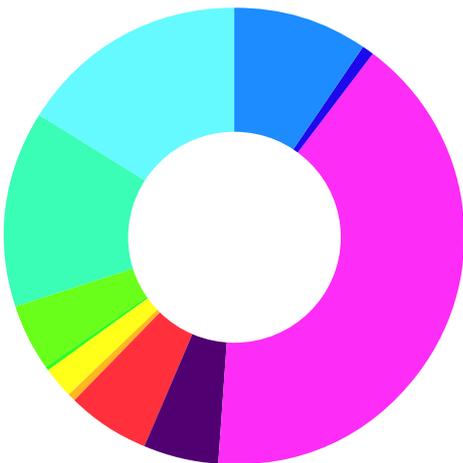
Ethnic Origin	Trust total	% of Trust total
<b>Asian</b>	<b>2,108</b>	<b>22.36%</b>
Any other Asian background	919	9.75%
Bangladeshi/British Bangladeshi	94	1.00%
Chinese	145	1.54%
Indian/British Indian	804	8.53%
Pakistani/British Pakistani	146	1.55%
<b>Black</b>	<b>1,566</b>	<b>16.61%</b>
African/Black British African	985	10.45%
Black/Black British Other	203	2.15%
Caribbean/Black British Caribbean	378	4.01%
<b>Mixed</b>	<b>290</b>	<b>3.08%</b>
Any other mixed/multiple ethnic background	107	1.13%
White and Asian	75	0.80%
White and Black African	49	0.52%
White and Black Caribbean	59	0.63%
<b>Other</b>	<b>89</b>	<b>0.94%</b>
Other	89	0.94%
<b>Other BME</b>	<b>488</b>	<b>5.18%</b>
Other BME	488	5.18%
<b>White</b>	<b>4,887</b>	<b>51.83%</b>
White British	3,325	35.27%
White Irish	305	3.24%
White Other	1,257	13.33%
<b>Total</b>	<b>9,428</b>	<b>100.00%</b>



Disabled	Trust total	% of Trust total
Yes	144	1.53%
No	7,261	77.02%
Not declared	252	2.67%
Undefined	1,771	18.78%
<b>Total</b>	<b>9,428</b>	<b>100.00%</b>



Sexual Orientation	Trust total	% of Trust total
Bisexual	67	0.71%
Gay	110	1.17%
Lesbian	29	0.31%
Heterosexual	6,622	70.24%
I do not wish to disclose my sexual orientation	1,192	12.64%
Undefined	1,408	14.93%
<b>Total</b>	<b>9,428</b>	<b>100.00%</b>



Religious Belief	Trust total	% of Trust total
Atheism	898	9.52%
Buddhism	81	0.86%
Christianity	3,855	40.89%
Hinduism	487	5.17%
Islam	571	6.06%
Jainism	40	0.42%
Judaism	200	2.12%
Sikhism	45	0.48%
Other	445	4.72%
I do not wish to disclose my religion/belief	1,295	13.74%
Undefined	1,511	16.03%
<b>Total</b>	<b>9,428</b>	<b>100.00%</b>



Age Group	Trust total	% of Trust total
Under 20	29	0.31%
21-25	612	6.49%
26-30	1,380	14.64%
31-35	1,300	13.79%
36-40	1,244	13.19%
41-45	1,217	12.91%
46-50	1,174	12.45%
51-55	1,073	11.38%
56-60	802	8.51%
61-65	446	4.73%
66-70	126	1.34%
71+	25	0.27%
<b>Total</b>	<b>9,428</b>	<b>100.00%</b>

## Sickness absence data

Total sickness absence data for 2017/18 is as follows:

Average wte 2016/17	Days per year	Weekend days	Bank Holidays	Annual leave	Non Working days	Total Working days per wte	Total Working Days available	Cumulative Absence rate	Total Days Lost	Average Days Lost
8794.36	365.00	104.00	8.00	29.00	141.00	224.00	1969936.64	3.31%	65204.90	7.41

Average wte 2017/18	Days per year	Weekend days	Bank Holidays	Annual leave	Non Working days	Total Working days per wte	Total Working Days available	Cumulative Absence rate	Total Days Lost	Average Days Lost
8788.00	365.00	104.00	8.00	29.00	141.00	224.00	1968512.00	3.17%	62401.83	7.10

## Consultancy expenditure

The trust spent £7.4 million on consultancy in 2017/18. This includes payments for specialist services and advice that is not available in house, including aspects of the Chase Farm Hospital redevelopment, the potential establishment of a wholly-owned subsidiary property company for estates and facilities and reviews of the trust's cost improvement and savings programmes and support with design and establishment of the Royal Free London group model.

# 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 2017/18 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

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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. Throughout 2017/18 we have taken a number of steps to continue the trust's record of excellence in education, training and development:

### Undergraduate medical education

We have continued to receive excellent student feedback on the quality of undergraduate medical teaching at our hospitals. In 2017/18 the first term's student feedback at the Royal Free Hospital has been good, with 24 green ratings, three amber and three red. For Barnet Hospital, the feedback for attachments has also been good, with two components rated green and two rated amber, and a green rating overall. We ran the first set of UCL Medical School clinical exams at Barnet Hospital, which is a prestigious step for the hospital.

To ensure that undergraduate teaching continues to equip students to be the doctors of the future, scoping work is underway, in partnership with Health Education England, UCL Medical School and Community Education Partner Network (CEPN) colleagues in Barnet and Camden regarding increasing the integrated care components within the undergraduate curriculum.

Our library infrastructure has been improved through the transfer of Barnet Hospital's library service to UCL management. We have also continued to provide simulation-based teaching, the use of technology to teach surgery and skills within the emergency department and employed additional teaching clinical fellows in a number of specialties.

The library service continues to be heavily involved supporting some of the early work of the clinical practice groups through detailed literature searches to build the clinical evidence base underpinning their pathway work.

### Postgraduate medical education

In this year's General Medical Council national trainee survey, trainees gave particularly good feedback on the quality of training in areas such as core surgical training, radiology, general surgery, psychiatry, renal, trauma and orthopaedics and urology. To ensure our training programmes continue to be of a high quality, we have appointed a full-time quality manager to undertake specific work on quality improvement in education and training alongside our directors of medical education.

Quality visits from Health Education England (HEE) in December 2017 at the Royal Free Hospital and Barnet Hospital were very positive, with training commended in many areas and pockets of excellence identified.

For obstetrics and gynaecology, training at the Royal Free Hospital was identified as satisfactory although two immediate mandatory responses (IMRs) were required. HEE has confirmed it is satisfied with the action taken. No IMRs were identified in the visit to Barnet Hospital.

We worked hard to support full implementation of the new junior doctor contract from October 2017, including putting in place mechanisms for exception reporting and for clarifying educational content of training posts. We continue to monitor rotas and workloads to ensure a positive working and training environment and engage with medical staff on the issue regularly.

Ongoing work is looking at the rota implications and impact on trainees from the opening of the new Chase Farm Hospital, and in particular implications for trainee work schedules. We expect that the new hospital will offer new training opportunities and will work to maximise the educational benefit the new hospital can bring.

The trust has been actively supporting training more widely by offering some support to North Middlesex University Hospital as a clinical partner, focused on supporting training within the emergency department. This work has supported improvement, reflected by the fact that the General Medical Council has lightened its supervision in some areas of North Middlesex's training.

We have also continued to act as the lead employer for GP trainees in our area. Under this model, we provide recruitment, HR and administrative services to doctors in training, and their host trusts and GP practices, across north west and north central London. The model has proved popular with doctors, lessening the administrative burden and the room for error on regular changes of employer.

## Nursing, midwifery and allied health professional education

The trust continues to provide a quality provision for pre-registration nurse education by providing sufficient up to date mentors that meet Nursing and Midwifery Council (NMC) standards, educational audit compliance and positive student evaluations. Nurse education is working with higher education to develop a more effective and consistent process to capture student feedback. However, what we already receive from those in practice placement, confirms that our trust is an excellent organisation for training as a nurse or midwife.

The continuation of our direct employment scheme for Middlesex University and University of Hertfordshire nursing students on final year placement with us means they are now automatically eligible for direct employment as registered nurses at the trust without the need for formal interview/assessment.

We have also further developed our innovative programme of training for overseas, qualified nurses who are currently working as health care assistants and wish to register with the NMC, which will ultimately grow our nursing workforce. This programme is now replicated in a number of other trusts.

For registered nurses and midwives a range of programmes continues to be offered as part of the wider trust nurse recruitment and retention programme, most notably:

- Eight-day extended preceptorship programme (a structured transition period for newly-qualified nurses when they start employment) for all newly qualified nurses.
- Post-preceptorship supporting progression and clinical excellence programme (currently has five pilot cohorts running).
- Supporting transition into practice education programme for development of clinical practice educators.
- An objective structured clinical examination (OSCE) preparation programme for overseas nurses (20 staff have attended the programme and so far 15 have gained their NMC pin number, two failed and three are awaiting a final attempt).
- Overseas nurses support and enhancement training (one day).

In addition, health care assistant development has been supported by the further roll out of our care certificate programme, the expansion of our in-house apprenticeships and our participation in one of the first national pilot sites for the new nursing associate role. This pilot is a two-year course aimed at providing a holistic experience of hospital and community placements.

For allied health professionals (AHP) and healthcare scientists, we have piloted a research skills programme for scientists, shared best practice in pre-registration AHP placements and promoted library and knowledge services to these staff groups. Our pilot of a multi-professional preceptorship programme for newly-qualified staff within these staff groups has progressed well.

## Simulation and technology-enhanced learning

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Simulation-based approaches have been used to support both the development of our existing workforce and our students and trainees. We have strengthened the faculty supporting the development and use of simulation and there have been strong early examples of additional simulation training being delivered through this core faculty model, including in the major haemorrhage pathway.

Initial work continues with estates on an initial feasibility study for expansion of the simulation centre at the Royal Free Hospital and for a possible clinical skills/simulation centre at Barnet Hospital to further enhance our capabilities in this important area of teaching and training.

## Apprenticeships and schools work

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There have been 84 apprentices starting at the trust in 2017/18, compared with a total of 66 in 2016/17. Our public sector target is 220 annually, to be reached by 2020.

86% of apprentices are still on their programmes, against a target of 85%. 99% stay with the trust once they have completed their apprenticeship, against a target of 75%.

New apprenticeship cohorts have been developed in data analysis, project management, HR support and business administration.

Other projects undertaken to encourage younger people into NHS careers have included significant outreach with schools and colleges, including a successful careers day at the Royal Free Hospital in April 2018 for a range of north central London colleges and schools.

## Wider workforce development

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In 2017/18 the trust continued to invest significant funding in recruitment and selection training, ensuring our recruiters were up to date on equality legislation and that each panel for appointments of band 8a above had a black minority ethnic (BME) member.

In total £270,908 was spent on leadership development and £30,352 on other continuing personal and professional development of non-medical staff across the organisation, such as postgraduate certificates, masters programmes and attendance at clinical conferences.

Examples of other training which was provided in-house for staff include medical terminology for non-clinical staff, AMSPAR (Association of Medical Secretaries, Practice Managers, Administrators and Receptionists) qualifications, appraisal training, minute taking, pre-retirement course and Sage and Thyme communication skills, recruitment and selection.

## Staff engagement

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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.

# Staff survey

The annual national NHS staff survey was conducted between September and December 2017. The staff survey includes only substantive and fixed term contract staff, but excludes career breaks, suspensions, long term sickness and external secondments.

Of 8,823 eligible staff, 4157 staff completed the survey. The response rate was 47.1%, higher than 42% in 2016. In comparison, across the NHS the response rate for acute trusts was 45.4%, a slight increase on its 2016 figure of 44%.

Top five and bottom five ranking scores for the Royal Free London in 2016:

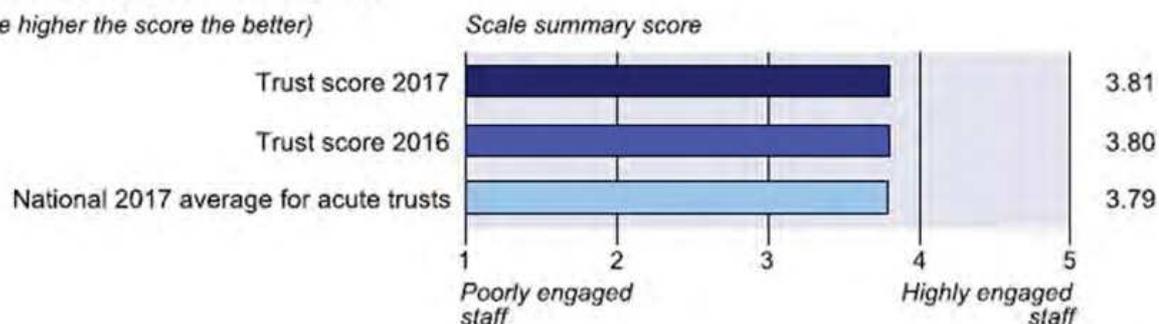
Key finding	Trust score 2017	National 2017 average for acute trusts	Comparison with acute trusts 2017	Change since 2016
KF3 - percentage of staff agreeing that their role makes a difference to patients/ service users	92%	90%	Highest (best) 20%	No change
KF13 – Quality of non-mandatory training, learning or development	4.10	4.05	Highest (best) 20%	No change
KF12 – quality of appraisals	3.22	3.11	Highest (best) 20%	No change
KF27 – Percentage of staff/ colleagues reporting most recent experience of harassment, bullying or abuse	47%	45%	Above (better than) average 121	No change
KF2 – staff satisfaction with the quality of work and care they are able to deliver	3.99	3.91	Above (better than) average	No change

Key finding	Trust score 2017	National 2017 average for acute trusts	Comparison with acute trusts 2017	Change since 2016
KF21 – percentage of staff believing that the organisation provided equal opportunities for career progression	76%	85%	Lowest (worst) 20%	No change
KF20 - Percentage of staff experiencing discrimination at work in the last 12 months	19%	12%	Highest (worst) 20%	No change
KF26 – Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	32%	25%	Highest (worst) 20%	No change
Kf17 – Percentage of staff feeling unwell due to work related stress in the last 12 months	42%	36%	Highest (worst) 20%	No change
KF23 – Percentage of staff experiencing physical violence from staff in the last 12 months.	3%	2%	Highest (worst) 20%	No change

## Overall engagement

### OVERALL STAFF ENGAGEMENT

(the higher the score the better)



The trust's overall engagement score improved very slightly in the context of an overall reduction across the NHS.

### Areas for improvement

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

- bullying and harassment
- team working
- appraisal, feedback and development
- management support from immediate managers
- health and wellbeing (including flexible working)

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

- Establishment of hospital-based leadership teams for every hospital as part of the move to a group structure
- Executive champions overseeing bullying and harassment cases
- Launch of 'speaking up' guardians across the hospitals and sites
- A 'no by-standers' anti-bullying campaign with our trade unions in November 2017
- Increased leadership and management training and development capacity
- Health and wellbeing events across the trust
- Long service awards events.

A programme for 2018/19 has already been developed, with the following initiatives planned:

- A refresh of the appraisal process
- Continued anti-bullying work
- Greater publicity and support for flexible working options
- Resilience and mental health wellbeing training and support for managers.

# Equality, diversity and human rights

The trust board and its senior management are committed to embracing equality, diversity and inclusion across the Royal Free London. 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.

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
- middle managers and other 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:

Protected characteristics	RFL 2016 equality data	RFL 2017 data	Improvement
Age	100%	100%	complete data
Gender	100%	100%	complete data
Race	99.95%	99.90%	-0.05%
Disability	77.65%	81.22%	3.57%
Sexual orientation	82.25%	85.07%	2.82%
Marriage and civil partnership	90.37%	92.38%	2.01%
Religious belief	80.99%	83.97%	2.98%

## 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. From April 2018, it is required for panels in a number of grades of staff to have a BME member. 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.

## 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. 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 current data:

Royal Free group gender pay gap report (31st March 2018)

Standard	Male	Female	Pay gap percentage
<b>Mean hourly rate of pay (all employees)</b>	£23.61	£19.44	17.68%
<b>Median hourly rate of pay (all employees)</b>	£20.31	£17.60	13.32%
<b>Mean bonus pay per annum (the only bonuses paid at Royal Free group are CEAs to consultants)</b>	£13,834.46	£10,783.63	22.13%
<b>Median bonus pay per annum (the only bonuses paid at Royal Free group are CEAs to consultants)</b>	£11,934.00	£5,976.20	50.00%
<b>The proportion of male and female employees paid a bonus (all employees)</b>	5.91%	1.16%	
<b>The proportion of male and female employees paid a bonus (consultants only)</b>	45.64%	34.56%	
<b>Proportion of male and female employees in each pay quartile</b>	Male	Female	
Quartile 1 (lower)	27.03%	72.97%	
Quartile 2 (lower middle)	20.55%	79.45%	
Quartile 3 (upper middle)	22.85%	77.15%	
Quartile 4 (upper)	37.62%	62.38%	

## Employee relations

Partnership working with trade unions is well embedded in the trust. This year we have reviewed and updated 17 policies:

1. Employment checks
2. NCL recruitment and selection policy and procedure
3. Temporary workers policy and procedure
4. Induction
5. Mandatory training
6. Managing attendance and sickness absence policy and procedure
7. Revalidation policy
8. Medical appraisal policy and procedure
9. Policy for handling concerns about the conduct and performance of medical and dental employees
10. Disciplinary policy
11. Performance and capability policy
12. Speaking up policy
13. Probationary policy
14. Secondment and acting up policy
15. Professional registration policy
16. North London partners in health and care shared apprenticeships policy
17. Appeals policy

The trust 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.

In 2017/18:

- 150 frontline staff participated in our 'step up to lead' programme.
- 72 first line leaders participated in our leading others programme – license to lead.
- 32 members of staff participated in our leading leaders programme.
- We developed 123 improvement practitioners across 32 teams and 33 quality improvement team coaches.
- 15 Royal Free London executives are now trained following our coaching and development programme with the Royal Free London, Guy's and St Thomas', Barts Health and North Middlesex University Hospital trusts.

## Health and wellbeing

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

The centre co-ordinated the annual flu vaccination programme across the trust which resulted in 72% of staff being vaccinated - a record for the trust.

We also operate an occupational health psychology service, which offers assessment and intervention, such as cognitive behaviour 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 everyday 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.

An annual staff health and wellbeing day was held across the trust's sites in November 2018 with over 1000 members of staff in attendance. Health professionals, internal departments and external companies provided information stands and activities including back and shoulder massages, reiki, tai chi and table tennis. Healthy food and drink samples were available from local bakeries and there was also the opportunity for staff to receive a comprehensive free health check. Advice was available on maintaining a healthy lifestyle, weight management, alcohol awareness, stopping smoking, coping with pressure and the benefits available to staff working at our hospitals.

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.

# 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.

# 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 is 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				2016/17	
		Q1	Q2	Q3	Q4	Q4	Q3
Financial sustainability	Capital service capacity	4	4	4	4	4	4
Financial sustainability	Liquidity	4	4	3	2	1	3
Financial efficiency	I&E margin	4	4	3	3	1	4
Financial controls	Distance from financial plan	3	2	1	1	1	4
Financial controls	Agency spend	1	1	1	1	2	2
Overall scoring		3	3	3	3	3	3

## Statement of the chief executive's responsibilities as the accounting officer of Royal Free London NHS Foundation Trust

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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.



**Sir David Sloman**

Chief executive

23 May, 2018



Obi Azubika, healthcare assistant, at the new Chase Farm Hospital which will open in the summer 2018

# Annual governance statement 2017/18

## 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 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 NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

## Capacity to handle risk

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

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

The group executive committee, which I chair, has the remit to ensure the adequacy of structures, processes and responsibilities for identifying and managing key risks facing the organisation, prior to board discussion. This group executive committee also monitors planned actions to mitigate risks and considers risks for inclusion in the corporate risk register or board assurance framework (BAF).

With the introduction of the group model, the trust has adopted group goals, which reflect the objectives of the trust over a four-year period. Each of the 42 goals has a designated lead indicator metric and is owned by a designated board committee and executive director. The structure of the BAF also reflects the goals framework so that strategic risks are aligned with the focus of the trust.

During 2017/2018, the trust has introduced a performance app which enables performance data, including lead indicators for goals, to be analysed in detail as well as highlighting trends.

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

The board committee structure is detailed on page 52 and summarised below.

Each committee has terms of reference, which are reviewed by the respective committee and formally re-adopted by the board throughout the year.

The trust performance report is reviewed regularly by the group executive committee and the trust board at each meeting. Where there is sustained adverse performance in any indicator, this is reviewed in detail at the appropriate board committee. There are monthly performance improvement meetings between the group executive and the local executive directors to discuss areas of adverse performance. Further indicators relating to the quality of patient care are reviewed at the 'quality committees' – group services and investment, quality improvement and leadership, clinical standards and innovation committee and population health and pathways.

The operational responsibility for the trust's risk management agenda is overseen by the clinical standards and innovation committee, which enables patient, staff and corporate risk issues to be brought together and reported as a whole. To enable the full risk to be considered, cross reporting takes place:

- horizontally across the group between clinical standards and innovation, audit and the group executive committees; and
- vertically between the hospital local executive and the group executive, clinical performance and patient safety, clinical standards and innovation, patient and staff experience and quality improvement and leadership committees.

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

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

## The risk and control framework

### Risk management strategy - identification, evaluation and control of risk

The risk assessment and risk management policy describes our approach to risk management and outlines the formal structures in place to support this approach.

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

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

The trust's CQC quarterly self-assessments assurance process provides a robust framework within the new organisational structure to monitor and determine assurance to the board on how the group is meeting the CQC fundamental standards across services and sites.

Included in the process is interaction and overlap with the trust's risk management process, the quality improvement strategy and patient safety processes.

The quarterly self-assessment compliance process was revised in July 2017 to reflect the new group structure:

- Each hospital site executive has oversight of the core services compliance including satellite services.
- Self-assessments are led by the divisional management who will monitor and report improvement performance through the divisional quality and safety boards.

- Site clinical performance and patient safety committees receive quarterly divisional/core services self-assessment reports recommending the final site level self-assessment score to the local executive committee.
- Local executive committees oversee site level improvement performances and areas where further improvement is needed, identifying areas for an in depth peer review inspection to validate site level self-assessment ratings.

The monthly CQC insight report is cascaded by the group executive committee to local executive committees of its support for improvement efforts and where further changes are to be made.

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

## Data security risks

The trust is part of the CareCERT process administered by NHS Digital which aims to support NHS organisations manage cyber security risks effectively. To date, 38 out of 39 alerts have had patches applied. The 39th cannot be applied due to age of the firmware. The trust has managed this risk by the application of an alternative solution. In 2017/18, an external review of trust cyber security was carried out and all recommendations actioned. The trust was awarded £700,000 of funding from NHS England to further strengthen cyber defences and we are in the process of deploying a suite of relevant products.

## Summary of the major organisational risks

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The board assurance framework has been reorganised to align the risks with the group goals and the committee responsible for managing those risks. The framework describes 48 risks and the mitigations in place, sources of board assurance and actions required for each risk.

The risks are structured as follows with the two highest scoring risks in each section provided as examples:

**Trust board** – overarching risks which could impact the delivery of multiple goals

- Competing priorities lead to sub-optimal resourcing decisions
- Activity in the annual plan is not delivered resulting in income below expected levels

**Clinical standards and innovation committee** – risks to reducing unwarranted variation and delivering excellent clinical and research outcomes

- Failure to learn from serious incidents results in poor clinical practice and potential patient harm
- Clinical practice groups are not effectively embedded resulting in continued variations in care

**Population health and pathways committee** – risks to improving healthcare across patient pathways and population groups

- System relationships do not allow for sufficient reduction in transactional costs
- Insufficient progress is made on urgent and emergency care transformation resulting in deteriorating performance against the A&E four hour target

**Group services and investment committee** – risks to achieving lower costs and higher quality in clinical and non-clinical support services

- The redevelopment of Chase Farm Hospital does not lead to the expected estates and workforce efficiencies
- Integration and modernisation of IT systems leads to transitional problems and potentially not achieving the desired Healthcare and Management Systems Society (HIMSS) level

**Quality improvement and leadership committee** – risks to developing excellent leadership, patient and staff experience and embedding a quality improvement culture

- To ensure patient safety the trust is forced to rely on high levels of agency staff
- The demands of NHS leadership mean senior staff leaving choose to move outside the NHS

**Group executive committee** – risks to delivering excellent operational and financial performance

- Failure to identify and deliver the required financial savings
- Backlog in the cancer 62-day pathways causes clinical harm to one or more patients

## Management of major organisational risks

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The trust board is responsible for the periodic review of the overall governance arrangements, both clinical and non-clinical, to ensure they remain effective. As set out in detail elsewhere in this report, during 2017/18, the trust adopted a governance structure concomitant with a devolved group structure. The four quality board committees and the group executive have group goals to which major organisational risks identified in the board assurance framework map – see above.

In April 2017, the trust approved draft terms of reference for both hospital unit and group committees. To ensure this model evolves in a way that is safe

and fit for purpose, a cyclical process of review and amendment has been adopted, which involves a number of workstreams, including:

### A well-led review in 2018

NHS Improvement (NHSI) encourages providers to undertake regular self-assessment of governance and leadership and externally facilitated well-led reviews every three to four years, which also fits in with the Care Quality Commission's well-led domain.

In 2017, there was agreement in principle between NHSI and the trust, that as the RFL group had just been established, it would be prudent to aim to commission an independent review in the first part of 2018.

A well-led steering group meets monthly and has undertaken a self-assessment exercise identifying programmes of work for 2018 and areas of specific focus for the external review, which is anticipated to take place in the second half of 2018. Group governance is an area identified for both the programme of work and the review.

The internal review will look to ensure that clinical leadership is represented at committees and review the group to hospital unit and hospital unit to hospital unit governance interfaces. It will be undertaken in the first half of 2018.

From a group governance perspective, the externally facilitated well-led review will focus on clarity of accountability between the group and hospitals and appropriate flow of information between the two and between the hospitals themselves. It will take place in the second half of 2018.

### An independent evaluation of the trust as a hospital group

An independent evaluation of the trust's implementation of a hospital group as part of NHS England's vanguard programme has been commissioned by NHS England and will be carried out by University College London. It will run over two years from 2018-2020.

## KPMG group governance and benefits realisation audit programme

Our internal auditors, KPMG, are running this programme, reporting to the audit committee regularly.

KPMG's latest round of recommendations and the management proposals in 2018 focus on the need for clear lines of assurance through the organisation and good communication between group to hospital unit committees as well as between hospitals.

There is a risk that the board and its subcommittees lose their effectiveness in the context of the adoption of a group structure. This risk is mitigated by a clear framework for group governance that is kept under review through internal and external audit work, the well-led review and the vanguard evaluation.

An additional risk is that there may be inefficient overlaps or gaps left between the board committees. This risk is mitigated by the allocation of group goals to specific committees of the board and the adoption of three-year committee planners for each board committee outlining key projects, timescales and expected routes to the board. The board assurance framework (BAF) is reviewed annually with input from internal auditors and from the committees of the board, which regularly review BAF risks relating to the goals that they own. Terms of reference for board committees are reviewed annually, and together. In 2017/18, directors' responsibilities have been reviewed as part of a portfolio review. Finally, the vanguard evaluation and well-led review will also provide an independent stress test of this in future.

There may also be a risk of reporting lines and accountabilities becoming blurred. This risk is mitigated by measures including:

- the adoption of clear committee structures at group and hospital level

- regular performance improvement meetings between the group executive team and the local executive teams to review operational performance matters
- regular attendance by group executives at local hospital committees and vice versa
- work by internal auditors whereby scenarios that commonly engage governance frameworks are run through to ensure reporting lines are fit for purpose
- clear reporting lines between hospital committees and group committees
- regular reports from board committees into the board.

At the trust, risk is considered from the perspective of clinical risk, organisational risk and financial risk. The management of these risks is approached systematically to identify, analyse, evaluate and ensure control of existing and potential risks posing a threat to our patients, visitors and staff and the reputation of the organisation. We recognise it is not possible to eliminate all elements of risk. The use of risk registers is fundamental to the control process.

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

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

risk, will be reflected in the BAF.

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

External stakeholders include the Care Quality Commission, NHS Improvement, the Health and Safety Executive (HSE), NHS Resolution, the Medicines and Healthcare Products Regulatory Agency, the Information Commissioner's Office and health analytics company Stethoscope.

The divisional boards ensure that operational staff identify and mitigate risk, which is escalated to the clinical performance and patient safety committees. Corporate committees provide internal assurance to the trust board that the mitigations are effective and the risks are adequately controlled. Risk is monitored and communicated via these committees reporting to the clinical standards and innovation committee and ultimately the board. Our clinical audits, internal audit programme and external reviews of the organisation (clinical pathology accreditation review, NHS Resolution assessment, HSE and CQC inspection) are the sources used to provide assurance that these processes are effective and risk monitoring is fully embedded.

Central to the success of the group model is realisation of the potential benefits of a group. That entails a widening of the range of issues with which the trust must engage. There is a risk that the experience and skill set of the board does not align with the changing demands on the trust. The risk has been mitigated by the appointment of two new non-executive directors who bring experience and skill sets with particular relevance to group services and investment and population health and pathways. The appointment

of governors to all four board committees also provides another forum for governors to witness non-executive director challenge to the executive and feedback accordingly.

In November 2017, NHS Improvement accepted undertakings from the trust, under the licence for providers, to ensure that the trust deals with the continuing financial challenges it faces. The trust is working through those undertakings with NHS Improvement. In May 2018, the board considered its position with regard to licence condition 4 (FT governance) and was satisfied that the trust was fully compliant with this condition and did not identify any principal risks to compliance.

The trust has an equality analysis process in place which forms part of its organisational change framework. This allows managers to consider the impact of change on all nine protected characteristics on either workforce or service change, enabling them to reduce or eliminate any potential adverse impact.

Clinical and corporate risk management is embedded in the activity of the organisation as described throughout this statement.

The key ways in which public stakeholders are involved in managing risks which impact on them are through:

- CoG at quarterly meetings hold the board of directors to account on its performance, including quality and risk. The meetings are public and members of the public are able to raise issues directly at these meetings and at the annual members meeting.
- Consultation, as required, with relevant overview and scrutiny committees and Healthwatch.
- Consultation for the quality account.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the scheme

regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the scheme are in accordance with the rules, and that member records are accurately updated in accordance with the timescales detailed in the regulations.

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

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

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

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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.

We assess and review the financial sustainability of the trust, recognising the financial challenges facing the trust over the next 12 months. In 2018, the trust developed a strategic financial recovery plan with the support of advisors Deloitte. The plan identifies how the trust will recover a break even financial position within four years. This plan has been shared with NHS Improvement (NHSI). In the fiscal year 2018, the trust delivered on the first year of its plan and has submitted a plan to NHSI for 2019.

The trust had a reference cost index (RCI) of 98 for fiscal year 2017 which supports our view that we are delivering services on an efficient basis. The RCI return is submitted to 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, we delivered a financial improvement plan of £44 million which equated to 5.6% of controllable income.

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**

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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 information governance 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 training
- data protection, information security, records management and confidentiality policies
- information governance risk register
- an information governance toolkit score of 68% (green satisfactory rating)
- audit review of the information governance toolkit (significant assurance with minor recommendations)

In March 2018, the Department of Health and Social Care also awarded the Royal Free London £700,000 of funding to improve cyber security.

Public bodies are required to publish details of personal data-related incidents in their annual reports. In 2017/18 there were three 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
June 2017	Lost community postnatal clinic diary	Paper, personal confidential data (PCD)	311	Strategic executive information system (STEIS) and Information Commissioner's Office (ICO) Affected patients notified	Investigated, no further action taken
August 2017	Patient online booking system compromised (no clinical data accessed)	Electronic	32501	STEIS and ICO	Investigated, no further action taken
November 2017	Email containing patient data sent in error to a consumables company working with the trust	Electronic, personal confidential data (PCD)	16782	STEIS and ICO	Investigated, no further action taken

In July 2017, the ICO concluded that the trust had not complied with elements of the Data Protection Act and we had not done enough to inform patients that their information was being processed by DeepMind during the testing phase of the Streams app. Streams provides clinicians with a real time alert for acute kidney injury which enables better, safer, faster care. The trust has agreed undertakings with the ICO and is making progress in working through those undertakings in conjunction with the ICO.

## 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.

Our 2017/18 quality report creates the opportunity to illustrate both national changes and our emerging new organisational architecture in which we will continue to operate in the future. It is developed through a process undertaken to meet the legal obligation for the trust to submit an annual quality report.

Development of the 2017/18 quality report process and timetable is influenced from our steps to deliver on the NHS Five Year Forward View; the quality account emphasises the on-going focus and narrative on high quality care driven through quality improvement.

As in previous years, the quality report is our key document which incorporates the principles outlined in the quality strategy; with the central theme of improving care and improving outcomes. The quality report also includes an additional section highlighting key achievements which the trust has made during 2017/18. This was developed in partnership with our clinical divisions and local executive committees.

The executive leads and associated committees for patient safety, patient experience and clinical effectiveness continue to influence the development of the quality report; especially the review of progress in achieving the 2017/18 quality priorities and the proposal of high level quality priorities for 2018/19.

In order to set our high level quality priorities for 2018/19 we undertook a series of engagement exercises with key stakeholders and relevant committees. The executive lead for each respective quality domain led the engagement to identify and agree the 2018/19 quality priorities.

Our main stakeholder event in February 2018 included members of the council of governors, Healthwatch, patient representatives and commissioners.

The process of engagement included:

- Trust board to agree the development of the quality report and delegate authority to the group executive committee (GEC)
- GEC to oversee the development of the quality report and authorise the draft account to share with external stakeholders as part of the consultation process
- Clinical standards and innovation committee to provide updates on progress made during 2017/18 to achieve the quality priorities and to propose priorities for 2018/19
- Quality improvement and leadership committee to provide updates on progress made during 2017/18 to achieve the quality priorities and to propose priorities for 2018/19
- Members of the council of governors to participate in the choice of quality priorities for 2018/19, to select the indicator for testing and submit a final statement for publication in the report.

The Royal Free London Care Quality Commission (CQC) quarterly self-assessments assurance process provides a robust framework within the new organisational structure to monitor and determine assurance to the board on how the group is meeting the CQC fundamental standards across services and sites.

This assurance process deals specifically with individual site core services actions for improvement in order to provide assurance that the trust is meeting its statutory obligations in relation to quality by demonstrating compliance with the CQC fundamental standards. Included in the process is interaction and overlap with the trust's risk management process, the quality improvement strategy and patient safety processes.

The quarterly self-assessment compliance process was revised in July 2017 to reflect the new group structure:

- Each hospital site executive has oversight of the core services compliance including satellite services
- Self-assessments are led by the divisional management who will monitor and report improvement performance through the divisional quality and safety boards
- Site clinical performance and patient safety committees receive quarterly divisional/core services self-assessment reports recommending the final site level self-assessment score to the local executive committee
- Local executive committees oversee site level improvement performances and areas where further improvement is needed, identifying areas for an in depth peer review inspection to validate site level self-assessment rating
- The monthly CQC insight report is cascaded by the GEC to local executive committees to inform the local site its judgment of improvement and support targeted improvement efforts where required.

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

## Review of effectiveness

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As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee and the quality committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the board assurance framework (BAF) and on the controls reviewed as part of the internal audit work. My review of the effectiveness of the system of internal control is informed by executives and managers within the organisation who have responsibility for the development and maintenance of the system of internal control and the assurance framework. The BAF itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its objectives have been reviewed. The BAF is framed in the context of the group's goals to ensure that focus is maintained on the delivery of agreed outcomes across the group and the effective management of attendant risks.

The assurance framework has been reviewed by the trust's internal auditors. They have confirmed that a BAF has been established which is designed and operating to meet the requirements of the 2017/18 annual governance statement. Their opinion provided 'Significant assurance with minor improvements' can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control and there were no outstanding high priority recommendations at the end of the year.

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

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

None of the internal or external auditors' reports considered by the audit committee during 2017/18 raised significant internal control issues. There is a full programme of clinical audit which was agreed by the clinical performance committee for 2017/18 and is now overseen by the clinical standards and innovation committee.

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

From a regulatory perspective, as at 31 March 2018, the trust was failing to meet the following national standards: the cancer 62-day wait for first treatment although the trend was positive; the elective treatment 18 week referral for first treatment; and the A&E four hour waiting time standard. The trust was allocated segment three under NHS Improvement's single oversight framework

## Conclusion

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

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



**Sir David Sloman**  
Chief executive  
23 May, 2018



# Annual accounts for the year ended 31 March 2018

# Foreword to the accounts

These accounts, for the year ended 31 March 2018, 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.



**Sir David Sloman**  
Chief executive  
23 May 2018

# Independent auditors' report to the Council of Governors of Royal free London NHS foundation Trust

## Report on the audit of the financial statements

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### Opinion

In our opinion, Royal Free London NHS Foundation Trust's financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2018 and of the Trust's income and expenditure and cash flows for the year then ended 31 March 2018;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2017/18.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2018; the Statement of Comprehensive Income for the year then ended; the Statement of Cash Flows for the the year then ended; the Statement of Changes in Equity for the year then ended; and the notes to the accounts, 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 Trust 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

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note i (accounting policies) to the financial statements concerning the Trust's ability to continue as a going concern.

The Trust has reported a deficit for the past three financial years (2015/16, 2016/17 and 2017/18), and is forecasting an increased in year deficit for 2018/19. 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 2018/19 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 Trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Trust were unable to continue as a going concern. We focused on this area in particular due to the challenging financial position of the Trust and the uncertainty over the Trust's ability to continue as a going concern.

### Explanation of material uncertainty

The Department of Health and Social Care Group Accounting Manual 2017/18 requires that the financial statements 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's current year deficit is £24.6 million (47.4m in 2016/17) which was behind its originally planned surplus. The Trust is forecasting a deficit of £66m (before impairments) for 2018/19.

The Trust has drawn down £43m in the form of a loan from the Department of Health in 2017/18. Furthermore, the 2018/19 annual plan anticipates the need for a further drawn down of £57m. It also includes the assumption that the Trust's Financial Improvement Plan will achieve in total 4.4% of total operating expenditure, which is considered to be challenging (and an increase on the prior year).

## 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 2018/19 annual plan and:

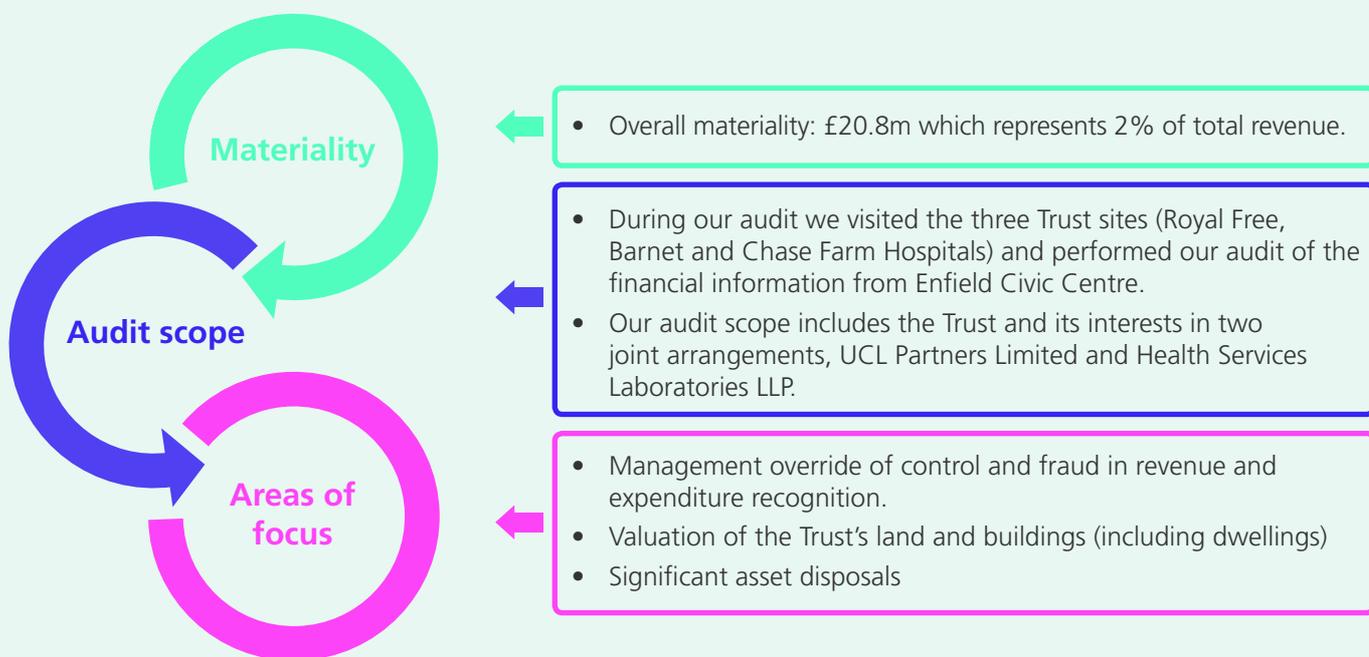
- Understood the Trust's budget, cash flow forecast and levels of reserves, and the impact of cash flow sensitivities on the Trust's ability to meet its liabilities as they fall due; and
- Understood and challenged the assumptions behind the Trust's financial forecasts.

## Our audit approach

### Context

Our audit for the year ended 31 March 2018 was planned and executed having regard to the fact that the Trust's operations and financial stability were largely unchanged in nature from the previous year. In light of this, our approach to the audit in terms of scoping and key audit matters was largely unchanged.

