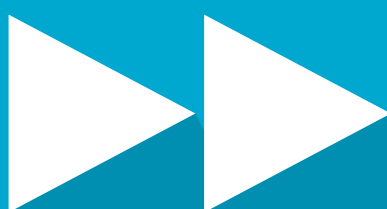




University Hospital
Southampton
NHS Foundation Trust

ANNUAL REPORT AND ACCOUNTS 2019/20



Incorporating the quality account 2019/20

University Hospital Southampton NHS Foundation Trust

Annual report and accounts 2019/20

incorporating the quality account 2019/20

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



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OVERVIEW AND PERFORMANCE REPORT



Welcome from our chair

2019/20 was another challenging year for University Hospital Southampton NHS Foundation Trust (UHS). Demand for our services continued to rise rapidly, partly because of the ageing of the population we are here to serve and partly because of challenges in the external environment, but also because of our ability to offer exciting innovations for a range of conditions. As a result, we were not always able to offer treatment as rapidly as we wished. A major challenge towards the end of the year was the need to prepare the Trust for the COVID-19 pandemic, resulting in the need to re-engineer services on an unprecedented scale.

The response of UHS staff to these challenges has, from start to finish, been magnificent. We saw major innovation in improved patient pathways to accommodate rising demand, and the creativity of colleagues in readying the Trust for COVID-19 was truly breath-taking in its scope and energy.

UHS has had a long record of effective financial management. By constantly seeking operational innovation and better value for money in procurement, the Trust has been able to generate the funds necessary to make a number of capital investments which will provide huge patient benefit in future. There has been rapid progress in our major project to refurbish and extend our general intensive care unit. Our £2.2m investment in our new urology unit was completed this year; it will transform our patients' experiences. We have continued wherever possible to work with partners and we are delighted that work on the £5m Maggie's Centre has started.

Quite apart from the need to navigate our way through the COVID-19 crisis and into the world beyond it, the Trust needs to prepare to play its full role in the Hampshire and Isle of Wight healthcare system as it develops in a way consistent with the NHS Long Term Plan. The responsibility for this falls of course to the Trust Board and I believe that even after having had more change on the Board this year than for some time, we continue to have a strong and committed leadership team.

Following the retirement of Caroline Marshall, our long-serving chief operating officer, in September 2019 we welcomed Joe Teape into the position. Joe had not been at the Trust long before we were thrust into the COVID-19 pandemic and got to grips with it impressively rapidly.

During the year we said farewell to three non-executive directors (NEDs); Catherine Mason who left us to become chair of Solent Healthcare, Mike Sadler our clinical NED and Simon Porter. After a series of rigorous selection processes, we were delighted to welcome Dave Bennett, Dr Tim Peachey and Keith Evans as replacements. Simon had been both deputy chair and senior independent director (SID) and on his departure Jenni Douglas-Todd succeeded him in both roles.

The work of the Board is supported, stimulated and, quite correctly, challenged by the Council of Governors (COG) whose enthusiasm is of huge value to the proper governance of UHS. All of the elections to the COG were competitive, in some cases by a multiplicity of candidates. Unfortunately, one of those vacancies resulted from the death of Edward Osmond. Although Edward had only recently been elected as a governor, he had shown huge commitment to the role and I am sure would have gone on to make a major contribution to UHS.

We welcomed nine new governors and one new young governor. I look forward to working with them and all the other governors as we move through and beyond the COVID-19 world.



Peter Hollins
Chair

A word from the chief executive

My first full year as chief executive officer of UHS has been exciting, inspiring, and extremely rewarding but not, as you would expect, without a considerable degree of challenge!

The pressures on the NHS have been well publicised as we strive to provide the highest possible standard of care at a time when demand for our services escalates rapidly. At the same time, at UHS we need to play our full part in working out how we shape and deliver the health and care provision for our community into the future.

During the year we have done a great deal of work on how we turn our vision for the Trust, **world-class care for everyone**, into what happens on the front line every day. While the vision may be new it is built firmly on our long-standing values; patients first, working together, and always improving, which together describe who we are as an organisation.

These values were central to the development of our new clinical and corporate strategy which sets out an exciting future for UHS over the coming decade. It includes how we will deliver the safest care, delivering the best outcomes, as well as how we will focus on improving the health of our population, supporting both health and wellbeing.

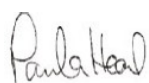
The values also provided the basis for our CQC rating of 'Good' awarded during the year as were some other fantastic accolades. These included a prestigious British Medical Journal award for improving care for older patients with the development of our frailty unit and activity hub. Our women's and maternity care at the Princess Anne Hospital was named as being among the best in the world. In addition, we adopted prehabilitation for cancer patients, a pioneering service.

There are countless other examples of innovation which have sprung from the creativity and innovative spirit at UHS. Some of these have involved better outcomes for patients, some an improved patient experience and others simply lower the cost of doing things, liberating money which we can then invest in improving other services. I'd like to thank every one of our staff for creating the spirit of UHS which means that the extraordinary happens every day.

The world of health and social care is changing dramatically and we continue to be integral to the Hampshire and Isle of Wight Sustainability and Transformation Partnership (STP). UHS will have a leading part to play in ensuring that, with our partners, we forge a pattern for the provision of healthcare across the local system and beyond, delivering the highest possible standards of care on an enduring basis.

As we entered 2020, we began preparing to face COVID-19, the largest pandemic we have seen. Some areas of the hospital are truly unrecognisable as we have adapted to the fight against this virus. The loss of life as a result of COVID-19 has been utterly devastating and it has, I am sure, touched us all personally. It has also challenged the health and wellbeing of all our staff, but particularly our frontline staff, in a unique way. I am not sure whether I am prouder of the spirit with which our staff have responded to the challenge or of the fact that they made us by common consent one of the best prepared trusts in the country.

Finally, I'd like to recognise the acts of kindness I see throughout the Trust on a daily basis. It is one of the things that has struck me the most as I have got to know this organisation and the people within it. I watch how they support one another through challenging times, how they support patients and visitors in their own time and in work time, and how they go above and beyond every day for the people they're caring for. Every day they make me hugely privileged to lead this amazing organisation.



Paula Head
Chief executive officer

Overview of the Trust

Statement of purpose and activities

UHS is a large teaching hospital located on the south coast of England. We have a tripartite mission to provide clinical care, educate current and future healthcare professionals, and undertake research to improve healthcare for the future.

Our clinical care encompasses local acute and elective care for 680,000 people who live in Southampton, the New Forest, Eastleigh and Test Valley. We also provide care for the residents of the Isle of Wight for many services. As the major university hospital on the south coast, UHS provides the full range of tertiary medical and surgical specialities (with the exception of transplantation, renal services and burns) to over 3.7 million people in central southern England and the Channel Islands.

UHS is a centre of excellence for training the doctors, nurses and other healthcare professionals of the future. We work with the University of Southampton and Solent University to educate and develop staff at all levels, including a large apprenticeship programme, undergraduate and postgraduate education.

Our role in research, developed in active partnership with the University of Southampton, is to contribute to the development of treatments for tomorrow's patients. This work distinguishes us as a hospital that works at the leading edge of healthcare developments in the NHS and internationally. In particular we have nationally-leading research into cancer, respiratory disease, nutrition, cardiovascular disease, bone and joint conditions and complex immune system problems. We are one of the largest recruiters of patients into clinical trials in the country.

Over 12,000 people work at the Trust, making it one of the area's biggest employers. We also benefit from the contributions of over 1,000 volunteers. Our turnover in 2019/20 was £912m.

History of UHS

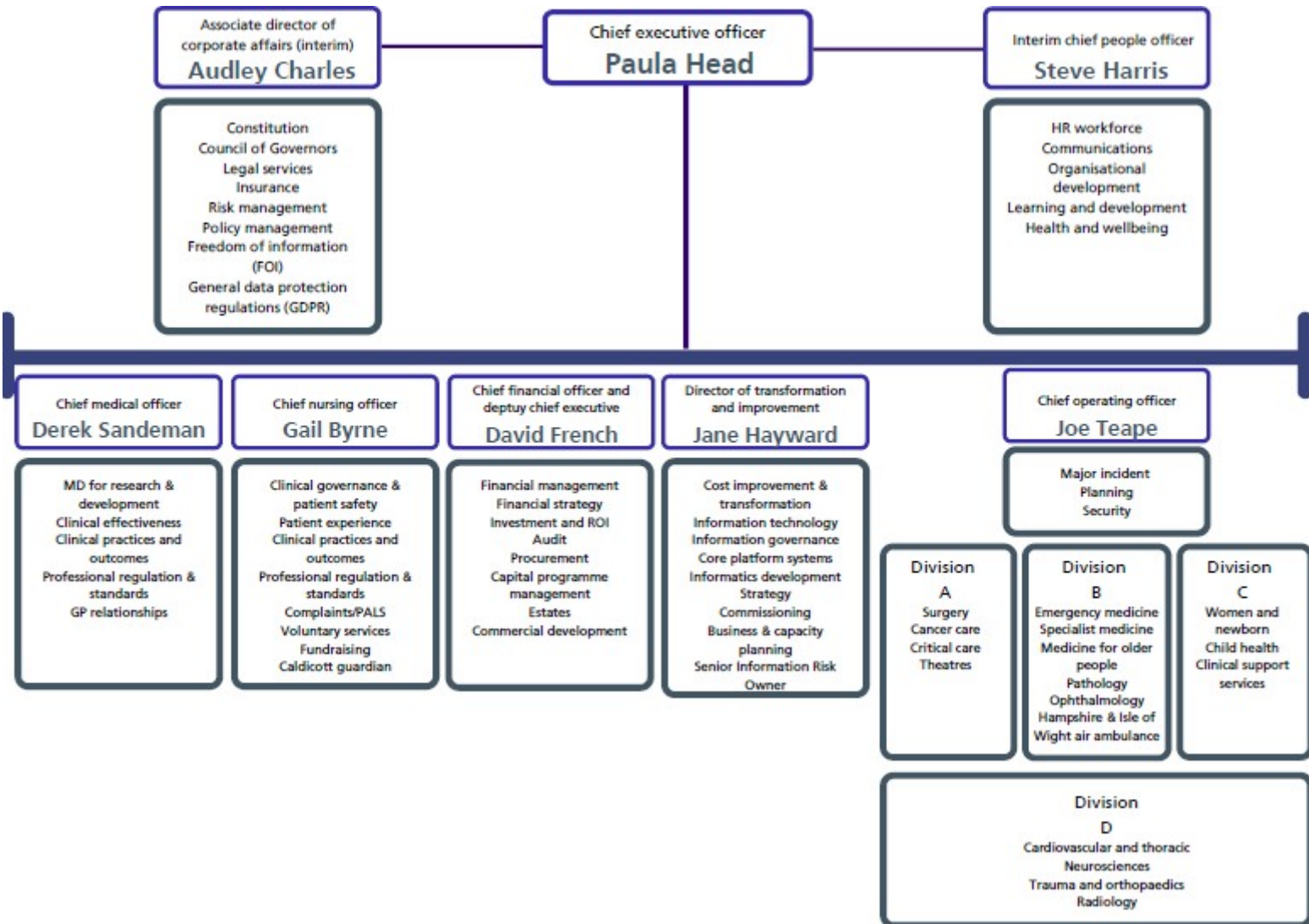
The Trust has its origins in the 1900s when the Shirley Warren Poor Law Infirmary was built on the site of what is now Southampton General Hospital.

In the early half of the century, the site began to expand, including the opening of the school of nursing and the creation of the Wessex Neurological Unit. In 1971 a new medical school was opened in Southampton and the 1970s and 1980s saw a significant building programme encompassing the current footprint of Southampton General Hospital, Princess Anne Hospital and Countess Mountbatten House.

During the 1990s, services were increasingly centralised at the general hospital, with the eye hospital and cancer services being relocated from elsewhere in the city. The Wellcome Trust funded a clinical research facility at the hospital in 2001 and this unit remains the foundation for much of the Trust's groundbreaking medical research. In the last decade, development has continued with the opening of the North Wing Cardiac Centre in 2006, the creation of a major trauma centre with on-site helipad and the opening in 2014 of Ronald McDonald House for the relatives of sick children.

Organisationally, Southampton University Hospitals Trust was formed in 1993, creating a single management board for acute services in Southampton. Eighteen years later, University Hospital Southampton NHS Foundation Trust (UHS) was formed (1 October 2011) when Southampton University Hospitals NHS Trust was licensed as a foundation trust by the then regulator, Monitor (now known as NHS Improvement (NHSI)).

Our executive team structure



Executive team structure as at 31/03/2020

Structure of our services

Our organisation is split into five areas, with our clinical services grouped into four divisions. Within each division there are care groups. Each division, with the exception of Trust headquarters, is led by a divisional management team consisting of:

- divisional clinical director (DCD)
- divisional director of operations (DDO)
- divisional head of nursing/professions (DHN)
- divisional research and development lead
- divisional finance manager
- divisional planning and business development (or strategy) manager
- divisional education lead
- division HR business partner
- divisional governance manager (DGM)

The diagram below outlines the five divisions and care groups/services within each. Each care group has a clinical lead, care group manager and matron/s for specific services as a minimum.



Our vision and values

Our vision outlines who we are and what we stand for, as well as describing the current challenges we face and our priorities for the future. It also provides an in-depth review of our three Trust values, which are summarised below:

Patients first

Patients and families will be at the heart of what we do and their experience within the hospital, and their perception of the Trust, will be our measure of success.

Working together

Our clinical teams will provide services to patients and are crucial to our success.

We have launched a leadership strategy that ensures our clinical management teams are engaged in the day-to-day management and governance of the Trust.

Always improving

Our growing reputation in research and development and our approach to education and training will

continue to incorporate new ideas, technologies and greater efficiencies in the services we provide

Our priorities, key issues and risks

Our goals

1. Improving patient journeys (system focus, integration)

We will:

- Write a strategic plan for integrated 'front door; services to address capacity and demand mismatch and enable flow
- Secure influence in primary care by establishing the hospital's role in supporting primary care networks
- Promote value-based healthcare, particularly: Introduce 'advanced decision making'
- Redesign services to provide timely safe care and meet constitutional access trajectories
- Deliver priorities relevant to UHS in the first year of the long-term plan including commissioning and long-term changes

2. Delivering value-based health and care

We will:

- Deliver the Trust financial plan and maximise any national funding
- Prepare UHS for the new NHS financial regime
- Deliver the Trust Quality Improvement plan to improve safety/experience and outcomes
- Build capability for change by embedding quality improvement, innovation and transformation at a leadership level
- Deliver the Cost Improvement Plan (CIP) without compromising on quality

3. Supporting health lives (prevention, wellbeing inequalities, outcomes and experience)

We will:

- Improve staff health and wellbeing
- Improve population health, maximising the impact of UHS touch points
- Develop an early warning tool to identify any deterioration in quality

4. Building an expert and inclusive workforce (diversity, engagement, leadership)

We will:

- Close the staffing supply gap in priority groups/services to provide high quality and timely care
- Manage overall workforce cost to meet CIP challenge
- Measure improvement in staff engagement by increasing participation in staff survey
- Increase representation of diverse groups in leadership and decision making
- Improve the staff engagement score

5. Being agile in meeting people's needs (organisational elegance/design/flexibility)

We will:

- Reset organisational structure as necessary, responding to changes outlined in the NHS long-term plan
- Leverage digital capability to support patient empowerment and self-care
- Measure staff user satisfaction with the Trust IT systems and use this to support the digital strategy
- Be agile in flexing resources, responding to fluctuating demand
- Secure strategic influence by establishing UHS role in the transition from STP to ICS

6. Leading edge research, education and innovation (research and outcomes)

We will:

- Identify the capacity constraints to expand research and plan to address
- Identify priority areas without a research base and set strategy
- Improve quality and breadth of education and training programme

The novel coronavirus (COVID-19) will continue to have a significant impact on public health, morbidity and mortality if adequate prevention and control is not in place. The Trust put rapid and robust arrangements in place early on to prepare for the potential surge in COVID-19 patients. As the government now announces the easing of the lockdown restrictions, the COVID-19 challenge continues to unfold and still represents a very significant future risk to the organization. Our response and mitigations will continue to evolve through 2020/21. Further details on our response to the COVID-19 challenge are included in the Annual Governance Statement on page 73..

Key issues and risks

1. **Inability to develop partnerships and redesign services innovatively renders the Trust unable to meet the expectations of the NHS long-term plan, our strategic plan, and sustainable elective and non-elective pathways.** UHS continues to actively develop partnerships across the region and work within the Integrated Care System whilst promoting value-based healthcare and delivering priorities relevant to UHS in the first year of the long-term plan.
2. **Failure to deliver regulatory requirements results in license breach and loss of local control with an enforced change in leadership, impacting on Goals 1 to 6.** UHS continues to monitor progress against NHSI Performance framework at committee and Board level and build capability for change by embedding quality improvement, innovation and transformation at a leadership level.
3. **Failure to achieve financial targets results in a shortfall in cash required to deliver the capital programme.** A robust cost improvement programme is in place, continuously monitored through governance processes with a focus on delivery of the Trust's financial plan.
4. **Reduced access to resources compromises the quality of services.** We will implement the Trust Quality Improvement plan to improve safety/ experience and outcomes.
5. **Capacity and capability gaps in the workforce lead to an inability to provide safe and timely care.** To mitigate this risk, we will continue to develop initiatives to improve staff health and wellbeing with proactive recruitment and retention initiatives in place. Staff engagement is monitored through staff survey and leadership and development training in place.
6. **Lack of inclusion and diversity results in the failure to get the best from every individual.** UHS has an equality, diversity and inclusion strategy, with established Trust networks and inclusive talent management programmes.