### Overview



### 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 above, we determined the matters described below 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 addresses the Key audit matter
<p><b>Management override of control and fraud in revenue and expenditure recognition</b></p> <p><i>See note 1 to the financial statements for the Trust's disclosures of the related accounting policies, judgements and estimates relating to the recognition of revenue and expenditure, and notes 2 to 5 for further information.</i></p> <p>Under ISAs (UK) 240 there is a (rebuttable) presumption that there are risks of fraud in revenue recognition. <i>We extend this presumption to the recognition of expenditure in the NHS in general.</i></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"> <li>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 2017/18 and defer expenditure to 2018/19. This risk is heightened due to the control total set and the financial incentives issued by NHS Improvement for achieving this control total.</li> <li>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.</li> </ul> <p>We considered the key areas to be:</p> <ul style="list-style-type: none"> <li>recognition of revenue and expenditure; and</li> <li>manipulation of journal postings to the general ledgers.</li> </ul>	<p><b>Recognition of revenue and expenditure</b></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 2017/18 and 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 £10m 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 payments made by agreeing them to the supplier invoices received to ensure they were recognised at the correct value and in the correct period.</p> <p>Furthermore, we performed testing 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 2017/18 expenditure, an accrual was recognised appropriately.</p> <p><b>Manipulation of journal postings to the general ledgers</b></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 addresses the Key audit matter
<p><b>Valuation of the Trust's land and buildings (including dwellings)</b></p> <p><i>See note 1 to the financial statements for the Trust's disclosures of the related accounting policies, judgements, estimates, and use of experts relating to the valuation of the Trust's land and buildings (including dwellings), and note 15/or further information.</i></p> <p><i>The Trust is required to regularly revalue its assets in line with the Department of Health and Social Care Group Accounting Manual 2017/18.</i></p> <p>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.</p> <p>As at the balance sheet date 31 March 2018, the Trust's land and buildings (including dwellings) are valued at £436m (2017: £402m). The financial statements show a net revaluation gain of £13m through the Statement of Changes in Taxpayer's Equity (2017: net impairment of £34m).</p> <p>All property, plant and equipment is measured initially at cost, with land and buildings (including dwellings) subsequently measured at fair value.</p> <p>Valuations are performed by a professionally accredited expert, in accordance with the Royal Institute of Chartered Surveyors ('RICS') Appraisal and Valuation Manual, and performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the balance sheet date.</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• the methodology, assumptions and underlying data used by the valuation expert; and</li> <li>• the accounting transactions resulting from this valuation.</li> </ul>	<p>We obtained and read the relevant sections of the valuation performed by the Trust's Valuers. Two separate reports were read; one for the Trust's full property portfolio and a specific report for the valuation of the asset under construction at Chase Farm. We used our own valuations expertise to evaluate and challenge the assumptions and methodology applied in the valuation exercise. We found the assumptions and methodology applied to be consistent with our expectations.</p> <p>We checked that the valuer had a UK qualification, was part of an appropriate professional body and was not connected with the Trust.</p> <p>We tested the underlying data (upon which the valuation was based) back to floor plans for a sample of properties. We found the valuation to have been based on up to date floor areas.</p> <p>We checked that the change in valuation was disclosed in the Annual Report and correctly reflected in the Trust's workings and the general ledger. This we did by testing a sample of asset values which had increased or decreased by checking the Trust had posted the journals to account for the valuation correctly, and found that, for all assets tested, the revaluation or impairment had been posted accordingly in the general ledger.</p> <p>We physically verified a sample of assets to confirm existence and in doing so considered whether there was any indication of physical obsolescence which would indicate potential impairment; our testing did not identify any significant matters.</p>

Key audit matter	How our audit addresses the Key audit matter
<p><b>Significant asset disposals</b></p> <p><i>See note 1 to the financial statements for the Trust's disclosures of the related accounting policies, judgements, and estimates relating to the disposal of non-current assets, and note 13 for further information.</i></p> <p>On 30 March 2017, the Trust signed and completed an agreement with the Royal Free Charity ("the Charity") to sell a parcel of land (referred to as "Parcel B"). The proceeds were for £49.95m, with a gain on disposal expected of £47.7m. The disposal of Parcel B was to fund the redevelopment of a new hospital at Chase Farm Hospital.</p> <p>A sale agreement was signed on 22 December 2017 between the Charity and a third party for the onward sale of the property. On sale, cash to the value of £47.5m was passed to the Trust.</p> <p>As the conditions of onward sale had been reached ahead of the end of the financial year, the Trust recognised the profit on disposal of Parcel B in 2017/18. A profit on disposal of £47.5m was duly recognised and disclosed in the notes to the financial statements.</p>	<p>We read the underlying agreement between the Royal Free Charity and the Trust and the Heads of Terms regarding the Parcel B transaction.</p> <p>We confirmed receipt of the £47.5m cash from the Charity into the Trust's bank account and we reviewed the subsequent accounting entries in the general ledger to confirm the profit on disposal was correctly reported in the financial statements.</p>

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the accounting processes and controls, and the environment in which the Trust operates. The Trust comprises a single entity with all books and records retained at the finance team in Enfield Civic Centre. We 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 Enfield Civic Centre.

Our audit scope includes the Trust and its interests in two joint arrangements, UCL Partners Limited and Health Services Laboratories LLP.

### Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£20.8m
How we determined it	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.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £300k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## Reporting on other information

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The other information comprises all of the information in the Annual Report and Accounts 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 2017/18 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.

## Responsibilities for the financial statements and the audit

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### Responsibilities of the directors for the financial statements

As explained more fully in the Accountability Report set out on page 39 of the Annual Report and Accounts, the directors are responsible for the preparation of the financial statements in accordance with the Department of Health and Social Care Group Accounting Manual 2017/18, 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 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 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism.

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.

We will prepare an annual audit letter which will cover the Trust's key risks in securing economy, efficiency and effectiveness in its use of resources, how these have been discharged by the Trust, and our actions to review these. The Trust is responsible for publishing this annual audit letter, and ensuring that it is available to the public.

## 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

## Opinions on other matters prescribed by the Code of Audit Practice

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### 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 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Trust and its 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 2017/18.

### 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 2018.

We draw your attention to the Trust's Annual Governance Statement on page 114 of the Annual Report which includes further details on the matters noted below and the Trust's actions to address the issues.

On 23 November 2017 NHS Improvement issued enforcement action to the Trust due to breaches of the Trust's licence for:

- Financial performance in 2016/17 which included a significant variance against the planned deficit (excluding STF);
- A significant underlying deficit in 2016/17 supported by a plan submitted for 2017/18 with showing a variance of £57ID to the control total (being a £33m deficit, excluding STF); and
- The lack of a robust plan to deliver the 2017/18 plan or to address the underlying deficit in the longer term.

At the time of signing our audit opinion the enforcement notice is still in place and has been taken into account in reaching our conclusion.

The Trust has reported a deficit of £24.6m in 2017/18. The Trust met its control total in 2017/18, achieving cost savings of £44m as set out in the Board papers, and the financial position was improved through the recognition of the sale of Parcel B for £47.6m and the receipt of STF funding which totalled £22.5m. The Trust has submitted its annual plan for 2018/19 which reports a planned deficit of £66m (before impairment). The planned deficit includes costs savings of 4.4% of total operating expenditure. In 2017/18 the Trust has drawn down £43m against their agreed loan facilities with the Department of Health and Social Care.

The cash position in 2018/19 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 £57m. The Trust has mitigation plans in place if cash is needed which include managing the working capital position to a more favourable position for the Trust and the potential disposal of assets.

The Trust's cash forecast shows that it will need to draw down from the Department of Health working capital facility in 2018/19 to meet creditor payments. The Trust is forecast to hold approximately £117m in total borrowings at the end of 2018/19.

As outlined in the going concern paragraph above, there is material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern. This also results in a concern about the Trust's arrangements for sustainability deploying resources during 2017/18.

As a result of these matters, 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 2018.

## Other matters on which we report by exception

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We are required to report to you if:

- the statement given by the directors on page 40, in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for members to assess the Trust's performance, business model and strategy is materially inconsistent with our knowledge of the Trust acquired in the course of performing our audit.
- the section of the Annual report on page 55, 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 2017/18 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  
25 May 2018

# Statement of comprehensive income

	Note	2017/18 £000	2016/17 £000
Operating income from patient care activities	3	892,886	861,968
Other operating income	4	151,315	141,995
Operating expenses	6, 8	(1,097,318)	(1,058,506)
<b>Operating deficit from continuing operations</b>		<b>(53,117)</b>	<b>(54,543)</b>
Finance income	11	126	59
Finance expenses	12	(7,754)	(6,402)
PDC dividends payable		(12,698)	(15,075)
<b>Net finance costs</b>		<b>(20,326)</b>	<b>(21,418)</b>
Other gains	13	47,712	26,048
Share of profit of joint arrangements	18	1,127	2,493
Deficit for the year		(24,604)	(47,420)
<b>Other comprehensive expense</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Impairments	7	(1,832)	(35,719)
Revaluations	17	14,822	2,189
<b>Total comprehensive expense for the period</b>		<b>(11,614)</b>	<b>(80,950)</b>

# Statement of Financial Position

	Note	31 March 2018 £000	31 March 2017 £000
<b>NON-CURRENT ASSETS</b>			
Intangible assets	14	15,589	15,099
Property, plant and equipment	15	592,408	526,923
Investments in associates and joint ventures	18	17,697	16,570
Trade and other receivables	20	2,566	2,619
<b>Total non-current assets</b>		<b>628,260</b>	<b>561,211</b>
<b>CURRENT ASSETS</b>			
Inventories	19	9,466	8,670
Trade and other receivables	20	126,995	121,911
Cash and cash equivalents	22	43,664	18,971
<b>Total current assets</b>		<b>180,125</b>	<b>149,552</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	23	(167,497)	(164,472)
Borrowings	25	(3,326)	(3,112)
Provisions	27	(4,109)	(3,315)
Other liabilities	24	(12,326)	(10,129)
<b>Total current liabilities</b>		<b>(187,258)</b>	<b>(181,028)</b>
<b>Total assets less current liabilities</b>		<b>621,127</b>	<b>529,735</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	23	(425)	(402)
Borrowings	25	(142,437)	(102,682)
Provisions	27	(6,556)	(6,846)
Other liabilities	24	(3,604)	(6,269)
<b>Total non-current liabilities</b>		<b>(153,022)</b>	<b>(116,199)</b>
<b>Total assets employed</b>		<b>468,105</b>	<b>413,536</b>
<b>FINANCED BY</b>			
Public dividend capital		495,991	429,808
Revaluation reserve		152,362	139,372
Income and expenditure reserve		(180,248)	(155,644)
<b>Total taxpayers' equity</b>		<b>468,105</b>	<b>413,536</b>

The notes on pages 134 to 172 form part of these accounts.

**David Sloman**  
Chief executive  
23 May 2018

# Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total Taxpayers Equity
	£000	£000	£000	£000
<b>Taxpayers' equity at 1 April 2017 - brought forward</b>	<b>429,808</b>	<b>139,372</b>	<b>(155,644)</b>	<b>413,536</b>
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
<b>Taxpayers' equity at 31 March 2018</b>	<b>495,991</b>	<b>152,362</b>	<b>(180,248)</b>	<b>468,105</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total Taxpayers Equity
	£000	£000	£000	£000
<b>Taxpayers' equity at 1 April 2016 - brought forward</b>	<b>408,761</b>	<b>180,245</b>	<b>(115,567)</b>	<b>473,439</b>
Deficit for the year	-	-	(47,420)	(47,420)
Impairments	-	(35,719)	-	(35,719)
Revaluations	-	2,189	-	2,189
Transfer to retained earnings on disposal of assets	-	(7,343)	7,343	-
Public dividend capital received	21,047	-	-	21,047
<b>Taxpayers' equity at 31 March 2017</b>	<b>429,808</b>	<b>139,372</b>	<b>(155,644)</b>	<b>413,536</b>

### Information on reserves

#### Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS 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.

#### Available-for-sale investment reserve

This reserve comprises changes in the fair value of available-for-sale financial instruments. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure.

#### Income and expenditure reserve

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

# Statement of Cash Flows

	Note	2017/18 £000	2016/17 £000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating deficit		(53,117)	(54,543)
<b>Non-cash income and expense:</b>			
Depreciation and amortisation	6.1	34,815	34,691
Net impairments	7	25,915	1,784
Income recognised in respect of capital donations	4	(1,750)	-
(Increase) / decrease in receivables and other assets		(21,323)	43,269
(Increase) / decrease in inventories		(796)	349
Increase / (decrease) in payables and other liabilities		(682)	(2,055)
Increase / (decrease) in provisions		487	(3,264)
		<b>(16,451)</b>	<b>20,231</b>
<b>NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES</b>			
<b>Cash flows from investing activities</b>			
Interest received		130	59
Purchase and sale of financial assets / investments		-	(3,764)
Purchase of intangible assets		(3,858)	(1,973)
Purchase of property, plant, equipment and investment property		(106,643)	(73,944)
Sales of property, plant, equipment and investment property		65,262	21,290
Receipt of cash donations to purchase capital assets		1,750	-
		<b>(43,359)</b>	<b>(58,332)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Public dividend capital received		66,183	21,047
Movement on loans from the Department of Health and Social Care		41,422	44,778
Capital element of finance lease rental payments		(51)	(131)
Capital element of PFI, LIFT and other service concession payments		(1,402)	(1,210)
Interest paid on finance lease liabilities		(1,256)	(1,132)
Interest paid on PFI, LIFT and other service concession obligations		(3,749)	(3,932)
Other interest paid		(2,684)	(1,254)
PDC dividend paid		(13,960)	(16,819)
		<b>84,503</b>	<b>41,347</b>
		<b>24,693</b>	<b>3,246</b>
<b>Increase in cash and cash equivalents</b>			
<b>Cash and cash equivalents at 1 April - brought forward</b>			
		<b>18,971</b>	<b>15,725</b>
<b>Cash and cash equivalents at 31 March</b>	22.1	<b>43,664</b>	<b>18,971</b>

# Notes to the Accounts

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## Note 1 Accounting policies and other information

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### Note 1.1 Basis of preparation

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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 2017/18 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 accounts.

### Note 1.1.1 Accounting convention

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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 1.1.2 Going concern

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The trust has reported a deficit for the past three financial years (2017/18, 2016/17 and 2015/16), and is forecasting a deficit for 2018/19. The forecast deficit is based on a number of assumptions including the delivery of cost improvement programmes. The trust has assumed it will receive financial support from the Department of Health during the course of 2018/19 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 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. 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 trust's main Commissioners.

### Note 1.2 Critical judgements in applying accounting policies

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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.

### 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 1.2.1 Sources of estimation uncertainty

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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:

### Impairment of receivables

The trust impairs different categories of receivables at rates determined by the age of the debt. Additionally specific receivables are impaired where the trust deems it will not be able to collect the amounts due.

Amounts impaired are disclosed in note 20 to the accounts.

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.

### 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.

### Note 1.3 Interests in other entities

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#### 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, e.g., share dividends are received by the trust from the associate.

#### Joint ventures

Joint ventures are arrangements in which the trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

### Note 1.4 Income

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Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the trust

is contracts with commissioners in respect of health care services. At the year end, the trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete. Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred. Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

### 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 1.5 Expenditure on employee benefits

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#### 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. There, the schemes are accounted for as though they are defined contribution schemes.

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

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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

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#### Note 1.7.1 Recognition

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

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

### 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.

All assets are measured subsequently at fair value. Land and buildings used for the trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any impairment, subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets. Where the location requirements of the service being provided can be met, the approach can value on an alternative site.

Properties in the course of construction for service or administration purposes are carried at cost less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by accounting standard IAS 23 for assets held at fair value. Assets are usually revalued and depreciation commences when they are brought into use. As at 31 March 2018 the trust undertook a revaluation exercise to assess the newly constructed Chase Farm Hospital (due to become operational in early 2018/19) for any impairment. This resulted in an impairment of £24m which was charged to SOCI in 2017/18.

#### Subsequent expenditure

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

#### Depreciation

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

Property, plant and equipment which has been reclassified as 'held for sale' ceases 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 dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

### 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 and the charges for services.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

#### PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the trust's approach for each relevant class of asset in accordance with the principles of IAS 16.

#### PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to finance costs within the statement of comprehensive income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the statement of comprehensive income.

#### Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract,

the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

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

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the trust's statement of financial position.

### Note 1.7.6 Useful economic lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	2	95
Dwellings	2	95
Plant & machinery	5	20
Transport equipment	7	7
Information technology	3	5
Furniture & fittings	7	7

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

### 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 economic lives in a manner consistent with the consumption of economic or service delivery benefits.

### Note 1.8.3 Useful economic lives of intangible assets

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

	Min life Years	Max life Years
Information technology	3	5
Development expenditure	3	5
Websites	3	5
Software licences	3	10
Licences & trademarks	3	5
Patents	3	5
Other (purchased)	3	5
Goodwill	3	5

### 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).

### 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 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

### Note 1.11 Financial instruments and financial liabilities

#### Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

All other financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument.

#### De-recognition

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

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

#### Classification and measurement

Financial assets are categorised as "fair value through income and expenditure", loans and receivables or "available-for-sale financial assets".

Financial liabilities are classified as "fair value through income and expenditure" or as "other financial liabilities".

#### Financial assets and financial liabilities at "fair value through income and expenditure"

Financial assets and financial liabilities at "fair value through income and expenditure" are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not "closely-related" to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS receivables, accrued income and "other receivables".

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected

life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the trust intends to dispose of them within 12 months of the Statement of Financial Position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of "other comprehensive income". When items classified as "available-for-sale" are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in "finance costs" in the Statement of Comprehensive Income.

### **Other financial liabilities**

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out

to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

### **Determination of fair value**

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices.

### **Impairment of financial assets**

At the Statement of Financial Position date, the trust assesses whether any financial assets, other than those held at "fair value through income and expenditure" are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly.

### **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 is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

#### **Operating leases**

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 net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the trusts' 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 27.2 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 of 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

Trusts can be subject to corporation tax in respect of certain commercial non-core healthcare activities they undertake in relation to the Finance Act 2004 amended S519A Income and Corporation Taxes Act 1988. The trust does not undertake any non-core healthcare activities which are subject to corporation tax, therefore does not have a corporation tax liability.

## Note 1.18 Foreign exchange

The functional and presentational currencies of the trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at "fair value through income and expenditure") are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction 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 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

### Note 1.23 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 2017/18:

IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 17	Insurance Contracts
IFRIC 22	Foreign Currency Transactions and Advance Consideration
IRFIC 23	Uncertainty over Income Tax Treatments

The Trust has considered the standards that are expected to be effective in 2018/19 and does believe, at this stage, based on a high level review, that they will lead to a material impact on the trust's position in 2018/19. Further work will be completed in 2018/19.

### Note 2 Operating Segments

The Board as 'Chief Operating Decision Maker' has determined that Healthcare Services operate in a single operating 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. The reporting has been refined over the financial year but as full year figures are not available no segmental information is provided in these accounts.

## Note 3 Operating income from patient care activities

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

	<u>2017/18</u>	<u>2016/17</u>
	£000	£000
Elective income	99,188	105,849
Non elective income	176,071	150,007
First outpatient income	56,398	125,279
Follow up outpatient income	59,925	-
A & E income	34,619	31,894
High cost drugs income from commissioners (excluding pass-through costs)	190,974	-
Other NHS clinical income	248,736	414,617
Community services income from CCGs and NHS England	-	5,034
Private patient income	22,425	21,551
Other clinical income	4,550	7,737
<b>Total income from activities</b>	<b>892,886</b>	<b>861,968</b>

### Note 3.2 Income from patient care activities (by source)

#### Income from patient care activities received from:

	<u>2017/18</u>	<u>2016/17</u>
	£000	£000
NHS England	326,943	324,919
Clinical commissioning groups	527,428	500,642
Other NHS providers	4,430	1,137
NHS other	5,561	5,176
Local authorities	1,088	4,424
Non-NHS: private patients	22,425	21,551
Non-NHS: overseas patients (chargeable to patient)	2,379	2,036
NHS injury scheme	2,171	1,974
Non NHS: other	461	109
<b>Total income from activities</b>	<b>892,886</b>	<b>861,968</b>

#### Of which:

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

	<u>2017/18</u>	<u>2016/17</u>
	£000	£000
Income recognised this year	2,379	2,036
Cash payments received in-year	1,104	879
Amounts added to provision for impairment of receivables	1,166	1,800
<b>Amounts written off in-year</b>	<b>556</b>	<b>295</b>

## Note 4 Other operating income

	<u>2017/18</u>	<u>2016/17</u>
	<u>£000</u>	<u>£000</u>
Research and development	8,397	8,435
Education and training	38,096	41,785
Receipt of capital grants and donations	1,750	-
Charitable and other contributions to expenditure	652	791
Non-patient care services to other bodies	19,196	7,192
Support from the Department of Health and Social Care for mergers	21,810	21,220
Sustainability and transformation fund income	22,515	4,575
Rental revenue from operating leases	419	1,197
Other income	38,480	56,800
<b>Total other operating income</b>	<b>151,315</b>	<b>141,995</b>

Other income includes exceptional income received during 2016/17 (£7,560k). This funding was provided to the trust to meet those costs of integrating the Royal Free London NHS Foundation Trust and Barnet and Chase Farm Hospitals NHS Trust, to support the development of transforming its clinical services and to cover the historic debt position of the acquiree. There was no such income received in 2017/18.

### Note 4.1 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 license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	<u>2017/18</u>	<u>2016/17</u>
	<u>£000</u>	<u>£000</u>
Income from services designated as commissioner requested services	855,459	829,985
Income from services not designated as commissioner requested services	37,427	31,983
<b>Total</b>	<b>892,886</b>	<b>861,968</b>

### Note 4.2 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 2018 nor the year ended 31 March 2017.

## Note 5 Fees and charges

	<u>2017/18</u>	<u>2016/17</u>
	<u>£000</u>	<u>£000</u>
Income	16,160	18,940
Full cost	(16,020)	(18,531)
<b>Surplus / (deficit)</b>	<b>140</b>	<b>409</b>

## Note 6.1 Operating expenses

	<u>2017/18</u>	<u>2016/17</u>
	<b>£000</b>	<b>£000</b>
Purchase of healthcare from NHS and DHSC bodies	20,972	39,058
Purchase of healthcare from non-NHS and non-DHSC bodies	43,227	45,851
Staff and executive directors costs	527,034	526,358
Remuneration of non-executive directors	159	134
Supplies and services - clinical (excluding drugs costs)	80,321	73,256
Supplies and services - general	18,085	594
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	213,061	214,791
Inventories written down	82	76
Consultancy costs	7,401	4,330
Establishment	6,110	6,855
Premises	31,592	28,878
Transport (including patient travel)	12,038	14,320
Depreciation on property, plant and equipment	29,927	29,654
Amortisation on intangible assets	4,888	5,037
Net impairments	25,915	1,784
Increase in provision for impairment of receivables	8,003	8,485
Decrease in other provisions	(538)	(472)
Change in provisions discount rate(s)	96	755
Audit fees payable to the external auditor		
audit services- statutory audit	164	172
other auditor remuneration (external auditor only)	12	24
Internal audit costs	140	101
Clinical negligence	25,099	22,818
Legal fees	947	1,141
Insurance	509	827
Research and development	7,563	7,400
Education and training	3,880	1,362
Rentals under operating leases	3,108	1,945
Early retirements	166	173
Redundancy	4,076	(185)
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (PFI ) on IFRS basis	22,869	22,415
Car parking & security	59	368
Hospitality	93	80
Other	260	121
<b>Total</b>	<b><u>1,097,318</u></b>	<b><u>1,058,506</u></b>

## Note 6.2 Other auditor remuneration

	<u>2017/18</u>	<u>2016/17</u>
	<b>£000</b>	<b>£000</b>
Other auditor remuneration paid to the external auditor:		
Audit-related assurance services	12	17
Other non-audit services	-	7
<b>Total</b>	<b><u>12</u></b>	<b><u>24</u></b>

## Note 6.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1m (2016/17: £1m).

## Note 7 Impairment of assets

	2017/18	2016/17
	£000	£000
<b>Net impairments charged to operating deficit resulting from:</b>		
Changes in market price	25,915	1,784
<b>Total net impairments charged to operating deficit</b>	<b>25,915</b>	<b>1,784</b>
Impairments charged to the revaluation reserve	1,832	35,719
<b>Total net impairments</b>	<b>27,747</b>	<b>37,503</b>

The impairments recognised above arise as a result of the revaluation exercise undertaken in the year, as described in note 17.

## Note 8 Employee benefits

	2017/18	2016/17
	Total	Total
	£000	£000
Salaries and wages	406,267	399,638
Social security costs	51,357	49,241
Apprenticeship levy	2,301	-
Employer's contributions to NHS pensions	54,034	51,688
Temporary staff (including agency)	22,241	35,547
<b>Total gross staff costs</b>	<b>536,200</b>	<b>536,114</b>
Recoveries in respect of seconded staff	-	-
<b>Total staff costs</b>	<b>536,200</b>	<b>536,114</b>
<b>Of which</b>		
Costs capitalised as part of assets	2,807	4,055

### Note 8.1 Retirements due to ill-health

During 2017/18 there were 5 early retirements from the trust agreed on the grounds of ill-health (6 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £334k (£313k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority – Pensions Division.

## Note 9 Pension costs

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

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

### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking

this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

### b) Full actuarial (funding) valuation

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to

this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

## Note 10 Operating leases

### Note 10.1 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 London's buildings.

	<u>2017/18</u> £000	<u>2016/17</u> £000
<b>Operating lease revenue</b>		
Minimum lease receipts	419	1,197
<b>Total</b>	<b>419</b>	<b>1,197</b>
	<u>31 March</u> <u>2018</u> £000	<u>31 March</u> <u>2017</u> £000
<b>Future minimum lease receipts due:</b>		
- not later than one year;	215	413
- later than one year and not later than five years;	652	774
- later than five years.	394	518
<b>Total</b>	<b>1,261</b>	<b>1,705</b>

### Note 10.2 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.

	<u>2017/18</u> £000	<u>2016/17</u> £000
<b>Operating lease expense</b>		
Minimum lease payments	2,729	1,945
Contingent rents	379	-
<b>Total</b>	<b>3,108</b>	<b>1,945</b>
	<u>31 March</u> <u>2018</u> £000	<u>31 March</u> <u>2017</u> £000
<b>Future minimum lease payments due:</b>		
- not later than one year;	2,252	1,612
- later than one year and not later than five years;	7,620	5,331
- later than five years.	4,044	3,934
<b>Total</b>	<b>13,916</b>	<b>10,877</b>
Future minimum sublease payments to be received	-	-

## Note 11 Finance income

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

	<u>2017/18</u>	<u>2016/17</u>
	<u>£000</u>	<u>£000</u>
Interest on bank accounts	126	59
<b>Total</b>	<b>126</b>	<b>59</b>

## Note 12.1 Finance expenditure

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

	<u>2017/18</u>	<u>2016/17</u>
	<u>£000</u>	<u>£000</u>
<b>Interest expense:</b>		
Loans from the Department of Health and Social Care	2,732	1,248
Finance leases	1,256	1,132
Main finance costs on PFI and LIFT schemes obligations	3,749	3,932
<b>Total interest expense</b>	<b>7,737</b>	<b>6,312</b>
Unwinding of discount on provisions	17	90
<b>Total finance costs</b>	<b>7,754</b>	<b>6,402</b>

## Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	<u>2017/18</u>	<u>2016/17</u>
	<u>£000</u>	<u>£000</u>
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 13 Other gains / (losses)

	<u>2017/18</u>	<u>2016/17</u>
	<u>£000</u>	<u>£000</u>
Gains on disposal of assets	47,712	26,048
<b>Total gains / (losses) on disposal of assets</b>	<b>47,712</b>	<b>26,048</b>
<b>Total other gains / (losses)</b>	<b>47,712</b>	<b>26,048</b>

During the year the sale of surplus land at Chase Farm Hospital "Parcel B" gave rise to profit on disposal of £47,712k. Parcel B was disposed of earlier than planned to the Royal Free Charity who then had an onward sale to the Education, Skills and Funding Agency resulting in a cash transfer to the trust in December 2017. The proceeds from the disposal will be reinvested in the new Hospital and are in line with the sums assumed in the Chase Farm Business case.

## Note 14.1 Intangible assets - 2017/18

	Software licences	Licences and trademarks	Development expenditure	Total
	£000	£000	£000	£000
<b>Valuation/gross cost at 1 April 2017 - brought forward</b>	<b>2,418</b>	<b>126</b>	<b>21,282</b>	<b>23,826</b>
Additions	291	-	3,567	3,858
Reclassifications	(675)	-	6,174	5,499
Disposals / derecognition	-	-	(2,996)	(2,996)
<b>Gross cost at 31 March 2018</b>	<b>2,034</b>	<b>126</b>	<b>28,027</b>	<b>30,187</b>
<b>Amortisation at 1 April 2017 - brought forward</b>	<b>1,730</b>	<b>42</b>	<b>6,955</b>	<b>8,727</b>
Provided during the year	127	19	4,742	4,888
Reclassifications	(674)	-	4,653	3,979
Disposals / derecognition	-	-	(2,996)	(2,996)
<b>Amortisation at 31 March 2018</b>	<b>1,183</b>	<b>61</b>	<b>13,354</b>	<b>14,598</b>
<b>Net book value at 31 March 2018</b>	<b>851</b>	<b>65</b>	<b>14,673</b>	<b>15,589</b>
<b>Net book value at 1 April 2017</b>	<b>688</b>	<b>84</b>	<b>14,327</b>	<b>15,099</b>

## 14.2 Intangible assets - 2016/17

	Software licences	Licences and trademarks	Development expenditure	Total
	£000	£000	£000	£000
<b>Valuation/gross cost at 1 April 2016 - as previously stated</b>	<b>2,418</b>	<b>126</b>	<b>10,566</b>	<b>13,110</b>
<b>Valuation / gross cost at 1 April 2016 - restated</b>	<b>2,418</b>	<b>126</b>	<b>10,566</b>	<b>13,110</b>
Additions	-	-	1,973	1,973
Reclassifications	-	-	8,743	8,743
<b>Valuation / gross cost at 31 March 2017</b>	<b>2,418</b>	<b>126</b>	<b>21,282</b>	<b>23,826</b>
<b>Amortisation at 1 April 2016 - as previously stated</b>	<b>1,420</b>	<b>-</b>	<b>2,270</b>	<b>3,690</b>
<b>Amortisation at 1 April 2016 - restated</b>	<b>1,420</b>	<b>-</b>	<b>2,270</b>	<b>3,690</b>
Transfers by absorption	-	-	-	-
Provided during the year	310	42	4,685	5,037
<b>Amortisation at 31 March 2017</b>	<b>1,730</b>	<b>42</b>	<b>6,955</b>	<b>8,727</b>
<b>Net book value at 31 March 2017</b>	<b>688</b>	<b>84</b>	<b>14,327</b>	<b>15,099</b>
<b>Net book value at 1 April 2016</b>	<b>998</b>	<b>126</b>	<b>8,296</b>	<b>9,420</b>

All intangible assets have finite lives and as such are amortised on a straight line basis over their useful economic life. The useful life is reviewed at each annual reporting date. The trust's intangible assets have not been revalued at 31 March 2018 or 31 March 2017 as they are considered unique. As such there is no revaluation reserve relating to intangible assets.

## Note 15.1 Property, plant and equipment - 2017/18

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Valuation/gross cost at 1 April 2017 - brought forward</b>	<b>67,652</b>	<b>334,015</b>	<b>203</b>	<b>83,204</b>	<b>108,448</b>	<b>43</b>	<b>39,691</b>	<b>13,921</b>	<b>647,177</b>
Additions	-	25,385	-	75,687	5,812	-	2,105	869	<b>109,857</b>
Impairments	-	(2,906)	(1)	(24,840)	-	-	-	-	<b>(27,747)</b>
Revaluations	-	(3,313)	(11)	-	-	-	-	-	<b>(3,324)</b>
Reclassifications	-	15,196	-	(17,143)	48	-	(3,600)	-	<b>(5,499)</b>
Disposals / derecognition	-	-	-	-	(23,817)	-	(9,455)	(830)	<b>(34,102)</b>
<b>Valuation/gross cost at 31 March 2018</b>	<b>67,652</b>	<b>368,377</b>	<b>190</b>	<b>116,908</b>	<b>90,491</b>	<b>43</b>	<b>28,741</b>	<b>13,960</b>	<b>686,362</b>
<b>Accumulated depreciation at 1 April 2017 - brought forward</b>	-	-	-	-	86,737	43	30,872	2,602	<b>120,254</b>
Provided during the year	-	18,135	11	-	6,453	-	3,599	1,729	<b>29,927</b>
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(18,135)	(11)	-	-	-	-	-	<b>(18,146)</b>
Reclassifications	-	-	-	-	-	-	(3,979)	-	<b>(3,979)</b>
Disposals / derecognition	-	-	-	-	(23,817)	-	(9,455)	(830)	<b>(34,102)</b>
<b>Accumulated depreciation at 31 March 2018</b>	-	-	-	-	<b>69,373</b>	<b>43</b>	<b>21,037</b>	<b>3,501</b>	<b>93,954</b>
<b>Net book value at 31 March 2018</b>	<b>67,652</b>	<b>368,377</b>	<b>190</b>	<b>116,908</b>	<b>21,118</b>	-	<b>7,704</b>	<b>10,459</b>	<b>592,408</b>
<b>Net book value at 31 March 2017</b>	<b>67,652</b>	<b>334,015</b>	<b>203</b>	<b>83,204</b>	<b>21,711</b>	-	<b>8,819</b>	<b>11,319</b>	<b>526,923</b>

Note 15.2 Property, plant and equipment - 2016/17

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Valuation/gross cost at 1 April 2016 - as previously stated</b>	<b>68,958</b>	<b>380,608</b>	<b>226</b>	<b>42,693</b>	<b>107,152</b>	<b>43</b>	<b>34,848</b>	<b>3,569</b>	<b>638,097</b>
Additions	-	12,889	-	56,201	2,737	-	1,762	1,928	<b>75,517</b>
Impairments	(1,363)	(36,128)	(12)	-	-	-	-	-	<b>(37,503)</b>
Revaluations	768	(16,788)	(11)	-	-	-	-	-	<b>(16,031)</b>
Reclassifications	-	(5,375)	-	(15,108)	235	-	3,081	8,424	<b>(8,743)</b>
Disposals / derecognition	(711)	(1,191)	-	(582)	(1,676)	-	-	-	<b>(4,160)</b>
<b>Valuation/gross cost at 31 March 2017</b>	<b>67,652</b>	<b>334,015</b>	<b>203</b>	<b>83,204</b>	<b>108,448</b>	<b>43</b>	<b>39,691</b>	<b>13,921</b>	<b>647,177</b>
<b>Accumulated depreciation at 1 April 2016 - as previously stated</b>	-	-	-	-	<b>81,304</b>	<b>43</b>	<b>27,322</b>	<b>1,827</b>	<b>110,496</b>
Provided during the year	-	<b>18,209</b>	<b>11</b>	-	<b>7,109</b>	-	<b>3,550</b>	<b>775</b>	<b>29,654</b>
Revaluations	-	(18,209)	(11)	-	-	-	-	-	<b>(18,220)</b>
Disposals/ derecognition	-	-	-	-	(1,676)	-	-	-	<b>(1,676)</b>
<b>Accumulated depreciation at 31 March 2017</b>	-	-	-	-	<b>86,737</b>	<b>43</b>	<b>30,872</b>	<b>2,602</b>	<b>120,254</b>
<b>Net book value at 31 March 2017</b>	<b>67,652</b>	<b>334,015</b>	<b>203</b>	<b>83,204</b>	<b>21,711</b>	-	<b>8,819</b>	<b>11,319</b>	<b>526,923</b>
<b>Net book value at 31 March 2016</b>	<b>68,958</b>	<b>380,608</b>	<b>226</b>	<b>42,693</b>	<b>25,848</b>	-	<b>7,526</b>	<b>1,742</b>	<b>527,601</b>

### 15.3 Property, plant and equipment financing - 2017/18

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Net book value at 31 March 2018</b>									
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
<b>NBV total at 31 March 2018</b>	<b>67,652</b>	<b>368,377</b>	<b>190</b>	<b>116,908</b>	<b>21,118</b>	<b>-</b>	<b>7,704</b>	<b>10,459</b>	<b>592,408</b>

### Note 15.4 Property, plant and equipment financing - 2016/17

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Net book value at 31 March 2017</b>									
Owned - purchased	67,652	249,013	203	83,204	20,986	-	8,819	11,319	441,195
Finance leased	-	6,764	-	-	263	-	-	-	7,027
On-SoFP PFI contracts and other service concession arrangements	-	69,574	-	-	-	-	-	-	69,574
Owned - donated	-	8,665	-	-	462	-	-	-	9,127
<b>NBV total at 31 March 2017</b>	<b>67,652</b>	<b>334,015</b>	<b>203</b>	<b>83,204</b>	<b>21,711</b>	<b>-</b>	<b>8,819</b>	<b>11,319</b>	<b>526,923</b>

Land owned by the Trust includes land that is leased to the Royal Free Charity in respect of the Pears Building via an operating lease. The building is being constructed in the grounds of the Royal Free Hospital. Work began in March 2018 and will be completed in autumn 2020. The building project is a collaboration between the Trust, the Royal Free Charity and University College London.

## Note 16 Donations of property, plant and equipment

During the year £1.75m was donated by the Royal Free Charity as a contribution to capital expenditure towards the refurbishment of the Outpatients Department at the Royal Free Hospital (2016/17: nil).

## Note 17 Revaluations of property, plant and equipment

A valuation exercise was carried out on the trust's land and buildings by Montagu Evans. The purpose of this exercise was to determine a fair value for those assets as at 31 March 2018 (2016/17: 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 18 Investments in associates and joint ventures

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Details of the trust's investments in joint arrangements are as follows.

### UCL Partners Limited

The trust holds a 20% interest in UCL Partners Limited ("UCLP"), a company limited by guarantee in the UK, acquired by a guarantee of £1.

The company's costs are funded by its partners who contribute to its running costs on an annual basis. The contributions paid by the trust are included within operating expenditure.

The most recent available signed financial statements for UCLP have been prepared for the year ended 31 March 2017; the reported assets, liabilities, revenues and profit/loss are not material to the trust.

### Health Services Laboratories LLP ("HSL LLP")

The trust holds a 24.5% equity stake in HSL LLP and is accounted for as a joint venture. The main purpose of the entity is to provide pathology services.

The movements in investment values for these joint arrangements for the trust are as follows.

	<u>2017/18</u>	<u>2016/17</u>
	<u>£000</u>	<u>£000</u>
<b>Carrying value at 1 April - brought forward</b>	<b>16,570</b>	<b>10,313</b>
Acquisitions in year	-	3,764
Share of profit / (loss)	1,127	2,493
<b>Carrying value at 31 March</b>	<b>17,697</b>	<b>16,570</b>

## Note 19 Inventories

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	<u>31 March</u>	<u>31 March</u>
	<u>2018</u>	<u>2017</u>
	<u>£000</u>	<u>£000</u>
Drugs	5,424	5,104
Consumables	3,906	3,428
Energy	136	138
<b>Total inventories</b>	<b>9,466</b>	<b>8,670</b>

Inventories recognised in expenses for the year were £213,061k (2016/17: £203,344k). Write-down of inventories recognised as expenses for the year were £82k (2016/17: £76k).

## Note 20 Trade receivables and other receivables

	<b>31 March 2018 £000</b>	<b>31 March 2017 £000</b>
<b>Current</b>		
Trade receivables	115,607	70,100
Capital receivables (including accrued capital related income)	-	17,550
Accrued income	24,549	18,889
Provision for impaired receivables	(33,808)	(27,272)
Prepayments (non-PFI)	3,600	6,343
Interest receivable	-	4
PDC dividend receivable	2,709	1,447
VAT receivable	3,454	2,164
Other receivables	10,884	32,686
<b>Total current trade and other receivables</b>	<b>126,995</b>	<b>121,911</b>
<b>Non-current</b>		
Capital receivables (including accrued capital related income)	1,853	1,853
Prepayments (non-PFI)	713	766
<b>Total non-current trade and other receivables</b>	<b>2,566</b>	<b>2,619</b>
<b>Of which receivables from NHS and DHSC group bodies:</b>		
Current	115,761	82,120
Non-current	-	-

The majority of trade is with Clinical Commissioning Groups and NHS England, as commissioners for NHS patient care services. As these organisations are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

## Note 20.2 Provision for impairment of receivables

	2017/18 £000	2016/17 £000
<b>At 1 April as previously stated</b>	<b>27,272</b>	<b>48,286</b>
Increase in provision	10,562	10,725
Amounts utilised	(1,467)	(29,499)
Unused amounts reversed	(2,559)	(2,240)
<b>At 31 March</b>	<b>33,808</b>	<b>27,272</b>

The trust impairs receivables based on age and any specific details known.