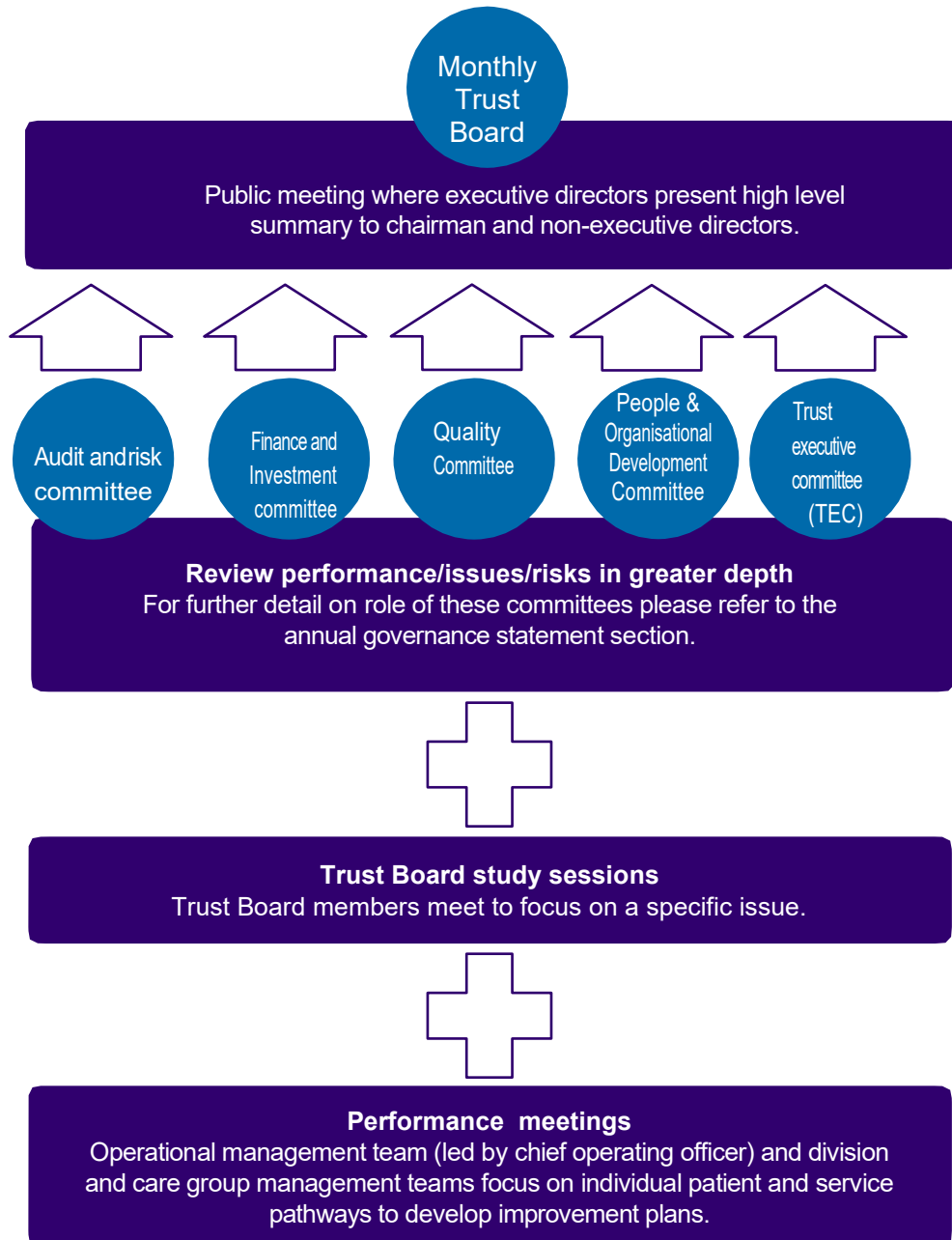
Performance report

Going concern disclosure

After making enquiries, the directors have a reasonable expectation that the 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.

Reporting structure

As a large NHS university hospital foundation trust, UHS monitors performance within individual teams throughout the year with feedback processes in place to escalate issues to more senior management teams. At a corporate level we have an established executive reporting structure.



Key performance indicators (KPIs)

The Trust publishes a monthly integrated KPI Board report on our website which provides both the Board and the public with an overview of our performance. This report is constantly evolving as new areas of monitoring are developed and new areas of national focus become apparent. The format of the monthly report follows our six strategic goals:

- Improve patient journeys
- Value-based health and care
- Healthy lives
- An expert and inclusive workforce
- Being agile in meeting people's needs
- Leading edge research, education and innovation

The monthly report features the following sections:

- Overview – Aggregation of commentary supporting all sections of the report
- Safe
- Effective
- Caring
- Activity
- Emergency access
- Referral to treatment and diagnostics
- Cancer waiting times
- Flow
- Staffing
- Research and development
- Estates
- Digital

This report also includes summary versions of quarterly reports submitted to the Trust executive committee, which go into greater detail about patient experience, patient safety, clinical effectiveness outcomes, and infection prevention. In addition, a separate finance Board report is submitted to Trust Board on a monthly basis.

The Emergency Access, Activity and Flow section has several KPIs that are relevant to the key risk of **delivering the national access target**. Some of the KPIs are:

- Number of attendances
- Time to initial assessment
- Delayed transfers of care
- Non-elective length of stay

The Activity and Flow sections have several KPIs that are relevant to the key risk of **capacity and occupancy**. Some of the KPIs are:

- Length of stay
- New referrals
- Number of attendances
- Bed occupancy

The Staffing (HR) section has several KPIs that are relevant to the key risk of Staffing. Some of the KPIs are:

- Staff turnover
- Nursing vacancies
- Friends and Family Test – percentage of staff who recommend UHS as a place to work

You can see full copies of the monthly report by visiting www.uhs.nhs.uk

How we monitor performance

In addition to reviewing the data submitted to the Trust Board in these papers, we have a suite of tools available to compare UHS performance to that of comparable trusts around the country. Depending on the measures being monitored, UHS has a number of peer groups to benchmark against, including other local providers, major trauma centres and university hospital teaching trusts.

Each NHS trust will service a different size and type of population and will offer a slightly different range of services so it is important to understand that this benchmarking provides an initial indication of performance rather than an absolute guide to our position nationally.

In 2020/21 we continue to review the National Model Hospital data as it is published from NHS Improvement. The data and ability to compare our performance has helped to highlight areas of excellent practice and areas where there is potential to improve. The Trust is engaging with the model hospital team and has a member of staff on the 'model hospital ambassador program', as well as reviewing areas highlighted as having potential opportunities alongside finance and operational teams.

Overview of performance

Improving patient journeys

2019/20 was a challenging year in which we made only modest progress against some objectives to 'Improve Patient Journeys', and deteriorated in performance against others.

- Inpatient length of stay remained stable but didn't reduce as significantly as we had intended. The percentage of bed days used due to 'Delayed Transfers of Care' to other settings increased to nearly twice the national target. This, combined with growth in non-elective admissions (2.8% YTD excluding M12), resulted in occupancy rates which often exceeded our target, and an increase in patients cared for as 'outliers' away from their own speciality wards.
- Emergency Access Performance (patients spending less than four hours in the emergency department) remained below both the national and local targets, though performance did show modest improvement during the year. There has been a further substantial increase in the volume of emergency department attendances.
- The number of 'elective' patients waiting for treatment, the percentage of patients waiting within 18 weeks, and also the waiting time for first outpatient appointments, deteriorated significantly during the year. This has, in part, been impacted upon by reduced availability of clinical capacity due to staff concerns about the impact of new pension/tax regulations. There are, however, good indications that service changes are being implemented to increase consultation capacity in an efficient way as we had aimed to. There has been a substantial increase in consultations provided through 'non-face-to-face' routes, and a small decrease in the number of more traditional face-to-face consultations.
- Urgent GP referrals for suspected cancer seen within two weeks saw a substantial and sustained improvement compared to the previous year, exceeding that target.
- Performance against treatment within 62 days measures also demonstrated modest improvement during the year. Significant improvement in cancer performance continues to be required in order for UHS to deliver the national targets for timeliness of treatment.

Delivering value-based healthcare

- Complaints about UHS care have remained low, with the percentage of complaints 'closed' within 35 days above target for the first 11 months of 2019/2020.
- Pleasingly, the availability of nursing care to our inpatients (expressed as care hours per patient per day) has increased progressively through the year from 8.6 to 8.9. An active overseas nursing recruitment and induction process has supplemented domestic recruitment and training.
- The Trust has formed a 50/50 joint venture company with Hampshire Hospitals NHS Foundation Trust called Wessex NHS Procurement Limited (WPL). From 1 December 2019, WPL is providing procurement, supply chain and materials management services to the Trust. The objectives of this innovative partnership include the consolidation of supplies purchases for both Trusts (combined revenue £1.4bn) to leverage better prices from suppliers and increased productivity through the elimination of previously duplicated procurement activity.

Supporting healthy lives

- There was very good performance on the Hospital Standardised Mortality Ratio. The standard is 100 and we are consistently below this (83 in December, results are reported nationally retrospectively). This measure includes all patients in England with the same condition and compares those who have died with those that have survived. Being below 100 is a strong indicator of good care.
- We continue to receive feedback, which is largely positive, through the national 'Friends and Family' survey for both our inpatient and maternity care.
- The Board monitors a range of quality indicators. Of these, exceeding the target number of patients infected with clostridium difficile by six is of some concern, we are pleased that the number of severe/moderate medication errors has been maintained well below our target level, and following an increase in the number of Serious Incidents Requiring Investigation (SIRI) that were reported to Board in the early part of the year both the number of SIRIs has reduced and the timeliness of investigation has significantly improved.
- Staff sickness levels were on target through the summer months, but significantly in excess of this through the winter months. As a whole, this is a cause for some concern.

Building an expert and inclusive workforce

- Very pleasingly, nursing vacancies were reduced significantly during the year, from 18% to 15%. Though still a challenge, this supports increases in the treatment capacity we can make available in the Trust, in our ability to open additional bed capacity to reduce our inpatient occupancy rates, and increases the care hours provided per patient per day.
- Turnover rates have been in excess of our target throughout the year and there has also been a reduction in the percentage of staff who would recommend UHS as a place to work, though we remain above our target of 76%. The percentage of non-medical appraisals taking place within 12 months remains below target and is declining.
- We have made steady progress this year towards our target of 15% of staff at Band 7 and above being from Black and Minority Ethnic backgrounds by 2023 (above 9% in March 2020).

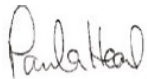
Being agile in meeting people's needs

- 2019/2020 has seen further progress in the implementation of digital tools that enable patients and clinicians to review and discuss patient specific clinical information in new ways, for example, large increases in usage of 'My Medical Record' and 'digi-rounds', modest further progress in electronic requesting and acknowledgement of tests, and stable usage of other tools.

Leading edge research, education and innovation

- The majority of recruitment targets have been achieved during 2019/20.
- In Q4 UHS ranked 13th for contract commercial study recruitment, which is the same position achieved in the previous year and thus did not achieve our target of Top 10, with a constraint on pharmacy research capacity being a contributing factor.
- The proportion of commercial studies closing in the 2019/20 financial year on time and to recruitment target ended the year below the 80% target at 68%, though the year-end target for the proportion of non-commercial studies closing on time and to recruitment target was exceeded at 88% compared to 80% target.

Details of UHS performance can be found in the Integrated Performance report which is available in the Trust Board papers section of our website www.uhs.nhs.uk. UHS performance is scrutinised by the Board on a monthly basis.



Paula Head, chief executive officer
22 June 2020

Regulatory body ratings

Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

1. Quality of care
2. Finance and use of resources
3. Operational performance
4. Strategic change
5. Leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from one to four where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments three or four where it has been found to be in breach or suspected breach of its licence.

Segmentation

During 2019/20 the Trust was confirmed as being placed within segment '2'. This segmentation information is the Trust's position as at 31 March 2020. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' 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 segmentation of the Trust disclosed above might not be the same as the overall finance score here.

The Trust was on track to deliver a use of resources score of '2'. However, as a direct result of COVID-19 our staff were unable to take their full complement of annual leave. The Trust was required

to allow for this additional cost, which was an unfunded cost pressure allowable by NHS Improvement. This had the impact of moving the distance from financial plan score to a '4' and subsequently the overall use of resources score to a '3'.

| Area | Metric | Q1 | Q2 | Q3 | Q4 | Year |
|--------------------------|-------------------------------|----|----|----|----|------|
| Financial sustainability | Capital service cover | 3 | 3 | 2 | 2 | 2 |
| | Liquidity | 1 | 1 | 1 | 1 | 1 |
| Financial sustainability | Income and expenditure margin | 3 | 1 | 1 | 1 | 1 |
| Financial sustainability | Distance from financial plan | 1 | 1 | 2 | 4 | 4 |
| | Agency spend | 1 | 1 | 1 | 1 | 1 |
| Overall scoring | | 2 | 1 | 2 | 3 | 3 |

Care Quality Commission ratings:

Overall rating for this trust



Good

Are services at this trust safe?



Requires improvement

Are services at this trust effective?



Outstanding

Are services at this trust caring?



Good

Are services at this trust responsive?



Requires improvement

Are services at this trust well-led?



Good

In December 2018, the CQC inspected four core services; urgent and emergency care, medicine, maternity and outpatients. It also looked at management and leadership, and effective and efficient use of resources.

The CQC report (published on the 17 April 2019) rated the Trust as 'good' overall and 'outstanding' for providing effective services. All sites and services across the organisation are now rated as 'good' in the effective and caring domains, with Southampton General Hospital rated as 'outstanding' in these areas. The Well-Led section of this report provides further details of the inspectors' findings.



“Our inspectors found a strong patient-centred culture with staff committed to keeping their people safe, and encouraging them to be independent. Patients’ needs came first and staff worked hard to deliver the best possible care with compassion and respect. Inspectors saw many areas of outstanding practice, with care delivered by compassionate and knowledgeable staff. Several teams led by example with a continuous focus on quality improvement. The Trust did face some challenges especially with the ageing estates. Some patient environments were showing significant signs of wear and tear – but again staff were doing their utmost to deliver compassionate care”.

Dr Nigel Acheson
Deputy chief inspector of hospitals (South)

Environmental matters

We recognise that the Trust's business has an impact on the environment. As a large hospital, we undertake a wide range of activities and use a large amount of resources.

We are committed to environmental sustainability and consider it as part of the business culture. We continue to invest in energy saving initiatives and staff awareness campaigns that focus on promoting sustainability.

We acknowledge that reducing waste and minimising the consumption of scarce resources is consistent with financial sustainability. Our sustainability disclosure section on pages 86 and 95 provides greater detail on the steps we are taking to reduce our activities' impact on the environment.

Social, community, anti-bribery and human rights issues

We recognise our responsibilities under the European Convention on Human Rights (included in the Human Rights Act 1998 in the UK), which are relevant to health and social care. These rights include the:

- right to life
- right not to be subjected to torture, inhuman or degrading treatment or punishment
- right to liberty
- right to respect for private and family life

The Trust is committed to ensuring it fully takes into account all aspects of human rights in our work. At University Hospital Southampton we value our reputation for top quality care and financial probity and conduct our business in an ethical manner.

The Bribery Act 2010 was introduced to make it easier to tackle the issue of bribery which is a damaging practice. Bribery can be defined as 'giving someone a financial or other advantage to encourage them to perform their duties improperly or reward them for having done so'.

To limit our exposure to bribery we have in place an Anti-Fraud, Bribery and Corruption Policy, a Standards of Business Conduct Policy and a Freedom to Speak Up (formerly Raising Concerns) Policy. These apply to all staff and to individuals and organisations who act on behalf of UHS. We also employ a local counter-fraud specialist who will investigate, as appropriate, any allegations of fraud, bribery or corruption.

The success of our anti-bribery approach depends on our staff playing their part in helping to detect and eradicate bribery. Therefore, we encourage staff, service users and others associated with UHS to report any suspicions of bribery and we will rigorously investigate any allegations. In addition, we hold a register of interest for directors, staff, and governors, and ask staff not to accept gifts or hospitality that will compromise them or the Trust.

The Board of Directors carries out its business in an open and transparent way. We are committed to the prevention of bribery as well as to combating fraud, and expect the organisations we work with to do the same. Doing business in this way enables us to reassure our patients, members and stakeholders that public funds are properly safeguarded.

There are no important events since the year end affecting the Foundation Trust.
No political donations have been made.
The Trust has no overseas branches.

ACCOUNTABILITY REPORT



Members of the Trust Board

| Board member | | | |
|--------------------------|--|--|--|
| Name | Title | Biography | Declarations |
| Paula Head | Chief executive officer | Paula joined the Trust as chief executive in September 2018, having been chief executive at the Royal Surrey County NHS Foundation Trust in Guildford and before that at Sussex Community NHS Foundation Trust. She began her career as a pharmacist working in the community, in hospitals and at health authorities before moving into general management and her first board position at Kingston Hospital. Since then she has spent time on the boards of commissioners and providers, including director of transformation at Frimley Park Hospital NHS FT. Paula lives in Hampshire and has a daughter studying medicine at the University of Southampton. | Daughter is a medical student at University of Southampton; Member of Hampshire & Isle of Wight Sustainability and Transformation Partnership Executive Delivery Group |
| David French | Deputy chief executive officer and chief financial officer | David joined the Trust in February 2016 and served as interim chief executive officer from April to September 2018. He read Economics and Social Policy at the University of London before joining ICI plc, where he qualified as a chartered management accountant. David has extensive healthcare experience from the pharmaceutical industry, mostly Eli Lilly and Company where he held many commercial and financial roles in the UK and overseas. He joined the NHS in 2010 as chief financial officer of Hampshire Hospitals NHS Foundation Trust. He also serves as a non-executive director for Vivid Housing Limited, a social housing provider across Hampshire and the Solent. | Non-executive director and chair of audit and risk committee, Vivid Housing Limited; Director, UHS Estates Limited, a wholly-owned subsidiary of UHSFT; Director, Southampton Commercial Estates Development Partnership (CEDP) Project Company Limited, a joint-venture company owned 50/50 by UHSFT and Prime plc; Member of Hampshire & Isle of Wight Counter Fraud Board; Member of Hampshire & Isle of Wight Sustainability and Transformation Partnership Capital Planning Panel; Director of Wessex NHS Procurement Limited (WPL), a joint venture company owned 50/50 by UHSFT and Hampshire Hospitals NHS Foundation Trust (from December 2019) |
| Gail Byrne | Director of nursing and organisational development | Gail joined the Trust in 2010 as deputy director of nursing and head of patient safety. Prior to this, she has worked at the Strategic Health Authority as head of patient safety, and director of clinical services at Portsmouth Hospital. Gail has also worked in Brisbane, Australia as a hospital Macmillan nurse, and as general manager of a special purpose vehicle company for the private finance initiative at South Manchester Hospitals. | Husband is a consultant surgeon at UHS; Daughter is a midwife at UHS (from March 2019) |
| Dr Derek Sandeman | Medical director | Derek was appointed to the Trust as a consultant physician in 1993 and went on to develop a regional endocrine service. Throughout his career he has had extensive clinical leadership experience, most recently serving eight years as clinical director. Derek's leadership roles have also included programme director for postgraduate education and the Wessex Endocrine Royal College representative. He has a strong history of wider system engagement, working collaboratively with partners to improve systems resilience and pathways. | Director of UHS Pharmacy Limited, a wholly-owned subsidiary of UHSFT; Member of Hampshire & Isle of Wight Sustainability and Transformation Partnership Clinical Executive Group |
| Joe Teape | Chief operating officer | Joe joined the Trust as chief operating officer in December 2019. Previously he was deputy chief executive and director of operations of a large health board in Wales which managed integrated services across three counties including four district general hospitals as well as mental health, learning disability and community services. Prior to this, Joe worked in director roles across finance and strategy within provider acute trusts across the south west of England. Joe is passionate about providing leadership and support for all staff, whatever their profession, and contributing to excellent patient care. He is committed to open and ongoing engagement with the general public and often uses social media to engage with colleagues and with those who have an interest in healthcare. | Nil |

| Non-executive directors | | | |
|-------------------------|------------------------|---|--|
| Name | Title | Biography | Declarations |
| Peter Hollins | Chair | <p>Peter graduated in chemistry from Hertford College, Oxford. Joining Imperial Chemical Industries in 1973, he undertook a series of increasingly senior roles in marketing and then general management. Following three years in the Netherlands as general manager of ICI Resins BV, he was appointed in 1992 as chief operating officer of EVC in Brussels – a joint venture between ICI and Enichem of Italy. He played a key role in the flotation of the company in 1994, returning in 1998 to the UK as chief executive officer of British Energy where he remained until 2001. From 2001, he held various chairmanships and non-executive directorships. In 2003, he decided to return to an executive role as chief executive of the British Heart Foundation in which post he remained until retirement in March 2013. He joined Southampton University Hospital Trust as a non-executive director in 2010, became senior independent director and deputy chairman of UHS in 2014, and was appointed chair in April 2016.</p> | <p>Chair of CLIC Sargent Cancer Care for Children (a company limited by guarantee) (until December 2019); Council member of University of Southampton</p> |
| Dr Tim Peachey | Non-executive director | <p>Tim qualified as a doctor from Kings College Hospital School of Medicine in 1983. For nearly 20 years, he worked as a consultant anaesthetist at the Royal Free Hospital in London, specialising in pancreatic cancer surgery, liver surgery and liver transplantation. He also developed an interest in medical leadership and management and has held positions such as clinical director, divisional director and medical director at the Royal Free.</p> <p>In 2012, Tim moved into full-time management as chief executive of Barnet and Chase Farm Hospitals NHS Trust until its acquisition by the Royal Free. He then worked as the London associate medical director at the NHS Trust Development Authority before moving to Barts Health NHS Trust as improvement director and subsequently became deputy chief executive.</p> <p>Tim now holds two NHS non-executive posts. In addition to his role at University Hospital Southampton, Tim also serves on the board for Isle of Wight NHS Trust as deputy chair. He is a practicing mediator specialising in the healthcare sector. He also consults for companies in the medical information technology industry.</p> | <p>Director, TP Medcon Ltd; Clinical Safety Officer, Block Solutions Ltd; Non-executive director and Quality Committee chair, Isle of Wight NHS Trust</p> |
| David Bennett | Non-executive director | <p>Dave graduated in chemistry from the University of Southampton before entering management consulting, becoming a partner in Accenture's strategy practice. In 2003 he joined Exel Logistics (later bought by DHL), managing the company's healthcare business across Europe and the Middle East. During this time, he established NHS Supply Chain, a UK organisation responsible for procuring and delivering medical consumables for the NHS in England, as well as sourcing capital equipment.</p> <p>Dave joined the board of Cable & Wireless as sales director in 2008. He later set up his own strategy consulting practice serving the healthcare sector, completing numerous projects in the UK and the US. Dave has also served as a non-executive director at The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust between 2009 and 2016. He chaired the Trust's quality committee.</p> | <p>Director, Davox Consulting Limited; Non-executive director, Faculty of Leadership and Medical Management (from November 2019); Director Royal College of General Practitioners (RCGP) Enterprises Ltd and RGCP Conferences Ltd (from November 2019)</p> |