## Note 20.3 Credit quality of financial assets

	31 March 2018 Trade and other receivables £000	31 March 2017 Trade and other receivables £000
<b>Ageing of impaired financial assets</b>		
0 - 30 days	6,036	4,577
30-60 Days	523	725
60-90 days	120	102
90- 180 days	1,089	664
Over 180 days	24,531	19,316
<b>Total</b>	<b>32,299</b>	<b>25,384</b>
<b>Ageing of non-impaired financial assets past their due date</b>		
0 - 30 days	16,328	10,478
30-60 Days	6,788	2,184
60-90 days	10,575	729
90- 180 days	14,640	9,827
Over 180 days	12,574	22,572
<b>Total</b>	<b>60,905</b>	<b>45,790</b>

## Note 21 Non-current assets for sale and assets in disposal groups

	2017/18	2016/17
	<u>Total</u>	<u>Total</u>
	£000	£000
<b>NBV of non-current assets for sale and assets in disposal groups at 1 April</b>	-	<b>8,392</b>
Assets sold in year	-	(8,392)
<b>NBV of non-current assets for sale and assets in disposal groups at 31 March</b>	<u>-</u>	<u>-</u>

### Note 22.1 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.

	2017/18	2016/17
	<u>£000</u>	<u>£000</u>
<b>At 1 April</b>	<b>18,971</b>	<b>15,725</b>
Net change in year	24,693	3,246
<b>At 31 March</b>	<u><b>43,664</b></u>	<u><b>18,971</b></u>
<b>Broken down into:</b>		
Cash at commercial banks and in hand	530	396
Cash with the Government Banking Service	43,134	18,575
<b>Total cash and cash equivalents as in SoFP</b>	<u><b>43,664</b></u>	<u><b>18,971</b></u>
<b>Total cash and cash equivalents as in SoCF</b>	<u><b>43,664</b></u>	<u><b>18,971</b></u>

### Note 22.2 Third party assets held by the trust

The trust held cash and cash equivalents which relate to monies held by the the foundation trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March	31 March
	<u>2018</u>	<u>2017</u>
	£000	£000
Bank balances	16	13
Monies on deposit	-	-
<b>Total third party assets</b>	<u><b>16</b></u>	<u><b>13</b></u>

## Note 23.1 Trade and other payables

	<b>31 March 2018 £000</b>	<b>31 March 2017 £000</b>
<b>Current</b>		
Trade payables	47,835	71,623
Capital payables	12,717	9,503
Accruals	80,351	59,825
Social security costs	6,988	6,984
Other taxes payable	6,236	6,602
Accrued interest on loans	71	23
Other payables	13,299	9,912
<b>Total current trade and other payables</b>	<b>167,497</b>	<b>164,472</b>
<b>Non-current</b>		
Other payables	425	402
<b>Total non-current trade and other payables</b>	<b>425</b>	<b>402</b>
<b>Of which payables from NHS and DHSC group bodies:</b>		
Current	28,431	35,986
Non-current	-	-

## Note 23.2 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	<b>31 March 2018 £000</b>	<b>31 March 2018 Number</b>	<b>31 March 2017 £000</b>	<b>31 March 2017 Number</b>
- to buy out the liability for early retirements over 5 years	-		-	
- number of cases involved	-	-	-	-
- outstanding pension contributions	7,683		7,539	

## Note 24 Other liabilities

	<b>31 March 2018 £000</b>	<b>March 31 2017 £000</b>
<b>Current</b>		
Deferred income	12,158	9,961
Lease incentives	168	168
<b>Total other current liabilities</b>	<b>12,326</b>	<b>10,129</b>
<b>Non-current</b>		
Deferred income	1	2,498
Lease incentives	3,603	3,771
<b>Total other non-current liabilities</b>	<b>3,604</b>	<b>6,269</b>

## Note 25 Borrowings

	<b>31 March 2018</b>	<b>31 March 2017</b>
	<b>£000</b>	<b>£000</b>
<b>Current</b>		
Loans from the Department of Health and Social Care	1,578	1,578
Obligations under finance leases	138	123
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	1,610	1,411
<b>Total current borrowings</b>	<b>3,326</b>	<b>3,112</b>
<b>Non-current</b>		
Loans from the Department of Health and Social Care	113,044	71,622
Obligations under finance leases	7,707	7,773
Obligations under PFI, LIFT or other service concession contracts	21,686	23,287
<b>Total non-current borrowings</b>	<b>142,437</b>	<b>102,682</b>

In 2017/18 the trust took out two loans. The first was a revolving working capital loan in two instalments totalling £13,000k repayable in one instalment on 13 December 2021 at an interest rate of 3.5%. The second was a revenue support loan in two instalments totalling £30,000k at an interest rate of 1.5% repayable in two instalments on 18 January 2021 and 18 March 2021. During 2016/17 the trust took out a loan in three instalments totalling £46,356k. The loan is for a 5 year term, from the date of the first tranche, at an interest rate of 3.5%. The loan is fully repayable in one instalment on 13 December 2021. In addition the trust has an existing unsecured loan of £25,266k (£2016/17: £26,844k). This loan was taken out in two instalments, the first for £20,000k on 24 March 2014 and the second for £10,000k in 6 October 2014. The loan is for a 20-year term, from the date of the first tranche, at an interest rate of 2.96%. Repayments commenced on 18 September 2015.

## Note 26 Finance leases

### Note 26.1 Royal Free London NHS Foundation Trust as a lessee

Obligations under finance leases where Royal Free London NHS Foundation Trust is the lessee.

	<b>31 March 2018</b>	<b>31 March 2017</b>
	<b>£000</b>	<b>£000</b>
<b>Gross lease liabilities</b>	<b>29,364</b>	<b>30,538</b>
of which liabilities are due:		
- not later than one year;	1,251	1,206
- later than one year and not later than five years;	4,382	4,485
- later than five years.	23,731	24,847
Finance charges allocated to future periods	(21,520)	(22,642)
<b>Net lease liabilities</b>	<b>7,845</b>	<b>7,896</b>
of which payable:		
- not later than one year;	138	123
- later than one year and not later than five years;	6	142
- later than five years.	7,701	7,631
<b>Total of future minimum sublease payments to be received at the reporting date</b>	<b>-</b>	<b>-</b>
Contingent rent recognised as an expense in the period	263	229

The trust has entered into two contracts to lease accommodation under finance leases, whereby the assets were made available for use and rental payments commenced on 1 April 2000 and 1 June 2005. The trust also holds finance leases for various miscellaneous equipment.

## Note 27.1 Provisions for liabilities and charges analysis

	Pensions - early departure costs £000	Other legal claims £000	Redundancy £000	Other £000	Total £000
<b>At 1 April 2017</b>	<b>6,476</b>	<b>153</b>	<b>113</b>	<b>3,419</b>	<b>10,161</b>
Change in the discount rate	87	-	-	9	96
Arising during the year	166	-	1,346	268	1,780
Utilised during the year	(523)	-	-	(46)	(569)
Reversed unused	-	(15)	-	(805)	(820)
Unwinding of discount	16	-	-	1	17
<b>At 31 March 2018</b>	<b>6,222</b>	<b>138</b>	<b>1,459</b>	<b>2,846</b>	<b>10,665</b>
<b>Expected timing of cash flows:</b>					
- not later than one year;	138	138	1,459	2,374	4,109
- later than one year and not later than five years;	552	-	-	188	740
- later than five years.	5,532	-	-	284	5,816
<b>Total</b>	<b>6,222</b>	<b>138</b>	<b>1,459</b>	<b>2,846</b>	<b>10,665</b>

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.

## Note 27.2 Clinical negligence liabilities

At 31 March 2018, £356,551k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Royal Free London NHS Foundation Trust (31 March 2017: £277,986k).

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS foundation trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS foundation trust is disclosed here but is not recognised in the trust's accounts.

## Note 28 Contingent assets and liabilities

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	31 March 2018 £000	31 March 2017 £000
<b>Value of contingent liabilities</b>		
NHS Resolution legal claims	(59)	(84)
<b>Gross value of contingent liabilities</b>	<b>(59)</b>	<b>(84)</b>
Amounts recoverable against liabilities	-	-
<b>Net value of contingent liabilities</b>	<b>(59)</b>	<b>(84)</b>
<b>Net value of contingent assets</b>	-	-

## Note 29 Contractual capital commitments

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	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	51,635	23,557
<b>Total</b>	<b>51,635</b>	<b>23,557</b>

## Note 30 On-SoFP PFI, LIFT or other service concession arrangements

Barnet Hospital operates under a PFI arrangement with Metier Healthcare which began in February 1999 under a 33-year contract for the provision of a fully managed hospital. This is recognised in the Statement of Financial Position and is included as part of the trust estate for the purposes of revaluation. The land at Barnet Hospital remains the property of the trust during the contract period. The building transfers to the trust at the end of the contract period subject to payment of consideration.

The PFI contract is also responsible for the provision of managed technology services, non-clinical hotel services and equipment and building maintenance services at Barnet Hospital.

### Note 30.1 Imputed finance lease obligations

Royal Free London NHS Foundation Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI schemes:

	<b>31 March 2018 £000</b>	<b>31 March 2017 £000</b>
<b>Gross PFI, LIFT or other service concession liabilities</b>	<b>46,486</b>	<b>51,636</b>
<b>Of which liabilities are due</b>		
- not later than one year;	5,147	5,147
- later than one year and not later than five years;	20,588	20,588
- later than five years.	20,751	25,901
Finance charges allocated to future periods	(23,190)	(26,938)
<b>Net PFI, LIFT or other service concession arrangement obligation</b>	<b>23,296</b>	<b>24,698</b>
- not later than one year;	1,610	1,411
- later than one year and not later than five years;	9,289	8,064
- later than five years.	12,397	15,223

### 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:

	<b>31 March 2018 £000</b>	<b>31 March 2017 £000</b>
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	379,229	399,861
<b>Of which liabilities are due:</b>		
- not later than one year;	27,088	26,657
- later than one year and not later than five years;	108,351	106,630
- later than five years.	243,790	266,574

### Note 30.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the trust's payments in 2017/18:

	<b>31 March 2018 £000</b>	<b>31 March 2017 £000</b>
Unitary payment payable to service concession operator	28,016	27,561
<b>Consisting of:</b>		
- Interest charge	3,749	3,932
- Repayment of finance lease liability	1,398	1,214
- Service element and other charges to operating expenditure	22,869	22,415
<b>Total amount paid to service concession operator</b>	<b>28,016</b>	<b>27,561</b>

### 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 trust has with clinical commissioning groups and the way those organisations are financed, the NHS trust is not exposed to the degree of financial risk faced by business entities. In addition, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. Financial assets and liabilities are typically generated by day-to-day operational activities rather than being held to change the risks facing the trust in undertaking its activities. The trust does not undertake speculative treasury transactions.

The trust's treasury management operations are carried out by the finance department, within parameters defined formally within the trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the trust's internal auditors.

#### Currency risk

The trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The trust has no overseas operations. The trust therefore has low exposure to currency rate fluctuations.

#### Interest rate risk

The trust borrows from government for capital expenditure, subject to affordability. The borrowings are for up to 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 trust therefore has low exposure to interest rate fluctuations.

#### Credit risk

Because the majority of the trust's income comes from binding contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31 March 2017 and 31 March 2016 are in receivables from customers, as disclosed in the trade and other receivables note.

#### Liquidity risk

The trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The trust is therefore not exposed to significant liquidity risks.

## Note 31.2 Carrying values of financial assets

	<u>Loans and receivables</u> £000
<b>Assets as per SoFP as at 31 March 2018</b>	
Trade and other receivables excluding non financial assets	117,999
Cash and cash equivalents at bank and in hand	43,664
<b>Total at 31 March 2018</b>	<b>161,663</b>
	<u>Loans and receivables</u> £000
<b>Assets as per SoFP as at 31 March 2017</b>	
Trade and other receivables excluding non financial assets	113,810
Cash and cash equivalents at bank and in hand	18,971
<b>Total at 31 March 2017</b>	<b>132,781</b>

## Note 31.3 Carrying value of financial liabilities

	<u>Other financial liabilities</u> £000
<b>Liabilities as per SoFP as at 31 March 2018</b>	
Borrowings excluding finance lease and PFI liabilities	114,622
Obligations under finance leases	7,845
Obligations under PFI, LIFT and other service concession contracts	23,296
Trade and other payables excluding non financial liabilities	154,698
Provisions under contract	1,884
<b>Total at 31 March 2018</b>	<b>302,345</b>
	<u>Other financial liabilities</u> £000
<b>Liabilities as per SoFP as at 31 March 2017</b>	
Borrowings excluding finance lease and PFI liabilities	73,200
Obligations under finance leases	7,896
Obligations under PFI, LIFT and other service concession contracts	24,698
Trade and other payables excluding non financial liabilities	151,288
Provisions under contract	553
<b>Total at 31 March 2017</b>	<b>257,635</b>

## Note 31.4 Fair values of financial assets and liabilities

Book value (carrying value) is a reasonable approximation of fair value.

## Note 31.5 Maturity of financial liabilities

	<u>31 March 2018</u> £000	<u>31 March 2017</u> £000
In one year or less	159,483	154,550
In more than one year but not more than two years	36,802	4,032
In more than two years but not more than five years	71,742	60,401
In more than five years	34,318	38,652
<b>Total</b>	<b>302,345</b>	<b>257,635</b>

## Note 32 Losses and special payments

	2017/18		2016/17	
	<u>Total number of cases</u> Number	<u>Total value of cases</u> £000	<u>Total number of cases</u> Number	<u>Total value of cases</u> £000
<b>Losses</b>				
Bad debts and claims abandoned	284	624	164	368
Stores losses and damage to property	<u>2</u>	<u>82</u>	<u>2</u>	<u>64</u>
<b>Total losses</b>	<b>286</b>	<b>706</b>	<b>166</b>	<b>432</b>
<b>Special payments</b>				
Ex-gratia payments	<u>85</u>	<u>15</u>	<u>101</u>	<u>20</u>
<b>Total special payments</b>	<b>85</b>	<b>15</b>	<b>101</b>	<b>20</b>
<b>Total losses and special payments</b>	<b>371</b>	<b>721</b>	<b>267</b>	<b>452</b>

There were no cases over £300k in the year (2016/17: none)

### Note 35 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 2018 and 31 March 2017 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	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
University College London Hospitals NHS Foundation Trust	2,413	2,136	5,690	13,489
Barts Health NHS Trust	1,922	1,648	2,952	4,123
NHS Barnet CCG	18,716	12,091	2,246	1,752
NHS Brent CCG	2,385	1,167	459	272
NHS Camden CCG	11,429	7,435	451	407
NHS East And North Hertfordshire CCG	191	1,018	222	162
NHS Enfield CCG	11,708	5,897	810	677
NHS Haringey CCG	1,890	1,672	118	74
NHS Harrow CCG	605	39	272	189
NHS Herts Valleys CCG	1,838	3,191	553	416
NHS Islington CCG	4	1,221	805	231
NHS England	30,331	14,859	785	43
Health Education England	3,414	2,304	7	53
NHS Resolution (formerly NHS Litigation Authority)	-	-	19	50
NHS Property Services	-	-	2,989	4,488
Department of Health (excl. PDC dividends)	1,099	2,740	59	19
HM Revenue & Customs	3,454	2,164	13,224	13,586
NHS Pension Scheme	-	-	7,683	7,536
HSL Laboratories	550	173	-	1,293
UCL Partners Limited	113	435	-	-
Royal Free Charity	244	88	-	-
BMI Healthcare (Kings Oak)	46	124	-	-
HFMA	3	-	-	-

## Note 35 Related parties (continued)

	Income		Expenditure	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
University College London Hospitals NHS Foundation Trust	3,800	1,918	3,015	16,833
Barts Health NHS Trust	3,408	3,498	9,467	10,560
NHS Barnet CCG	194,783	181,941	251	108
NHS Brent CCG	23,212	20,545	140	-
NHS Camden CCG	72,012	69,990	9	27
NHS East And North Hertfordshire CCG	24,973	26,261	-	-
NHS Enfield CCG	81,843	78,803	-	-
NHS Haringey CCG	21,149	19,014	-	-
NHS Harrow CCG	10,307	9,431	-	-
NHS Herts Valleys CCG	57,053	57,316	-	-
NHS Islington CCG	12,943	11,782	156	175
NHS England	354,803	339,863	-	13
Health Education England	39,577	41,905	7	7
NHS Resolution (formerly NHS Litigation Authority)	-	-	25,599	23,398
NHS Property Services	-	-	3,520	4,278
Department of Health (excl. PDC dividends)	23,631	22,917	-	23
HM Revenue & Customs	-	-	-	49,241
NHS Pension Scheme	-	-	54,034	51,688
HSL Laboratories	3,289	2,928	34,732	32,479
UCL Partners Limited	332	279	226	1,960
Royal Free Charity	3,527	13,879	2,052	713
BMI Healthcare (Kings Oak)	17	93	6	2,036
Institute of Cancer Research	12	0	0	0
MRC Clinical Trials at UCL	14	0	0	0
HFMA	0	0	13	0

## Note 34 Events after the reporting date

The Trust has established a wholly owned subsidiary RFL Property Service Limited with a share of £1 to manage the provision of estates and facilities services to the trust. The company was registered with company number 11180120 and is expected to commence trading in 2018/19 and was dormant at 31st March 2018.



# Quality report

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# Part one: Embedding quality

## 1.1 Statement on quality from the chief executive

This report is designed to assure our local population, our patients and our commissioners that we provide high quality clinical care to our patients. It also shows where we could perform better and what we are doing to improve.

Last year was momentous in the history of the Royal Free London as we became an NHS group. To support this, we appointed senior leadership teams on all three of our main hospital sites, maintaining the unique identity of each, and allowing a continuing focus on world class expertise and responsive local care.

The heart of our approach as an NHS group is to put our clinicians in charge. Teams of doctors, nurses, therapists, radiographers and analysts across our hospitals, supported by their managerial and administrative colleagues, are joining together to design new pathways - the way a patient is treated for a particular health issue - based on best practices and the latest clinical evidence. These teams, known as clinical practice groups, are the glue that binds our hospital group together.

During the year we have developed 40 new pathways covering 70% of our total activity, all of which have been co-designed with patients. Each of the projects has 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 know we can reduce admissions to our neonatal unit by doing all we can to keep

mothers and babies together after birth; and by standardising the way we treat patients who require knee operations, we can greatly reduce how long patients have to stay in hospital.

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 £10 million to pioneer new technology in the NHS. With this investment we will be working hard to make it much easier for our clinicians to improve our patients' outcomes and their experience of care.

During the year we entered into a partnership with the Institute for Healthcare Improvement (IHI) - together we will train the majority of our staff in quality improvement (QI) skills. We believe that quality improvement takes more than one year to embed into an organisation and our investment with the IHI and in CPGs demonstrates a serious long term commitment.

In recognition of this, many of our 2017/18 priorities are carried forward but there are some significant additions. Like all organisations we are strongly supportive of NHS Improvement's national guidance on learning from deaths, and 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 around patient and staff experience in dementia and the environment on 10 North at the Royal Free Hospital. At Barnet Hospital we have delivered on national priorities in stroke care and made significant improvement in ambulance turnaround times, releasing paramedics and crews to save more lives.

In addition we are going to work harder to involve patients and carers in the design of services, and have made a good start in our CPG work with the Point of Care Foundation. Lastly we have added the reduction in harm from gram negative infections to our healthcare associated infections priorities, to reflect the global importance of this threat to health.

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

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

**Sir David Sloman**  
Chief executive  
23 May 2018

# 1.2 Our trust: Implementing a group model to deliver world class expertise with local care for a larger population

## Our journey – July 2014 to September 2017

**JULY  
2014**

Barnet and Chase Farm Hospitals NHS Trust became part of the Royal Free London Hospital Foundation Trust.

**JANUARY  
2015**

The Royal Free London submitted an application to become a 'vanguard site' for a new care model programme. The purpose of the vanguard was to develop new arrangements for hospitals to improve quality and the patient experience.

**AUGUST  
2016**

The trust received a 'good' rating from the Care Quality Commission and based on our performance and progress in designing the group model, the trust was accredited to become a vanguard site, leading a group of NHS providers.

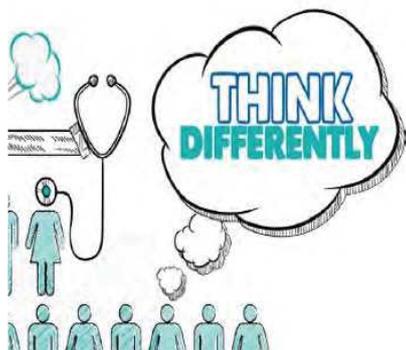
**JUNE  
2017**

Senior leadership teams at Barnet Hospital, Chase Farm Hospital and the Royal Free Hospital were put in place. The teams are responsible for providing local support, leadership and operational oversight for services on a day-to-day basis.

**SEPTEMBER  
2017**

North Middlesex University Hospital NHS Trust became our first group clinical partner, supporting our aim to provide local care for a larger population.

## Our group structure: Collaboration and partnership working



Across the group structure there is a common vision to make the Royal Free London the best place to work and to be treated in the NHS and to become the best hospital group in Europe.

Our staff are doing a fantastic job under growing pressure - treating more people than ever before. To manage this increasing demand we had **to think differently about how we delivered our services.**

We had the opportunity of a generation to improve patient care through the NHS vanguard programme.

For far too long, hospitals and other healthcare services have worked independently - **collaboration and partnership working had to be the way forward.**



**SET UP  
AND LEAD A GROUP OF  
NHS PROVIDERS**

We were chosen to **set up and lead a group of NHS providers** who will share services and resources in order to improve the experience of our staff and patients.



As a result of this, during 2017 we moved to a group model structure. Working side-by-side with other healthcare experts we will 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 that we see across the group, **increasing our purchasing power.**

**by doing things differently...**

We have a new operational structure with:

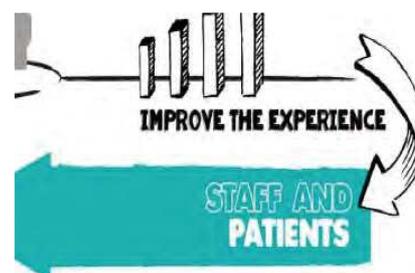
- local hospital management teams in place
- a group board and group executive team
- new divisional structures.

Our plan was to bring together a range of acute providers to create a 'group' of hospitals, connected by a single group centre – similar to models seen internationally, such as Intermountain Healthcare in Utah, USA. Individual trusts will be able to join the group under a range of membership options, from full membership to arrangements such as buddying.

**To improve the experience of our staff and patients ...**

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 clinical practice groups.





## Our three hospital sites: Barnet, Chase Farm and Royal Free

Across our three hospital sites we have made several achievements that we are proud of. The following information outlines some of our key achievements and our senior management team at each hospital site.

### Barnet Hospital

Our senior management team:

During 2017-18 we are particularly delighted with the progress we have made in improving our ambulance waiting times, developing a back pain service in primary care, our performance in the national stroke audit and the work undertaken within our maternity and paediatric clinical pathway groups.



From left to right:  
Sally Dootson, director of operations  
Dr Steve Shaw, chief executive  
Dr Mike Greenberg, medical director  
Julie Meddings, director of nursing

#### What was the issue?

- Consistent underperformance with London Ambulance Service (LAS) turnaround times
- Multiple ambulances waiting to off load patients
- Potential delays in patient care
- Delay in ambulance crew being able to respond to 999 calls

#### What did we do?

- Implemented the national 'fit to sit' initiative which supports patients being admitted to hospital by the most appropriate method
- We questioned if the patient was ambulant and capable of mobilising independently?
- We promoted the use of a wheelchair first, rather than a stretcher or trolley (as often patients are conveyed on ambulance stretcher for safety)
- Challenge ambulance staff about transporting patients to the emergency department



#### What was the outcome?

- We made improvements in the patient's journey
- We are now in the top five performing London hospitals for LAS times.

### Advanced practice physiotherapists working as first contact practitioners

#### Overview

A team of spinal specialist advanced practice physiotherapists (APPs) worked within a GP practice to introduce a new back pain service to manage the whole patient pathway.

#### The challenge

There is increasing pressure on GPs due to a national shortage and 30% of their workload is musculoskeletal. Of these patients a large proportion will present with back pain. The service sought to improve patient experience, decrease waiting times and reduce pressure on GP colleagues.

#### Intervention

The team of APPs managed the whole patient pathway, including investigations, prescribing, referrals to secondary care and listing for spinal injections. Innovative aspects included self-referral to a first contact APP, and links to secondary care directly listing patients for injections or surgery.

#### Results

The service ran for 12 months and saw 474 new patients with a total of 611 contacts. It received a 100% friends and family recommendation while helping to reduce demand. 80% of patients were discharged after their first appointment, 3.5% were referred to secondary care and less than 1% of patients were referred

back to the GP. The pilot delivered a reduction in secondary care referrals and investigations that translated to savings of over £10,000 (65% saving on 500 patients). In addition, patients had to wait an average of nine weeks from initial consultation to injection, compared to 31 weeks on the previous pathway.

#### Lessons learned

Robust data collection is essential to compare data across the new and previous pathways. Experienced clinicians are vital to successfully run this service.

#### Next steps

This pilot shows that APPs can successfully manage back pain patients in primary care with 100% patient satisfaction and with reduced costs. This new model of care is being used to inform how future musculoskeletal services will

#### Staff and patient feedback

“It is a great service for our patients. Brilliant feedback and problem solving. Saved on referral and patient waiting in pain.”

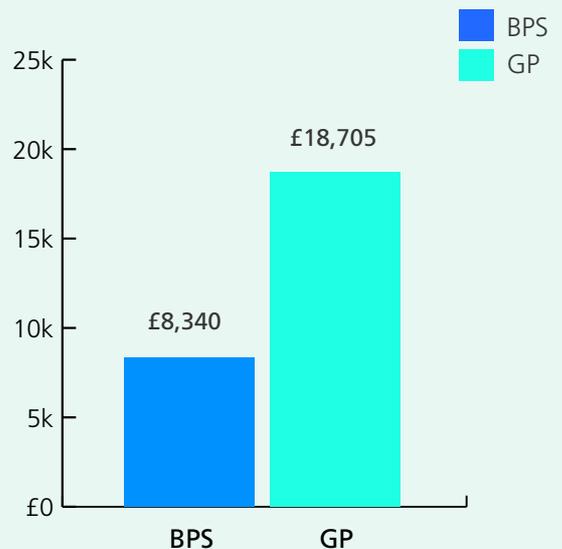
staff

“I feel reassured regarding my back issues and have come away with lots of helpful advice. Very impressed!”

patient

#### Cost of investigations and secondary care referrals.

##### GP vs BPS for 500 patients.



## Key achievements made within national clinical audits.

### Top marks for our stroke unit

The stroke unit at Barnet hospital has been awarded an A, in the recent national stroke audit.



Several factors contributed to the achievement including:

- the work of therapists
- early identification of stroke patients in emergency areas
- strict adherence to the London stroke pathway

Our physio, speech and occupational therapists have to work under incredible pressure to ensure that each one of our 24 patients gets the appropriate level of therapy. We only score well in the stroke audit if our patients receive the mandated amount of therapy.

Our stroke co-ordinator is incredibly proactive in visiting the acute admission areas in the morning to ensure that stroke patients have been identified and referred to the hyper-acute stroke unit (HASU).

Barnet Hospital is part of the pan-London stroke network, which includes eight HASUs where immediate care is given to stroke patients by expert specialist staff. Patients are then transferred to their local acute stroke unit (ASU), such as Barnet Hospital, for ongoing acute management and rehabilitation. The Sentinel Stroke National Audit Programme (SSNAP) is the single source of stroke data in England, Wales and Northern Ireland. The audit is carried out three times a year.

## Chase Farm Hospital

Our senior management team:



“We aim to have zero avoidable harm”

**Dr Alan McGlennan**  
Medical Director

From left to right  
Dr Alan McGlennan, medical director  
Natalie Forrest, chief executive and director of nursing

During 2017-18, the redevelopment of Chase Farm Hospital has remained a priority, as we prepare for the opening of the new building and clinical moves in June 2018. The new hospital will provide out-patient services including:

- diagnostics
- musculoskeletal therapies
- women’s services
- urgent care centre (with paediatrics and an older persons’ assessment unit)
- day surgery
- endoscopy
- medical day cases including a chemotherapy unit

We plan to integrate the work undertaken within the relevant clinical practice group programmes and the use of a Healthcare Information and Management Systems Society (HIMSS) level six digital platform (see glossary for information on HIMSS) which will further provide the best care for our patients.

In line with the overall trust objective, we also aim to have zero avoidable harm in the six months following the clinical moves.



## Royal Free Hospital

Our senior management team



“There is something very special about this hospital, mainly thanks to its committed staff who are focused on doing everything they can to ensure that every patient who walks through our doors gets the best possible care. My ambition is to take this hospital from being rated ‘good’ to one that is rated ‘outstanding’ in the eyes of our patients, staff and regulators.”

**Kate Slemeck**  
chief executive



During 2017-18, we have made several key achievements that we are proud of.

These include:

- Teamwork to achieve a trio of transplants
- Robot-doc to the rescue!
- Tackling the quiet cancer

From left to right  
Dr Robin Woolfson, medical director  
Sarah Dobbins, director of operations  
Dr Chris Streater, group medical director  
Rebecca Longmate, director of nursing

## Teamwork delivers a trio of transplants

Three life-saving operations were carried out in the space of 18 hours at the Royal Free Hospital (RFH) – a record for the liver transplant team. Off-duty surgical staff showed their dedication and compassion by coming to work to make sure the patients had the eight to 12 hour procedures quickly after donors became available.

Two of the cases were emergencies and designated as ‘super urgent’ which meant it was essential that the patients received the new livers immediately before their condition deteriorated further. The other transplant was for a patient who had been on the list for some time and the team had to operate quickly when a suitable match was identified.

Professor Joerg-Matthias Pollok, clinical lead for hepato-pancreato-biliary (HPB) surgery and liver transplantation at the RFH, and the consultant surgeon for the second operation, said: “I would like to express my pride in what we achieved for our patients and their families, who put their trust in us.

“Many have given their best and joined the team, even though they weren’t on call. This has truly been a team effort from all disciplines involved in transplantation; coordinators, hepatology, theatre, anaesthetic, surgical and intensive care teams. It feels good to be part of a team with such tremendous spirit.”

“I would like to express my pride in what we achieved for our patients and their families, who put their trust in us.

“Many have given their best and joined the team, even though they weren’t on call.”

**Professor Joerg-Matthias Pollok**, clinical lead for hepato-pancreato-biliary (HPB) surgery and liver transplantation.

“To do three liver transplants in 18 hours – two of them in sick super-urgent listed patients – is to my mind a heroic and unprecedented effort. A sincere and big thanks for everyone who made this possible. It’s teamwork like this that has helped us become being the fastest growing liver transplant programme in the country.”

**Dinesh Sharma**, consultant HPB, hepatology, gastroenterology and liver transplantation.

Dinesh Sharma, the consultant who carried out the first transplant, said: “To do three liver transplants in 18 hours – two of them in sick super-urgent listed patients – is to my mind a heroic and unprecedented effort. A sincere and big thanks for everyone who made this possible. It’s teamwork like this that has helped us become being the fastest growing liver transplant programme in the country.”

“Our achievements have been reached through demonstrable cohesion across the whole transplant multi-disciplinary team. Enormous credit for this goes to the whole team.

It is an honour to work with such an enthusiastic and committed team who put the patient at the centre of what we do and consistently exhibit world class values.”

**Dr Doug Thorburn**, clinical director for liver transplantation, HPB and hepatology

Dr Doug Thorburn, clinical director for liver transplantation, HPB and hepatology, said: “Our achievements have been reached through demonstrable cohesion across the whole transplant multi-disciplinary team. Enormous credit for this goes to the whole team. “Our contribution to UK transplantation has not gone unnoticed. To me it is an honour to work with such an enthusiastic and committed team who put the patient at the centre of what we do and consistently exhibit world class values.”

Using the robot results in a quicker recovery time for the patients, as there is less bleeding and less pain.

This coupled with the enhanced recovery after surgery programme, which gets patients moving and avoids strong pain-killers.

### **Robot-doc to the rescue!**

An ambitious team of seven at the specialist centre for kidney cancer, led by urology consultant Ravi Barod, carried out three nephrectomy (surgical removal of a kidney) operations on a single Saturday, as opposed to the usual two, with the help of the da Vinci Xi robot.

Ravi said: "We had no extra resources but we selected relatively straightforward cases and ensured the team was briefed and motivated. Performing three operations can effectively increase theatre efficiency by 50 per cent. "The plan is to perform three cases on all of our Saturday lists from now on, with the aim of doing an extra 52 cases a year, and see how we can make this work for weekday lists, when the operating department is much busier."

Instead of the surgeon using standard tools via keyhole surgery they use a console to control the robot which carries out the operation with a greater range of movement than the human hand.

The Royal Free Hospital purchased the robot 18 months ago to offer the best possible treatment for patients and help meet the increase in demand as it is a specialist centre for kidney cancer, with five surgeons who solely operate on the disease.

Using the robot results in a quicker recovery time for the patients, as there is less bleeding and less pain. This, coupled with the enhanced recovery after surgery programme, which gets patients moving and avoids strong pain killers, meant that two of the three patients went home the next day and the third patient left less than 48 hours after their surgery. Prior to this, patients stayed in hospital for four to five days after this operation.

The operations, from first incision to last stitch, took an average of 90 minutes with actual operation time of less than an hour. Usually patients need only this surgery as their treatment for kidney cancer.

Ravi added: "The key thing is case selection. We carefully selected non-complex patients – they'd had no previous surgeries and required the whole kidney to be removed. It's also important to build an effective working team so people remain motivated."

The Royal Free London is the specialist treatment centre for kidney cancer across north central London, north east London and west Essex. It is the highest volume kidney cancer centre in the UK and last year it saw 360 patients for nephrectomy.

## Celebrating the 20th anniversary of the neuroendocrine tumour (NET) unit

Patients and staff celebrated the 20th anniversary of the neuroendocrine tumour (NET) unit in February 2018 at the Royal Free Hospital, which is helping tackle a rare condition known as neuroendocrine (carcinoid) tumour, sometimes referred to as the 'quiet cancer'.



To mark the anniversary, patients have contributed to a series of films discussing their experiences of this rare cancer, as well as the NET unit. In addition 250 patients and their carers, as well as more than 100 physicians, nurses and researchers attended a special 20th anniversary event, at the Royal College of Physicians.

The NET unit receives approximately 20 new referrals each month, from across the UK and abroad. Since it was established in 1998, the service has grown from 30 to more than 1,800 patients.

NETs are rare and are referred to by some as the 'quiet cancer' as it can often take years for patients to be diagnosed. NETs develop from cells of the neuroendocrine system, which are found in organs including the stomach, bowel and lungs. Symptoms can include tummy pain, changes in bowel habits, flushing and shortness of breath, loss of appetite and weight loss.

John Sullivan, 75, from Edgware, London, who took part in filming, said: "I was diagnosed with irritable bowel syndrome (IBS) and treated for IBS for 10 years but in fact I had a NET on the outside of my bowel. I won the lottery when I walked into the Royal Free Hospital because for the first time in years I was speaking to someone who knew what the matter was. I always attend the patient forums when I can as you learn something every single time."

# Part two:

# Priorities for improvement and statements of assurance from the board

This section describes the following:

- Priorities for improvement: progress made against our priorities during 2017/18
- Outline of our quality priorities for improvement for 2018/19
- Feedback on key quality measures as identified within the mandatory statements of assurance from the board.

## 2.1 Priorities for improvement

Following consultation with our key stakeholders, the trust agreed that during 2017/18 we would continue to focus on three areas of quality; patient experience, clinical effectiveness and patient safety. During the year, progress to achieve our quality priorities has been led by a designated senior executive lead and monitored at our board level committees, reporting into the group executive committee and the council of governors with overall approval given by the trust board. Overall the results presented relate to the period April 2017 to March 2018 or the most recent available period.

### **Priority one: Improving patient experience: delivering excellent experiences**

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Building on our four-year patient experience strategy (which was published in autumn 2015) we continue to focus on making improvements for those who use our services, their carers and families; with an added emphasis on dementia and end of life care. We chose the following priorities as they were linked to specific strands of ongoing work within the trust, in support of our vision to have strong positive patient experience leaders so we can effectively serve our communities.

Our quality priorities for 2017/18 were:

1	<b>What did we aim to do?</b>
	To achieve trust certification for the 'Information Standard' by 2018
	<b>What did we achieve?</b>
	<p>During 2017/18 the following measures were gained towards achieving the Information Standard accreditation:</p> <ul style="list-style-type: none"> <li>• Since the implementation of the patient information policy in 2016, we now have over 100 patient information resources approved in line with the policy. We also have over 250 leaflets which have been submitted for review and are at various stages of the processes outlined in the policy.</li> <li>• We have worked with our radiotherapy, imaging and ophthalmology departments to embed the practice of evidence based information production, a key requirement of the Information Standard.</li> <li>• We are also in the process of updating our patient information policy based on feedback from staff and to incorporate changes and new requirements of the Information Standard in readiness for an application which is expected in late 2018.</li> </ul>
2	<b>What did we aim to do?</b>
	To improve how patients, carers and families can provide feedback to the trust.
	<b>What did we achieve?</b>
	<p>The trust has identified three ways of gaining feedback from our patients regarding their experience. These include:</p> <ul style="list-style-type: none"> <li>• <b>Department of Health funded approaches</b> - the uptake of patients using NHS Choices has increased and is regularly used as an engagement tool.</li> <li>• <b>Social media</b> - the trust frequently uses Twitter and Facebook as ways of allowing patients to feed back on their experience of care.</li> <li>• <b>Patient advice liaison service (PALS)</b> – the trust is seeking to move from a static PALS approach to one of flexibility around patients and increased response times for email and phone queries.</li> </ul>
3	<b>What did we aim to do?</b>
	To systematically analyse the experience of bereaved families and friends.
	<b>What did we achieve?</b>
	<p>During 2017/18, the trust chose to explore how the experience of bereaved families and friends could be improved.</p> <p>A bereavement survey is given to all persons who collect a Medical Certificate Cause of Death from the hospital. It is recognised that this may not be an easy time to ask for feedback as the return rates on the survey have been low. Therefore a web-based survey is being launched which may be more successful in gaining feedback.</p> <p>The surveys continue to be distributed and returns collated for analysis. The results of the survey and response rates will be discussed at the Acute Hospital End of Life Care Community of Practice event, which brings together those involved in and those who can influence end of life care education in acute hospital trusts across London, Essex, Hertfordshire and Bedfordshire.</p> <p>The policies for 'Care of the Deceased' and 'end of life care' have been re-written. Feedback from families have informed that work.</p>

# 4

## What did we aim to do?

To further enhance and support dementia care initiatives across the trust through the delivery of the dementia strategy by 2018.



## What did we achieve?

During 2017/18, the trust has continued to focus on improving the experience for our patients with dementia and their carers. Through the dementia strategy (2017 – 2019) several key initiatives have been identified and steady progress has been made. This has been monitored through the dementia implementation group (DIG).

These included:

- **Flexible visiting times for carers in line with the principle of John's Campaign.** In 2016/17 71% of our in-patients wards were compliant rising to 100% in December 2017.
- **Improving the environment** - dementia-friendly refurbishment of 10N (in-patient ward at the Royal Free Hospital) commenced in September 2017 and was completed in February 2018. See details on page 189 'A trip down memory lane'.
- **Joint working** - the DIG is partnering with its associated clinical practice group to produce a world-class dementia care pathway across the organisation. It is currently in the process-mapping phase.

# 5

## What did we aim to do?

To recruit 30 patient and family experience partners

A partner is a person who:

- Wants to help enhance the quality of our hospital care for all patients and family members.
- Gives advice to the hospital based on his or her own experience as a patient or family member.
- Partners with hospital staff on how to improve the patient and family experience through short and/or long-term projects and volunteers his or her time.

## What did we achieve?

Recruitment remains underway across the trust and is further supported by Camden Clinical Commissioning Group.

Following feedback from staff and patients a broader approach is being taken, however, patient partners have been involved in CPGs, QI projects, hospital based committees/ groups and with task and finish groups.

Through the patient and staff experience and by the quality improvement and leadership committees (QI&LC) we have monitored, measured and reported progress to achieving our priorities.



### A trip down memory lane: Improving care for our patients with dementia

The refurbishment on 10N ward (at our Royal Free Hospital site) has transformed the clinical area into a therapeutic and reminiscence space for elderly patients. This renovation is the first of its kind at the RFH. Patients can be transported back to Hampstead High Street in the 1970s thanks to the refurbishment.

The corridor walls, which show headlines from the past, will be used to stimulate conversation and memories. The patient day room has also been transformed into a living dining room complete with a fireplace, dining tables and a TV playing hit films from the 60s and 70s.

The refurbishment of the ward was made possible by the generosity of the Community Infrastructure Levy fund and the support of the Royal Free Charity and the clinical and executive teams at the RFL.

Our main challenge is to build a world in which we can communicate with them and build a relationship. "This new ward environment is almost like a set – it creates the perfect space to perform those interactions and form the connections that are essential in the care of dementia patients."

The ward is also equipped with a post box, bus stop and a working hair salon, so patients can experience familiar settings during their recovery.

Euarda Rodrigues, ward matron, said: "The designs were all chosen by our patients and the multi-disciplinary team on 10N." Stacey Brown, healthcare assistant on 10N said: "It's brilliant. It makes our working environment much brighter as well – particularly with the flower-themed bays and the nurse's station.

"For a person with dementia, their main priority when in hospital is about establishing where they are, who we are and what we are going to do.

Our main challenge is to build a world in which we can communicate with them and build a relationship."

**Danielle Wilde,**  
trust dementia lead

## Priority two: improving clinical effectiveness: delivering excellent outcomes

These priorities directly align to our trust-wide plans to reduce of unwarranted clinical variation. This will strengthen the delivery of the local and national effectiveness agenda and support improvements in the quality of patient care. Our clinical effectiveness priority has two strands 1. Creating clinical practice groups (CPGs) 2. Driving quality improvement.

### 1. Creating clinical practice groups

During 2017/18 the trust the deployed a trust-wide methodology to manage unwarranted variation in clinical care, through the creation of CPGs.

To support this approach, the trust is implementing a unified approach to quality improvement (QI) which will equip and empower local teams to address opportunities to improve the quality of care they deliver both within and outside the scope of CPGs.



We will redesign care pathways using evidence based principles and current best practice to deliver the best possible outcomes for our patients.