| Board member | | | |
|-------------------------------|--|--|---|
| Name | Title | Biography | Declarations |
| Jenni Douglas-Todd | Senior independent director/deputy chair (from 01/02/2020) | <p>Jenni is a former chief executive of Hampshire Police Authority and the office of the Hampshire police and crime commissioner. After beginning her career in the probation service, she was headhunted into the civil service, at the Home Office, where she spent four years before becoming director of policy and research for the Independent Police Complaints Commission. In the latter role she was responsible for establishing governance of the new police complaints system. She then spent two and a half years as a resident twinning adviser for the UK, based in Turkey to help set up a law enforcement complaints system before taking up the role of chief executive of the county's police authority. During her three years in the post, she supported the authority in developing effective governance processes to increase accountability and transparency. She also helped the organisation deliver cost-savings whilst still improving performance and developing closer working relations with neighbouring forces.</p> <p>In 2012, she became chief executive and monitoring officer for the Hampshire police and crime commissioner, where she led the development of the office's vision, mission, values and organisational strategy. She took on the role of investigating committee chair for the General Dental Council in 2014 and, in April that year, founded the Diversa Consultancy, which supports organisations with changes in business, culture and behaviour. She is also a member of the Judicial Conduct Investigating Office, a public appointment.</p> | <p>Independent chair, Dorset Integrated Care System. Managing director, Diversa Consultancy Limited; Member of the Judicial Conduct Investigative Office; Non-executive director, Hampshire Cricket Board; Trustee, NACRO; Member of English Cricket Board's Regulatory Committee.</p> |
| Professor Cyrus Cooper | Non-executive director | <p>Cyrus Cooper is professor of rheumatology and director of the MRC Lifecourse Epidemiology Unit. He's also vice-dean of the faculty of medicine at the University of Southampton and professor of epidemiology at the Nuffield Department of Orthopaedics (rheumatology and musculoskeletal sciences, University of Oxford).</p> <p>He leads an internationally competitive programme of research into the epidemiology of musculoskeletal disorders, most notably osteoporosis. His key research contributions have been:</p> <ul style="list-style-type: none"> • discovery of the developmental influences which contribute to the risk of osteoporosis and hip fracture in late adulthood • demonstration that maternal vitamin D insufficiency is associated with sub-optimal bone mineral accrual in childhood • characterisation of the definition and incidence rates of vertebral fractures • leadership of large pragmatic randomised controlled trials of calcium and vitamin D supplementation in the elderly as immediate preventative strategies against hip fracture. <p>He is president of the International Osteoporosis Foundation, chair of the BHF Project Grants Committee, an emeritus NIHR senior investigator, and associate editor of Osteoporosis International. He has previously served as chairman of the Scientific Advisors Committee (International Osteoporosis Foundation), the MRC Population Health Sciences Research Network and the National Osteoporosis Society of Great Britain. He has also been president of the Bone Research Society of Great Britain and has worked on numerous Department of Health, European Community and World Health Organisation committees and working groups.</p> <p>Professor Cyrus has published extensively on osteoporosis and rheumatic disorders and pioneered clinical studies on the developmental origins of peak bone mass. In 2015, he was awarded an OBE for services to medical research.</p> | <p>Director and professor of rheumatology, Medical Research Council (MRC) Lifecourse Epidemiology Unit; Vice-Dean, Faculty of Medicine, University of Southampton; Professor of epidemiology, University of Oxford; President of the International Osteoporosis Foundation (IOF)</p> |

| Board member | | | |
|--------------------|------------------------|--|--|
| Name | Title | Biography | Declarations |
| Jane Bailey | Non-executive director | <p>In 1985, Jane joined the pharmaceutical company Glaxo as a management trainee, having graduated from London University with a degree in environmental science and pharmacology. Here she rose to senior commercial vice president, gaining experience of a broad range of disease areas across different regions of the world. She specialised in leading global research and development teams in the formation of strategies to bring new medicines to patients. She also worked to ensure that the medicines developed were supported by robust evidence demonstrating their clinical and cost effectiveness. In delivering this she gained extensive experience of leading large diverse teams across a complex global organisation.</p> <p>For five years, Jane ran her own strategy development consultancy, working across a breadth of healthcare organisations. In 2017 Jane gained an MSc in public health, with distinction, at King's College, London University. Her studies focused on how to ensure the public are engaged in development of healthcare services and how social theories can help inform effective disease</p> | <p>Director of Healthwatch Portsmouth; Director of Wessex NHS Procurement Limited (WPL), a joint venture company owned 50/50 by UHSFT and Hampshire Hospitals NHS Foundation Trust (from December 2019).</p> |
| Keith Evans | Non-executive director | <p>Keith graduated in economics from Cambridge. In 1975 he joined one of the forerunner firms which now comprise PwC, qualifying as a chartered accountant in 1978. At PwC he undertook a number of roles in audit, consultancy and corporate finance. He was a partner for over 25 years including being the senior partner for many years at the firm's Southampton office.</p> <p>Since retirement he has taken on several non-executive and director roles. He has also been the expert witness on several major fraud cases.</p> <p>He joined the Board as a non-executive director in January 2020. and chairs the Trust's audit and risk committee.</p> | <p>CEO/Director Evans 7 Limited, Markpro Limited, Deputy chairman/ non-executive director Trakm8 plc; Director Caswell Bay Court Management Company Limited; Director Caswell Bay Court Company Limited; Director Balliol College Developments Limited; Recipient of a pension from PwC, the Trust's internal auditors</p> |

Each director confirms that at the time the annual report and accounts is approved:

- so far as the director is aware, there is no relevant audit information of which the NHS foundation trust's auditor is unaware.
- the director has taken all the steps they ought to have taken as director 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.

Trust Board purpose and structure

The Board is made up of the chair, six non-executive directors and five executive voting directors including the chief executive.

Together they bring a wide range of skills and experience to the Trust, such that the Board achieves balance and completeness at the highest level. The non-executive directors, including the chair, are people who live or work in the local area and have shown a genuine interest in helping to improve the health of local people.

The non-executive directors are determined by the Board to be independent in both character and judgement. The chair, executive directors and non-executive directors have declared any business interests that they have. The Board is satisfied that no conflicts of interest are indicated in any external involvement. The register of Board members' interests is updated at least annually and is maintained by the company secretary and is available for public inspection.

The 'reservation of powers to the Board and delegation of powers policy' sets out the business to be conducted by the Board, or by one of its committees. Any enquiries should be made to: Company secretary, Trust Headquarters, Mailpoint 18, University Hospital Southampton NHS Foundation Trust, Tremona Road, Southampton, SO16 6YD or telephone 023 8120 6829.

Senior independent director

The senior independent director role provides a channel through which Trust members and governors are able to express concerns, other than the normal route of the chair or chief executive.

Appointments

Non-executive directors are appointed via open advertisement in accordance with the 'Appointment of a foundation trust non-executive director good practice guide' procedure adopted by the Trust. The process is managed through the governors' nomination committee, a sub-committee of the Council of Governors.

This committee also determines the remuneration and terms and conditions of the non-executive directors. For further details on the appointment of non-executive directors please see page xx.

Development of the Board

The Board held monthly study sessions during 2019/20 where strategic issues, along with emerging issues, were discussed.

Meetings of the Board

The Board meets once a month in public, with additional private meetings with only the Board present held as required.

Other committees of the Board include: remuneration and appointment committee; audit and risk committee, finance and investment committee (formerly strategy and finance committee); quality committee and charitable funds committee. The audit and risk committee meets five times a year and the quality committee meets six-weekly. The remuneration and appointment committee meets at least four times per year, with additional meetings held as required.

The finance and investment committee meets monthly. The frequency of each committee meeting is set out in each committee's terms of reference which are reviewed annually.

The attendance of individual Board members is reviewed as set out on page 31 of this report.

Engagement with Council of Governors

The Trust Board engages with the Council of Governors through the chair and senior independent director. Non-executive and executive directors engage with sub-groups of the council where these are related to their portfolios. Board members meet regularly with governors and have an open invitation to attend formal Council of Governor meetings.