**John Connolly**  
CPG Programme director

### An example from one of our CPGs

<b>Title:</b>	<b>Children aged 2-15 years admitted with a wheeze</b>
<b>Aim:</b>	<b>To improve the care of children that present with a wheeze aged 2-15 years of age</b>
	<p>This cohort of children accounted for the majority of admissions to A&amp;E and was subject to large amounts of unwarranted variation in the care they received. The CPG easily identified where the variation in care was and planned a future pathway based on best local and national evidence.</p> <p>The children are now streamed on admission within 15 minutes into one of three categories with an appropriate plan of care. Subsequent to that, the child will also receive reassessment at 20 minute intervals. It is anticipated that this CPG will minimise the amount of children admitted onto the ward and reduce the amount of readmissions at seven days following discharge from A&amp;E.</p> <p>The CPG has tested the pathway and undertaken plan, do, study, act (PDSA) cycles to test the proforma and changes have been made to improve the process. It has also designed a discharge leaflet to improve the education that the child and parents go home with. Throughout the redesign of this pathway the views of both staff and patients have been sought.</p>

# 1

## What did we aim to do?

To improve key effectiveness metrics relevant to 20 priority pathways by deploying multi-professional pathway teams to reduce unwarranted variation.

Each pathway team to deploy a standardised approach to design and execution, within the umbrella of the clinical practice groups.

## What did we achieve?

The trust has made progress in developing the clinical pathways and at present there are over 30 pathways spanning across the four clinical divisions.

Each CPG programme is an example of an integrated quality improvement methodology.

The CPGs have been developed through a series of workshops from May 2017 to April 2018.

From the workshops we have achieved the following:

- Excellent engagement by North Middlesex Hospital clinicians
- Development of a detailed measurement plan for all pathways
- Ongoing analysis of patient pathways using random sampling techniques.
- Development of proposed future state pathway and timetable for testing
- Engaged heads of finance on all hospital sites who attended the workshops for all CPGs in November
- UCL evaluation researcher introduced at all the CPG workshops to the teams
- Engaged Cerner for real time study of Emergency workflow and Firstnet upgrade

## Further examples from our women’s and children’s CPGs.

<b>Title:</b>	<b>Keeping mothers and babies together</b>
<b>Aim:</b>	<b>To prevent avoidable term admissions by improving care after birth from the delivery suite and post-natal ward.</b>
	<p>Nationally between 2011 and 2015 there had been a 30% increase in term babies admitted to levels 1, 2 and 3 neonatal units. The trust is committed to reducing avoidable admissions to the neonatal unit and improving the care that mothers and babies receive while on the delivery suite and post-natal ward.</p> <p>The service undertook a mapping exercise and used the learning from this process to redesign the pathway with the main focus being on improving neonatal care within the first hour following delivery. The data collected supported this decision in highlighting the number of babies that were admitted to the neonatal unit with respiratory distress syndrome and associated co-morbidities such as hypothermia and hypoglycaemia.</p> <p>A new newborn early warning score (NEWS) observation sheet has been designed to improve the recording of observations both for low risk and high risk babies, with observations required for high risk babies standardised. Plan, do, study, act (PDSA) cycles were completed in order to understand how effective the NEWS chart was and how it was received by staff in practice.</p> <p>Similarly, nudge theory has been applied and an amber coloured hat is in use for all the “at risk babies” who have been renamed “hat risk babies”. PDSA cycles are underway to test this change, which will reflect how staff and families feel about the process. This CPG is a priority pathway and it is the plan to digitise it by September 2018.</p>

<b>Title:</b>	<b>Ladies who are admitted to the early pregnancy unit (EPU) with per vaginal (PV) bleeding and abdominal pain.</b>
<b>Aim:</b>	<b>To introduce a one stop clinic for women who are admitted with PV bleeding and pain in pregnancy.</b>
	<p>There are large numbers of women that visit the trust's early pregnancy unit with both vaginal bleeding and abdominal pain. Baseline data collected as part of the project showed that women were waiting far longer than the recommended time to have an ultrasound and subsequent review and plan of care.</p> <p>Evidence suggests that women's experience is greatly improved if they are seen in a one stop clinic. In real terms this would require a woman to be reviewed on admission, scanned and counselled by the same clinician. The team asked the women what would their preference around a service redesign and they supported the introduction of a one stop clinic.</p> <p>The CPG project team has designed a self-assessment form that women complete on admission, ultra-sonographers are being trained and supported to provide counselling to the women, and nurses are accompanying them into the scan room, to provide counselling when the ultra-sonographers feel they are not able to.</p> <p>The project has led to waiting times for women being seen greatly reduced. A survey of the women using the service indicated there were high levels of satisfaction with the new service and they report feeling cared for throughout their visit.</p>

<b>Title:</b>	<b>Induction of labour with a Cook's balloon</b>
<b>Aim:</b>	<b>To improve the clinical outcome for women who undergo an induction of labour.</b>
	<p>The induction of labour was chosen as a CPG mainly because it was a large volume pathway that had a vast amount of variation in the care delivery. Following the evidence from a randomised control trial in 2016 it was decided that the default method of induction of labour would be a Cook's balloon.</p> <p>The evidence demonstrated that there was improved satisfaction for the women alongside improved clinical outcomes. The maternity service undertook a small pilot which supported the research findings. Women had greater satisfaction with the induction process as it meant that they could remain at home and return when it was time to commence the next stage of their induction. Uterine hyper stimulation was greatly reduced in the pilot group compared to those women who received a Propress pessary for induction.</p> <p>The CPG project group developed a pathway for women undergoing outpatient induction of labour with the Cook's cervical ripening balloon and tested the pathway. The project team is currently looking to improve the care pathway for women who have had their Cook's balloon removed and are ready to advance to the next stage of their induction by introducing admission directly to the Labour ward for an artificial rupture of membranes for women who have previously had a baby in order to further streamline the pathway and reduce long waiting times for induction of labour.</p>

<b>Title:</b>	<b>Better births pathway</b>
<b>Aim:</b>	<b>To provide continuity of carer to 20% of women delivering at the trust by 2019, and for all women to take part in a choice conversation of place of birth with their midwife during their 16 week appointment as part of the national maternity transformation strategy</b>
	<p>Following the national maternity review, there was a drive to promote choice of place of birth to all women and to provide a package of care that was more personalised. The choices include both Barnet Hospital and the Royal Free Hospital, the midwifery-led units at Barnet and the Royal Free or the stand-alone unit at Edgware Hospital.</p> <p>The evidence to support choice of place of birth was based upon the Birth Place Study (2011) and a decision tool was designed to facilitate these conversations between the midwife and the woman. The CPG's work continues to support this process and staff co-design has taken place to find out how this can be improved.</p> <p>The maternity transformation board has stipulated that by March 2019, 20% of women booking into maternity services will receive continuity of carer for their antenatal, intra partum and postnatal care. The CPG has supported the process whereby two of the vulnerable women's teams are now providing continuity of carer during the antenatal, postnatal and intra partum period to a significant number of their women with a view to extending this over time.</p> <p>Similarly the Edgware birth team is providing continuity of carer throughout the pregnancy journey to all women who book to deliver their baby at Edgware Birth Centre. Work is underway with all community midwives to encourage them to promote all choices to their women and to actively promote Edgware Birth Centre as an option.</p>

## 2. Driving quality improvement

# 2

### What did we aim to do?

To have at least 50 active quality improvement (QI) projects in place across the group. The projects should exhibit these core features: a clear, patient-relevant aim, change logic, on-going plan, do, study, act (PDSA) cycles and measurement linked to learning.

### What did we achieve?

During 2017/18 we formed a small QI support team and entered a strategic partnership with the Institute for Healthcare Improvement (IHI). Together, these are significant enablers to embed QI across the Royal Free group. The QI programme for 2017/18 focused on building QI capability in our workforce. This has taken place through four main training programmes, summarised below:

- **QI for all** – this encompasses resources available to all staff at RFL, including intranet learning resources such as IHI's open school e-learning and the LifeQI project management tool. 25 members of staff have completed 30% of IHI open school.
- **QI practitioners** – staff members become QI practitioners through attending improvement science in action (ISIA), a five day, team-based programme pairing learning QI methodology with application to a real-life project relevant to their work. We now have 123 QI practitioners across the organisation.
- **QI team coaches** – our quality improvement team coach development programme trains staff to become QI team coaches. QI team coaches have greater knowledge of QI methodology and work to support teams who are doing a QI project. We currently have 33 QI team coaches across the organisation.
- **Improvement advisors** – these have expert QI knowledge form the core of our QI support faculty. We currently have three trained advisors.

Through building increased skills and knowledge of the science of improvement and by leaders reinforcing the importance of QI, more teams are running QI projects as part of their normal work.

We now have over 80 known QI projects in place which have made differing levels of progress. Most of these projects have been set up through the ISIA QI training programmes, our clinical practice group work and the patient safety programme. We assess the maturity of QI projects on a 0-5 scale, where 5 is the most mature. Currently:

- 23 QI projects are at level 3-5 across RFL, this means they have demonstrated modest to significant improvement through successful PDSA cycles
- 14 QI projects are at level 2-2.5 maturity, meaning the team has started to test changes but sustainable improvements have not yet been evidenced
- 47 QI projects are at level 0.5 -1.5 maturity: these teams are largely setting up their project through establishing their aims and deciding on change ideas.

In order to support increased quality improvement activity it is important we build a strong infrastructure to ensure support is available to teams.

During 2017/2018 we started work to create local learning systems. Initial achievements include:

- QI clinics now run on each major site providing an opportunity for staff to ask questions and problem solve with experienced QI faculty.
- QI forums run monthly on each major site, open to all staff. At each forum, examples of work are shared and we focus learning on a particular QI tool or technique, using a combination of discussion, video and exercises to support learning.

The trust continues to work in partnership with the Institute for Health improvement (IHI) as QI partner. In September 2017, 29 teams started their improvement practitioner training, each with a QI project as central to their work. Through the quality improvement and leadership committee we have monitored, measured and reported progress to achieving our priorities.

## Positive outcomes achieved from a QI project



## Priority three: Our focus for safety

Our aim is to become a zero avoidable harm organisation by 2020, starting by reducing the level of avoidable harm at the trust. Our targets are set out in our three year patient safety programme improvement plan (2015-2018) and we will be delivering key milestones along the way.

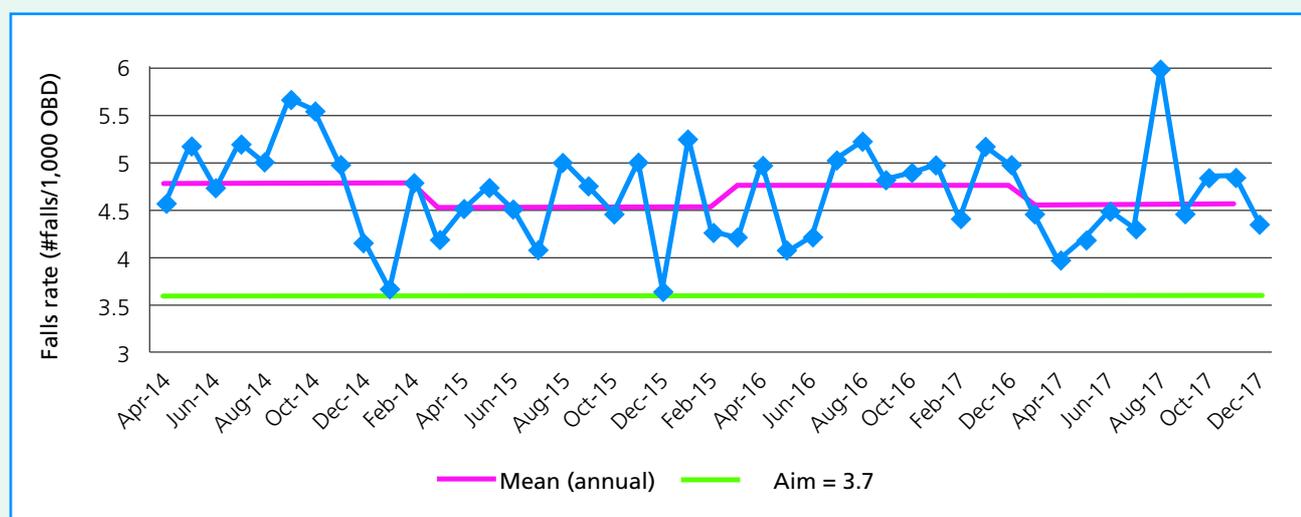
While the quality report's focus is on patient safety (as determined by the legal framework), we also take our staff safety just as seriously. Throughout the progress updates reviewed here, there are references to communication, debriefs and huddles, and all of these help support our staff to provide quality care to our patients. Through the patient safety committee, and more recently, the clinical standards and innovation committee we have monitored, measured and reported progress made during 2017/18 to achieve the set priorities. The committee reports to the trust board.

Our quality priorities for 2017/18 were:

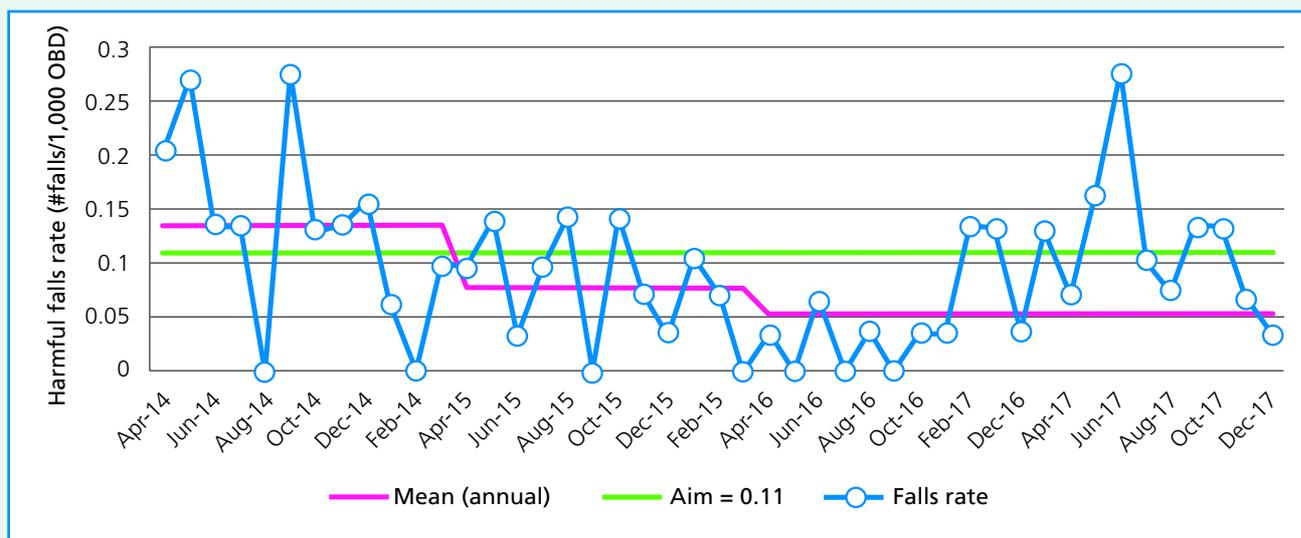
### Falls

What were our aims?	What did we achieve?
To decrease by 25% the rate of falls incidents per 1000 occupied bed days from a mean of 4.9 in 2014/15 to a mean of 3.7 in 2017/18	While we have seen some shifts in the rate of falls, we have not yet achieved the aim of the project.
To reduce by 20% the proportion of patients that experience moderate harm or above from falls from a mean of 0.134 in 2014/15 to a mean of 0.107 in 2017/18	The data show statistical improvements, meeting the aim of the project; however recently the shift has shown an increase in falls rates, which we believe is due to the increased reporting on the pilot ward areas.

### Rate of falls incidents reported per 1,000 occupied bed days



## Rate of harm from falls incidents reported per 1,000 occupied bed days

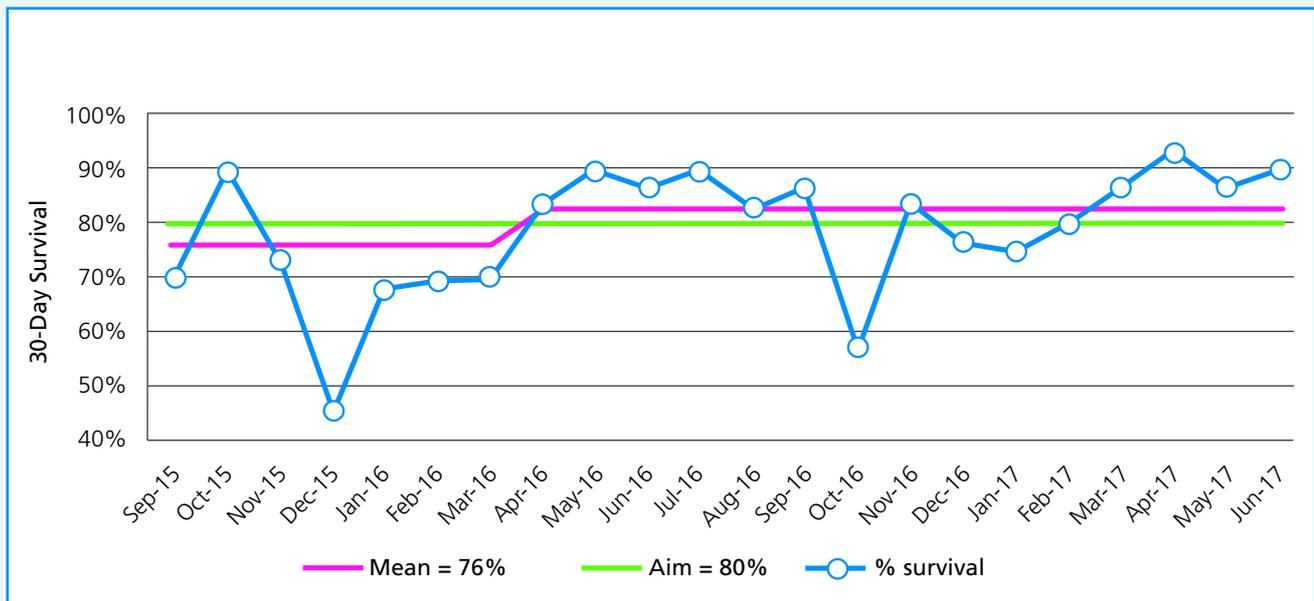


Our milestones for 2017/18 were:	What did we achieve?
To evaluate phase 1 of the 24/7 falls free care.	Evaluation completed
To initiate phase 2 of the programme by recruiting six to seven wards	A 'buddying system' has been used to join two to three wards together to increase collaborative working across all hospitals.  In total we recruited a further nine wards to phase 2 of the programme, which meant that in total 17 wards have been recruited.
Implementation and spread of new falls prevention plan and bedrail assessment tool across the trust	The new falls prevention plan and bedrail assessment tool has been implemented across the trust, which includes inpatient wards at our hospital.
To harmonise the bedrail policy	Our bedrail policy has been harmonised across our hospital.

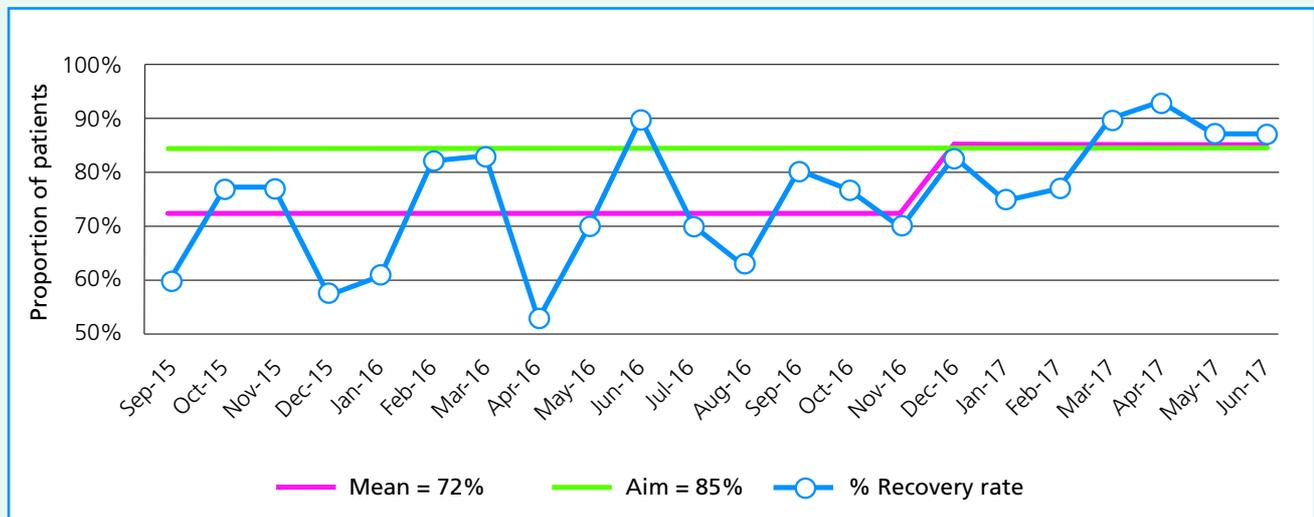
## Acute kidney injury (AKI)

What were our aims?	What did we achieve?
To increase by 25% the survival for inpatients with AKI (1, 2, or 3), by increasing from a mean of 73% (Sep-15 to Mar-16) to a mean of 80% during Sep-17 to Mar-18.	With a step change in April 2016, the data show an average of 82% survival for inpatients with diagnosed AKI (1,2,3). The data show a statistical improvement, exceeding the aim of the project.
To increase by 25% the proportion of patients who recover renal function (from 20% of baseline creatinine), from a mean of 68% (Sep-15 to Mar-16) to a mean of 85% during Sep-17 to Mar-18.	With a step change in December 2016, the data show an average of 85% patients who recover renal function. The data show a statistical improvement, meeting the aim of the project.
To reduce by 25% length of stay of AKI patients from a median of 5 days (Sep-15 to Mar-16) to a median of 3.5 days during Sep-17 to Mar-18.	The data show a median length of stay for AKI patients of 5 days. We have not yet achieved the aim of the project.
To measure and improve patient experience and wellness scores by 31st March 2018.	We have developed measures for patient experience.

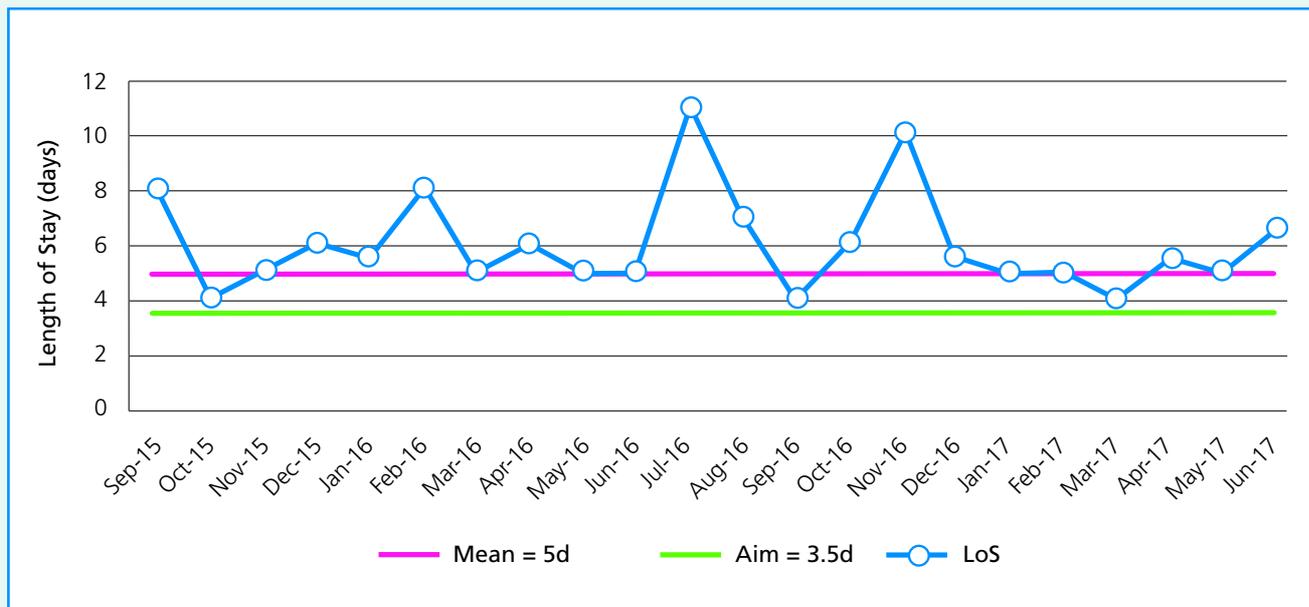
### 30-day survival for inpatients diagnosed with AKI (1,2 or 3)



### Proportion of patients who recover renal function (from 20% of baseline creatine)



## Median length of safety for AKI patients

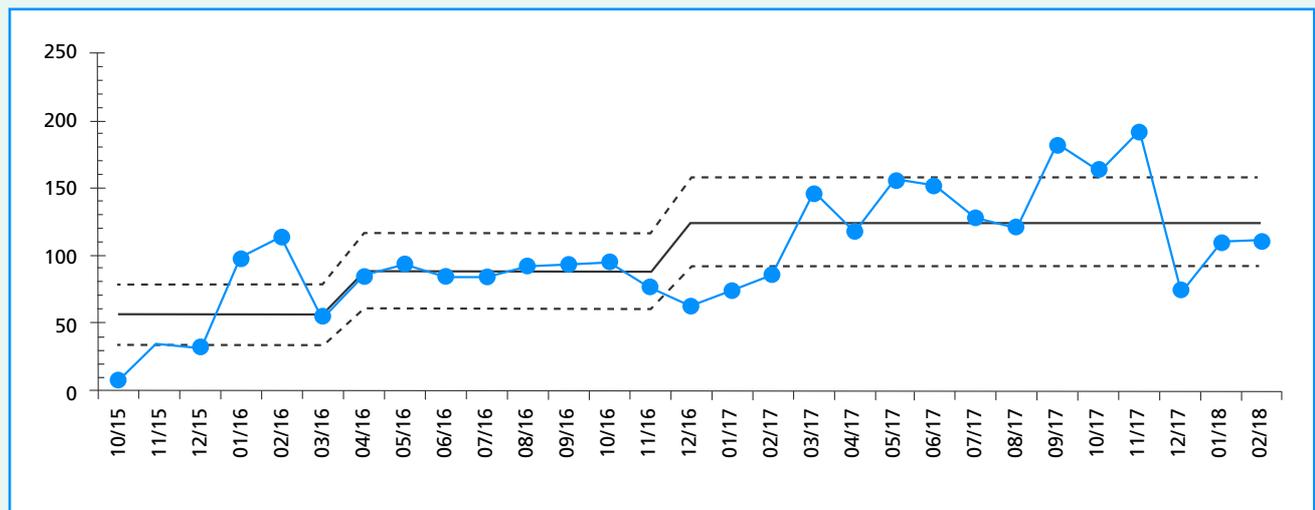


Our milestones for 2017-18 were:	What did we achieve?
Through testing the new AKI app at RFH, we will develop an implementation plan for the trust	We completed the implementation plan for the trust.
Through PDSA cycles, we will co-design the AKI proforma to support the local clinical teams to deliver interventions specific to AKI pathology.	We successfully completed the AKI proforma to support our local renal, the patient at risk and resuscitation team and renal pharmacy teams.
Identify high prevalence areas and co-design an educational package to increase recognition and treatment of AKI.	We identified high prevalence areas which are now prioritised for blood sampling through phlebotomy services.
Develop methods for patient involvement with the programme.	Previous co-designing and testing of the AKI patient experience survey has been adopted with randomly selected AKI patients. This survey has evolved through collaborative working with AKI patients and the trust's patient experience team.

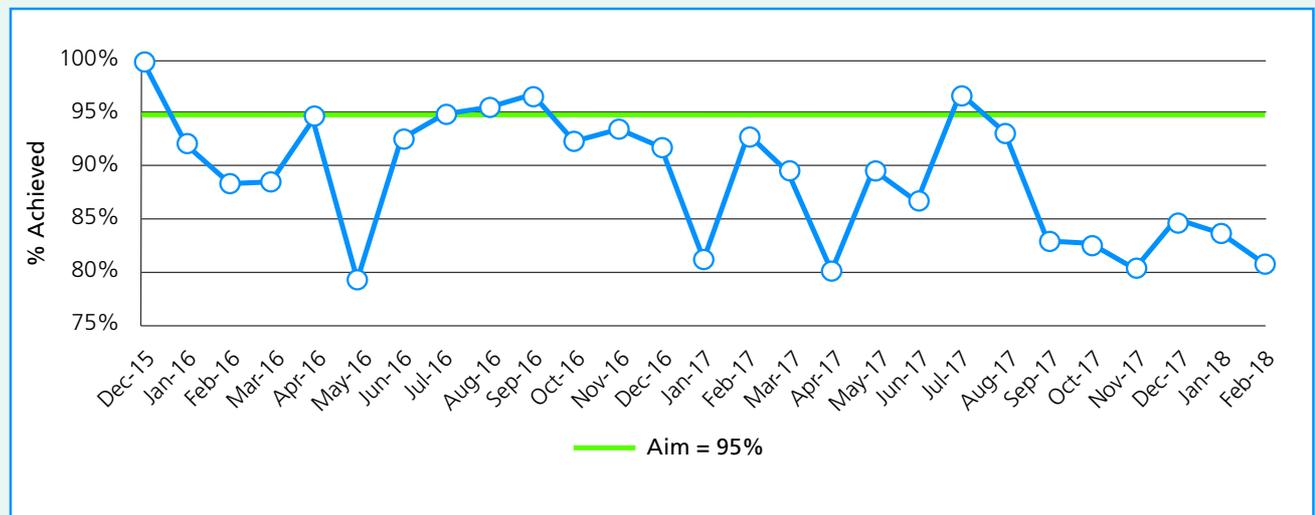
## Safer Surgery

What were our aims?	What did we achieve?
To improve compliance to 95% with each of the five steps to safer surgery by 31 March 2018	Brief (step 1) achieves all team "buy in" on average 86% of the time. Time out (step 4) achieves swab counting on average 94% of the time. Debrief (step 5) achieves all team "buy in" on average 62% of the time.
To reduce by at least 50% the number of surgical never events from 9 in 2015/16 to at most 4 in 2017/18	There were eight surgical never events reported in in 2017/18. We have not achieved the aim of the project and will continue with this priority in 2018/19.

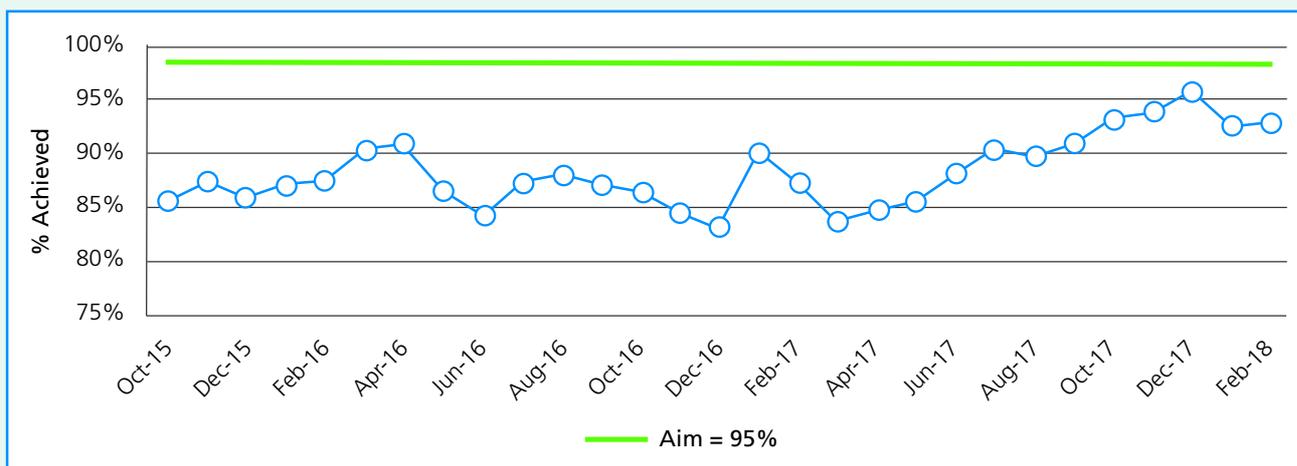
### Frequency of Running Debrief tool - Number of Running debriefs All sites



### Step 1 (Brief) % achieving all 3/3 team members 'buy in'



### Step 5 (Debrief) % achieving all 3/3 team 'buy in'

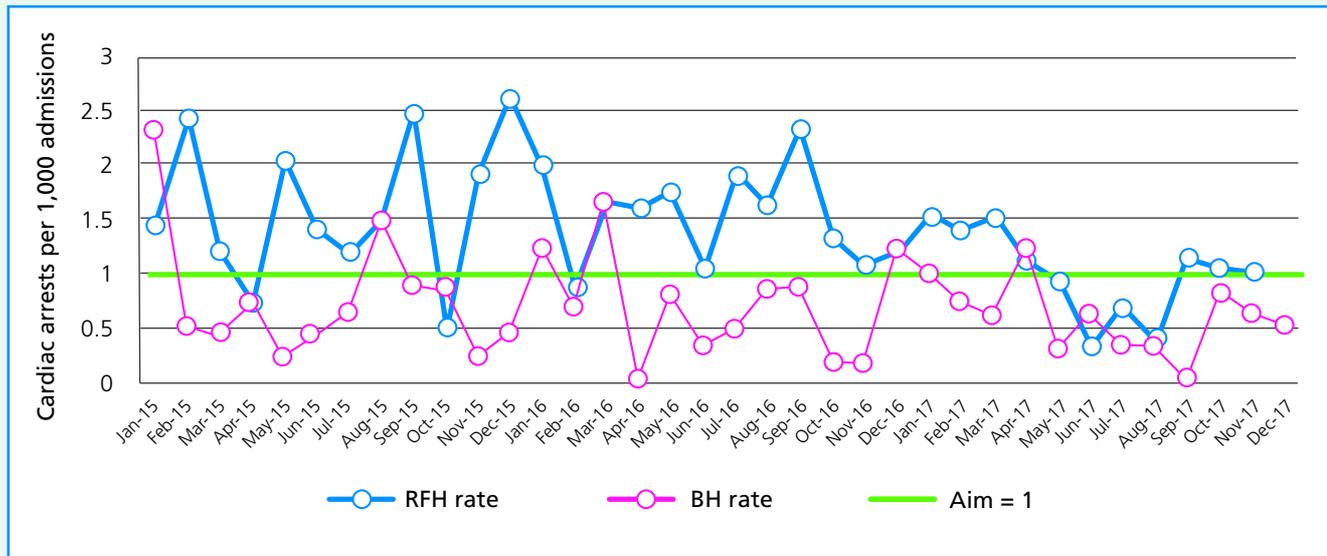


Our milestones for 2017/18 were:	What did we achieve?
Implement tested methods to deliver robust processes of care at steps 1 & 5 (brief and debrief)	All theatres have been participating in using the world health organisation safer surgery checklist in the introduction of a new policy and procedure for the counting of swabs, instruments, sharps and disposable items. A total of 10 theatres have tested the running debrief tool (currently on version 17) and cumulatively this has been used and observed more than 2,240 times.
By scaling up our plan, do, study, act (PDSA) cycles, we will develop locally driven methods to robustly embed the quality of step 4 (counting swabs, needles and instruments)	Active PDSA cycles include: running debrief, count boards, escalation ladder, thematic analysis of incidents, counting bags, distraction and interruptions, white boards and emoji feedback.
To help co-ordinate the development of theatre team human factors skills and knowledge. This will include a framework for theatre etiquette and WCC behaviours (World Class Care)	Where unnecessary distractions and interruptions occur, teams responsible for surgical invasive procedures will be asked to consider the severity of these distractions and interruptions; local common causes of distractions and interruptions within their context and to identify opportunities to build resilience in system to reduce potential adverse impact from frequent and severe the episodes.

## Deteriorating patient

What were our aims?	What did we achieve?
<p>To reduce the number of cardiac arrests from 1.17 at Barnet Hospital (Apr15-Mar16) and 2.4 at Royal Free Hospital (Apr14-Dec14), to less than 1 per 1,000 admissions (as measured for ICNARC Intensive Care National Audit and Research Centre) by 31 March 2018</p>	<p>The data show that the average rate of cardiac arrests at RFH and BH (excluding specific areas) has reduced to 1 and less than 1 respectively, meeting the aim of the project. However, the total trust rate continues to remain above 1, so we have not yet achieved the aim of the project.</p>

### RFH and BH Cardiac arrest rate (excl ICU/ITU, Theatres, Cath Lab and A&E, IRCU & Recovery)

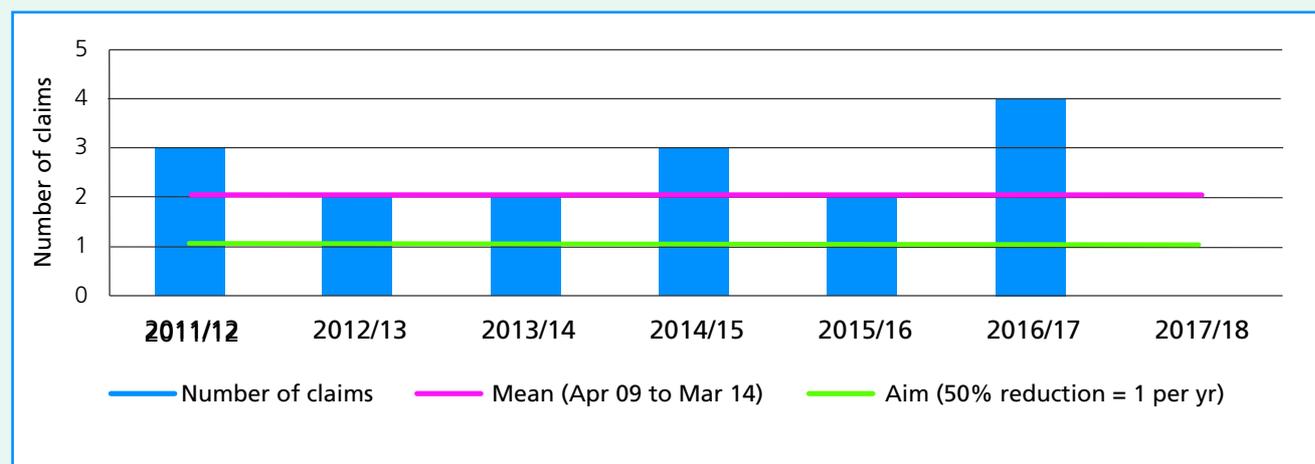


Our milestones for 2017/18 were:	What did we achieve?
<p>We will use one primary pilot ward to test continual PDSA cycles to improve processes &amp; mechanisms to enhance timely communication within and between teams through the use of SBAR* handover tools and enhanced ward rounds, board rounds and safety huddles. *See glossary of terms</p>	<p>We used 10W ward for piloting tests such as whiteboard communication and safety huddles.</p>
<p>We will use ward-based metrics such as cardiac arrest rates, patient at risk and resuscitation team referral and numbers of Multidisciplinary team meetings triggered to track progress. *See glossary of terms</p>	<p>This is happening monthly on our cardiology ward at the Royal Free hospital.</p>
<p>We will develop the 'champion' role further in this pilot area to enable long term sustainability.</p>	<p>Staff have continued to change and new champions recruited to enable long term sustainability.</p>
<p>Implementation and spread of tested communication mechanisms and processes to other areas in the organisation.</p>	<p>Data collection is underway to identify new areas.</p>

## Deteriorating unborn baby

What were our aims?	What did we achieve?
To reduce by 50%, the number of claims relating to deterioration of the unborn baby from a mean of 2 per year (during 5 years, Apr-09 to Mar-14) to a mean of 1 per year, during 3 years: 01/04/15 to 31/03/18.	We have not achieved the aim of the project.
This work stream has merged into 'Keeping mum and babies together clinical group pathway'. This will ensure that areas of good practice are embedded across the trust.	

## Deteriorating unborn baby number of claims per year



Our milestones for 2017/18 were:	What did we achieve?
To scope current processes around elective caesarean sections performed before 39 weeks gestation and identify areas that could be improved to reduce preventable c- sections.	This work stream has merged into 'Keeping mum and babies together clinical practice group'. This will ensure that areas of good practice are embedded across the trust.
We will improve team communication of potential expected admission to the neonatal intensive care unit through adopting PDSA cycles to implement team huddles and SBAR handovers.	We have successfully introduced daily cross-site huddles (see following example on safety huddles).
To undertake staff confidence survey associated with cardiotocography (CTG) interpretation, using this information to co-design teaching and skills package to improve CTG confidence in staff.	This was completed.
Using PDSA cycles we will plan methods of standardising the administration of oxytocin infusion.	The administration of oxytocin infusion is now standardised.

“The huddle is a vital element of forward planning to minimise the risk of increased activity having a detrimental effect on safety levels.”

**Karen Griffin**  
Delivery suite coordinator

“We are making huge strides to achieve our aim of ‘delivering world class care at the right time in the right place by the right team’.

“Thank you to all maternity and neonatal staff for their enthusiasm and passion in embracing the huddles”.

**Dr Shanthi Shanmugalingam**  
Neonatal consultant

### **Safety huddles: An example of excellent practice.**

Delivering world class care at the right time in the right place by the right team’.

The huddle is probably the single most effective meeting teams can have.

The maternity and neonatal departments at the Royal Free Hospital and Barnet Hospital have been holding daily 10 minute cross-site safety huddles during the week to help staff from both sites share critical information on mothers and babies who are at risk as well as highlight other safety issues.

The huddles, which started in June 2017, have proved a great way to engage with staff.

A survey on staff satisfaction showed that nearly 70 per cent of those involved found the huddles either very useful or extremely useful in reducing risks to patients.

Over 80 per cent of staff also said they wanted the huddles to take place seven days a week, 365 days a year and are themselves driving the roll out of the maternity safety huddles over the weekend.

“The huddle is a vital element of forward planning to minimise the risk of increased activity having a detrimental effect on safety levels.” said Karen Griffin, delivery suite coordinator.

Dr Shanthi Shanmugalingam, neonatal consultant said the huddles were a “fabulous example of truly collaborative cross site working. Since introducing huddles, we have seen a reduction in ex-utero transfers of preterm babies she said.

“We are making huge strides to achieve our aim of ‘delivering world class care at the right time in the right place by the right team’.

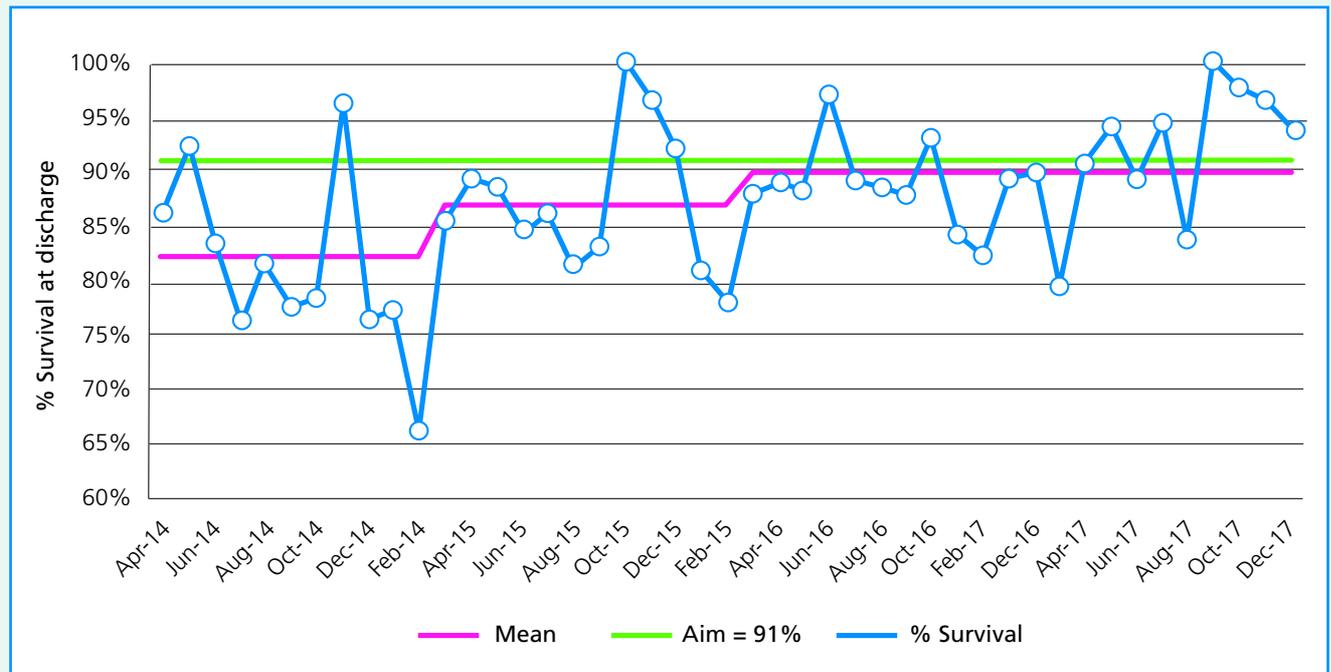
“Thank you to all maternity and neonatal staff for their enthusiasm and passion in embracing the huddles”.



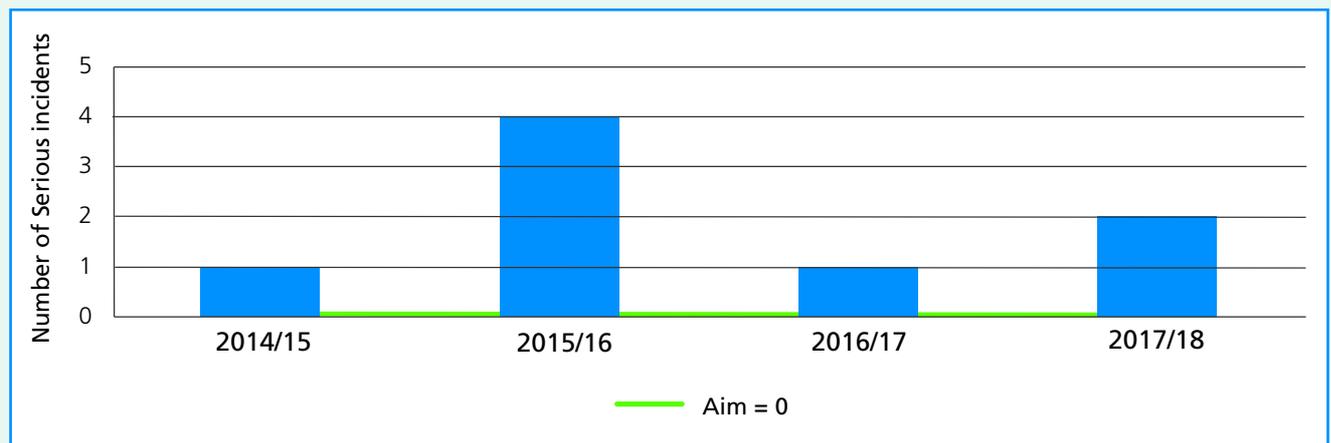
## Sepsis

What were our aims?	What did we achieve?
To reduce by 50% severe sepsis-related serious incidents across all sites from 1 in 2014/15 to zero in 2017/18	There have been two sepsis-related serious incidents in 2017/18, so we have not met our project aim.
To increase survival by 50% for those patients on the sepsis bundle across all sites from a mean of 83% (2014/15) to a mean of 91% (2017/18).	We have shown two step changes in survival to discharge, with the mean moving from 83% to 91%.

### Sepsis survival to discharge for those patients on the Sepsis bundle



### Number of sepsis-related serious incidents per year



Our milestones for 2017/18 were:	What did we achieve?
We will be further consolidating sustained improvement in existing pilot areas.	<p>The sepsis improvement work is underway in the following pilot areas:</p> <ul style="list-style-type: none"> <li>• Royal Free Hospital : Emergency department (ED), Paediatric A&amp;E, 10S, 10E, 8N, 6E, 7W and labour ward (see table 1 below: clinical specialist areas)</li> <li>• Barnet Hospital: Emergency department and labour ward, Paediatric A&amp;E</li> <li>• Chase Farm Hospital: Urgent Care Centre</li> </ul>
We will be planning and implementing a sepsis work stream across the organisation with all key stakeholders, including establishing mechanisms to continue monitoring progress beyond the formal life of the work stream.	We have co-designed and developed local sepsis pathways with multidisciplinary teams using PDSA cycles specific to each of the new pilot areas.
We will be sharing the learning from the 10 pilot sites in the work stream, including further expansion of the 'champion' role to support long term sustainability	Sepsis capability is also being developed through e-learning packages and tools appropriate to each clinical area

**Table 1: Wards involved in our sepsis work and their clinical specialist area**

Our wards at Royal Free Hospital	Specialist area
6 East (6E)	Medical assessment unit
7 West (7W)	Vascular surgery
8 North (8N)	General medicine
10 East (10E)	Renal
10 South (10S)	Renal

## Our priorities for improvement (2018/19)

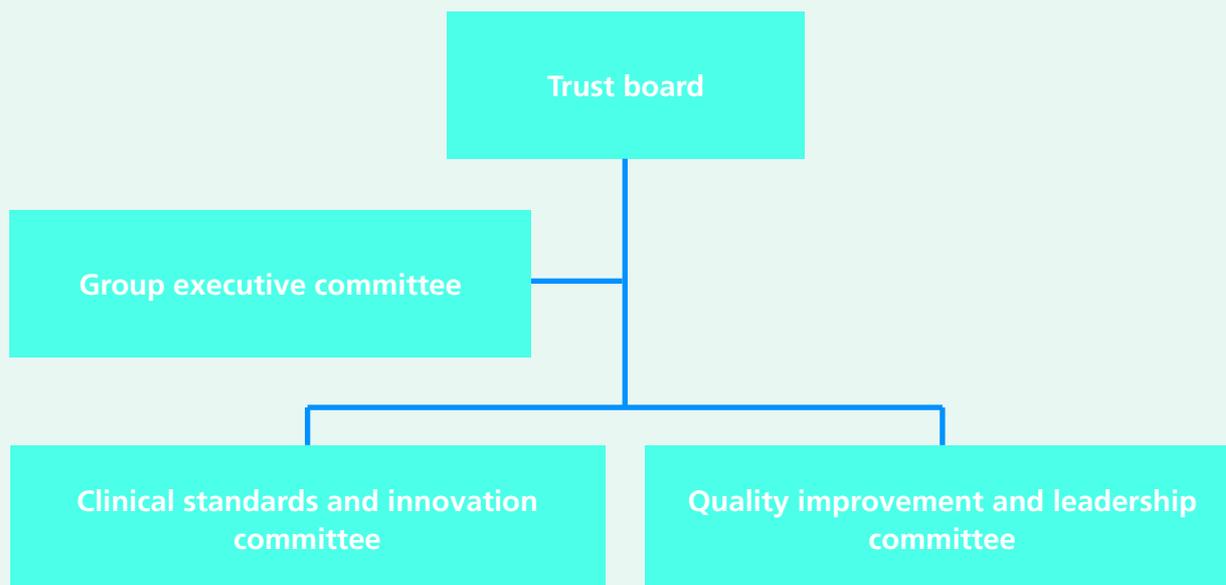
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This section of the quality report details what the quality improvement priorities will be for the year ahead.

All three priorities fall within the quality domain and were drawn from our local intelligence, engagement with the commissioning for quality and innovation (CQUIN), performance and feedback following consultation with key stakeholders.

Progress in achieving the priorities will be monitored at our strategic committees and trust board as illustrated in figure 1.

**Figure 1: Strategic committees and trust board**



## Our consultation process

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As part of our consultation process, the trust held various events and where key stakeholders were invited to attend. The main stakeholder engagement event **Showcasing Clinical Excellence** was held in February 2018. Attendees included staff, commissioners, governors and members from Healthwatch.

In addition, an online survey was conducted with our council of governors which ran from 20 – 27 February 2018. The governors were asked to provide feedback on the proposed priorities and to indicate if there was anything else we should prioritise for 2018/19. On the whole, the respondents were in agreement with our proposals.

## Priority one: Improving patient experience: delivering a world class experience

We aim to put patients, carers and our staff at the heart of all we do in delivering excellent experiences. Building on our strategy we will continue to make improvements for those who use our services.

Progress reports will be sent to the dementia implementation group, quality improvement and leadership committee and updates to our commissioners via the clinical quality review group

Priorities for 2018/19	Continuation from 2017/18	Key measures for success
<p>Priority 1.1</p> <p>To achieve trust certification for 'The Information Standard'.</p>	<p style="text-align: center;">✓</p> <p>(previous performance shown in section 1.1)</p>	<p>To work with CPGs to embed the patient information approval process and ensure information produced via these channels is in line with the Information Standard requirements.</p> <p>To submit an application for The Information Standard for the radiotherapy department which will act as an exemplar for further rolling out the standard.</p>

Priorities for 2018/19	Continuation from 2017/18	Key measures for success
<p>Priority 1.2</p> <p>To further enhance and support dementia care initiatives across the trust through the delivery of the dementia strategy</p>	<p style="text-align: center;">✓</p> <p>(previous performance shown in section 1.1)</p>	<p>To fully implement the national audit of dementia action plan.</p> <p>To embed the updated "8 things about me" document and filing information in the notes.</p> <p>To continue to work on the delirium pathway as part of the frailty clinical practice group.</p>

Priorities for 2018/19	Continuation from 2017/18	Key measures for success
<p>Priority 1.3</p> <p>To improve our involvement with our patients and carers</p>	<p style="text-align: center;">X</p> <p>(new priority for the trust)</p>	<p>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.</p>

## Priority two: Improving clinical effectiveness

The plan for 2018/19 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 practice groups.

Progress reports will be sent to the group executive committee and updates presented to commissioners via clinical quality review group meetings.

### Quality improvement priority:

The Royal Free London has a strategic objective to embed continuous quality improvement (QI) into daily work. For maximum benefit, QI needs to be reinforced by our management systems. During the coming year we will build on the foundations laid in 2017/18.

Priorities for 2018/19	Continuation from 2017/18	Key measures for success
<p>Priority 2.1</p> <p>Our priorities for 2018/19 include continuing to build capability in the workforce and developing our infrastructure.</p> <p>In order to develop a strong infrastructure that supports our QI programme we require an online QI project tracker tool.</p> <p>This will provide real-time intelligence on the status of QI projects across the trust, as well as providing vital project information.</p>	<p>✓</p> <p>(previous performance shown in section 1.1)</p>	<p>We will also continue to build local learning systems, characterised by the following:</p> <ul style="list-style-type: none"> <li>• Ability to prioritise QI projects based on local/group need</li> <li>• Local ownership, at service, divisional and hospital unit level</li> <li>• Provide site-based QI help and support, site-based learning and access to expert QI knowledge</li> <li>• Create opportunities to share learning across the sites and group.</li> </ul>

### Clinical practice group priority:

Variation in clinical practice and process leads to worse patient outcomes resulting in higher costs. Therefore the goal of the program is to reduce unwarranted variation in clinical practice and process.

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 goal of seven pathways digitised at the time of roll out of Millennium Model Content and the opening of the new Chase Farm Hospital.

The programme is concerned with the implementation of evidence-based standardised clinical practice and processes as core operating standards across the trust.

Priorities for 2018/19	Continuation from 2017/18	Key measures for success
<p>Priority 2.2</p> <p>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.</p>	<p>✓</p> <p>(previous performance shown in section 1.1)</p>	<p>To have seven pathways digitised as follows:</p> <ol style="list-style-type: none"> <li>1. Pre-operative assessment</li> <li>2. Elective hip</li> <li>3. Elective knee</li> <li>4. Right upper quadrant pain</li> <li>5. Induction of labour</li> <li>6. Pneumonia</li> <li>7. Admissions to neonatal unit ('keeping mothers and babies together')</li> </ol>

In addition to local site level reporting, progress reports will be sent to the Group Executive Committee and our Clinical Standards and Innovation Committee (CSIC).

## Priority three: Patient safety priorities

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.

Data and information on these patient safety aims will be reported to the clinical innovations and standards committee and updates presented to commissioners via clinical quality review group meetings.

Priorities for 2018/19	Continuation from 2017/18	Key measures for success
Priority 3.1 Safer surgery and invasive procedures	✓  (previous performance shown in section 1.1)	<ul style="list-style-type: none"> <li>• To achieve zero never events by the end of March 2019</li> <li>• To increase by 75% the number of local safety standards for invasive procedures (LocSSIPs) in place by the end of March 2019</li> </ul>

Priorities for 2018/19	Continuation from 2017/18	Key measures for success
Priority 3.2 Learning from deaths	X  (new priority for the trust in line with trust safety priorities)	<ul style="list-style-type: none"> <li>• To increase by 10% the percentage of reviews of patient deaths recorded centrally by the end of March 2019</li> <li>• 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</li> </ul>

Priorities for 2018/19	Continuation from 2017/18	Key measures for success
Priority 3.3 To improve infection prevention and control	X  (new priority for the trust in line with trust safety priorities)	<ul style="list-style-type: none"> <li>• To achieve 10% reduction meticillin-resistant Staphylococcus aureus (MRSA) by the end of the year</li> <li>• To achieve trust-attributed zero Clostridium difficile infections due to lapses in care by end of March 2019</li> </ul>

Reports will be sent to the infection prevention and control committee (chaired by the director for infection prevention and control and the site level clinical performance and patient safety committees.

## 2.2 Statements of assurance from the board

During 2017/18 the Royal Free London NHS Foundation Trust (RFL) provided and/or sub-contracted 40 relevant health services.

The Royal Free London NHS Foundation Trust has reviewed all the data available on the quality of care in 40 of these relevant health services.

The income generated by the relevant health services reviewed in 2017/18 represents 100% of the total income generated from the provision of relevant health services by the Royal Free London NHS Foundation Trust for 2017/18.

### Participating in clinical audits and national confidential enquiries

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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 2017/18 44 national audits and 9 national confidential enquiries covered relevant health services that the Royal Free London NHS Foundation Trust provides.

During that period the Royal Free London NHS Foundation Trust participated in 100% national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that the Royal Free London NHS Foundation Trust was eligible to participate in, during 2017/18 are as follows:

The national clinical audits and national confidential enquiries that the Royal Free London NHS Foundation Trust participated in during 2017/18 are as follows:

The national clinical audits and national confidential enquiries that Royal Free London NHS Foundation Trust participated in, and for which data collection was completed during 2017/18, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

**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 2017/18 and relates to 2017/18

- \* = timeframe for data collection
- RFH = Royal Free Hospital
- BH = Barnet Hospital
- CFH = Chase Farm Hospital

Name of Audit	Data collection completed in 2017/18	Trust Eligibility to participate	Participation 2017/18	Case ascertainment
<b>British Association of Urological Surgeons (BAUS): Female stress urinary incontinence audit</b>	Yes	Yes	RFH BH and CFH service not available	121.4% *2014/16
<b>BAUS: Nephrectomy audit</b>	Yes	Yes	RFH and BH CFH service not available	134% *2014/16
<b>BAUS: Percutaneous nephrolithotomy (PCNL)</b>	Yes	Yes	RFH BH and CFH service not available	152% *2014/16
<b>Cancer: National bowel cancer audit</b>	Yes	Yes	RFH and BH CFH service not available	N =167 total. [RFH-95, BH-72]
<b>Cancer: National lung cancer audit</b>	Yes	Yes	RFH and BH CFH service not available	N =381
<b>Cancer: National oesophago-gastric cancer audit</b>	Yes	Yes	RFH and BH CFH service not available	N =202 (81-90%) *2015/16
<b>Cancer: National prostate cancer audit</b>	Yes	Yes	RFH, BH and CFH	N=428 *2015/16
<b>Chronic obstructive pulmonary disease (COPD) audit programme: Secondary care</b>	Yes	Yes	RFH and BH CFH service not available	60%
<b>COPD audit programme: Pulmonary rehabilitation</b>	Yes	Yes	RFH BH and CFH service not available	N=1 (100%)
<b>Diabetes: National foot care in diabetes audit</b>	Yes	Yes	RFH BH and CFH service not available	N=59 (100%)
<b>Diabetes: National diabetes in-patient audit (NaDIA)</b>	Yes	Yes	RFH and BH CFH service not available	BH=32 RF=66
<b>Diabetes: National pregnancy in diabetes (NPID) audit</b>	Yes	Yes	RFH and BH CFH service not available	BH = 46 RF = 16
<b>Diabetes: National diabetes audit (NDA)</b>	Yes	Yes	RFH BH and CFH	Type 1 = 1205, Type 2 = 1675
<b>Diabetes: National diabetes transition audit</b>	Yes	Yes	RFH and BH CFH service not available	Audit extracts data from NDA and NPDA submission. Data reported at national level only.

<b>Diabetes: National paediatric diabetes audit (NPDA)</b>	Yes	Yes	RFH BH and CFH	BH = 112 *2016/17 CFH = 60 *2016/17 RFH= 51 *2016/17
<b>Elective surgery (National PROMs programme)</b>	Yes	Yes	RFH BH and CFH	Pre-operative questionnaires N=1033 [42.5%] *2015/2016 Post-operative questionnaires N=589 [65.9% *2015/2016]
<b>Endocrine and thyroid national audit</b>	Yes	Yes	RFH and CFH BH service not available	N= 432 *2011/15
<b>Falls and fragility fractures audit programme (FFFAP): Fracture liaison service database</b>	Yes	Yes	BH RFH and CFH service not available	N=156 *2016
<b>FFFAP: Inpatient falls</b>	Yes	Yes	RFH and BH CFH service not available	n = 30 (100%)
<b>FFFAP: National hip fracture database</b>	Yes	Yes	RFH and BH CFH service not available	BH = 391 (98.7%) *2016 RFH= 201 (102.9%)
<b>Heart: Cardiac rhythm management</b>	Yes	Yes	RFH and BH CFH service not available	BH= 304 *2015/16 RFH = 167 *2015/16
<b>Heart: Myocardial infarction national audit project (MINAP)</b>	Yes	Yes	RFH and BH CFH service not available	BH = 297 *2015/16 RFH = 268 *2015
<b>Heart: National audit of percutaneous coronary interventions</b>	Yes	Yes	RFH BH and CFH service not available	N = 867 *2015
<b>Heart: National heart failure audit</b>	Yes	Yes	RFH and BH CFH service not available	BH = 470 *2015/16 RFH = 303 *2015/16
<b>Intensive Care National Audit and Research Centre (ICNARC): Case mix programme: Adult critical care</b>	Yes	Yes	RFH and BH CFH service not available	BH = 1021 *2016/17 RFH = 1793 *2016/17
<b>ICNARC: National cardiac arrest audit (NCAA)</b>	Yes	Yes	RFH and BH CFH service not available	BH = 141 *2016/17 RFH = 359 *2016/17
<b>Inflammatory bowel disease (IBD) registry: Biological therapies audit (Adult)</b>	Yes	Yes	RFH and BH CFH service not available	Audit due for completion 2018/19
<b>IBD registry: Biological therapies audit (Paediatric)</b>	Yes	Yes	RFH BH and CFH service not available	Audit due for completion 2018/19
<b>National audit of breast cancer in older people</b>	Yes	Yes	RFH BH and CFH service not available	N = 600 * 2015
<b>National audit of dementia</b>	Yes	Yes	RFH and BH CFH service not available	Audit did not collect data in 2017/18
<b>National audit of dementia - Delirium spotlight audit</b>	Yes	Yes	RFH and BH CFH service not available	BH = 25 (100%) RFH = 25 (100%)
<b>National audit of pulmonary hypertension audit</b>	Yes	Yes	RFH BH and CFH service not available	719 *2016/17
<b>National audit of seizures and epilepsies in children and young people</b>	Yes	Yes	RFH and BH CFH service not available	Audit did not collect data in 2017/18

<b>National clinical audit of care at the end of life (NACEL)</b>	Yes	Yes	RFH and BH CFH service not available	Audit did not collect data in 2017/18
<b>National clinical audit for rheumatoid and early inflammatory arthritis (NCAREIA)</b>	Yes	Yes	RFH and BH CFH service not available	Audit did not collect data in 2017/18
<b>National comparative audit of blood transfusion programme: 2017 National comparative audit of transfusion associated circulatory overload (TACO)</b>	Yes	Yes	RFH BH and CFH	BH = 40 CFH = 26 RFH = 40
<b>National emergency laparotomy audit (NELA)</b>	Yes	Yes	RFH and BH CFH service not available	BH = 83 *2015/16 RFH = 118 *2015/16
<b>National joint registry (NJR)</b>	Yes	Yes	RFH BH and CFH	BH= 37 CFH = 586 RFH = 384
<b>National maternity and perinatal audit (NMPA)</b>	Yes	Yes	RFH and BH CFH service not available	BH = 100% *2015/16 RFH= 100% *2015/16
<b>National neonatal audit programme (NNAP)</b>	Yes	Yes	RFH and BH CFH service not available	BH = 100% *2016 RFH= 100% *2016
<b>National ophthalmology audit: Adult cataract surgery</b>	Yes	Yes	RFH BH and CFH	552 *2015/16
<b>National vascular registry</b>	Yes	Yes	RFH BH and CFH service not available	368 *2014/16
<b>Royal College of Emergency Medicine (RCEM): Fractured neck of femur</b>	Yes	Yes	RFH and BH CFH service not available	BH= 52 (100%) RFH=75(100%)
<b>RCEM: Pain in children</b>	Yes	Yes	RFH and BH CFH service not available	BH=51 RFH= 99
<b>RCEM: Procedural sedation in adults</b>	Yes	Yes	RFH and BH CFH service not available	BH = 50 RFH =21
<b>Sentinel stroke national audit programme (SSNAP)</b>	Yes	Yes	RFH and BH CFH service not available	BH= Clinical audit: 90+% (Level A) RFH= Clinical audit: 90+% (Level A)
<b>Trauma audit research network (TARN)</b>	Yes	Yes	RFH and BH CFH service not available	BH = 34% RFH = 90%
<b>UK Parkinson's audit</b>	Yes	Yes	RFH BH and CFH	100%

During 2017/18, the trust did not participate in the national audits as these services are not provided by the organisation (see table 2A).

**Table 2A - Audits not participated in**

National audit title
Adult cardiac surgery
BAUS: Radical prostatectomy audit
BAUS: Cystectomy
BAUS: Urethroplasty audit
Head and neck cancer audit (DAHNO)
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
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 lung cancer audit: Consultant-level data
National neurosurgical audit programme - Consultant-level data
National oesophago-gastric cancer audit (NOGCA) - Consultant-level data
Paediatric intensive care (PICANet)
Prescribing observatory for mental health

The trust participated in several other national audits which were not in the Healthcare quality improvement partnership (HQIP) 'quality accounts' list, published in December 2017. These are listed in table 2B:

**Table 2B - Additional audits participated in**

National audit title
7-day service audit
Health records audit
National audit of cardiac rehabilitation
National benchmarking pharmacy technician audit
NHS Blood and Transplant (NHSBT): kidney transplantation
NHSBT: liver transplantation
Potential donor
Renal registry
Royal College of Anaesthetists: National 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

The reports of 44 national clinical audits were reviewed by the provider in 2017/18 and the Royal Free London NHS Foundation 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 clinical governance and clinical risk committee.
- We will use outcomes from national clinical audits to help us prioritise pathway work in our clinical practice groups across our 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 3 below)

**Table 3: Specific actions to improve quality**

Specific actions to improve quality as the result of a national audit	
	<p>The Royal Free Hospital successfully bid for funding from NHS England's diabetes transformation fund for multidisciplinary foot teams which will soon enable us to provide a 7 day hot clinic, improving service delivery, patient pathways and outcomes as well as compliance with the national foot care diabetes audit.</p>
	<p>The Royal Free Hospital remains one of the leading participants, and one of the best hospitals nationally to achieve case ascertainment, presenting mortality rates below the national average.</p> <p>We have now implemented a new operating theatre booking form that requires the stratification of the risk of death calculated prior to surgery which will improve our compliance in documenting the risk of death.</p> <p>We have also appointed a geriatric surgical specialist making sure all of our elderly patients are reviewed post-surgery. As a service we continuously monitor and review every unplanned admission to critical care addressing any issues that arise.</p>
	<p>More multidisciplinary team input to ensure the 4AT (a tool for assessing delirium) is completed.</p> <p>Discussion with physiotherapy to try and have a Sunday service to mobilise patients on the first day post-operation.</p> <p>Ongoing attempt to reduce time to theatre.</p>

Summary of our key achievements relating to national audits

<p>A top <b>'green'</b> rating was achieved by <b>Barnet Hospital, Chase Farm Hospital</b> and Royal Free Hospital for <b>90 day mortality and revision rates</b> for both <b>elective hip and knee surgery</b></p>	<p>Our <b>stroke</b> patients receive a world class <b>stroke service</b> with <b>Royal Free Hospital</b> amongst the <b>top 23%</b> of teams nationally</p>	<p>More <b>major trauma patients</b> presenting at the emergency department at <b>Barnet Hospital and Royal Free Hospital</b> survive compared to the <b>expected</b> figure based on the severity of their injury</p>
<p>Royal Free Hospital is in the best <b>25%</b> of hospitals nationally for <b>diabetes care in pregnant women</b> for <b>blood glucose control in the first trimester and third trimester</b></p>	<p>The trust participated in <b>53</b> national audits and confidential enquiries</p>	<p><b>Pregnant women</b> delivering at <b>Barnet Hospital and Royal Free Hospital</b> are achieving outcomes that are <b>lower than expected</b> for <b>induction of labour, instrumental births and 3rd and 4th degree tears</b></p>
<p><b>Royal Free Hospital intensive care unit</b></p> <ul style="list-style-type: none"> <li>Achieved a <b>green rating</b> (good to excellent) for all RAG-rated quality measures</li> <li>Improved compared to previous for 4 out of 7 re-audited measures.</li> </ul>	<p><b>Barnet Hospital</b> achieved the top <b>'green'</b> rating for <b>6 out of 10 RAG rated quality indicators for emergency laparotomies:</b></p>	<p>Compared to other hospitals nationally <b>more people with type 1 diabetes</b> treated at the <b>Royal Free Hospital</b> are receiving best practice care by:</p> <ul style="list-style-type: none"> <li>Receiving insulin pump therapy</li> <li>Receiving all eight recommended key care processes</li> <li>Meeting all three treatment targets</li> </ul>
<p><b>Barnet Hospital:</b></p> <ul style="list-style-type: none"> <li>Is in the <b>best 25%</b> of hospitals nationally for <b>eight best practice care processes and outcomes</b> for <b>hip fracture</b> patients</li> <li>Achieved the <b>lowest rate</b> in London for <b>hip fractures sustained as an in-patient</b> and is amongst the best 25% of hospitals nationally</li> </ul>	<p>Royal Free Hospital emergency department is in the <b>best 25%</b> of hospitals nationally for <b>6 out of 13 best practice criteria relating to the timely treatment of severe sepsis and septic shock</b></p>	<p><b>Barnet Hospital</b> is in the <b>best 25%</b> of hospitals nationally for the care of <b>patients with dementia</b> for 5 out of 7 key domains – <b>governance, nutrition, staff rating of communication, carer rating of communication and carer rating of patient care</b></p>

## The national chronic obstructive pulmonary disease (COPD) audit programme



### COPD secondary care audit programme

During 2017/18 the trust participated in the COPD secondary care audit programme. The programme is in two parts. Part one is a continuous audit of patients that have been admitted to hospital with exacerbations, and a part two is a snapshot audit of the organisation and resourcing of care.

The programme is also linked to a 'best practice tariff', which is a national price that is designed to incentivise quality and cost-effective care.

Since the start of the tariff in April 2017, the trust has met all the standards required, which is a notable achievement, as only 58 out of 137 acute trusts have managed this.



**Table 4: National confidential enquires: participation and case ascertainment**

Name of Audit	Data collection completed in 2017/18	Trust Eligibility to participate	Participation 2017/18	Case ascertainment
<b>Child health clinical outcomes review programme: Young people's mental health</b>	Yes	Yes	RFH BH and CFH	BH = Clinical questionnaire: n = 6/9 (67%) CFH = Casenotes: n = 5/9 (56%) Organisational audit: n = 2/2 (100%)
<b>Child health clinical outcomes review programme: Chronic neurodisability</b>	Yes	Yes	RFH and BH CFH service not available	BH = Clinical questionnaire: n = 14/16 (87.5%) Casenotes: n = 12/16 (75%)
<b>Child health clinical outcomes review programme: Chronic neurodisability</b>	Yes	Yes	RFH and BH CFH service not available	9/9
<b>Child health clinical outcomes review programme: Long-term ventilation in children, young people and young adults</b>	Yes	Yes	RFH BH and CFH	Enquiry in development
<b>LeDer: Learning disability review programme</b>	Yes	Yes	RFH BH and CFH	Enquiry due for completion 2018/19
<b>Medical and surgical clinical outcomes review programme: Acute heart failure</b>	Yes	Yes	RFH and BH CFH service not available	Clinical questionnaire: n = 10/10 (100%) Casenotes: n = 9/10 (100%) Organisational audit: n = 2/2 (100%)
<b>Medical and surgical clinical outcomes review programme: Pulmonary hypertension</b>	Yes	Yes	RFH and BH CFH service not available	Enquiry in development
<b>Medical and surgical clinical outcomes review programme: Non-invasive ventilation</b>	Yes	Yes	RFH and BH CFH service not available	Clinical questionnaire: n = 5/5 (100%) Casenotes: n = 5/5 (100%) Organisational audit: n = 2/2 (100%)
<b>Medical and surgical clinical outcomes review programme: Perioperative diabetes</b>	Yes	Yes	RFH BH and CFH	Enquiry due for completion 2018/19
<b>Medical and surgical clinical outcomes review programme: Cancer in children, teens and young adults</b>	Yes	Yes	RFH and BH CFH service not available	Clinical questionnaire: n = 10/10 (100%) Casenotes: N/A Organisational audit: N/A
<b>Maternal, newborn and infant: Maternal programme 2015 data</b>	Yes	Yes	RFH and BH CFH service not available	100%
<b>Maternal, newborn and infant: Perinatal programme 2015 data</b>	Yes	Yes	RFH and BH CFH service not available	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 divisional and corporate levels.

**Table 5: Specific actions to improve quality**

Specific actions undertaken to improve quality	
<p><b>NCEPOD Surgery in Children: Are we there yet? (SIC)</b> Reviewed and updated: August 2017</p>	<p>All hospitals that undertake surgery in children must hold regular multidisciplinary audit and morbidity and mortality meetings that include children and should collect information on clinical outcomes related to the surgical care of children.</p> <p>We are in the process of setting up a joint multidisciplinary team meeting for general surgery between ourselves and Great Ormond Street Hospital.</p>
<p><b>NCEPOD Peri-operative care: Knowing the risk</b> Reviewed and updated: August 2017</p>	<p>Mortality risk is assessed by using a risk stratification score by the consultant surgeons and anaesthetists. Mortality risk is communicated to the patient in the consent procedure but not documented on the consent form. However we are compliant with the legal requirements reflected in the trusts consent policy.</p>
<p><b>NCEPOD Lower limb amputation: Working together.</b> Reviewed and updated: December 2017</p>	<p>We are in the process of establishing formal pathways for access to medical specialists pre- and post-amputation.</p> <p>There is an on-going business case for additional physiotherapists to improve care.</p>
<p><b>Subarachnoid Haemorrhage: Managing the flow</b></p>	<p>Guidance for subarachnoid haemorrhage is currently being drawn up.</p>
<p><b>NCEPOD Systemic Anti-Cancer Therapy: For better, for worse?</b> Published: Nov 2008</p>	<p>The oncology department has undertaken repeat audits in 2009, 2013, 2014, 2016 and planned for 2018. The audit studies the treatment and management of all patients who died within 30 days of receiving SACT.</p> <p>Outcomes measured are treatment initiated, prescribed appropriately, and complication of treatment managed appropriately.</p> <p>All death cases are reviewed at mortality and morbidity meetings, and learning shared.</p>
<p><b>NCEPOD acute kidney injury (AKI): adding insult to injury.</b> Published: Jun 2009</p>	<p>The recommendations from this report were embedded as part of our patient safety programme workstream until autumn 2017. It is now part of the AKI clinical practice group.</p>

Clinical audit remains a key component of improving the quality and effectiveness of clinical care, ensuring that safe and effective clinical practice is based on nationally agreed standards of good practice and evidence-based care.

The reports of 23 local clinical audits\* were reviewed by the provider in 2017/18 and the Royal Free London NHS Foundation 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

## Participating in clinical research

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Delivery of high quality, patient centric clinical research is of huge strategic importance to the Royal Free London. Underpinned by an ambitious clinical research strategy, the trust has a research mission to advance clinical outcomes, quality and patient experience through access to world- leading clinical research for all of our patients and staff; across all of our healthcare sites.

We will achieve this by prioritising six key strategic aims;

1. Establish equity of access to clinical research for all patients and staff across all sites
2. Establish a culture where the value of clinical research is appreciated trust wide
3. Establish a model of financial independence for research and development (R&D) to allow commercial income to be invested in services and support our strategic aims
4. Invest in a robust clinical R&D infrastructure to support our investigators in delivering world-leading research, including the establishment of a clinical research facility
5. Establish an international reputation as an NHS centre of clinical research excellence
6. Ensure clinical research is delivered and managed efficiently and studies are always delivered to time and target.

### Clinical research activity in 2017/18

Our commitment to delivering our mission was exemplified through our performance in recruiting patients into high quality clinical research studies and the volume of clinical research opportunity offered to our patients.

The number of patients receiving relevant health services provided or sub-contracted by the Royal Free London NHS Foundation Trust in 2017/18 that were recruited during that period to participate in research approved by a research ethics committee 10, 985.

The figure includes 4,889 patients recruited into studies on the National Institute for Health Research (NIHR) portfolio and 7,412 patients that were not.

The trust is supporting a large research portfolio of over 700 studies, including both commercial and academic research. 169 new studies were approved in 2017/18. 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.

## Clinical research success highlights

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- Royal Free London was the third highest recruiting site for NIHR adopted hepatology studies nationally culminating in an NIHR award to Dr Aileen Marshall and her team.
- Dr Astrid Meyer and her team recruited the first UK patient to an international clinical trial in upper GI cancer, as did Drs Aileen Marshall and Dr Mark Harber into a large clinical trial of kidney and liver transplant patients. Meanwhile, Dr Derralynn Hughes and her team recruited the first global patient into a clinical trial of rare inherited metabolic and endocrine disorders.
- Professor Ash Mosahebi's team are running the world's first randomised controlled clinical trial evaluating the use of fat and platelet rich plasma in the healing of diabetic wounds. By utilising a patient's own tissue, this trial has the potential to transform the way we treat chronic poorly-healing wounds.
- Occupational therapists Dr Dido Green and Dr Betty Hutchon were awarded over £400,000 as part of an Interreg North West Europe programme grant for their contribution towards research into developing virtual reality tools aiming to improve rehabilitation treatments and accelerate the recovery process.
- Dr Siobhan Burns and colleagues from the Institute of Infection and Immunity have successfully published three research papers in high impact journals, presented their findings at four international conferences and have been awarded over £500,000 in research grants for upcoming immunology research

### Celebrating research success

Every year, we participate in international clinical trials day by hosting an R&D open day to showcase the cutting edge clinical research taking place at the trust, celebrate the clinical research success of our talented teams and promote the opportunities to get involved in clinical research to our patients and staff.

This year, the R&D open day was attended by over 100 delegates who enjoyed lectures, demonstrations and a research poster competition.

## Commissioning for quality and innovation (CQUIN) payment framework

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A proportion of the Royal Free London NHS Foundation Trust income in 2017/18 was conditional on achieving quality improvement and innovation goals agreed between the Royal Free London NHS Foundation Trust and any person or body they 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 2017/18 and for the following 12-month period are available electronically at: <https://www.royalfree.nhs.uk/about-us/corporate-information-and-accountability/cquin-scheme-priorities/>

**Table 6: CQUIN scheme priorities 2017/2018**

CQUIN scheme priorities 2017/2018	Objective rationale
Staff health and well being	This national initiative is made up of three areas of improvement: 1) Improvement of health and wellbeing of NHS staff with a focus on musculoskeletal conditions and stress 2) Healthy food for NHS staff, visitors and patients 3) Improving the uptake in the flu vaccination for frontline staff
Sepsis	Timely identification and treatment of sepsis in emergency departments and acute inpatient settings. Sepsis is a common and potentially life-threatening condition with around 32,000 deaths in England attributed to sepsis annually.
Antimicrobial	Reduction in antibiotic consumption across the trust and an empiric review of antibiotic prescriptions. Antimicrobial resistance has risen alarmingly over the last forty years and inappropriate use and overuse of antimicrobials is a key driver.
Mental health in A&E	Reducing the number of frequent attenders who would benefit from mental health and psychosocial interventions  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.
Advice and Guidance	Scheme requires the trust to set up and operate advice and guidance services for non-urgent GP referrals allowing GP's to access consultant advice prior to referring patients in to secondary care.
e-Referral	CQUIN designed to encourage a move away from any paper-based processes so that all referrals to first outpatient services are available electronically by April 2018.
Supporting proactive and safe discharge	Unnecessary delays in discharging patients from hospital is a systemic problem and a rising trend. In particular with older patients longer stays in hospital can lead to worse health outcomes and an increase in long term care needs. CQUIN supports systems to streamline discharge pathways, embed and strengthen discharge to assess pathway to maximum effect and to understand the capacity within community services to support improved discharge.
Hepatitis 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 systemic anti-cancer therapy 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 co-ordinated multidisciplinary team clinics for patients with multisystem auto-immune rheumatic diseases. It also enables longitudinal data collection, particularly of outcome measures using validated tools and the use of patient activation measurement.
Breast screening	Increasing uptake of screening programmes through NHS England's making every contact count programme in both clinical service and admin hub.
Dental	Collection and submission of data on priority pathways procedures by tier using the CQUIN dashboard. Participation in the acute dental systems resilience group, including supporting data requests to contribute to a pan London approach to demand and capacity modelling. Active participation in consultant-led managed clinical networks with collaborative oversight of appraisal of performers.

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 2017/18 a total of £16,400,000 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.

## Registration with the Care Quality Commission (CQC)

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The Royal Free London NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is registered. The Royal Free London NHS Foundation Trust has no conditions on registration.

The Care Quality Commission has not taken enforcement action against the Royal Free London NHS Foundation Trust during 2017/18.

The Royal Free London NHS Foundation Trust has participated in special reviews or investigations by the Care Quality Commission relating to the following areas during 2017/18: 19 February 2018 - review of services for looked after children and safeguarding in Barnet.

The Royal Free London NHS Foundation Trust has not yet received the final report conclusions of this review.

The CQC undertook the following unannounced responsive and announced inspections during 2017 at the Royal Free Hospital site (Further details are provided in section 3.3).

## Information on the quality of data

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Good quality information ensures that 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 will improve patient care and increase value for money. This section refers to data that we submit nationally.

## The patient's NHS number

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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 Royal Free London NHS Foundation Trust submitted records during 2017/18 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	2014/15	2015/16	2016/17	2017/18
For admitted patient care	98.8%	98.6%	98.15%	98.8%
For out-patient care	99.2%	98.6%	98.65%	99.2%
For accident & emergency care	92.6%	94.4%	94.89%	95.7%

## 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	2014/15	2015/16	2016/17	2017/18
For admitted patient care	99.8%	99.95%	99.92%	99.8%
For outpatient care	99.9%	99.96%	100%	99.9%
For accident and emergency care	99.9%	99.94%	100%	100%

## Information governance

The Royal Free London NHS Foundation Trust information governance assessment report overall score for 2017/18 was 68% and was graded satisfactory (green)

	2015/16	2016/17	2017/18
<b>Information governance assessment score</b>	<b>68%</b>	<b>66%</b>	<b>68%</b>
<b>Overall grading</b>	<b>green</b>	<b>green</b>	<b>green</b>

## Payment by results

The Royal Free London NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission.