Board meeting attendance record

Telecon = telephone conference

CS only = closed session only

| Board member | 30 Apr | 23 May Extra CS | 30 May | 27 Jun | 30 Jul | 30 Aug | 26 Sep | 31 Oct | 28 Nov | 09 Jan | 30 Jan | 03 Mar Extra CS | 26 Mar CS only |
|---|--------|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------------|-------------------|
| Peter Hollins Chair | ✓ | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Jenni Douglas-Todd Non-executive director (Senior independent director and deputy chair from 01/02/2020) | ✓ | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Simon Porter Non-executive director (Senior independent director and deputy chair until 31/01/2020) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | X | ✓ | ✓ |
| Keith Evans Non-executive director (from 01/02/2020 – designate from 01/01/2020) | | | | | | | | | | ✓ | ✓ | ✓ | X |
| Mike Sadler Non-executive director (until 30/09/2019) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | |
| Jane Bailey Non-executive director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cyrus Cooper Non-executive director | ✓ | X | ✓ | ✓ | X | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| David Bennett Non-executive director (from 15/07/2019) | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | X | X | ✓ | ✓ |
| Tim Peachey Non-executive director (from 01/10/2019) | | | | | | | | ✓ | X | ✓ | ✓ | X | ✓ |
| Paula Head Chief executive officer | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| David French Deputy chief executive and chief financial officer | ✓ | ✓ | ✓ | ✓ | ✓ | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Derek Sandeman Medical director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | X | ✓ | ✓ | ✓ |
| Gail Byrne Director of nursing and organisational development | ✓ | X | ✓ | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Caroline Marshall Chief operating officer (until 30/09/2019) | ✓ | X | ✓ | X | ✓ | ✓ | ✓ | | | | | | |
| Joe Teape Chief operating officer (from 02/12/2019) | | | | | | | | | | ✓ | ✓ | ✓ | ✓ |
| Jane Hayward Director of transformation and improvement (until 31/03/2020) | ✓ | X | ✓ | X | ✓ | X | ✓ | ✓ | ✓ | ✓ | ✓ | X | X |
| Steve Harris Chief people officer (interim) (from 17/01/2020) * non-voting member | | | | | | | | | | | ✓ | ✓ | ✓ |

Well-led framework

The Board of UHS is responsible for all aspects of leadership within the organisation. The Board has a duty to conduct its affairs effectively and demonstrate measurable outcomes that build patient, public and stakeholder confidence that high quality, sustainable care is provided.

In-depth, regular and externally facilitated developmental reviews of leadership and governance are good practice and should look to identify the areas of the Trust's leadership and governance that would benefit from further targeted development work to secure and sustain future performance. NHS Improvement requires all trusts to carry out externally facilitated, developmental reviews of their leadership and governance using the well-led framework.

The Trust was inspected by the Care Quality Commission (CQC) in December 2018 to assess performance in respect of the well-led framework which is the standard measure for leadership across NHS providers.

The CQC rated the Trust's standards of leadership overall as 'good' with some areas of outstanding practice.

The CQC report, published in April 2019 found that:

- The Trust had a vision to deliver excellence and value in patient care, teaching and research within a culture of compassion and integrity.
- The Trust's strategy, vision and values underpinned a culture which was patient-centred. Local managers across the service promoted a positive culture that supported and valued staff.
- Managers in the Trust had the right skills and abilities to run a service providing high-quality sustainable care.
- The Trust used a systematic approach to continually improve the quality of its services and safeguarding high standards of care.
- The services engaged well with patients, staff, the public and local organisations to plan and manage appropriate services, and collaborated with partner organisations effectively.
- The services collected, analysed, managed and used information well to support all its activities, using secure electronic systems with security safeguards.
- The services were committed to improving services promoting training, research and innovation.
- The priorities of different health professions were considered and discussed at governance meetings. Nursing and medical priorities were aligned and professional standards were upheld and promoted by the leadership team. Clinical effectiveness, safety, patient experience, quality, performance and financial sustainability were all considered equally.

Areas of outstanding practice across the Trust included:

- The staff survey results for 2017/18 which showed Trust staff engagement had remained consistently high (3.95) compared to the NHS average (3.79). The Trust was rated second in good communication between senior managers and staff (reviewed prior to publication of 2018/19 staff survey results).
- The Trust had established an integrated medical examiner group (IMEG) to review all deaths. There was a clear inclusive process for twice daily medical examiner reviews from Monday to Friday, for which all deaths had to be presented no later than the day following the death.
- The Trust was recognised as one of 16 global digital exemplar acute trusts in England. An example of the benefit for staff and patients was through the medical patient records (My Medical Record) being accessible to patients and promoting supportive management of long-term conditions. Also, the use of electronic whiteboards was introduced to improve patient safety.
- People were also encouraged to become volunteers for the Trust and there were at least 859 volunteers in October 2018, who worked at the hospitals and were involved with a wide range of activities including hospital radio, patient support, and chaplaincy and spiritual care.

Further examples of outstanding practice were identified in urgent and emergency care, maternity services, and medical care services.

However, the CQC did identify some areas that the Trust should improve to comply with a minor breach that did not justify regulatory action, to prevent breaching a legal requirement, or to improve service quality. These were accepted and action plans immediately drawn up to ensure full compliance.

Finance and investment committee

(previously strategy and finance committee to 27/01/2020)

The finance and investment committee is a sub-committee of the Trust Board established to provide the Board with assurance regarding the Trust's finances and approval of investment cases. The committee will oversee the implementation of the Estates and Digital strategies. Major areas of discussion and focus during the year included:

- Financial performance. Given the financial target and challenging environment, a key focus for the committee has been undertaking an in-depth review of in-year financial performance each month. As a result, corrective actions have been discussed to ensure the year-end financial target was achieved.
- The cost improvement programme was reviewed each quarter to monitor how the Trust was delivering against its increasing revenue goals and cost reduction objectives.
- The capital expenditure programme was also reviewed.
- The committee scrutinised the inputs into operational planning for 2019/20, with a focus on the new methods of payments and the implication on the Trust's targets.

The committee updates its terms of reference and carries out a review of its own effectiveness on an annual basis.

Quality committee

The quality committee is a non-executive committee of the Trust Board. The committee's purpose is to explore, scrutinise and gain a deeper understanding of clinical quality in the Trust, and provide assurance to the Board on patient safety, patient experience, clinical effectiveness, and patient outcomes. Major topics considered by the committee in-year included:

- Patient experience quarterly reviews
- Emergency access performance
- Emergency re-admissions
- Ambulatory emergency care, now called same day emergency care
- Delayed transfers of care
- Hospital standardised mortality
- Cancer waiting times
- Medication safety
- Clinical audit, outcomes and effectiveness
- National 'Getting It Right First-Time' reports
- Maternity services
- Rising caesarean section rates
- CQC reports
- Quality improvement framework
- Never events and serious incidents requiring investigation
- Staff recruitment and retention
- Complaints trends, policy and responses
- Development of key performance indicators for quality
- In depth review of specific service aspects arising from incidents or audits such as ophthalmology and pathology
- Mental health pathways
- Outpatient activity and the reduction of face to face follow-ups
- Seven-day services
- Consultant job planning
- Clinical accreditation scheme
- Accessible information standards

Audit and risk committee

The audit and risk committee is a committee of the Trust Board responsible for oversight of financial reporting, including the financial statements included, those provided in this annual report, and the systems of internal control and risk management operated by the Trust. It approves and oversees the programme of work carried out by our internal auditors PwC and reviews the findings of the external audit work carried out by KPMG.

Major topics considered by the committee during the year included:

- Regular reviews of the Trust's approach to risk management, including the board assurance framework (BAF) and operational risk registers. It conducted in-depth reviews of BAF topics including risks around the hospital estate, promoting better patient flow through the hospital and the challenge of balancing capacity with rising demand.
- The framework for data protection legislation (GDPR). Data protection is a standing item on the committee's agenda.
- An internal assessment of data quality in the many systems used to report operational performance to the Board, including against national standards such as treatment times for emergency care, elective waiting times and the delivery of diagnostics and cancer care.
- Business continuity management and major incident planning.
- The application of accounting policies (such as income recognition, finance leases and valuation of assets) and significant areas of estimation or judgement including valuation of land and buildings, and receivables.

The committee updates its terms of reference and reviews its effectiveness each year.

Having reviewed the content of the annual report and accounts, the committee has advised the Board that, in its view, taken as a whole:

It is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's performance, business model and strategy.

It is consistent with the draft annual governance statement, head of internal audit opinion and feedback received from the external auditors.

Relationship with the Board

The chair reports verbally to the Trust Board after each meeting of the committee and a copy of the minutes is included in the subsequent Trust Board papers. As a consequence, and due to the extensive involvement of many executive directors and non-executive directors at all of the audit and risk committee meetings, the Trust Board has not requested a written report from the committee. Discussions at Trust Board frequently identify topics for further scrutiny by the committee.

Composition and meetings

There are three non-executive director members of the committee. The committee is chaired by Keith Evans. Further information on the chair is available on page xx.

Executive directors attend by invitation, and there is a standing invitation to the chief financial officer. Other executive directors and staff with specialist expertise attend by invitation.

The audit and risk committee met five times between May 2019 and March 2020 in relation to matters covered in this annual report.

| Member | 20 May 2019 | 4 July 2019 | 14 Oct 2019 | 13 Jan 2020 | 16 Mar 2020 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------------------|
| Simon Porter Senior independent director and deputy chair (until 31/01/2020) Chair of audit and risk committee | ✓ | ✓ | ✓ | ✓ | |
| Keith Evans Non-executive director (from 01/02/2020 – designate from 01/01/2020) Chair A&RC (from 13/01/2020) | | | | ✓ | ✓ |
| Mike Sadler Non-executive director (until 30/09/2019) | ✗ | ✓ | | | |
| Jane Bailey Non-executive director | ✓ | n / a | ✓ | ✓ | ✓ |
| David Bennett Non-executive director (from 15/07/2019) (member of A&RC until 13/01/2020) | | | ✓ | ✓ | |
| Tim Peachey Non-executive director (from 01/10/2019 – member of A&RC from 13/01/2020) | | | ✗ | ✓ | ✓ |
| Jenni Douglas-Todd Non-executive director (SID and Deputy chair from 01/02/2020 – member of A&RC from 13/01/2020) | | | | ✗ | ✓ <small>(telecom)</small> |

External auditors

The external audit contract is currently held by KPMG LLP (from 1 January 2018). The contract is for three years with the option to extend for a further two years. KPMG regularly report to and attend the audit and risk committee, enabling the committee to monitor their performance. The statutory audit fee for 2019/20 was £83,757 plus VAT and for UHS Pharmacy Ltd and UHS Estates Ltd was £7,900 plus VAT. The quality audit fee for 2019/20 was £8,075 plus VAT. These sums are not material to either organisation. Before considering taking on such work, KPMG assessed whether or not there is any potential conflict of interest.

Governance code

University Hospital Southampton NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code, revised in June 2016. So far as the Board is aware, all possible steps have been taken to ensure that all relevant audit information has been disclosed in full to the auditors.