## 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 Royal Free London NHS Foundation Trust will be taking the following actions to improve data quality:

- Implementing a new trust wide data quality dashboard on Qlikview during Q1 2018/19 which will provide access to a range of key performance indicators (KPIs) that cover the main datasets and will ensure visibility and standardisation throughout the group model. Specialities that are performing poorly against the targets set will be reviewed by the data quality team and action plans will be put in place to resolve the issues.
- An external partner will be used to implement a data assurance framework. The data assurance framework will assess current data quality, provide KPIs to internally measure data quality and develop a programme of regular audit to continually assess progress.
- There will be a review of the Cerner health information and technology workflows and updated if necessary so that users have the right resources to get things right first time.

## Learning from deaths

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.

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 2017/18, 2048 of the Royal Free London NHS Foundation Trust patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

In 6 cases a death was subjected to both a case record review and an investigation.

**Table 7 - number of deaths and reviews**

Reporting period		Number of deaths	Number of reviews	Number of serious incident investigations	Number of the patient deaths considered likely to be avoidable	Percentage of the patient deaths considered likely to be avoidable
<b>First quarter</b>	April 2017 to June 2017	478	29	4	2	0.42%
<b>Second quarter</b>	July 2017 to September 2017	458	29	2	2	0.44%
<b>Third quarter</b>	October 2017 to December 2017	549	Not yet completed	Not yet completed	Not yet completed	Not yet completed
<b>Fourth quarter</b>	January 2018 to March 2018	563	Not yet completed	Not yet completed	Not yet completed	Not yet completed

By 31/03/18, 58 case record reviews and 6 investigations have been carried out in relation to 936 of deaths included in table 7.

In 58 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 or an investigation was carried out was 29 in the first quarter, 29 in the first quarter, as shown in table 7. (Data for Q3 and Q4 are not yet available).

Four representing 0.42 to 0.44 % of the patient deaths during the reporting period are 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: 2 deaths representing 0.42% for the first quarter; 2 deaths representing 0.44% for the second quarter as shown in table 7. Data for Q3 and Q4 are not yet available.

These numbers 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 (i.e. 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)

58 case record reviews and 6 investigations completed after (01/10/2017) which related to deaths which took place before the start of the reporting period.

### Previous reporting period 2016/17

The Learning from deaths (LfD) process was set up in 2017, there are no previous data.

Zero representing 0% 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.

Zero representing 0% of the patient deaths during 2016/17 are judged to be more likely than not to have been due to problems in the care provided to the patient.

## Summary of lessons learnt

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The lessons learnt summarised below relate to all patient deaths which were reviewed as part of this process. These are shared with staff via a number of communication channels including:

- **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, serious incident review panel and divisional quality safety boards
- **Events:** Learning from incidents and near misses event, audit and quality days, trainee doctors, nursing, allied health professionals induction.

### Patient care

- Full patient review on the ward round and appropriate management plan
- Excellent initial assessment and care, with relatives involved
- Pain relief was completed promptly and effectively
- Prompt resuscitation attempts and care
- Recognition and escalation of the deteriorating patient.
- Recognition of escalating pain and response to pain relief post-operation
- The patient was seen by the consultant within 10 minutes
- Thorough and careful examination of the patient

### Communication

- Appropriate recognition and escalation of a case to the learning from deaths process
- Clear verbal and written communication and documentation
- Good engagement with staff from other organisations
- Great nursing escalation to patient at risk and resuscitation team when there were concerns despite the patient not causing a trigger from the observations chart.
- Explanations of the patient's care and treatment options provided to the family
- Prompt discussion with relevant specialties about treatment options and plan
- Prompt request for a second opinion
- Timely consultant and multi-disciplinary team involvement

### End of life decisions

- Clarity of the family's preference for how to inform them of the patient's death
- Early decision making on Do not attempt resuscitation decisions (DNAR)
- Good communication between the teams regarding the potential for end of life care
- Good patient involvement and discussion of DNAR

### Support services

- Appropriate IT access for all relevant staff
- Estates helpdesk line to escalate incoming calls directly to on-site engineer out of hours.
- Use of the estates helpdesk to raise issues with faulty lifts

## Treatment pathways

- Appropriate and timely pre-natal assessments, with good escalation
- Appropriate management of plural effusion
- Clarity of the CT scan pathway for patients with a suspected head injury
- Coordination, and timely transfer of patients from Barnet Hospital to the Royal Free Hospital
- Good follow up of blood results
- Oxygen prescribed on the drug chart
- Implementation of the guideline for the management of hypertension in pregnancy, pre-eclampsia and eclampsia
- Knowledge of appropriate fluid balance management, monitoring and documentation
- Knowledge of the treatment pathway for sepsis in non-emergency wards
- Knowledge of the use and interpretation of the GAP/GROW chart, which measures fetal growth
- Knowledge that Group B Streptococcus (GBS) positive pregnant women should have the GBS sticker placed on the front of their notes
- Knowledge that if a patient does not understand or speak English, the assistance of relatives/friends should not be sought for translation and communication, and interpreting services such as Language Line should be used instead.
- Pathways and policies were followed
- Pregnant women with a previous history of heart disease reviewed by a clinician of the required expertise.
- Recognition that mothers with a previous history of small babies are to be offered serial growth ultrasound scans in line with guidance
- Recognition that when paracetamol is administered as analgesia it can mask symptoms of fever

## Description of actions taken during 2017/18

The actions summarised below relate to those patient deaths which were considered likely to be avoidable. From April 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:

Serious incident ID	Avoidability
2017/18268	3. Probably avoidable, more than 50/50
2017/22647	2. Strong evidence of avoidability
2017/10867	2. Strong evidence of avoidability
2017/13527	2. Strong evidence of avoidability

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 grouped the actions into broader themes here, so that our patients and their families are not identifiable.

- Alignment of rotas for appropriate weekend cover
- Improved communications between staff at handovers, and via SBAR (Situation Background Assessment Recommendation)
- Improved identification, procedure, process and communications for patients who require daily weighing
- Improved identification, procedure, process and communications for using GAP/GROW baby intra-uterine measurement
- Improved identification, procedure, process and communications for determining levels of post-operative pain
- Improved process, staff training and communications to deal with lift failures
- Sharing the investigation reports with patient's families
- Sharing the lessons learnt with staff
- Update and disseminate guidance to staff and complete a spot check audit within three months of implementation of the guideline to ensure compliance.
- Use of simulated scenarios based on these case studies to promote learning

## Description of proposed actions to take during 2018/19

Actions from quarter 3 and 4 reviews when they are completed will be taken forward during 2018/19.

## Assessment of the impact of the actions taken

The learning from deaths process is new for the trust, so it is therefore too early for us to undertake this assessment, though it is a key part of our monitoring processes.

Actions from all our serious incident investigations are reviewed quarterly to provide assurance of implementation and any exceptions escalated promptly to the relevant hospital Clinical performance and patient safety committee.

## 2.3 Reporting against core indicators

This section of the report presents our performance against 8 core indicators, using data made available to the trust by NHS Digital. Indicators included in this report, shows the national average and the performance of the highest and lowest NHS trust.

Areas covered include:

1. **Summary hospital-level mortality**
2. **Patient reported outcome measures scores**
3. **Emergency readmissions within 28 days**
4. **Responsiveness to the personal needs of our patients**
5. **Friends and family test (staff)**
6. **Venous thromboembolism**
7. **C difficile**
8. **Patient safety incidents**

This information is presented in a format in line with our previous annual reports. In future annual reports we will look to standardise the information produced, including the time period examined.



## Summary hospital-level mortality

### Indicator:

(a) The value and banding of the summary hospital-level mortality indicator ('SHMI') for the trust for the reporting period.

RFL performance Jul 13 - Jun 14	RFL performance Jul 14 - Jun 15	RFL performance Jul 15 - Jun 16	RFL performance Jul 16 - Jun 17	National average performance Jul 16 - Jun 17	Highest performing NHS trust performance Jul 16 - Jun 17	Lowest performing NHS trust performance Jul 16 - Jun 17
0.887 (Lower than expected)	0.853 (Lower than expected)	0.9053 (as expected)	<b>0.8777</b> <b>(lower than expected)</b>	1.0 (as expected)	0.7261 (lower than expected)	1.2277 (higher than expected)

The SHMI score published in this report has been calculated by NHS Digital and uses finalised HES data for the financial years 2012/13, 2013/14, 2014/15, 2015/16 and provisional data for the financial year 2016/17 (month 8 extract). NHS Digital have indicated that they believe there is a shortfall in the number of records in the HES data for discharges in the reporting period October 2015 – September 2016 for Royal Free London NHS Foundation 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 Royal Free London NHS Foundation Trust participates in the HSCIC NHS Choices / Clinical Indicator sign off programme whereby data quality is reviewed and assessed on a monthly and quarterly basis.

No significant variance has been observed between the data held within trust systems and data submitted externally.

SHMI (Summary Hospital Mortality Indicator) is a clinical performance measure which calculates the actual number of deaths following admission to hospital against those expected.

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons; the data has been sourced from the Health & Social Care Information Centre.

The latest data available covers the 12 months to June 2017. During this period the Royal Free London (RFL) had a mortality risk score of 0.8777, which represents a risk of mortality 12.2% lower than expected for our case mix. This shows a mortality risk statistically significantly below (better than) expected with the RFL ranked 15th out of 134 non-specialist acute trusts.

The Royal Free London NHS Foundation 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/>

## 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.

RFL performance Jul 13 - Jun 14	RFL performance Jul 14 - Jun 15	RFL performance Jul 15 - Jun 16	RFL performance Jul 16 - Jun 17	National average performance Jul 16 - Jun 17	Highest performing NHS trust performance Jul 16 - Jun 17	Lowest performing NHS trust performance Jul 16 - Jun 17
28.4%	25.4%	25.6%	<b>34.2%</b>	31.2%	58.6%	11.2%

The Royal Free London NHS Foundation 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 Royal Free London NHS Foundation Trust intended to take the following actions to improve this percentage, and so the quality of its services, by:

- Presenting a monthly report to the trust board and a quarterly report to the clinical performance committee detailing the percentage of patient deaths with palliative care coding. Any statistically significant variations in percentage of palliative care coded deaths will be investigated with a feedback report provided to the trust board and the clinical performance committee at their next meetings.

This year there has been an increase in the percentage of deaths with palliative care coding so that it is now just above the national average performance.

<https://indicators.hscic.gov.uk/webview/>

## Patient reported outcome measures scores

### 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 casemix-adjusted average gain in health from pre- to post-operative.

RFL performance 2013/2014	RFL performance 2014/2015	RFL performance 2015/2016	RFL performance 2016/2017	National average performance 2016/17	Highest performing NHS trust performance 2016/17	Lowest performing NHS trust performance 2016/17
<b>Indicator: Groin hernia surgery</b>						
Low Number rule Applies	Low Number rule Applies	Low Number rule Applies	<b>0.05</b>	0.09	0.14	0.01
<b>Indicator: Varicose vein surgery</b>						
Low Number rule Applies	Low Number rule Applies	0.12	<b>0.11</b>	0.09	0.15	0.01
<b>Indicator: Hip replacement surgery</b>						
0.38	0.74	0.43	<b>0.42</b>	0.45	0.54	0.31
<b>Indicator: Knee replacement surgery</b>						
0.30	0.68	0.31	<b>0.32</b>	0.32	0.40	0.24

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons; the data has been sourced from NHS digital.

This data has been reviewed and when we compare our clinical data with the data produced by the national joint registry and national hip fracture database it shows an above average performance. Therefore it appears that the data is related to patients' mismatched expectations regarding their condition post-operation. To address this we have a joint school, where patients are informed of what to expect post-surgery and where we can manage their expectations of pain and mobility.

The Royal Free London NHS Foundation Trust has taken the following actions to improve the score, and so the quality of its services, by:

- obtaining data of the actual number of procedures undertaken to compare with the figures
- reviewing where pre-operative questionnaires are completed

<http://content.digital.nhs.uk/proms>

## Emergency readmissions within 28 days

### Indicator:

The percentage of patients re-admitted to the trusts hospitals within 28 days of being discharged during the reporting period.

Please note that this indicator is currently suspended by NHS Digital with the intention that they will produce it again from summer 2018 onwards. As a result the trust has provided the latest available data to 2016/17. Internally the trust review it's 30-day emergency readmission rates for elective patients as part of its board key performance indicators.

RFL performance 2014/2015	RFL performance 2015/2016	RFL performance 2016/2017	National average performance 2016/2017	Highest performing NHS trust performance 2016/2017	Lowest performing NHS trust performance 2016/2017
<b>Patients aged 0 to 15 years old</b>					
9.93%	10.1%	<b>5.2%</b>	<b>6.4%</b>	3.3%z	10.5%
<b>Patients aged 16 years old or over</b>					
9.5%	8.5%	<b>8.3%</b>	<b>10.6%</b>	5.5%	10.6%

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons; the data has been sourced from Dr Foster, 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 Royal Free London NHS Foundation Trust performance against non-specialist providers throughout England.

The Royal Free 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 Royal Free London NHS Foundation Trust compares favourably with the rate amongst the 136 non-specialist providers in England; with a lower than average readmission rate observed at Royal Free London Foundation NHS Trust in both paediatric and adult cohorts.

The relative risk of emergency readmission within 28 days of previous discharge provides further evidence that the Royal Free London Foundation NHS Trust performs better than expected given its casemix and patient profile; the relative risk is 9.8% below (better than) expected. Standardised for both casemix and patient demographics this is the 8th lowest relative risk of any non-specialist English provider.

The Royal Free London NHS Foundation 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 re-admission rate is lower (better) than the peer group average)
- undertaking detailed enquiries into patients classified as readmissions with our public health doctors, working with GP's and identifying the underlying causes of readmissions

<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 average score out of five questions relating to responsiveness to in-patient personal needs from the national in-patient survey (score out of 100).

RFL performance 2013/2014	RFL performance 2014/2015	RFL performance 2015/2016	RFL performance 2016/17	National average performance 2016/2017	Highest performing NHS trust performance 2016/2017	Lowest performing NHS trust performance 2016/2017
67.4	68.6	69.9	<b>68.3</b>	68.1	85.2	60

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons; the data has been sourced from the Health & Social Care Information Centre and compared to published survey results.

The NHS has prioritised, through its commissioning strategy, an improvement in hospitals responsiveness to the personal needs of its patients. Information is gathered through patient surveys. A higher score suggests better performance. Trust performance is similar to the national average.

The Royal Free London NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services, by:

- developing a comprehensive patient experience improvement plan overseen by the patient and staff experience committee, a sub-committee of the trust board.

<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.

RFL performance 2014	RFL performance 2015	RFL performance 2016	RFL performance 2017	National average performance 2017	Highest performing NHS trust performance 2017	Lowest performing NHS trust performance 2017
71%	72%	75%	<b>74%</b>	70%	86%	47%

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons; the data has been sourced from the Health & Social Care Information Centre and compared to published survey results.

Each year the NHS surveys its staff and asks whether or not they would recommend their hospital as a care provider to family or friends. The trust performs better than the national average on this measure.

The Royal Free London NHS Foundation 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.
- Implementing a world class care programme embodying the core values of welcoming, respectful, communicating and reassuring. These four values 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

### Indicator:

The percentage of patients who were admitted to hospital and risk assessed for (VTE) during the reporting period.

NHS Digital publish the VTE rate in quarters as presented in the table below:

RFL performance Oct 14 - Dec 14	RFL performance Oct 15 - Dec 15	RFL performance Oct 16 - Dec 16	RFL performance Oct 17 - Dec 17	National average performance Oct 17 - Dec 17	Highest performing NHS trust performance Oct 17 - Dec 17	Lowest performing NHS trust performance Oct 17 - Dec 17
96.1%	97.1%	96.6%	<b>95.9%</b>	95.4%	100.0%	76.1%

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons; the data has been sourced from NHS Improvement data collection.

The VTE data presented in this report is for the period October to December 2017.

Many deaths in hospital result each year from Venous VTE and these deaths are potentially preventable. The government has therefore set hospitals a target of requiring 90% of patients to be assessed in relation to risk of VTE.

The Royal Free London performed better than the 95% national target, achieving 95.9%.

The Royal Free London NHS Foundation 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 its findings 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 2 or over.

RFL performance 2013/2014	RFL performance 2014/2015	RFL performance 2015/2016	RFL performance 2016/2017	National average performance 2016/2017	Highest performing NHS trust performance 2016/2017	Lowest performing NHS trust performance 2016/2017
18.8	17.8	21.0	<b>21.3</b>	13.2	0	82.7

The Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons; the data has been sourced from the Health & Social Care Information Centre, compared to internal trust data, and data hosted by the Health Protection Agency.

Clostridium difficile can cause severe diarrhoea and vomiting. The infection has been known to spread within hospitals particularly during the winter months. Reducing the rate of C difficile infections is a key government target.

Royal Free performance was worse than the national average during 2016/17. However, very few of these infections have been attributed to lapses in care by the trust.

The Royal Free London NHS Foundation Trust intends to take the following actions to improve the score, and so the quality of its services, by:

- The trust is 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 Clostridium 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.diff action group.
- Learning from antimicrobial audits has provided evidence for a revised patient prescription chart with an enhanced antimicrobial section. This has now been rolled-out across the trust and elements are being audited to focus on embedding them 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.

	RFL performance Oct 13 - Mar 14	RFL performance Oct 14 - Mar 15	RFL performance Oct 15 - Mar 16	RFL performance Oct 16 - Mar 17	National average performance Oct 16 - Mar 17	Highest performing NHS trust performance Oct 16 - Mar 17	Lowest performing NHS trust performance Oct 16 - Mar 17
(a)	2,422 (6.9)	5,734 (34.7)	5,915 (36.5)	<b>6,549 (39.1)</b>	4,713 (40.9)	366 (13.7)	2,129 (149.7)
(b)	22 (0.91%)	43 (0.75%)	26 (0.44%)	<b>33 (0.20%)</b>	17 (0.15%)	0 (0.0%)	62 (0.53%)

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 the NRLS 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 Royal Free London NHS Foundation Trust considers that this data is as described for the following reasons; the data has been sourced from the NRLS.

The National Patient Safety Agency regard the identification and reporting of incidents as a sign of good governance with organisations reporting more incidents potentially having a better and more effective safety culture. The trust reported a similar volume of incidents per 1,000 bed days between October 2016 and March 2017 (39.1) compared to the national average (40.9).

The Royal Free London NHS Foundation Trust has taken the following actions to improve this percentage, and so the quality of its services, by:

- 1) In 2013 the trust purchased a web-based reporting tool with the aim of simplifying the process for staff to report incidents and to export data to NRLS. Experience from other trusts has indicated that the introduction of a web-based tool significantly increases the volume of forms submitted by staff.
- 2) In addition the trust has developed a patient safety campaign with the aim of focusing on improving the patient safety culture, including encouraging staff to report incidents and providing timely feedback to staff on the outcomes and learning resulting from incident investigations.

We have robust processes in place to capture incidents. However there are risks at every trust relating to the completeness of data collected for all incidents (regardless of their severity) as it relies on every incident being reported. Whilst we have provided training to staff and there are various policies in place relating to incident reporting, this does not provide full assurance that all incidents are reported. We believe this is in line with all other trusts.

There is also clinical judgement in the classification of an incident as 'severe harm' as it requires moderation and judgement against subjective criteria and processes. This can be evidenced as classifications can change once they are reviewed. Therefore, it could be expected that the number of severe incidents could change from that shown here due to this review process

<https://indicators.hscic.gov.uk/webview/>

# Part three: review of quality performance

## 3.1 Overview of the quality of care in 2017/18

This section of the quality report presents an overview of the quality of care offered by the trust based on performance in 2017/18 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 NHS Improvement single oversight framework and to show key performance indicators that are requested by the Royal Free London NHS FT 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
<b>Section 1: Patient safety</b>	<ul style="list-style-type: none"> <li>• summary hospital mortality indicator (SHMI)</li> <li>• hospital standardised mortality ratio (HSMR)</li> <li>• methicillin-resistant staphylococcus aureus (MRSA)</li> <li>• C. difficile Infections</li> </ul>
<b>Section 2: Clinical effectiveness</b>	<ul style="list-style-type: none"> <li>• referral to treatment (RTT)</li> <li>• A&amp;E performance</li> <li>• cancer waits</li> <li>• Average length of stay (elective and non-elective)</li> <li>• 30-day emergency readmission rates for elective patients</li> </ul>
<b>Section 3: Patient experience</b>	<ul style="list-style-type: none"> <li>• friends and family test</li> <li>• Volume of delayed transfers of care (DTOCs)</li> <li>• Cancelled operations not readmitted within 28 days</li> </ul>

## 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 hospital standard mortality ratio (HSMR)	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). The main differences between these measures are found in the data coverage: (a) while HSMR only considers around 80% of deaths the SHMI metric ostensibly covers all hospital spells, (b) definition of death in HSMR includes in-hospital mortality only whilst SHMI captures any death occurring 30 days post discharge), and (c) adjustments are made for palliative care in HSMR only.	Stethoscope, Methods Analytics
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 – 4 hour standard	Percentage of A & E attendances where the patient was admitted transferred or discharged within 4 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 outpatient 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 outpatient 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 re-admission rate following elective or non-elective spell	Number of emergency re-admissions within 30 days of discharge as proportion of total discharges following an elective admission And Number of emergency re-admissions within 30 days of discharge as a proportion of number of discharges following an elective admission	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 IP, 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 (DTCs)	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 inpatient and day-case operations.	Cerner system

## Notes on the charts

This year the presentation of the data has changed to ensure that it is in line with healthcare statistics best practice<sup>1</sup>. 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.

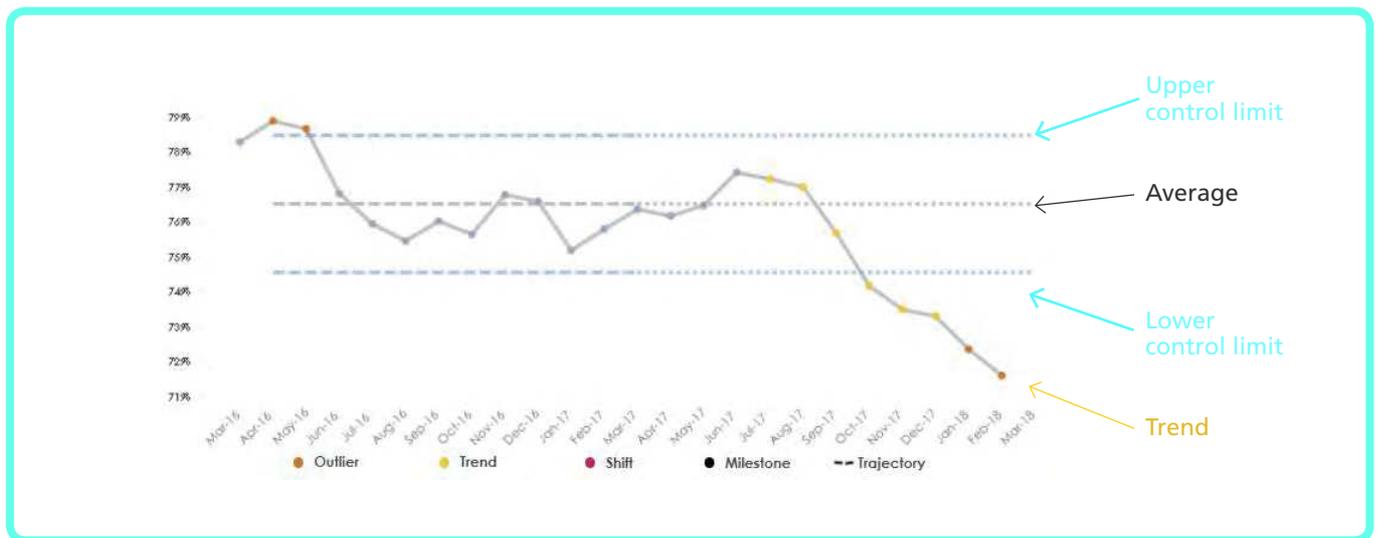
### Control charts

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).<sup>2</sup>

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



<sup>1</sup>See, for example, "The Health Care Data Guide", Provost & Murray

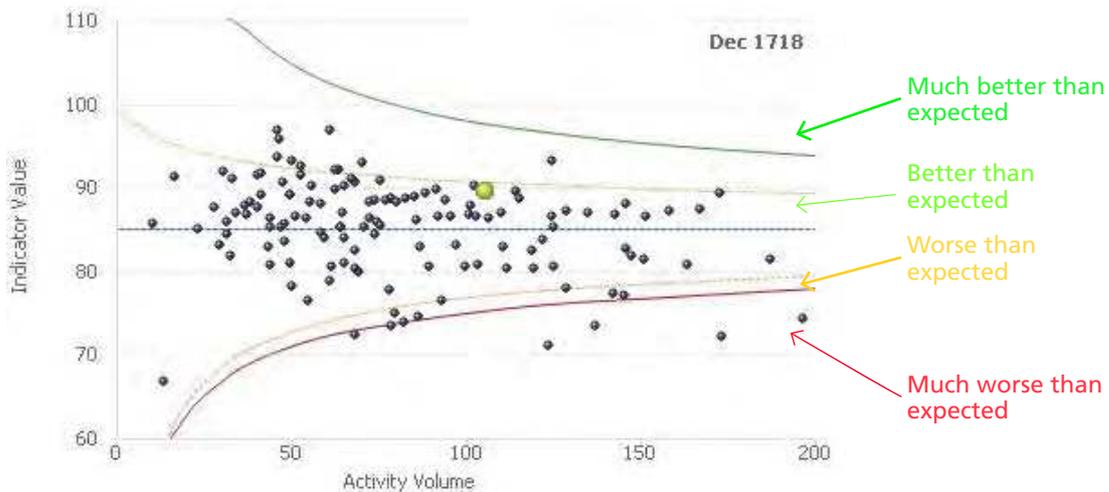
<sup>2</sup><http://asq.org/learn-about-quality/data-collection-analysis-tools/overview/control-chart.html>

## Spine charts

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.<sup>3</sup> 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



Source: Stethoscope benchmarking tool, Methods Analytics 2018

These charts can also be used to display measures that have been adjusted for case mix.

<sup>3</sup>Methods Analytics methodology, 2018

# 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. 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.

The SHMI data is presented below is from April 2015 to December 2017. This shows a recent improvement in the trust's score to a mean of 89.9 or 10.1% better than expected over the months April to December 2017.

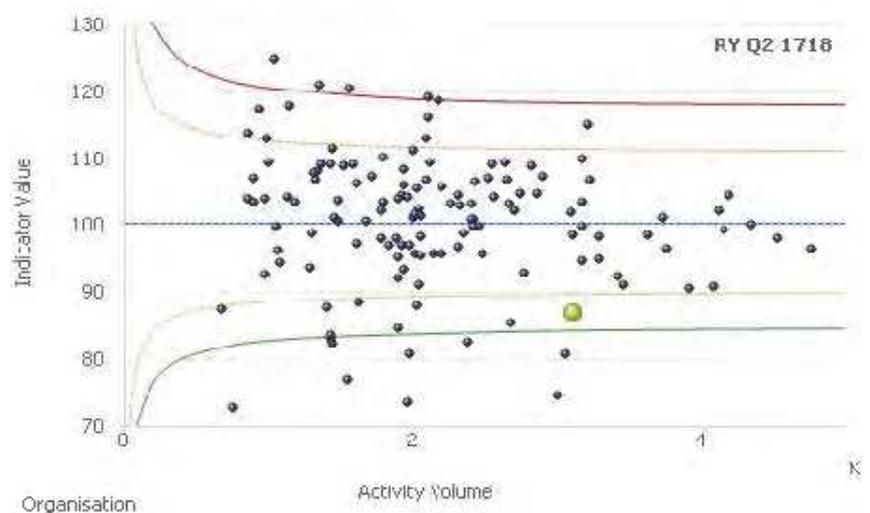
#### Summary Hospital Mortality Indicator



Source: Royal Free London NHS Foundation Trust 2014-2017

The chart below shows the Royal Free London SHMI performance compared to all other acute NHS trusts for the rolling year ending Q2 2017/18 (the latest for which information is currently available). The Royal Free SHMI was 13th lowest out of 134 acute trusts and was statistically lower than expected.

#### Chart: Summary Hospital-level Mortality Indicator by NHS acute trust

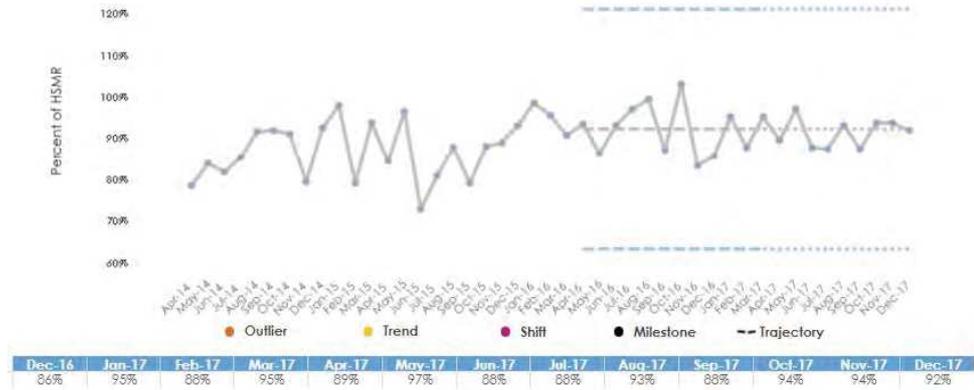


Source: Stethoscope benchmarking tool, Methods Analytics 2018

## 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 there has been no significant change in our HSMR over the year to December 2017; our average over the period has been 92 or 8% better than expected.

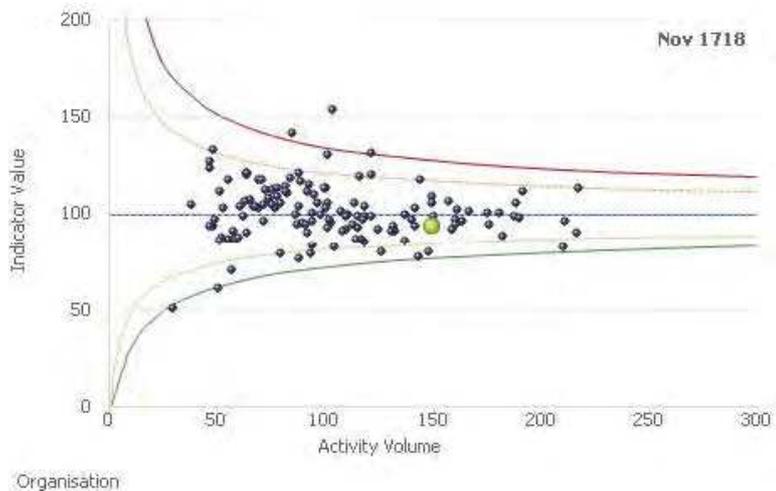
### Hospital standardised mortality ratio



Source: Royal Free London NHS FT 2014-2017

However, benchmarking shows that on this measure the Royal Free London does not differ from the national mean by more than can be explained by random chance. This is consistent with previous performance.

### Hospital standardised mortality ratio by NHS acute trust



Source: Stethoscope benchmarking tool, Methods Analytics 2018

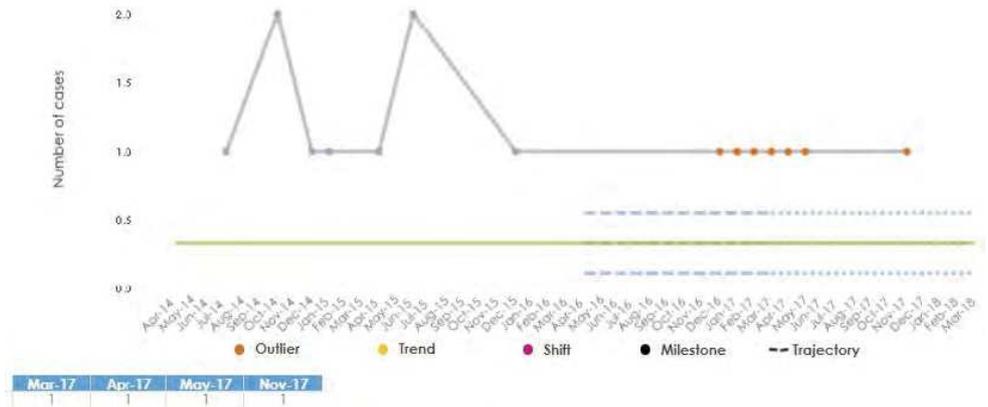
Benchmark data for the last available month (November 2017) shows that the Royal Free London NHS Foundation Trust recorded the 37th lowest relative risk of mortality of any English teaching trust with a relative risk of mortality of 93.2. This is better than expected but not statistically significant. (Data source: Methods Analytics).

## 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 their facilities and good infection control compliance by staff.

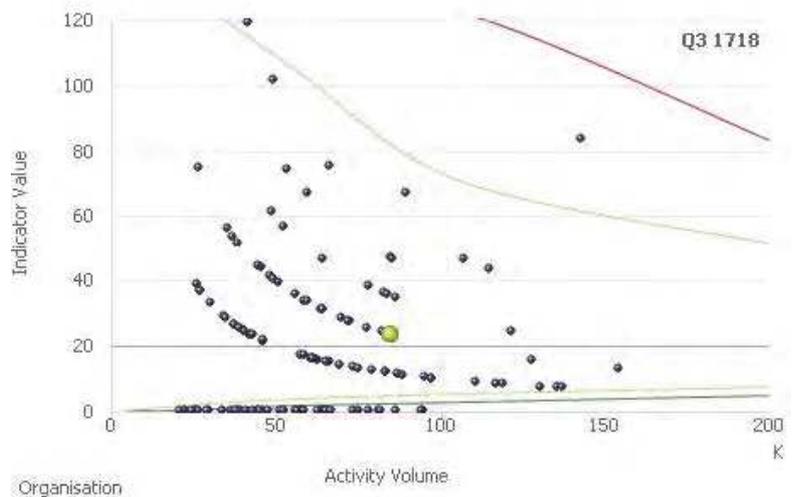
### MRSA bacteraemias



Source: Royal Free London NHS FT

In the 12 months to the end of February 2018 the Royal Free London reported four MRSA bacteraemias, with none reported since November 2017. The chart below shows our Royal Free London Q3 2017/18 MRSA rate per 1,000,000 occupied bed days benchmarked against all other NHS trusts. It indicates shows that our MRSA rate does not differ from the national mean by more than can be explained by random chance.

### MRSA bacteraemia, rate per 1,000,000 occupied bed days by NHS acute trust

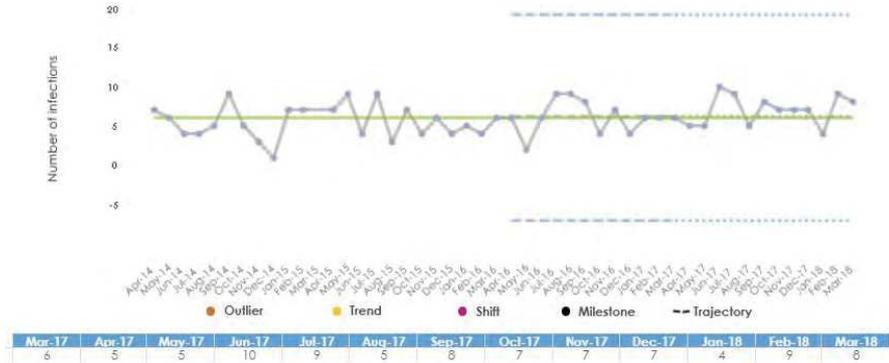


Source: Stethoscope benchmarking tool, Methods Analytics 2018

## C. difficile

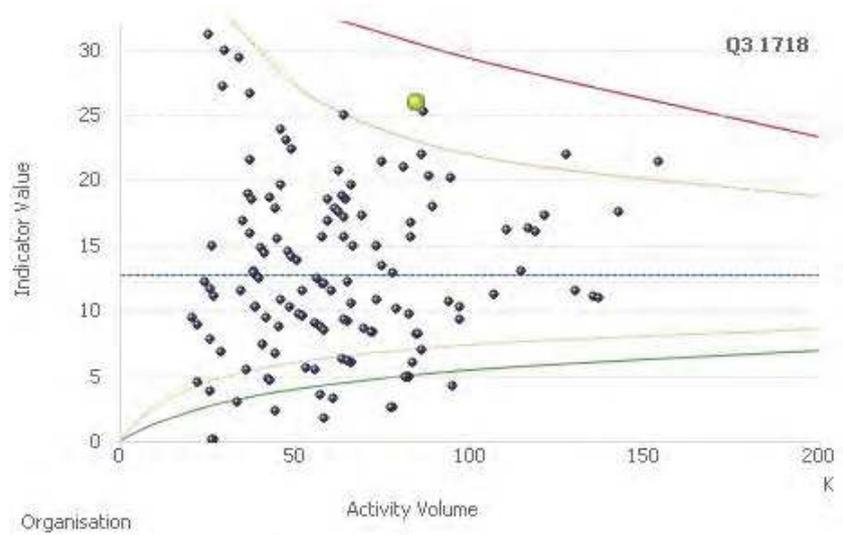
In relation to C. difficile the trust saw no change in 2017/18 from 2016/17 in terms of the rate of infections, with an average of seven per month over 2017/18.

### Clostridium difficile infections



According to our benchmark information for Q2 2017/18, this indicates that our infection rate per 100,000 occupied bed days is higher than would be expected by chance.

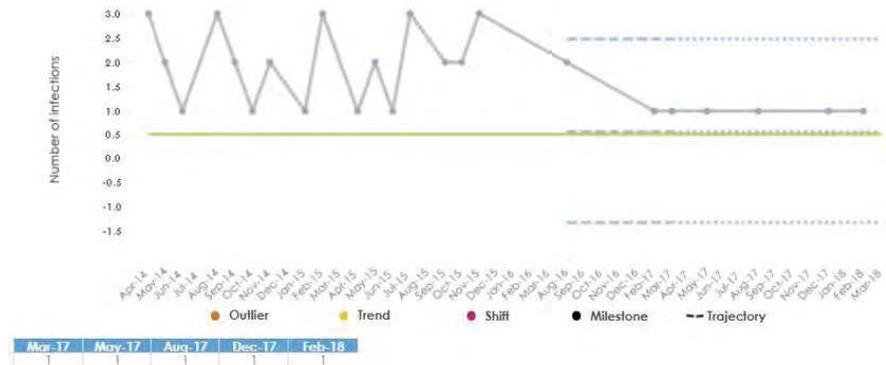
### C. difficile infection rate per 100,000 occupied bed days by NHS acute trust Q3 2017/18



Source: Stethoscope benchmarking tool, Methods Analytics 2018

However, our C. Difficile volumes that can be attributed to “lapses in case” by the trust are significantly lower. Against this measure of performance the trust has seen five incidents in the 12 months to February 2018.

### Clostridium difficile infections from lapses in care



Source: Royal Free London NHS FT 2014-2018

# Section 2: Clinical effectiveness

## Referral to treatment

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 that no more than 8% of patients should be waiting longer than 18 weeks for treatment and 92% should be waiting 18 weeks or less. This is the 'incompletes' standard.

As shown in the chart below, the trust returned to compliance against the incomplete pathway standard in June 2016. However, since August 2017, the trust has failed the standard. Performance in March 2018 was 83.1%.

### RTT: % < 18 weeks wait to first treatment

Source: Royal Free London  
NHS FT 2014-2018



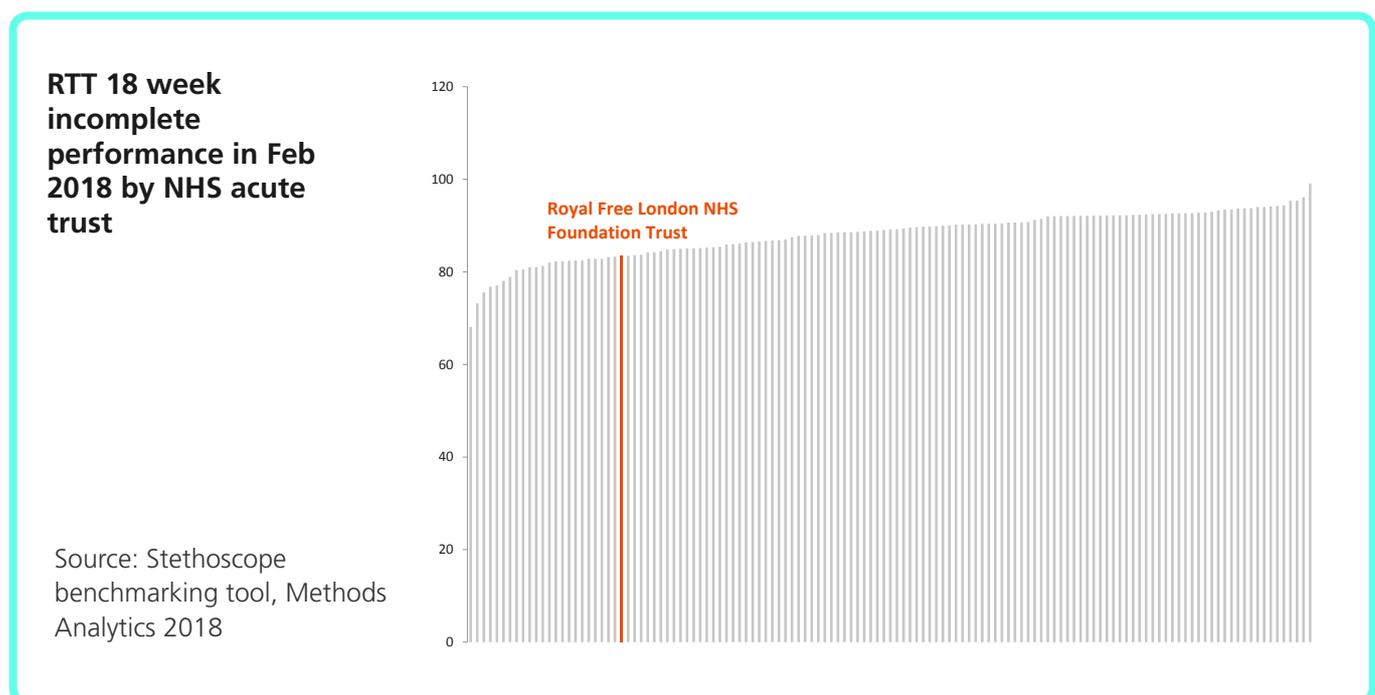
This was primarily a result of improvements the trust made to the way in which it tracks patient pathways using a patient tracking List (PTL). During 2017/18 the trust worked on improving the PTL for two main reasons:

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 new PTL was designed to ensure that we no longer needed to repeatedly validate the same patients, whose validation was being lost by the old logic.

This revised PTL was originally planned for delivery in December 2016 but due to a number of technical issues it was started in August 2017. Upon release, the volume of breaches across the trust increased significantly and 35 patients waiting over 52 weeks were identified. This was expected as it identified the whole set of patients whose past validation had been lost by the old logic as well as patients that had been suppressed.

The chart below shows the Royal Free London February 2018 performance (the latest available data) compared to other NHS acute trusts in England. This shows that our performance was 24th lowest in England.



## Accident and emergency performance

The Accident and emergency department is often the patient's first point of arrival. The graph summarises the Royal Free London's performance in relation to meeting the four hour maximum wait time standard set against the performance of London A&E departments. The national waiting time standard requires trusts to treat, transfer, admit or discharge 95% of patients within four hours of arrival.

During the period April 2017 to March 2018, the Royal Free London NHS FT achieved an average monthly performance of 86.6%. This was not significantly different from our average performance in 2016/17.

### A&E: % of patients seen within 4 hours

Source: Royal Free London NHS FT 2014-2018

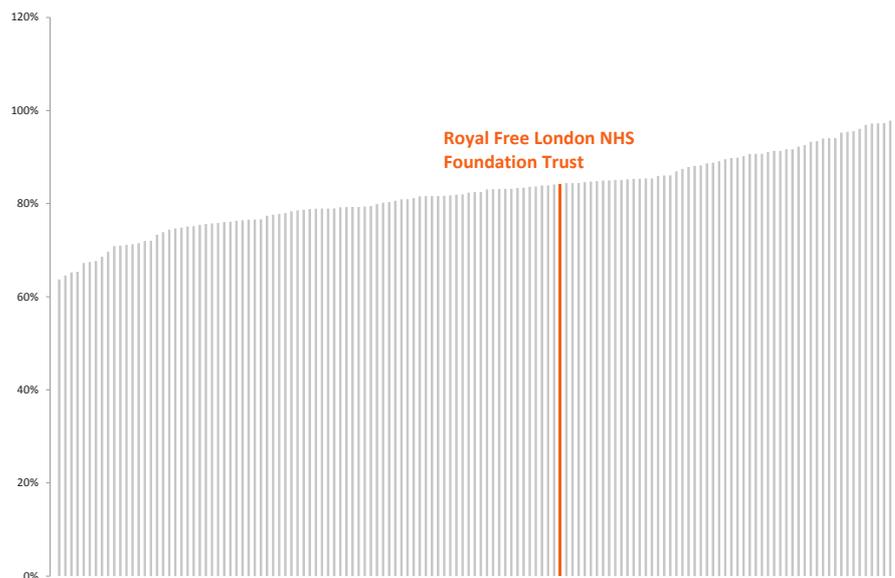


Pressure on A&E has been increasing with more people than ever before selecting it as their preferred means of accessing urgent healthcare. In response, the trust has invested in rebuilding the Royal Free Hospital A&E department, the last elements of which will open early in 2018/19. In addition, the trust has been working closely with colleagues to improve flow of patients through the hospital.

The chart below shows the Royal Free London March 2018 performance (the latest available data) compared to other NHS acute trusts in England. This shows that our performance was 55th out of 137 Type 1 A&E providers in England.

### Performance against 4 hour A&E standard in March 2018 by NHS acute trust

Source: NHS England, April 2018

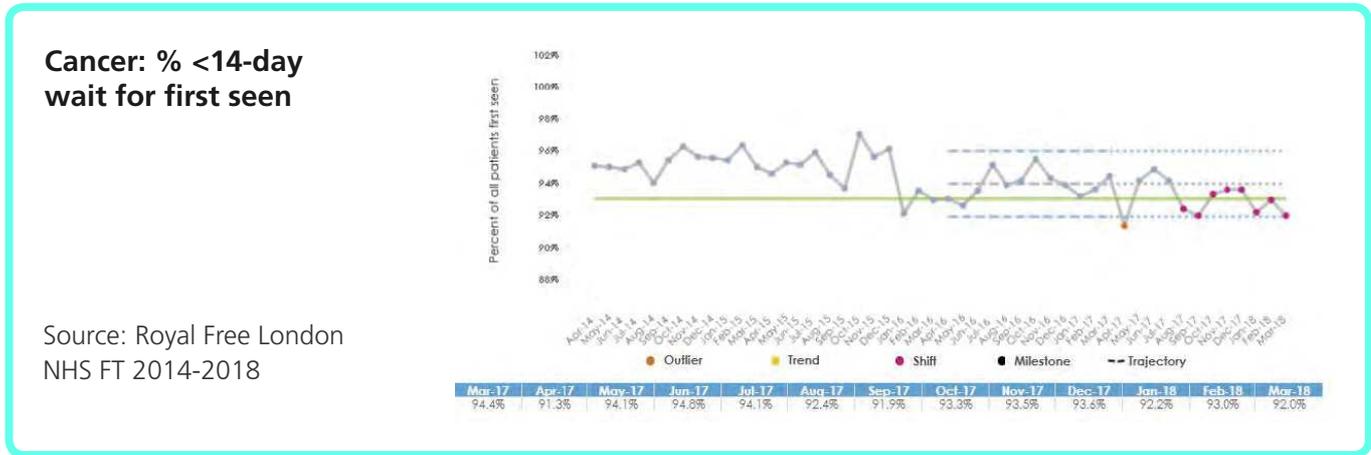


**Cancer waits:**

**All cancer two week waits**

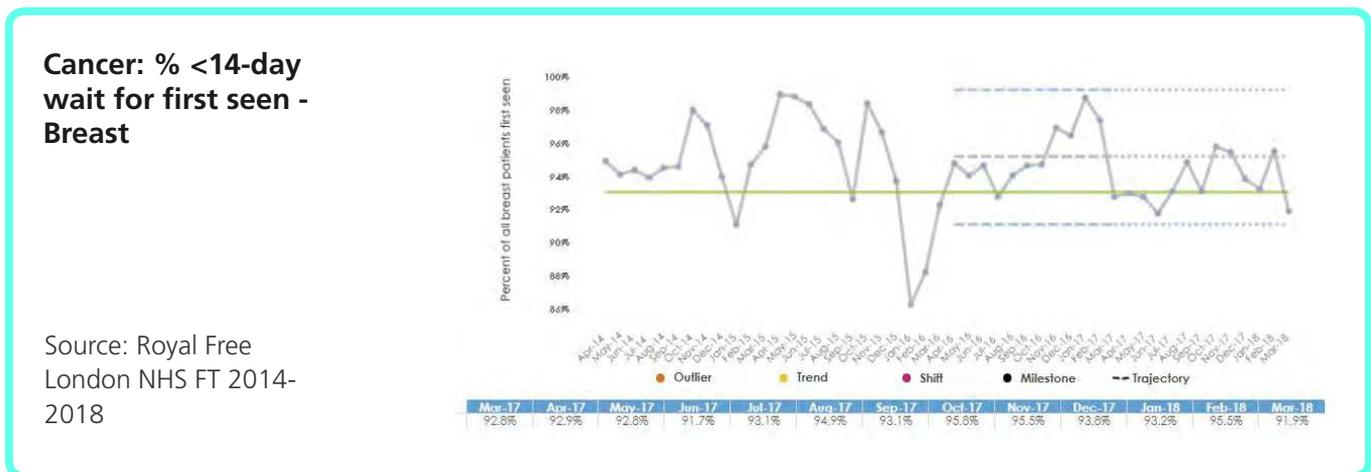
Clinical evidence demonstrates that the sooner patients urgently referred with cancer symptoms are assessed diagnosed and treated the better the clinical outcomes and survival rates. National targets require 93% of patients urgently referred by their GP to be seen for an outpatient or diagnostic appointment within two weeks, 96% of patients to be receiving first treatment within 31 days of the decision to treat and 85% of patients to be receiving first definitive treatment within 62 days of referral.

For the 2017/18 period up to January 2018, the trust met the standard to see at least 93% within two weeks from GP referral over the course of the year. The main factors influencing below standard performance have been the holiday periods for Easter, summer and Christmas and unexpected increases in referral rates in some tumour sites. The trust has been improving its holiday 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.



**Breast urgent referral two week waits**

In 2017/18, the trust saw 93.7% of patients each month on an urgent breast referral pathway within two weeks, meeting the national standard.



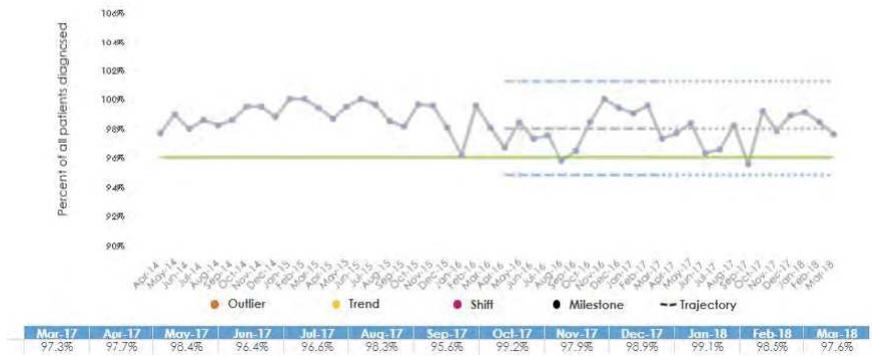
This was not significantly different from 2016/17 when we also met the standard.

## First definitive treatment within 31 days

In 2017/18, the trust met the standard to see 96% of patients within 31 days for their first definitive treatment for cancer, in every month except September 2017, meeting the national standard for the year overall.

### Cancer: % <31-day wait from diagnosis to first treatment

Source: Royal Free London  
NHS FT 2014-2018



This is a similar performance to 2016/17 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 2017/18, with 82.9% of patients receiving first treatment within 62 days of a GP referral. This represents an improvement on 2016/17 where 80.5% of patients met the standard and on 2015/16 when 72.7% of patients met the standard.

### Cancer: % <62-day wait for first treatment - GP referral

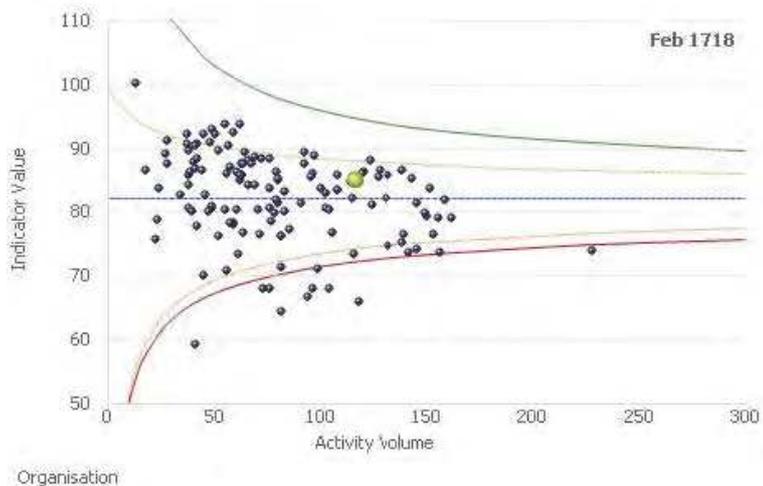


Source: Royal Free London NHS FT 2014-2018

The trust has had a recovery plan in place for cancer since July 2016, which has been working on improving across all tumour sites. Q3 2017/18 was the first quarter of compliance since 2014. In 2018/19 the trust plans to strengthen the improvements already made and aim to deliver compliance across the year.

When comparing Royal Free London to benchmarks in February 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. This is an improvement on previous years where performance has been worse than expected when compared to other trusts' performance.

### Cancer 62 day wait for first treatment from GP referral, all acute trusts, February 2018



Source: Stethoscope benchmarking tool, Methods Analytics 2018

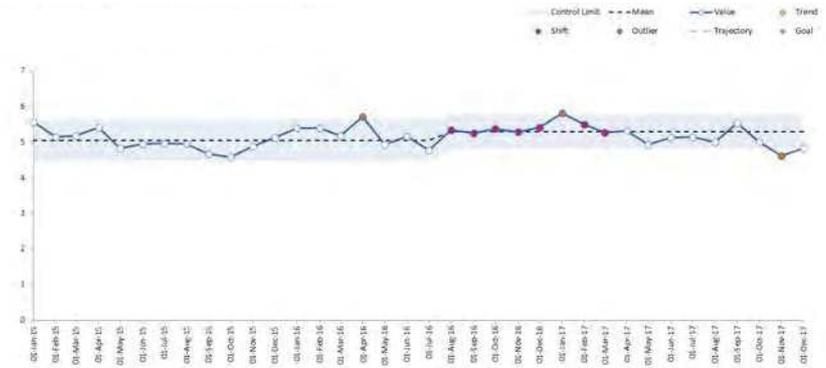
## Average length of stay:

### Non-elective average length of stay

The trust average inpatient length of stay for patients admitted as non-elective to December 2017 (the latest available data from HES) shows that the trust average length of stay in the period April to December 2017 was 5.1 days. This did not change significantly from the average length of stay from 2016/17.

#### Non-elective mean length of stay (in days) 2015-2017

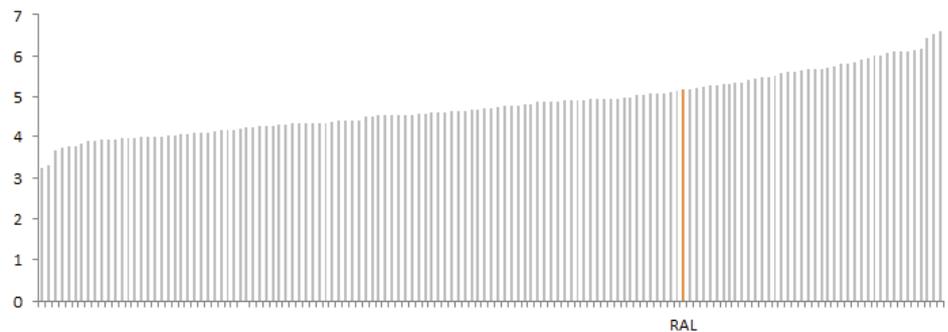
Source: Stethoscope benchmarking tool, Methods Analytics 2018



On this measure, for the calendar year 2017, the Royal Free London was 98th out of 138 NHS acute providers.

#### Comparative Non-elective mean length of Stay (in days) Non specialist England providers - calendar year 2017

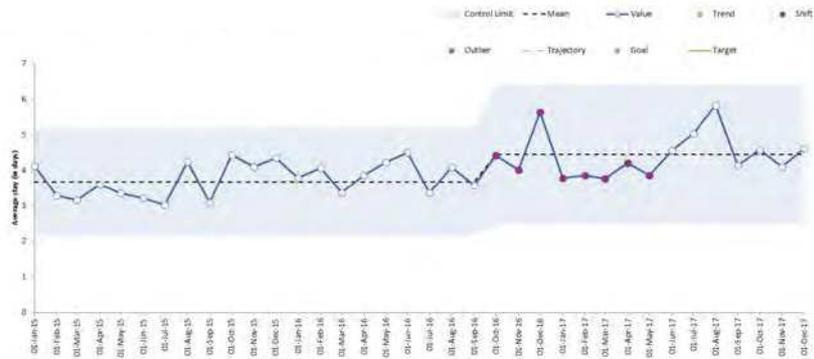
Source: Stethoscope benchmarking tool, Methods Analytics 2018



## Elective average length of stay

The trust average inpatient length of stay for patients admitted as non-elective to December 2017 (the latest available data from HES) shows that the trust average length of stay in the period April to December 2017 was 4.6 days. This did not change significantly from the average length of stay from 2016/17.

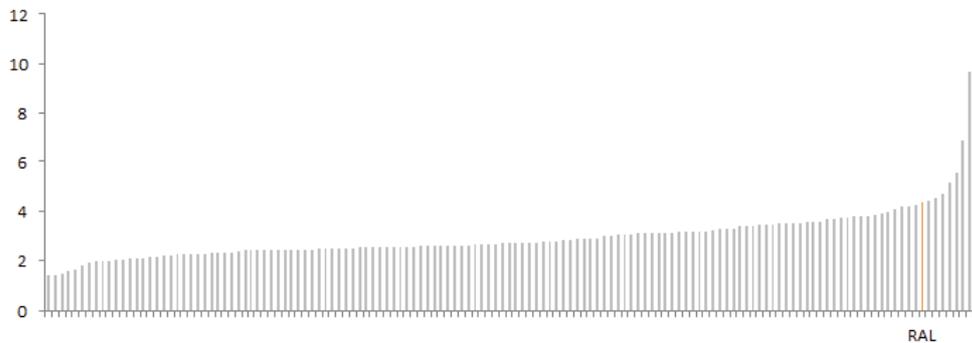
### Elective mean Length of stay (in days); January 2015 to December 2017



Source: Stethoscope benchmarking tool, Methods Analytics 2018

On this measure, for the calendar year 2017, the Royal Free London was 130th out of 137 NHS acute providers.

### Comparative elective mean length of stay (in days) Non specialist England providers - calendar year 2017



Source: Stethoscope benchmarking tool, Methods Analytics 2018

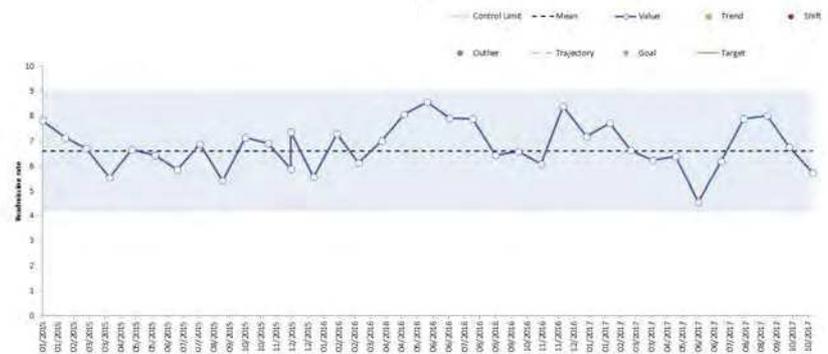
## Emergency re-admissions:

### 30 day emergency re-admissions following an elective admission

The chart below shows the proportion of patients re-admitted as an emergency following an 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 6.5%. This shows that there has been no significant change during this period.

#### Emergency readmission rate within 30 days of previous elective spell December 2014 to November 2017

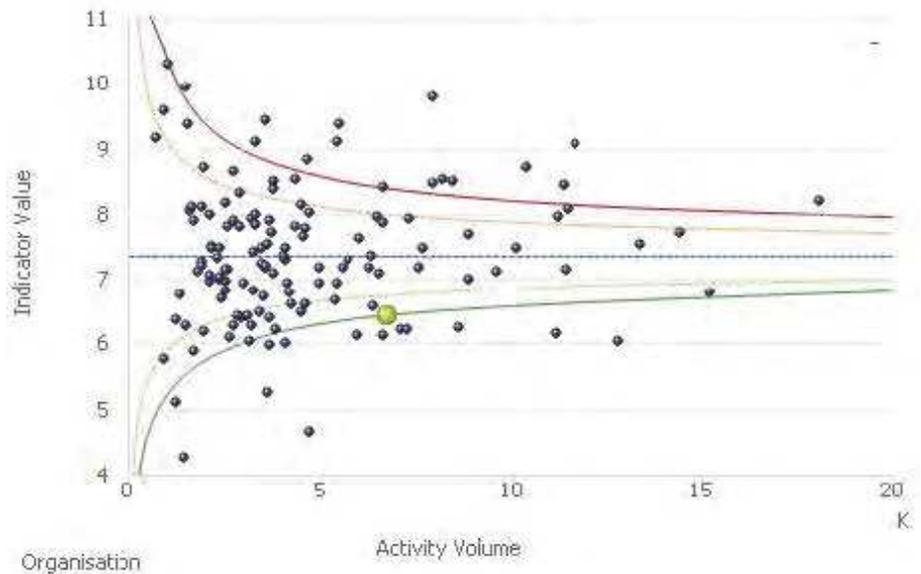
Source: Stethoscope benchmarking tool, Methods Analytics 2018



The chart below shows the Royal Free London performance compared to all other acute NHS trusts for the year April to November 2017 (the latest for which information is currently available). At 6.4%, the Royal Free performance was statistically lower than expected.

#### Emergency re-admissions, percentage within 30 days of an elective admission April to November 2017

Source: Stethoscope benchmarking tool, Methods Analytics 2018



## 30 day emergency re-admissions following a non-elective admission

The chart below shows the proportion of patients re-admitted 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 elective spell December 2014 to November 2017

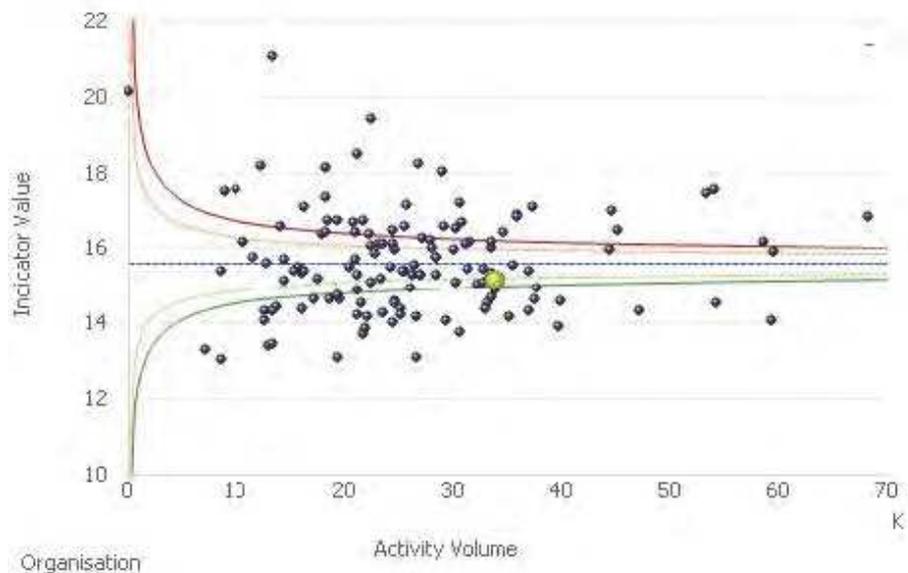
Source: Stethoscope benchmarking tool, Methods Analytics 2018



When comparing Royal Free London to all other acute trusts for the year April to November 2017 (the latest available data). At 15.1%, performance did not differ from the national mean by more than can be explained by random chance.

### Emergency re-admissions, percentage within 30 days of a non-elective admission April to November 2017

Source: Stethoscope benchmarking tool, Methods Analytics 2018



# 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 shows our performance from April 2014 to March 2018 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 from April 2017 and has been maintained since then with the exception of March 2018. This has been driven by an improvement at the Royal Free Hospital, likely to be linked to the opening of the new emergency department in 2017.

For all other areas we have maintained performance over the last year.

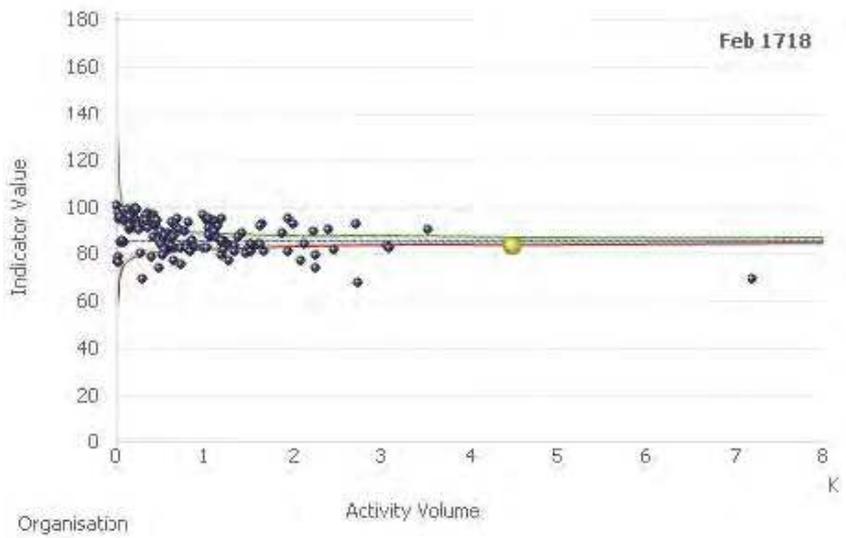
### A&E score Friends and Family Test - positive responses

Source: Royal Free London  
NHS FT 2014-2018



When comparing Royal Free London to benchmarks in February 2018 (the latest available data), this suggests that the Royal Free performed statistically significantly worse than other trusts.

**A&E friends and family test scores, all acute trusts, February 2018**



Source: Stethoscope benchmarking tool, Methods Analytics 2018

The FFT scores for inpatients have remained stable over 2017/18. Any variation has been within expected limits.

**Independent scores from friends and family test - positive responses**

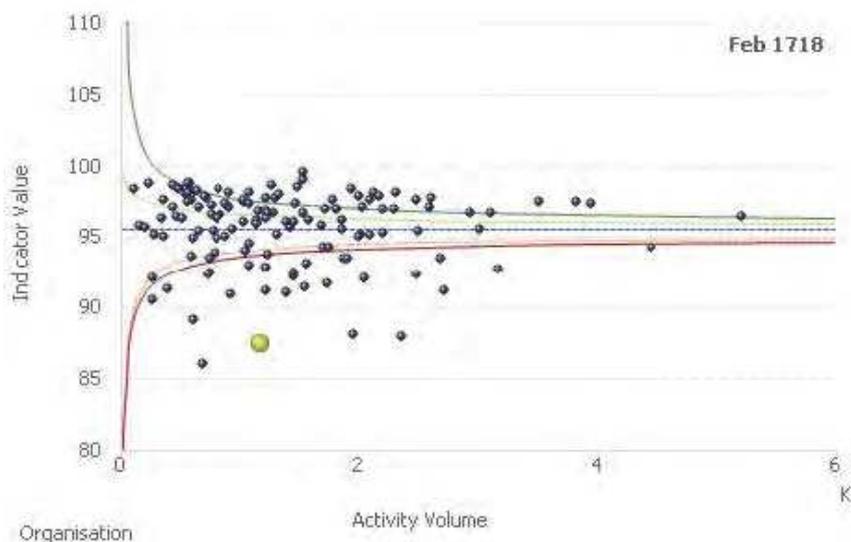


Source: Royal Free London NHS FT 2014-2018

When comparing Royal Free London to benchmarks in February 2018 (the latest available data), this suggests that the Royal Free performed statistically significantly worse than other trusts.

**In-patient friends and family test scores, all acute trusts, February 2018**

Source: Stethoscope benchmarking tool, Methods Analytics 2018



The FFT scores for maternity have remained stable over 2017/18. Any variation has been within expected limits.

**Maternity scores from friends and family test - positive responses**

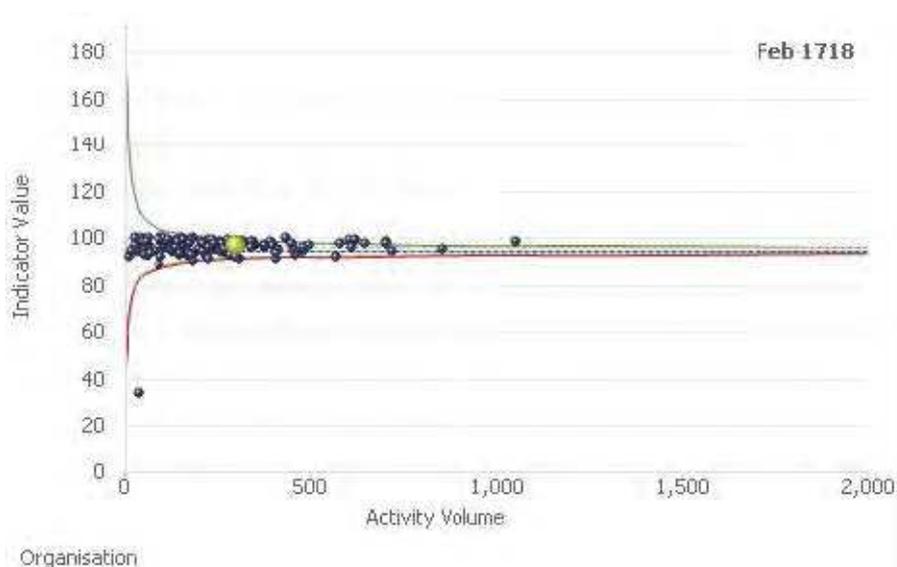
Source: Royal Free London NHS FT 2014-2018



When comparing Royal Free London to benchmarks in February 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.

**Maternity friends and family test scores, all acute trusts, February 2018**

Source: Stethoscope benchmarking tool, Methods Analytics 2018



## Volumes of delayed transfers of care

For each month, this is the number of bed days that the trust lost to patients who were waiting for a transfer of care to social or NHS community care. Over the course of 2017/18, we have seen a reduction in this number. We have been working closely with our local commissioners and social and community care providers to reduce this rate. In particular, Barnet Clinical Commissioning Group has opened some additional 'Discharge to Assess' capacity which is designed to ensure that patients receive their assessments for onward care and any subsequent wait for a placement outside of hospital.

### Volume of delayed transfers of care (DTC)

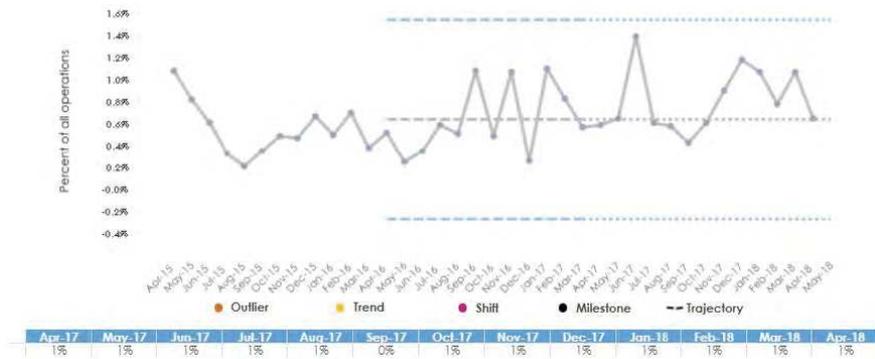


Source: Stethoscope benchmarking tool, Methods Analytics 2018

## 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 inpatient and daycase operations. Over the course of 2017/18, this rate has remained stable.

### Cancellation operations rate



Source: Royal Free London NHS FT 2016-2018

Benchmark information is not available for this measure.



The following indicators are reported in accordance with national indicator definitions.

Indicators of Governance	Target	Q1	Q2	Q3	Q4	2017-18
Summary hospital mortality indicator (rolling year average to end of quarter, Q3 and Q4 are unavailable)	<100	87.8	86.8	unavailable	unavailable	86.8
A&E Maximum waiting time of four hours from arrival to admission/transfer/discharge	>=95%	88.2%	86.4%	86.2%	85.4%	86.5%
**C difficile number of cases against plan	18/Qtr	16	22	21	21	80
**Maximum time of 18 weeks from point of referral to treatment in aggregate for patients on an incomplete pathways (reported as arithmetic average of months in quarter/year waiting under 18 weeks)	>=92%	92.3%	88.9%	87.0%	83.1%	87.9%
Maximum 6 week wait for diagnostic procedures	>=99%	99.5%	98.8%	98.9%	99.5%	99.2%
<b>**Cancer: two week wait from referral to date first seen</b>						
All cancers	>=93%	93.6%	92.9%	94.0%	92.4%	93.2%
Symptomatic breast patients	>=93%	92.5%	93.7%	95.1%	93.7%	93.7%
**All cancers: 31 day wait from diagnosis to first treatment	>=96%	97.5%	96.9%	98.6%	98.4%	97.8%
<b>**All Cancer 31 day second or subsequent treatment -</b>						
surgery	>=94%	98.4%	96.0%	98.5%	95.2%	97.1%
drug	>=98%	100%	100%	100%	100%	100%
radiotherapy	>=94%	100%	100%	100%	99.1%	99.8%
<b>**All Cancer 62 days wait for first treatment:</b>						
from urgent GP referrals:	>=85%	83.5%	79.2%	85.1%	84.4%	82.9%
from a screening service	>=90%	90.3%	96.3%	89.2%	94.2%	92.6%
Venous thromboembolism risk assessments	95%	96.6%	95.7%	95.9%	96.4%	96.1%

## 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 2017/18 were:

- Incomplete pathways within 18 weeks
- Total time in A&E of four hours or less

A detailed definition and explanation of the criteria applied for the measurement of the indicators tested by PwC is included below.

The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways:	
<b>Descriptor:</b>	The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the period.
<b>Numerator</b>	The number of patients on an incomplete pathway at the end of the reporting period who have been waiting no more than 18 weeks.
<b>Denominator:</b>	The total number of patients on an incomplete pathway at the end of the reporting period.
<b>Indicator format</b>	The indicator is calculated as the arithmetic average for the monthly reported performance for April 2017 to March 2018 and is reported as a percentage.
The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the year was: 83.9%. The arithmetic average of monthly performance in 2017/18 was 87.9% <sup>(A)</sup>	

The reported indicator performance has been calculated based on all patients recorded as having been referred to Royal Free London NHS FT 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.

Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge:	
<b>Descriptor</b>	The percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge:
<b>Numerator:</b>	The total number of patients who have a total time in A&E of four hours or less from arrival to admission, transfer or discharge. Calculated as (Total number of unplanned A&E attendances) – (Total number of patients who have a total time in A&E over four hours from arrival to admission, transfer or discharge).
<b>Denominator:</b>	The total number of unplanned A&E attendances
<b>Indicator format:</b>	The indicator is calculated as the arithmetic average for the monthly reported performance for April 2015 to March 2016 and is reported as a percentage.
The percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge for the period of April 2017 to March 2018 was 86.5% <sup>(A)</sup>	

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.

## 3.3 Our plans: Details of Care Quality Commission (CQC) inspections during 2017/18 and implementing the priority clinical standards for seven day hospital services.

This section contains details of our CQC action plans following both announced and unannounced inspections undertaken at the Royal Free Hospital and Barnet Hospital. Our plans to implement the priority clinical standards for seven-day hospital services and never events are also included.

### CQC: details of our inspections and action plan

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The CQC undertook the following unannounced responsive and announced inspections during 2017 at the Royal Free Hospital

#### 11 July 2017

Further to initial raised concerns in December 2016, the CQC had received concerns about the services at Mary Rankin dialysis unit and in response to this, undertook an unannounced inspection to the unit on 11 July 2017. The inspectors found that patients had been left for short periods of time during staff breaks. There was no evidence that patients had been harmed, but it was considered to be an unnecessary risk.

The CQC did not provide a rating of the unit and identified six specific areas of practice that the trust should consider making improvements relating to personal protective equipment, sharps bin labelling, storage of cleaning solutions, fire evacuation instructions, recording of patient competence and the supervision and support of staff by managers.

The trust has developed a responsive action plan in relation to the improvements identified. The Royal Free Hospital executive committee monitors the implementation of the improvement actions and receives updates from the clinical service leads for the unit.

#### 18 July 2017

The CQC undertook an unannounced inspection of the Royal Free Hospital critical care unit on 18 July 2017. The inspection was undertaken because

the CQC had received anonymous information that the implementation of a new patient record IT system had meant that patients had been harmed and was creating an ongoing risk to patient safety.

During the inspection the CQC found no evidence that patients had been harmed or were at a higher risk of harm as a result of the implementation and use of the new IT system. The CQC did not provide a rating of the unit and found evidence of significant and persistent disagreement and conflict between staff at different levels of responsibility. The senior leadership team had not demonstrably addressed this nor implemented timely strategies to reduce pressure on affected staff.

In response to the inspection, the trust undertook targeted work with NHS Elect to deliver a listening/engagement exercise with all staff groups in the intensive care unit (ICU) to support the development of the unit's strategy. The aim is to build consensus on the aspirations, goals, and ambitions for the unit.

The Royal Free Hospital Executive committee monitors the implementation of the ICU strategy and receives the update of the improvement actions from the clinical service leads for Intensive care.

#### 1 September 2017 and 7 December 2017

The CQC carried out a focussed inspection of Camden and Islington NHS Foundation Trust's psychiatric liaison service 30 August to 1 September 2017 across three acute trusts:

- The Whittington Health NHS Trust
- University College London Hospitals NHS Trust
- The Royal Free London NHS Foundation Trust (1 September and 7 December 2017)

In response to a serious incident that took place at The Whittington Hospital in November 2016 that resulted in a patient death.

The CQC did not provide a rating as this was a focussed inspection and identified six specific areas of practice that Camden and Islington should consider. These included:

- making improvements relating to observations of mental health patients and that these are carried out effectively by suitably trained staff.
- ensuring they update the environment of the assessment rooms as planned and complete risk assessments of the furniture.
- reducing the number of patients leaving the emergency department before being assessed, especially at The Whittington Hospital.

- ensuring it provides patients with all relevant information about their care in a suitable format.
- continuing to recruit to the liaison teams across all three sites and complete full and detailed care records, including the time and full detail of assessments.

The Royal Free London alongside the other two acute trusts has engaged with Camden and Islington to develop a joint action plan following the serious incident involving the death of a patient.

The trust receives from Camden and Islington liaison staff regular training sessions for acute staff working in the

emergency department to develop their knowledge of mental health patients.

Assessment rooms in the emergency department offer appropriate levels of privacy and provide an environment where patients can wait in comfort and these will be further improved as part of the Royal Free Hospital emergency department refurbishment plans.

The Royal Free Hospital executive committee monitors the implementation of the emergency department refurbishment and receives the updates of the improvement actions from the clinical service leads for emergency care.

## 19 February 2018

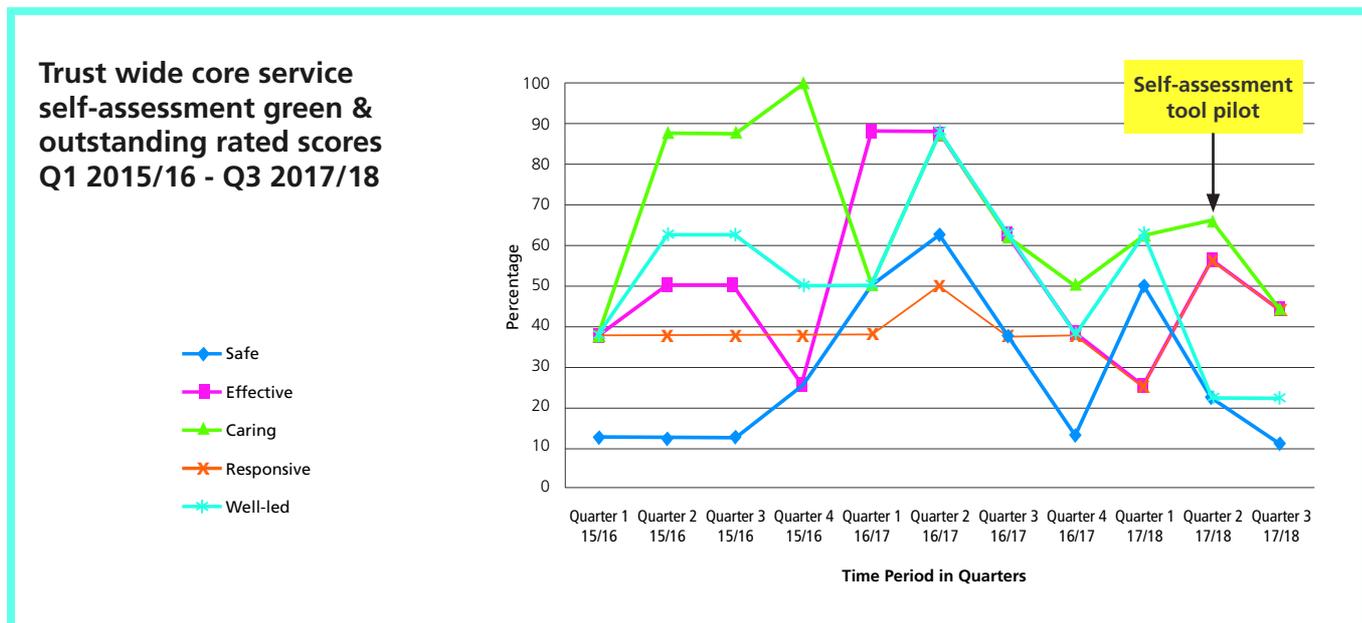
The CQC undertook a review of services for looked after children and safeguarding in Barnet. The inspection focussed on the quality of health services for looked after children, and the effectiveness of safeguarding arrangements for all children in the area.

The inspection included paediatric and maternity services at Barnet Hospital. The trust is awaiting the final outcome report of this inspection.