Performance evaluation of Trust Board and its committees

The Board and its various sub-committees conduct evaluations of their overall effectiveness on a periodic basis.

Remuneration

Further details of remuneration are given in the remuneration report. The accounting details for pensions and other retirement benefits are set out on page xx and in the accounts section.

Countering fraud and corruption

The Board remains committed to maintaining an honest and open culture within the Trust; ensuring all concerns involving potential fraud have been identified and rigorously investigated. Where guilt has been proven, appropriate civil, disciplinary and/or criminal sanctions have been applied. We work closely with the local counter-fraud specialist team to try and prevent and investigate issues as and when they arise. The team have been instrumental in creating an anti-fraud culture, which has enabled maximum deterrent and prevention measures to become embedded in the Trust.

Fraud against NHS is never acceptable and any concerns can be reported via the Fraud and Corruption Hotline on 0800 028 4060. There is also a 'raising a concern' helpline manned by a senior manager which enables staff to confidentially raise concerns about any issues (including fraud, malpractice, clinical negligence and so on). Cases of potential fraud are dealt with robustly, including termination of employment and potential criminal prosecution.

By maintaining fraud levels at an absolute minimum, the Trust ensures that more funds are available to provide better patient care and services.

Independence of external auditor

The committee considered the independence principles set out by the Auditing Practices Board in relation to the work of our external auditor undertaking non-audit work. We did not identify any risks in this respect, particularly in relation to self-review and familiarity. Our auditors will not be relying on any of the work undertaken when forming their opinion and we do not believe there to be a threat of familiarity. We will continually assess and address any risks to independence as appropriate.

Internal audit service

We outsource audits to PricewaterhouseCoopers LLP. The internal auditors consider the Trust's system of internal control and agree an annual work programme with the audit and risk committee. This is based on an evaluation of the Trust's profile and risk register. A formal update report goes to the audit and risk committee at each of its meetings.

Better payment practice code

The Better Payment Practice Code requires the Trust to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later. The Trust's performance is set out below.

| Better payment practice code | Expected Sign | Actual 31/03/2020 YTD Number | Actual 31/03/2020 YTD £'000 |
|--|---------------|------------------------------|-----------------------------|
| Non- NHS | | | |
| Total bills paid in the year | + | 146,834 | 400,425 |
| Total bills paid within target | + | 87,407 | 226,058 |
| Percentage of bills paid within target | % | 59.5% | 56.5% |
| NHS | | | |
| Total bills paid in the year | + | 5,373 | 33,397 |
| Total bills paid within target | + | 2,984 | 13,469 |
| Percentage of bills paid within target | % | 55.5% | 40.3% |
| Total | | | |
| Total bills paid in the year | + | 152,207 | 433,822 |
| Total bills paid within target | + | 90,391 | 239,527 |
| Percentage of bills paid within target | % | 59.4% | 55.2% |

Trust performance against the Better Payment Practice Code has deteriorated. This is against a backdrop of embedding a new finance and procurement system, as well as an increase in the total number of bills paid of 48%. A project is underway to improve performance in 2020/21.

There was no interest incurred on late payments in 2018/19 or 2019/20.

Statement as to the disclosures to auditors

So far as the Board is aware, there is no relevant audit information of which the Trust's auditor is unaware and all steps have been taken in order to be aware of any relevant audit information and to establish that the Trust's auditor is aware of that information, in connection with preparing the audit report.

Disclosures

In accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2019/20 and the Code of Governance, UHS is required to include the following disclosures within the annual report.

Income disclosure

The Trust has complied with the cost allocation and charging guidance issued by the HM Treasury. Income from the provision of goods and services for NHS purposes in England was greater than our income from the provision of goods and services for any other purposes. Other operating income is used to support patient care activities at our hospitals.

Governance disclosures

University Hospital Southampton NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis.

So far as the Board is aware, there are no known areas of non-compliance with the code.

Approach to quality governance

At UHS we have a strong sense of professionalism and pride in our work, robust quality assurance and governance. 'Always improving' is one of our values along with 'patients first' and 'working together'. These are the underpinning values and delivering on quality is the responsibility of Trust Board. The named executive leads for quality are the medical director and the director of nursing and organisational development.

Quality improvement is just one element of a coordinated and organisation-wide approach to quality. Each year we define our quality improvement priorities through the development of a Trust-wide Quality Improvement Framework (QIF) with priorities set against the CQC outcomes of well-led, safe, responsive, effective and caring. The priorities were set against outcomes, safety and experience and these priorities further focus our staff on improving quality rather than solely quality assurance. The QIF is a tool to engage and communicate with staff and patients about transformation projects to improve the quality of care. The priorities have been chosen to reflect areas that are important to our patients and staff, and that need transformational change and enhanced focus to deliver the highest quality care, shaped by a range of national, regional, local and Trust-level factors.

The priorities are informed by information gathered from patient surveys, complaints and concerns, safety incidents and national and local quality initiatives. These improvement priorities are published as part of the annual quality account, which provided as a separate document. A rolling programme of monitoring and review of progress is undertaken at each meeting of the quality committee.

To ensure that quality is embedded at ward and department level, we have a Clinical Accreditation Scheme where wards and departments demonstrate their standards of care and the improvements they have made on an annual basis. Wards gain this accreditation by submitting information on the KPIs, and

patient complaints and compliments to a senior clinical panel with patient representatives who also undertake an unannounced visit of the ward. Wards attaining accreditation are awarded a certificate, which is presented to them by the director of nursing and organisational development.

Clinical quality dashboards monitoring key metrics and clinical quality reviews providing an internal assurance process are integral to our quality governance processes and assurance and are described in detail in our Quality Account on page xx.

During the year we have introduced 'quality ambassadors' who support the Trust to develop strategy and embed a quality improvement culture.

The following diagram outlines the Trust's quality improvement governance system's structure and relationships. This infrastructure ensures that the Trust Board has the appropriate oversight of its governance and quality improvement arrangements.



As outlined in the governance systems diagram above, there is a committee of the Board called the quality committee, of which both non-executive and executive directors of the Board are members. The purpose of this committee is to provide robust challenge, scrutiny and assurance to both operational and quality performance in further detail and on behalf of the Board, taking account of NHS Improvement’s single oversight framework and relevant CQC standards. The committee routinely considers performance against a broad range of qualitative indicators including (but not limited to):

- Integrated performance report
- Access performance (including emergency department and referral to treatment)
- Delayed transfers of care (DToC)
- Never events/ serious untoward incidents
- Complaints
- Emergency re-admissions
- Clinical outcomes

The Trust has established an integrated medical examiners’ group (IMEG) to review all deaths.

The quality governance disclosures should be read in conjunction with information provided in our quality account, which is provided as a separate document.

The Board of 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 stakeholdersto assess the NHS Foundation Trust’s performance, business model and strategy.

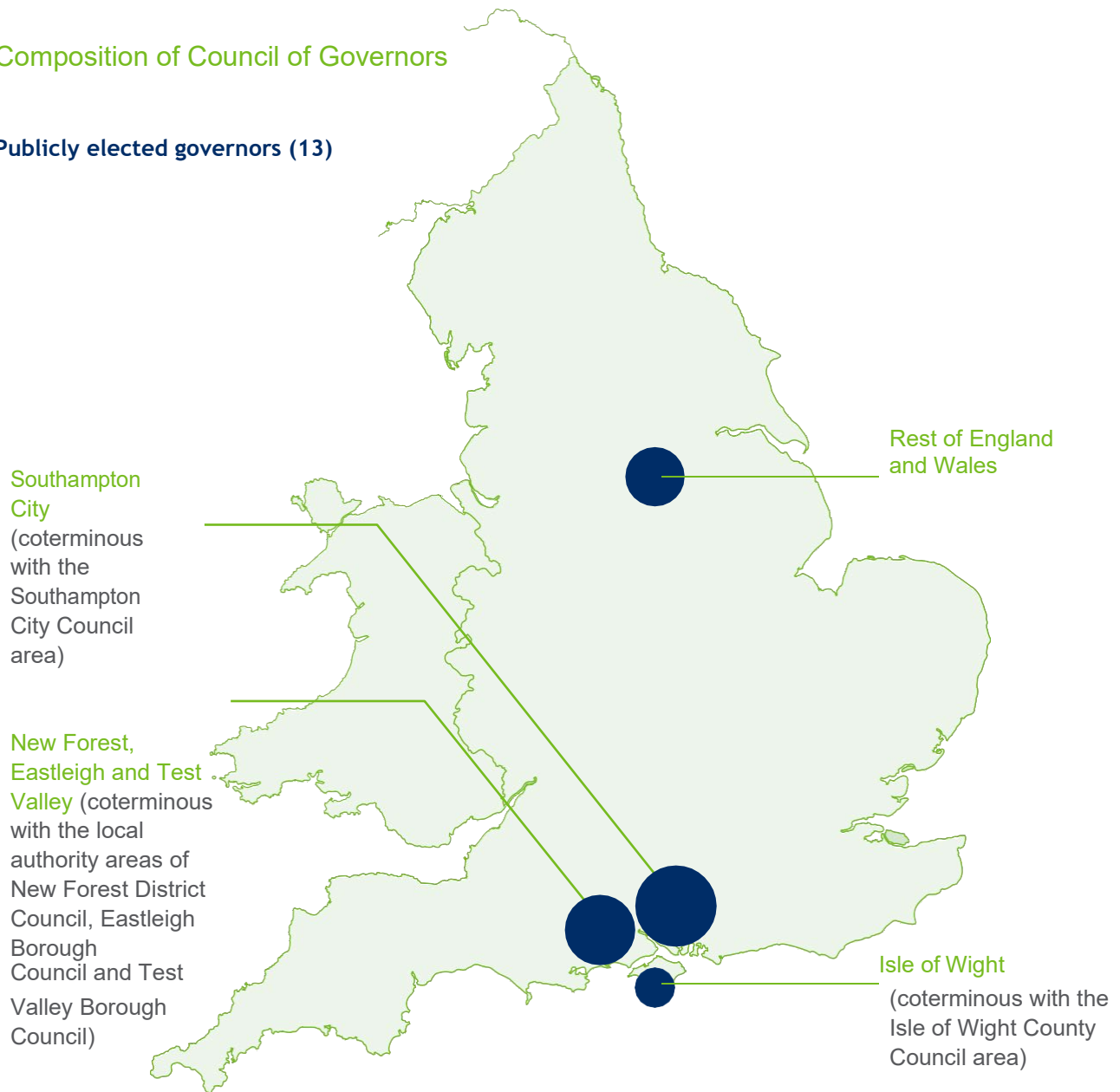
Council of Governors

Our Council of Governors continues to play a vital part in involving our community in the work we do. They represent our 10,000 public members (patients, carers and local people) to give them a voice at the highest level of the organisation.