### Action planning for improvement:

The quarterly CQC self-assessment process is informed by a new model of inspection and is designed to encourage services to assess themselves and understand their own service compliance. These arrangements require each clinical division to lead and embed assessing compliance for their core services across all trust locations.

It also provides the opportunity for the core services to lead and developed responsive quality improvement initiatives across sites which further spreads and shared knowledge in areas of best practice amongst services in response to quality and safety outcomes.



Percentage scores are derived from the number of green scores identified for each of the eight core services reported throughout the 2016/17 and 2017/18 quarterly self-assessment executive panel review meetings.

Further to the trust's comprehensive inspection by the CQC in 2016, a list of improvement actions have been undertaken which is summarised on p266.

Summary of key achievements (Trust CQC Inspection and Must / Should Do actions)

<p>The Royal Free London NHS Foundation Trust <b>should</b> review and ratify the Safer Surgery Policy. In September 2016 the <b>policy was ratified</b> and has been aligned to the Safer Surgery <b>Quality Improvement</b> Work-stream across the organisation.</p>	<p>Barnet Hospital <b>should</b> <b>successfully complete</b> a <b>15 Steps Challenge audit</b> and was undertaken on a <b>paediatric ward</b>. Results from the audit were <b>good</b> and from the <b>patient feedback</b> further <b>improvements are now underway</b>.</p>	<p><b>10 North</b> at the Royal Free Hospital officially <b>opened an activity day</b> on the <b>5th December 2017</b> room adapted specifically for <b>dementia and elderly patients</b>. Since the opening 10 North have increased <b>discharge rates, patient experience</b> and <b>reduced length of stay</b>.</p>
<p>The <b>Trust should</b> ensure that Referral to Treatment Time is met in accordance to national standards and in <b>June 2016</b> the <b>Outpatient services successfully met the 90% target</b>.</p>	<p><b>Critical Care services should</b> be regularly collecting and submitting data to ICNARC and since the last CQC inspection the <b>Trust has been consistently contributing</b> to the ICNARC report and benchmarking performance against other similar hospitals.</p>	<p><b>Endoscopy services</b> were <b>awarded a JAG accreditation</b> in 2017, an award that is only awarded to <b>high quality</b> gastrointestinal endoscopy services. Endoscopy services have met the competence to <b>deliver against the set criteria</b> set out in the <b>JAG standards</b>.</p>
<p><b>Theatre recovery staff must</b> receive <b>Paediatric immediate life support training</b> has <b>begun at Barnet Hospital</b>. <b>PILS training</b> is now <b>mandatory</b> staff are been trained at Barnet.</p>	<p>In <b>January 2018</b> the <b>Surgical Assessment Unit (SAU) opened</b> at <b>Barnet Hospital</b>, <b>freeing up 16 bays</b> for medical patients and <b>improving patient flow</b> at the hospital. The <b>surgical team</b> can now <b>accept patients referred directly by GPs</b> or from the <b>emergency department (ED), reducing ED waiting times</b> and <b>improving patient experience</b>.</p>	<p>Since <b>February 2018</b> all <b>clinicians</b> at the <b>Urgent Care Centre (UCC)</b> at <b>Chase Farm Hospital</b> are now <b>successfully recording all patient records on an electronic system</b>. <b>Patient records</b> are now more <b>secure, current and accessible</b> and <b>Chase Farm Hospital</b> is closer to becoming a <b>paperless site</b>.</p>
<p><b>Urgent and emergency care must</b> and <b>did complete</b> removing all <b>emergency drugs</b> such as <b>sodium bicarbonate</b> and <b>adrenaline</b> from <b>resuscitaires</b>.</p>		

## Implementing the priority clinical standards for seven-day hospital services

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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, Royal Free Hospital, North Middlesex Hospital and The Whittington Hospital and NHS England.

The RFL group's performance on the seven-day services audit in October 2017 showed that for standard two, 63% of patients were seen by a consultant within 14 hours of the decision to admit against a national average performance of 73%. Barnet Hospital and the Royal Free Hospital each carried out an internal audit in February 2018 in order to obtain a snapshot to further understand the issues related to our performance against this standard.

We are now preparing for the fifth round of audit and are focusing on the need to embed standardised audit processes within divisions and our hospital sites. In the longer term, this lends itself to a quality improvement project and this will be considered by our working group on seven day services when this first convenes in 2018/2019.

The following steps will be undertaken to support the implementation of the priority clinical standards for seven-day hospital services.

## Seven-day services review board

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- Development at group level with site based ownership to help drive improvement work, alongside clinical practice groups
- Review provision of services outside of standard working hours
- Ensure consistent quality of services for acutely unwell patients on a 24/7 basis
- Achieve compliance with national seven day service standards (priority standard two)
- Review evidence base and audit data to inform improvements in care provision and support the trust efforts to manage flow.

### Engagement

- Involvement of junior and senior clinicians in audit process and steering board
- Multi-divisional support for audit process and review of data
- Clear ownership for seven-day services review process to inform business as usual
- Consider small scale quality improvement project to test standard two (such as asking patients to track the number of hours to consultant review) as part of trust target of 50 QI projects

### Audit process

- Consider the continuation of a prospective approach to ensure high quality data and adequate engagement with clinicians during audit week
- Operational and site based ownership and involvement to help drive audit and data collection
- Enhanced communications to clinical and non-clinical staff
- Embed any lessons learnt from previous audits, including the health care records audit and ensure that the results are communicated effectively

## Never events

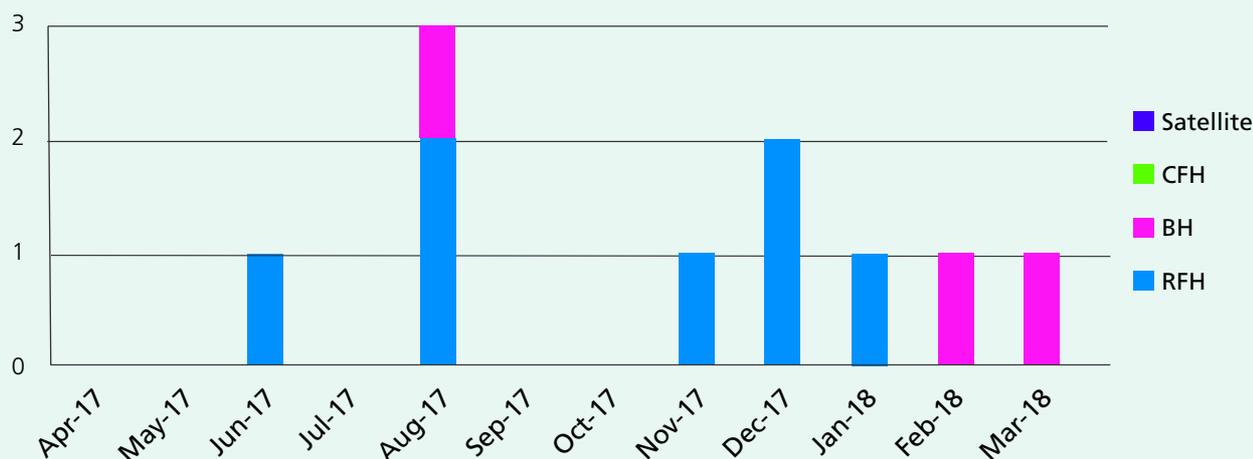
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Never events are extremely serious and largely preventable patient safety incidents that should not occur if the relevant preventative measures have been put in place.

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 ten never events during 2017/18, eight of which relate to surgery.

## Never events by month



Category of Never Event	Description
Unintentionally retained items post procedure	3 abdominal swabs were retained in a patient post liver resection (2017/20398)
	A finger tourniquet was left on for 1 week post-surgery (2017/30884)
	A craniotomy swab was retained in a patient post liver transplant (2018/799)
	A radial arterial guide wire was retained (2018/5951)
Wrong site surgery	A wider excision of a lesion was performed on the incorrect lesion (2017/29138)
	An injection was performed into the incorrect eye (2017/31168)
	A chest drain was placed in the incorrect side (2017/19882)
Incorrect implant/ prosthesis	An incorrect type of stent was inserted (2017/15046)
Medication error	An overdose of insulin was given via the incorrect syringe (2017/19885)
	The patient was connected to air, instead of oxygen (2018/3684)

### Areas of focus for improvement:

- We are working closely with our commissioners, NHSI and NHSE to learn from these never events and put in place robust actions to prevent reoccurrence.
- We continue to collaborate with Loughborough University Human Factors team on the processes that influence safer surgery.
- 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.
- In June 2018, we are holding a “Learning from incidents and near misses” event to share lessons learnt through presentations, story boards, case studies and personal accounts.

All serious incidents are reviewed at our board level clinical innovations and standards committee, chaired by one of our non-executive directors where we review serious incidents with incidents, complaints, PALS and litigation to identify themes which might require system-wide work.

# Annexes

## Annex 1. Statements from commissioners, local Healthwatch organisations, Overview and Scrutiny Committees and council of governors

### Commissioners:

#### Statement from Barnet Clinical Commissioning Group

##### 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, Barnet and Chase Farm Hospitals. NHS Barnet CCG welcomes the opportunity to provide this statement on RFL'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 received a quality report from the trust and there is robust discussion with the trust regarding the targets 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 2018). We confirm that the document received complies with the required content as set out by

the Department of Health or where the information is not yet available a place holder was inserted.

In reviewing this Quality Account Barnet CCG was disappointed that Royal Free Hospitals London NHS FT reported ten Never Events from April 2017 to March 2018. Barnet CCG and the Royal Free Hospitals London NHS FT held a detailed review of safety in surgical settings on 30 January 2018 at which the Royal Free Hospitals London NHS FT presented a wide range of information about their improvement programmes, including their human factors review, evidence of implementation of actions from previous Never Events, learning from the Never Events and their governance approach (divisional, hospital and group level). The Trust have some work to do to improve their safer surgery and invasive procedures programme around never events. The Trust have prioritised work to address this and we look forward to receiving further assurance in regards to the improvement work required as we continue to work together to reduce adverse safety incidents such as Never Events.

The Royal Free Hospitals London NHS FT has failed the referral to treatment (RTT) target for incomplete pathways since August 2017. We note the work Royal Free Hospitals London NHS FT is undertaking with system partners to embed recovery and improvement plans, and focus on improvements

that can be made at a speciality specific level throughout 2018/19. We particularly welcome the Royal Free Hospitals London NHS FT sharing with its commissioners, harms reviews that enable the monitoring and reduction of any impact on safety for patients experiencing prolonged waits.

During the period April 2017 to February 2018, the Royal Free Hospitals London NHS FT achieved an average monthly performance of 86.8% for the 4-hour access target for the Emergency Department (ED). Whilst the trust has not achieved the nationally set target of 95% in 2017/18, Barnet CCG notes the good collaborative working of the Trust with the wider system and the focus on maintaining patient safety in the ED.

The Trust has continued to experience challenges in meeting the Cancer 62-day target (from Urgent GP referral). We note the Royal Free Hospitals London NHS FT continued improvement efforts to achieve the target and to ensure that patients on their cancer waiting lists are safe and have not suffered harm. We look forward to the Royal Free Hospitals London NHS FT achieving all cancer targets in 2018/19.

Commissioners are pleased to note the Trust are further prioritising dementia care by continuing to work on the delirium pathway as part of the Frailty Clinical Pathway Group

across the Trust. However, we note that the Trust did not achieve some of the 2017/18 priorities, particularly the work with bereaved families. We recommend the Trust carries forward into 2018/19 priorities that have not been achieved in this year and particularly further expands support of patient and carer experience.

We look forward to working with the Royal Free Hospitals London NHS FT in collaboration with system partners, on building on success and further developing and monitoring the quality of services it provides to the populations it serves, which includes a number of Quality Assurance visits during 2018/19. We hope the Trust finds these comments helpful and we look forward to continuous improvements in 2018/19.

Barnet CCG



**Herts Valleys Clinical Commissioning Group and East and North Herts Clinical Commissioning Group's Response to the 2017/18 Quality Account provided by the Royal Free London NHS Foundation Trust**

Herts Valleys Clinical Commissioning Group (HVCCG) and East and North Herts 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 CCG's welcomes 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.

Firstly, both HVCCG and ENHCCG would like to acknowledge the outcome of the Care Quality Commission's focused visits to the Trust during July 2017, September 2017, December 2017 and February 2018. As these visits were focused there was no rating assigned, however, the CCG's acknowledges the Trust has action plans in place to ensure improvements are made in the areas where further improvement is required. Regular updates on the progress against those plans are overseen by commissioners through the monthly Quality Review Meetings (QRM) held with the Trust.

The Trust has had another challenging year in ensuring patients are seen within the targets set nationally around cancer care. The Trust has responded to these performance issues positively and has conducted investigations to ensure current patients on their waiting lists are safe and have not suffered harm. Improvements have been seen in many of the cancer target areas but the Trust has been unable to achieve the national 62 day cancer target. Both CCGs expects continued focus and drive in achieving this specific national target during 2018/19 and will monitor the improvements made during the monthly QRMs to ensure the people of Hertfordshire who choose RFL for their cancer treatment receive timely care.

Further challenges were experienced during the year for the Trust to deliver the national target for patients to be seen within 4 hours of arrival in the Emergency Department (ED).

It is expected that improvements must be delivered in 2018/19 to ensure that the national target is met on a consistent basis. The CCGs acknowledge that the Trust cannot meet this target alone and this is an issue for the whole system to resolve. In order to work together collaboratively and with the vigour that is required, the health and social care partners across the health economy internal and external to Hertfordshire will be focussing on key areas of work in order to work with the Trust to support them in achieving the required target.

During 2017/18 HVCCG saw a significant increase in the number of ED attendances at Barnet Hospital which resulted in a hospital admission. To understand the reasons for the increase the CCG and the Trust is carrying out a joint investigation and will be using the outcomes to work with the wider healthcare system to ensure patients are only admitted when it is appropriate to do so.

The Trust's safer surgery priority to reduce never events by 50% was not fully discussed within the Quality Account nor has the Trust included detail regarding the 10 never events that were reported during the year. The CCGs note the work undertaken in relation to human factors and the positive impact expected in driving down the number of never events, in order to achieve the national ambition of zero.

The CCG's note that the Trust has included learning from deaths as a key priority for 2018/19 and would like to acknowledge the large amount of work the Trust has undertaken in implementing the Learning from Deaths guidance. The CCG's are assured that there are robust monitoring processes in place to ensure avoidable deaths are reviewed, analysed and learnt from.

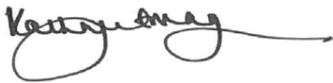
The CCGs would also like to acknowledge the positive work undertaken by the Trust to support people with dementia.

It was disappointing to see that there was no reference made in the Trust's Quality Account to safeguarding children and adults, serious incidents, never events, complaints, staff survey and workforce and how the Trust has met its responsibilities in these key areas. The CCGs expect this information to be included in future Quality Accounts.

The CCGs are keen that the Trust continues to take note of the interests of the Hertfordshire population in which they serve and will continue to work with the Trust to maintain that focus, including ensuring that data is provided by hospital site and population. This will ensure both CCGs continue to have an oversight of their population to ensure services provided by RFL remain safe, effective, well led, responsive and caring.

HVCCG and ENHCCG looks forward to working with the Trust, in collaboration with Barnet and Enfield CCGs, in developing and monitoring the quality of services it provides for all patients and in seeing continuous improvements during 2018/19.

Kathryn



Kathryn Magson  
Chief Executive Officer  
Herts Valleys CCG  
May 2018



Beverley Flowers  
Chief Executive Officer  
East and North Herts CCG  
May 2018

# Local healthwatch organisations and Overview and Scrutiny Committees



## Response from Healthwatch Camden and Camden Health and Adult Social Care Scrutiny Committee

Thank you for sending through your draft quality account for 2017/18.

The Camden Health and Adult Social Care Scrutiny Committee regrets that due to the local elections and the new Committee not meeting until July 2018, it is not able to formally review and comment on quality accounts this year.

The Committee looks forward to receiving and commenting on your 2018/19 quality account.



## Healthwatch Barnet response to Royal Free London Quality Account 2017/18

Thank you for the opportunity to comment on Royal Free London Quality Account 2017-18.

We welcome the report being better formatted with improved laypersons' language and more images than in previous years, particularly in the introductory pages. Going forward, local residents and laypeople would value an Easy Read and summary version of the Quality Account (QA), similar to that planned or in place by other Trusts.

We do recognise that NHS staff primarily have the best interests of patients at heart and work very hard. We often have feedback on the kindness and additional help

that staff, particularly nurses, have provided. However, people do also tell us of poor quality care and where things have gone wrong. We have made our comments under the relevant headings in the Quality Account and hope this is received as a constructive contribution. Healthwatch Barnet would be keen to help support RFL's aims and actions for changes and improvement.

### "Our Journey"

We welcome the introduction of a senior leadership team at each Royal Free London (RFL) site and have found that this has resulted in improved and quicker responses to Healthwatch Barnet's liaison and reports.

### Priorities for Improvement 2017-18

We were pleased to see "Improve how patients can provide feedback", as a priority as it is an essential and valuable way to improve services. However, it's disappointing that the achievements mainly relate to social media and PALS and do not include how patient groups and general experiences are being incorporated into services and health pathways. We've had feedback that suggests a lack of clarity and consistency in how patients are involved.

We are pleased to see the improvement for flexible visiting times in relation to "Dementia care initiatives".

We welcome the new "Patient and family experience partners" but question whether 30 is sufficient; we assume that the representatives may change over time, according to need.

We are pleased to see the improvements in relation to the "Better birth pathways", particularly

on continuity of care and reducing preventable caesarean sections as these issues were raised in a previous Healthwatch Barnet report. We would like to see continued improvement in this area.

We note the actions related to the priority “Our focus for safety”. Although proposed targets were included, we could not see the performance against these targets, which makes it very difficult for us to comment. We know that falls is a key and potentially avoidable situation; so further information on the effect of buddying and bedrails would be useful.

We have had feedback from patients on serious incidents, deteriorating patients and surgery and had updates from the Barnet Clinical Commissioning Group (BCCG) on action taken to reduce these. However, this is still a serious concern. Through our on-going work at Healthwatch Barnet, we urge patients and carers to liaise with the Care Quality Commission (CQC), BCCG and Powher advocacy service about their concerns. Healthwatch Barnet will continue to work in this way to empower patients to take action.

### **Priorities for Improvement 2018-19**

The “Information Standard” can be important in enabling patients to contribute to and feel in control of their healthcare. We have constant feedback about patients being “lost in the system”, missing appointments and letters being unclear or having incorrect or unclear contact details. It is important to include patients in any developments and we would like to see the publicly available process and outcomes for this. Healthwatch Barnet has received feedback that RFL should, “involve patients effectively in the process to improve hospital information”.

On a related issue, patients have spoken to us about the ongoing difficulty with the process, delays, attitude and approach at RFL when making a complaint. We note there is no detailed information in the QA

about complaints, compliments and feedback, apart from on the high-level Family and Friends Test. We would like to take this opportunity to note that it is not a supportive or constructive process for patients. We have had positive suggestions on how this could be improved, including jointly developed action plans and minutes being openly shared and a culture that enables “whistle-blowing”. We would be keen to discuss this further with RFL.

“Improve involvement with stakeholders” sounds important; unfortunately the version of the QA we received didn’t have any further information about this so we can’t comment. We would be keen to receive more information when it’s available. If patients, service-users, community groups and Healthwatch are considered stakeholders, we would like to see and contribute to the intended actions and measures for success.

In relation to “digitation”, Healthwatch Barnet has reviewed and received positive feedback from patients about this. However, for some patients the term and concept can be off-putting and confusing and it’s essential that patients are informed and integrated into the new ways of working.

The priority relating to “patient safety priorities” is linked to clinical safety and our comments above on this apply to 2018-19 going forward.

In relation to “Clinical Effectiveness”, the continuing delays in Referral to Treatment are a concern, particularly as delays have occurred in previous years. Although these may not be designated as causing “significant harm” the on-going pain management and discomfort experienced by patient can have on-going, physical, emotional and mental effects.

The “summary of key achievements” is well presented and we congratulate RFL staff on their work in these areas. It was good to read about “Robot-doc” and the improved results for patient discharge.

We are pleased to see the achievements in some areas of cancer treatment referral diagnosis and treatments, which is of utmost importance to patients. We are currently liaising with patients to understand more about their experiences and whether there are particular areas in which they feel improvements can be made.

We look forward to our continued work with RFL going forward.

With best wishes  
Selina Rodrigues  
Head of Healthwatch Barnet  
On behalf of Healthwatch Barnet



Healthwatch Camden welcomes the specific section on the Royal Free Hampstead in this report, as it makes it easier to assess from the Camden point of view. We note many good initiatives across the Trust to improve patient experience and outcomes. In particular we welcome the work on dementia.

We also note your focus on the experience of bereaved families and friends. In work we did towards the end of 2017 we received some very positive reports on end of life care at the trust, mainly relating to Barnet Hospital and some relating to the Royal Free.

We are unable to comment in detail on the safety initiatives. We are concerned that surgical never events are continuing to occur and would suggest a target of zero, rather than four.

We look forward to discussing your plans for your new priority of improving involvement with stakeholders.”

Kind regards  
Frances

## Healthwatch Enfield's statement on Royal Free London NHS Foundation Trust Quality Accounts 2017/2018

### Quality achievements made during 2017-18

At Healthwatch Enfield, we understand that Quality Accounts are an important way for local NHS Trusts to report on quality and demonstrate improvements in the services they deliver to local communities and stakeholders. We recognise that the quality is measured by looking at patient safety, the effectiveness of treatments that patients receive, and patient feedback about the care provided.

We have a strong belief that quality is best served by active involvement of patients in both service design and delivery. We are pleased to note that Royal Free London NHS Foundation Trust Quality Accounts include references to patient engagement in specific projects.

### 2017/18 quality improvement priorities

**(1) Priority One: Improving patient experience: delivering excellent experiences We congratulate the Trust on offering flexible visiting times for carers, in line with the principle of John's Campaign, in all its inpatient wards.**

We note progress made against other improvement domains alongside the delays in achieving the 'Information Standard' and recruiting patient and family experience partners.

Healthwatch Enfield is concerned that the Trust has identified only three ways of gaining feedback from patients regarding their experience, namely: NHS Choices, social media and Patient Advice Liaison Service (PALS). With two means of contact being offered as web-based solutions, we fear that individuals with limited access to technology or those with poor computer literacy will not have their opinions considered.

Moreover, with no PALS provision available at Chase Farm Hospital, patients from Enfield and surrounding areas are even more limited where sharing their experiences is concerned.

Healthwatch Enfield would be delighted to work with the team at Chase Farm Hospital to explore and implement appropriate feedback mechanisms that work for our local communities.

### **(2) Priority Two: improving clinical effectiveness: delivering excellent outcomes**

We would like to recognise the Trust's commitment to embedding Quality Improvement. Whilst we welcome this focus, we would like to see a more ambitious and innovative approach to working with and co-producing with patients.

### **(3) Priority Three: Patient safety**

Regrettably, the Quality Accounts do not include actual performance data that would enable us to comment on progress against all targets for: Falls, Acute Kidney Injury, Safer Surgery, Deteriorating unborn baby, Deteriorating Patient and Sepsis. We note this information has not been included for two consecutive years.

### **Accessibility**

Having reviewed the document, we are disappointed to note that the Quality Accounts are not accessible. The Accounts are lengthy and include clinical terms and jargon making it less comprehensible or engaging for the general population. We would welcome the Trust developing a public-facing version of the document that enables residents of Barnet, Camden and Enfield to understand the Trust's priorities and challenge the performance against these, where appropriate.

### **Site-specific data**

As previously stated, we encourage the Trust to include presentation of site-specific data for Quality Accounts going forward as Royal Free London NHS Foundation Trust develop its Group model. This would enable local

stakeholders and patients to monitor, understand and support quality improvement initiatives within local services as patients' experience can vary across Trust's sites and divisions.

### **Priorities for Improvement 2017-18**

Whilst we welcome a continuation of activities from 2017/18 we think the measures could be more challenging and patient-focussed.

We welcome the new priority "to improve our involvement with our stakeholders" and would be happy to support the Trust with developing its work on patient involvement with a view to co-design solutions, pathways and mechanisms that better meet the needs of patients and carers utilising services across the Trust.

## Healthwatch Hertfordshire's response to The Royal Free London NHS Foundation Trust (RFL) Quality Account 2017/18

### Response to the Quality Account 2017/18

Healthwatch Hertfordshire (HwH) would like to thank the RFL for sending the draft Quality Account and giving us the opportunity to comment.

This year we have decided to focus on the NHS Trusts that we have worked closely with in our Sustainability and Transformation Partnership (STP) area over the last year and will therefore not be providing a formal response to the Royal Free London Quality Account as we have done in previous years.

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.



Michael Downing, Chair Healthwatch Hertfordshire, April 2018

## The Committee scrutinised the Draft Royal Free London NHS Foundation Trust

### Quality Account 2017-18 and wish to put on record the following comments:

- The Committee asked for an update on the diabetic alerting system that was mentioned in the previous Quality Account. The Trust did not have the information to hand but would update the Committee later.
- The Committee acknowledged that Barnet Hospital had been held up as a model for ambulance turnaround times and that great strides had been made in this area. The Trust said the focus for the winter was to improve the flow of beds throughout the hospital as this would have a positive impact on the A&E targets, enabling them to meet the national target of 95%. The Trust said the summer came with different challenges as the activity and volume of patients in A&E increases, but the severity of the illness decreases.
- The Committee praised the Trust on Barnet Hospital Stroke Unit being awarded an "A" and said that was an excellent achievement.
- The Committee commended the Trust on its refurbishment of Ward 10N, the Dementia Ward, which helped make patients with dementia or Alzheimer's feel at home.
- The Committee were pleased to read that Clinical Practice Groups and "huddles" had been set up. The Trust said that these groups were an example of the way in which it was working to reduce any unwanted variation between the different hospitals. The Trust explained that new digital systems would be put in place and rolled out to ensure every site has the

same equipment. The Trust said the improved equipment would allow them to prompt all sites to give the same treatment, tests and feedback as well as tailor care to individuals when required.

- The Committee were pleased to see there was an increased focus on safety, however they suggested a target number of falls be included in the future to make it easier to assess improvement.

### However:

- The Committee asked the Trust to clarify the total number of C.Diff cases, as it was noted they did not meet their target last year. The Committee commented that the tables in the Quality Account were not particularly clear and asked that the target for the year be included. The Trust explained that the two graphs explaining C.Diff were measuring different things, which is why the numbers were different.
- The Committee noted A&E targets had not been met. The Trust said Barnet Hospital was improving having hit 90% last week, but there had been a big variation during the winter which had been particularly challenging. The Trust said that currently the Royal Free was around 85% and that a big focus was being put into increasing this to 90% by September 2018 and 95% by February 2019. The Trust said the Emergency Department at the Royal Free was now fully open and colleagues were working towards improving performance targets.
- The Committee were concerned that the issues surrounding parking at Barnet Hospital which had been raised for many years, were still outstanding. The Committee stressed that patients had raised concerns about the lack of parking and that this often led to them missing appointments. The Committee stressed that the car park was inadequate and that this issue urgently needs addressing.
- The Trust updated the Committee on the parking situation and explained that Barnet Hospital was in early discussion on developing a multi-storey car park on-site. The Trust agreed to bring a report on the plans and progress of the development to a future meeting. The Committee requested that Ward Councillors be consulted on the plans as early as possible to engage with residents. The Committee also suggested advertising bus routes that travel to the hospital to encourage more people to use public transport.
- The Committee noted that only three of the comments from the Committee on the 2016-2017 Quality Account had been published. The Chairman stressed that it was a requirement for all the comments to be included in full.
- The Committee were concerned that the targets for Referral to Treatment (RTT) had not been met and that the Trust's performance in February 2018 was only 83.4%, compared to the national target of 92% waiting 18 weeks or less for access to Consultant-led services. The Trust said this was a concern and that it was a big focus for improvement. The Trust said they investigated all cases where patients had waited longer than the target for care to ensure no harm had been caused. The Trust also said the figures were partly a result of improvements to the way in which it tracks patient pathways.
- The Committee were also concerned with the delay in first definitive treatment with only 83.1% of patients receiving treatment within the 62 days. Although this figure was an improvement on last year, it still is below the 92% standard. The Trust said currently the 62 week target was not being met due to the large volume of referrals of patients with low GI cancer, which was an increasing issue. The Trust assured the Committee that work was being done to make the necessary improvements.

## In addition:

- The Committee enquired as to how the Trust dealt with mental health patients that turn up at the A&E. The Trust said it was working on better engagement with service providers to place them into the right care. The Trust acknowledge A&E was not the right environment for many of them, but was sometimes the only safe place the police could bring them. The Committee were also informed that the police do receive training on how to deal with mental health incidents.
- The Committee queried how the Trust was working with other service providers to encourage people to use alternative services rather than A&E, where appropriate. The Trust said it was working to improve the communication around Out of Hours Services. The Trust is holding conversations about having an Out of Hours Hub at the front of the hospital to assess whether patients can be treated away from A&E. The Trust acknowledged that there was confusion among people about what services are available and this required improvement. The Trust said it would bring a report to a future meeting on how this was progressing at the Royal Free Hospital.
- The Committee queried whether statistics were available regarding the waiting time at A&E in comparison to alternative services and suggested this could be used as a persuasive campaign to encourage people to use other services more. The Committee asked whether nurses advise patients that they can go elsewhere to be seen quicker. The Trust said this does take place, however nurses were only able to advise patients to do this in very low risk cases.

29 May 2018

## Council of governors

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The council of governors reviewed the draft quality account and a number provided detailed feedback and comments which have informed changes made to the final report.

The report provides a comprehensive summary of the work undertaken by the trust in 2017/18 to improve services for patients. Much of this information has been shared with the council of governors during the year by:

- Regular provision of the trust performance report.
- Copies of the minutes of the trust board.
- Updates in the chief executive's briefing to the council.
- Briefings from non-executives on individual board committee work programmes.
- Quality Account consultation stakeholders event held in February 2018

The governors are clear in their responsibility to hold to account the non-executive directors, collectively and individually, for the performance of the board, and focus their attention on ensuring that high quality services are available both for the local population and for patients from further afield requiring specialist services.

To help them carry out their statutory responsibilities, governors attend the 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 2017/18:

### **Priority One: Improving patient experience: delivering excellent experiences**

The governors noted the further progress made to support dementia care across the trust and the closer links that have been made with our other key stakeholders and were particularly pleased to hear about the refurbishment of ward 10N at the Royal Free Hospital as a dementia friendly ward. The introduction of flexible visiting hours for carers on all wards is also a very positive development.

### **Priority Two: improving clinical effectiveness: delivering excellent outcomes**

The governors were pleased to read the progress that has been made to put the framework in place for the reduction of unwarranted clinical variation through the introduction of clinical practice groups and quality improvement projects. The examples given in the report illustrate the real difference these have already started to make.

### **Priority Three: Improving our focus for safety**

The approach taken to improve patient safety across the trust is very encouraging. The acute kidney injury app (Streams) has been the subject of a Medicine for Members meeting this year at which governors heard about this ground breaking and life-saving work. The daily ten minute cross site safety huddle is also an excellent patient safety initiative.

Overall the governors welcome the opportunity to comment on the quality account 2017/18 and look forward to further engagement and monitoring of progress made during 2018/19 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.

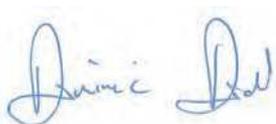
NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality 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 2017/18 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - board minutes and papers for the period April 2017 to May 2018
  - papers relating to quality reported to the board over the period April 2017 to May 2018
  - feedback from commissioners dated 10 and 11 May 2018
  - feedback from governors dated 18 April 2018
  - feedback from local Healthwatch organisations dated 27 April and 10 May 2018,
  - feedback from Overview and Scrutiny Committee dated 10 May 2018
  - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 dated 20 July 2017
  - the latest national patient survey dated 2016
  - the latest national staff survey dated 2017
  - the Head of Internal Audit's annual opinion over the trust's control environment dated 18 May 2017
  - CQC inspection report dated 20 September 2017, 13 October 2017 and 12 January 2018.
- the quality report presents a balanced picture of the RFL's performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions and is subject to appropriate scrutiny and review; and
- the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the board



**Dominic Dodd**  
Chairman  
23 May, 2018



**Sir David Sloman**  
Chief executive  
23 May, 2018

# 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 2018 (the 'Quality Report') and specified performance indicators contained therein.

## Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance (the "specified indicators") marked with the symbol in the Quality Report, consist of the following national priority indicators as mandated by Monitor:

Specified Indicators	Specified indicators criteria
Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways.	Page 263 of the Quality Report.
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.	Page 263 of the Quality Report.

## Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the specified indicators criteria referred to on pages of the Quality Report as listed above (the "Criteria"). The Directors are also responsible for the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "Detailed requirements for quality reports for foundation trusts 2017/18" 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 2017/18";
- The Quality Report is not consistent in all material respects with the sources specified below; and

- The specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the FT ARM and the "Detailed requirements for external assurance for quality reports for foundation trusts 2017/18".

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 2017/18"; 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 2017 and up to the date of signing this limited assurance report May 2018;
- Papers relating to quality report reported to the Board over the period April 2017 to the date of signing this limited assurance report;

- Feedback from the Commissioners Barnet Clinical Commissioning Group, 10 May 2018, East and North Herts and Herts Valley Clinical Commissioning Groups, 11 May 2018;
- Feedback from Governors dated 18 April 2018;
- Feedback from Local Healthwatch organisations Camden Healthwatch, 10 May 2018, Enfield Healthwatch, 10 May 2018, Barnet Healthwatch 10 May 2018, and Hertfordshire Healthwatch 27 April 2018;
- Feedback from Overview and Scrutiny Committee dated 10 May 2018;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 20 July 2017;
- The latest national and local patient survey dated 2016;
- The latest national and local staff survey dated 2017;
- Care Quality Commission inspections, dated 20 September 2017, 13 October 2017 and 12 January 2018; and

- The Head of Internal Audit's annual opinion over the Trust's control environment dated 18 May 2018.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

## 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 Royal Free London NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the

Council of Governors as a body and Royal Free London NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

## Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000 (Revised)'). Our limited assurance procedures included:

- reviewing the content of the Quality Report against the requirements of the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18";
- reviewing the Quality Report for consistency against the documents specified above;
- obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;
- based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;
- making enquiries of relevant management, personnel and, where relevant, third parties;
- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;

- performing limited testing, on a selective basis of evidence supporting the reported performance indicators, and assessing the related disclosures; and
- reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

## Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM and "Detailed requirements for quality reports for foundation trusts 2017/18" 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 Adverse Conclusion – Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period**

In our testing we found an unacceptable level of errors as follows:

i) For two cases, a patient pathway was recorded as incomplete and included within the indicator for the sampled month. However, these cases were in fact completed, with a verified clock stop recorded before the end of the sampled month.

- For one case, the incorrect inclusion was a result of problems with the update to the patient records system, introduced in August 2017
- For one case, the incorrect inclusion was a result of a manual error by the clinical team, who failed to recognise patient discharge in an earlier month

ii) For one case, the patient pathway was incorrectly included within the indicator as it did not meet the NHS Improvement definition of a referral to consultant-led treatment. This case was a referral for a direct access test in Cardiology. This was wrongly included as a result of problems with the update to the patient records system, introduced in August 2017.

iii) For one case, a pathway was unintentionally terminated prematurely due to changes from the update to the patients' records system, introduced in August 2017.

## **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**

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

the two relevant systems (Cerner and FirstNet). As such the Trust were unable to provide sufficient evidence to support the entries made into the Cerner and FirstNet systems. 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) Until 27 November 2018 the Royal Free Hospital did not record any information with regards to ambulance arrival times and the clock start always occurred at the point of registration irrespective of whether the patient was a walk in or an ambulance arrival. This was inconsistent with the approach at Barnet and Chase Farm Hospitals. At the latter, clock starts occurred at handover or 15 minutes after arrival, which is in line with the national 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. As such, there are likely to be additional breaches caused by cases which are currently recorded as near the 4 hour mark (3h 50m or more).

iii) Our review of individual cases records identified 1/15 of the initial samples where the clock start per the Cerner system was incorrect. Further, for 1/15 of our supplementary sample the clock stop time per the Cerner System was incorrect, and as such the case was not reported as a breach.

Conclusion (including adverse opinion on the incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period and disclaimer of conclusion on the percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge)

Because of the significance of the matters described in the Basis for Adverse Conclusion, the Percentage of incomplete pathways within 18 weeks

for patients on incomplete pathways at the end of the reporting period indicator in our opinion has not been prepared in all material respects in accordance with the criteria.

Because of the significance of the matters described in the Basis for Disclaimer of Conclusion, it is not possible to determine whether or not 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 2018:

- 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 2017/18"; and
- The Quality Report is not consistent in all material respects with the documents specified above.

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**  
London  
25 May 2018

The maintenance and integrity of the Royal Free London NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

# Appendices

## Appendix 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 (2017/18)
2. Overview of quality of care in 2017/18 against key indicators and performance against Monitors indicators.

In addition, the report contains changes made as a result of stakeholder feedback which is summarised below.

### Responses to stakeholder comments

In response to comments received from commissioners and local healthwatch organisations and we have outlined our responses and changes made in the following table:

Stakeholder	Comments	RFL response or changes
<b>East and North Hertfordshire and Herts Valley clinical commissioning groups</b>	The Trust's safer surgery priority to reduce never events by 50% was not fully discussed within the Quality Account nor has the Trust included detail regarding the 10 never events that were reported during the year.	We have revised our quality report and included a section on our never events and plans for improvement.
	We note that no reference was made regarding safeguarding adults or children and how the trust has met its responsibilities in this key area.	We will consider this for future reports.
	The CCGs expects this to be included in future quality accounts	
<b>Healthwatch Enfield</b>	Regrettably, the Quality Accounts do not include actual performance data that would enable us to comment on progress against all targets for: Falls, Acute Kidney Injury, Safer Surgery, Deteriorating unborn baby, Deteriorating Patient and Sepsis. We note this information has not been included for two consecutive years.	We have revised our quality report and included further data on our patient safety priorities in section 2.1

# Appendix b: Glossary of definitions and terms used in the report

Glossary of definitions and terms used in the report

## Five steps to safer surgery

Steps	Timings of intervention	What is discussed at this step
<b>1. Briefing</b>	Before list of each patient (if different staff for each patient e.g. emergency list)	<ul style="list-style-type: none"> <li>• introduction of team/individual roles</li> <li>• list order</li> <li>• concerns relating to equipment/surgery</li> <li>• anaesthesia</li> </ul>
<b>2. Sign in</b>	Before induction of anaesthesia	<ul style="list-style-type: none"> <li>• confirm patient/procedure/consent form</li> <li>• allergies</li> <li>• airway issues</li> <li>• anticipated blood loss</li> <li>• machine/ medication check</li> </ul>
<b>3. Time out (stop moment)</b>	<p>Before the start of surgery:</p> <p>Team member introduction, Verbal confirmation of patient information Surgical/anaesthetic/nursing issues, Surgical site infection bundle, Thromboprophylaxis, Imaging available</p>	<p>In practice most of this information is discussed before, so this is used as a final check.</p> <p>Surgeons may use this opportunity to check that antibiotics prophylaxis has been administered.</p>
<b>4. Sign out</b>	Before staff leave theatre	<p><b>Confirmation of recording of procedure:</b></p> <ul style="list-style-type: none"> <li>• instruments, swabs and sharps correct</li> <li>• specimens correctly labelled.</li> <li>• equipment issues addressed</li> <li>• Post-operative management discussed and handed over</li> </ul>
<b>5. Debriefing</b>	At the end of the list	<p>Evaluate list</p> <p>Learn from incidents</p> <p>Remedy problems, e.g. equipment failure</p> <p>Can be used to discuss five-step process</p>

## Glossary of Terms

Term	Explanation
<b>ASA</b>	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.
<b>Best Practice Tariff (BPT)</b>	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.
<b>Cardiotocography (CTG)</b>	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.
<b>CQC: Care Quality Commission.</b>	The independent regulator of all health and social care services in England.
<b>C-diff: Clostridium difficile.</b>	A type of bacterial infection that can affect the digestive system.
<b>Clinical Practice Group (CPG).</b>	Permanent structures which the trust is developing to address unwarranted variation in care).
<b>CQUIN: Commissioning for Quality and Innovation.</b>	CQUIN is a payment framework that allows commissioners to agree payments to hospitals based on agreed improvement work.
<b>DeepMind.</b>	DeepMind is a technology company that is in partnership with the Royal Free London NHS Foundation Trust which has created a new app called Streams. The new app detects early signs of kidney failure and is now being used to improve care for some of the Royal Free's most vulnerable patients by directing clinicians to patients who are at risk of or who have developed a serious condition called acute kidney injury (AKI).
<b>HIMSS</b>	Healthcare Information and Management Systems Society (HIMSS) are a not-for-profit organisation that is based in Chicago with additional offices in North America, Europe, United Kingdom and Asia. Their 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.
<b>MDT: multi-disciplinary team.</b>	A team consisting of staff from various professional groups i.e. nurses, therapist, doctors etc.
<b>NHS NCL.</b>	NHS north central London clinical network
<b>NICE: National Institute of Clinical Excellence.</b>	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.
<b>Patient at Risk &amp; Resuscitation Team (PARRT).</b>	The Patient at Risk & 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.
<b>PEWS: paediatric early warning score.</b>	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.

<b>SBAR: situation, background, assessment, recommendation.</b>	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.
<b>SHMI: summary hospital-level mortality Indicator.</b>	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.
<b>UCLP: University College London Partners .</b>	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. ( <a href="http://www.uclpartners.com/">http://www.uclpartners.com/</a> ).
<b>VTE: venous thromboembolism.</b>	A blood clot that occurs in the vein



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