The Council of Governors is made up of 13 publicly elected governors, four staff-elected governors, and six appointed governors. The governors serve a three-year term of office. The Council has four working groups: governors' nominations committee, patient/staff experience group, strategy and finance group, and membership/engagement group.

Composition of Council of Governors

Publicly elected governors (13)



Staff elected governors

Medical practitioners and dental staff

Nursing and midwifery staff

Other clinical staff

Non-clinical and support staff

Appointed governors (six)



In addition to the elected governors, two under-21 representatives were appointed to the Council from University of Southampton and Richard Taunton Sixth Form College.

During 2019/20 there were a number of changes to the Council:

1. One governor from Southampton City stepped down during 2019/20. One governor sadly passed away in 2019 from the Southampton City area.
2. Five governors reached the end of their terms in 2019/20. Four were at the end of their first term; two from Southampton City, one from the Rest of England and Wales constituency and the staff governor from Non-clinical and Support. Of those reaching the end of their first term, one decided not to stand for re-election. Two governors were re-elected for a second term.
3. Elections for 10 seats (which included five vacancies) took place in August 2019 with elected governors taking up their roles from October 2019. Of these, eight were newly elected governors. Due to one public governor standing down shortly after the elections, a further vacancy arose which was filled by the next available candidate.
4. One of the under-21 governor representatives decided to stand down during 2019 and a replacement was appointed from Richard Taunton College.

Council of Governor meetings

The Council meets every quarter in public. Meetings are advertised on our website, in various places across our sites, and notified to members in our members' newsletters. No business can be transacted at a meeting unless at least half of the governors are present and, of these, not less than half must be governors elected by the public constituencies.

Statutory responsibilities of the Council of Governors

- Appoint and, if appropriate, remove the chair and other non-executive directors.
- Decide the remuneration and allowances, and the other terms and conditions of office, of the chair and other non-executive directors on the recommendation of the governors' nominations committee.
- Approve the appointment of the chief executive.
- Appoint and, if appropriate, remove the Trust's auditor.
- Receive the Trust's annual accounts, and report to the auditor on them and the annual report.
- Approve any annual increases of more than 5% in the Trust's non-NHS income.
- Hold the non-executive directors individually and collectively to account for the performance of the Board of Directors.
- Represent the interests of the members of the Foundation Trust as a whole and the interests of the public.
- Approve significant transactions (as specified in the Trust's constitution).
- Approve mergers and acquisitions or separation (as specified in the Trust's constitution).
- Approve amendments to the constitution (note that the Board of Directors also has a role as specified in the Trust's constitution).
- Determine that any proposals in the forward plan for non-NHS income will not interfere with the Trust's principal purpose and notify the Trust's directors of the decision.

Constitutional duties of the Council of Governors

- Providing views to the Board of Directors on the strategic direction of the Trust; in particular to inform the Trust's forward plan.
- Developing membership of the Trust.
- Regularly feeding back information about the Trust to the membership, and feeding back the views of the constituencies and stakeholder organisations to the Trust.
- Holding the Board of Directors to account in relation to the Trust's performance in accordance with the terms of licence.
- Complying with the NHS Foundation Trust Code of Governance.

All governors are required to disclose details of company directorships or other material interests in companies, where those companies or related parties are likely to do business, or are possibly seeking to do business, with the Trust. A register of interests is maintained and updated regularly. Details of declarations and meeting attendance can be found overleaf.

Elected public members:

Edward Osmond, Southampton City Centre (until 25/5/19) (deceased): Nil

Robert Chambers, Southampton City Centre (until 30/9/19): Employed as commissioner at Southampton City Clinical Commissioning Group; Wife is consultant geriatrician at UHS

Anthony Havlin, Southampton City Centre: Clerk to education admissions and exclusions panel; Trustee treasurer, The Veracity Recreation Ground Trust; Father of employee at UHS

Diane Eldridge, Southampton City Centre (until 08/10/19): Nil

Forkunal Quader, Southampton City Centre (from 29/10/19): Nil

Katherine Barbour, Southampton City Centre (from 01/10/19): Member of Green Party (was the Green Party candidate for Southampton Test in the in the General Election on 10/12/19); Member of AXO (against airport expansion); Working on a contract funded by Southampton City CCG to help make GP surgeries dementia friendly

Tim Waldron, Southampton City Centre (from 01/10/19): Nil

Theresa Airiemiokhale, Southampton City Centre (from 01/10/19): Member of Labour Party

Andrew Grapes, New Forest, Eastleigh and Test Valley: Nil

Reuben Pengelly, New Forest, Eastleigh and Test Valley: Employee of University of Southampton; Wife employed by UHS

Elsbeth Allpress, New Forest, Eastleigh and Test Valley (from 01/10/19): Nil

Harry Hellier, New Forest, Eastleigh and Test Valley (from 01/10/19): Nil

Rose Wiltshire, Isle of Wight (until 30/9/19): Volunteer on Enter and View Panel for Healthwatch, Isle of Wight; Volunteer at Earl Mountbatten Charity Shop for Kissy Puppy Fund, The Sophie Rolf Trust, Isle of Wight; Part-time meet and greet at Earl Mountbatten Hospice, Isle of Wight (until June 2018); Part of communications team representing Healthwatch and membership at St Mary's Hospital, Isle of Wight (until September 2018)

Carys Gladdish, Isle of Wight (from 01/10/19): **Member of the Conservative Party**; Member of the Patient Council Isle of Wight; On the Board of Trustees for the IOW Federation of Women's Institute and also vice chairman

Bob Purkiss, Rest of England and Wales: Member of Hampshire and Isle of Wight Police and Crime Panel (chair of complaints committee); Development officer, Sydenham's Wessex Football League.

Colin Bulpett, Rest of England and Wales: Nil

Ian Ward, Rest of England and Wales: Nil

Elected staff members:

Max Jonas, Medical and dental: Nil

Amanda Turner, Non-clinical and support (until 30/9/19): Nil

Sara Hughes, Non-clinical and support (from 01/10/19): Nil

Emil Bica, Other clinical: Nil

Elaine Tomlins, Nursing and midwifery (from 01/10/19): Nil

Appointed under 21 representatives:

Aimen Maksoud: Nil

Lorna Cotter (until 31/8/19): Nil

Rochelle Smicle Thompson (from 13/1/20): Nil

Appointed stakeholder members:

Helen Eggleton, Southampton City Clinical Commissioning Group (CCG): Senior quality manager, Southampton CCG

Ellen McNicholas, West Hampshire Clinical Commissioning Group (CCG): Director of quality and nursing, West Hampshire CCG.

Dr Michelle Cowen, University of Southampton: Director of learning in practice, University of Southampton, Faculty of Health Sciences.

Councillor Sue Blatchford, Southampton City Council: Councillor, Southampton City Council, Member of the Labour Party, Volunteer at University Hospital Southampton.

Councillor Keith Mans, Hampshire County Council (until 24/7/19): Councillor, Hampshire County Council

Councillor Michael White, Hampshire County Council (from 25/7/19): Councillor, Hampshire County Council.

Shirley Anderson, Business South: Nil

Council of Governors attendance record 2019/20

| Governor | 9 July 2019 | 8 Oct 2019 | 9 Dec 2019 Strategy Day | 23 Jan 2020 | 29 Apr 2020 |
|---|-------------|------------|-------------------------|-------------|-------------|
| Peter Hollins Trust chair | ✓ | ✓ | ✓ | ✓ | ✓ |
| Simon Porter Senior independent director/deputy chair | x | ✓ | x | | |
| Jenni-Douglas Todd Senior independent director/deputy chair | | | | ✓ | ✓ |
| Rose Wiltshire Elected, Isle of Wight | ✓ | | | | |
| Carys Gladdish Elected, Isle of Wight | | ✓ | x | ✓ | ✓ |
| Bob Purkiss Elected, Rest of England and Wales | ✓ | ✓ | ✓ | ✓ | ✓ |
| Colin Bulpett Elected, Rest of England and Wales | ✓ | ✓ | x | ✓ | ✓ |
| Ian Ward Elected, Rest of England and Wales | x | x | x | x | ✓ |
| Rob Chambers Elected, Southampton City Centre | x | | | | |
| Tony Havlin Elected, Southampton City Centre | ✓ | x | ✓ | ✓ | ✓ |
| Diane Eldridge Elected, Southampton City Centre | x | x | | | |
| Theresa Airiemiokhale Elected, Southampton City Centre | | x | ✓ | x | ✓ |
| Katherine Barbour Elected, Southampton City Centre | | ✓ | ✓ | ✓ | ✓ |
| Tim Waldron Elected, Southampton City Centre | | ✓ | ✓ | ✓ | ✓ |
| Andrew Grapes Elected, New Forest, Eastleigh and Test Valley | ✓ | ✓ | ✓ | ✓ | ✓ |

| | | | | | |
|--|---|---|---|---|---|
| Reuben Pengelly Elected, New Forest, Eastleigh and Test Valley | x | x | X | ✓ | ✓ |
| Elspeth Allpress Elected, New Forest, Eastleigh and Test Valley | | ✓ | ✓ | ✓ | x |
| Harry Hellier Elected, New Forest, Eastleigh and Test Valley | | x | ✓ | x | ✓ |
| Max Jonas Elected, Medical and dental staff | ✓ | ✓ | ✓ | x | ✓ |
| Emil Bica Elected, Other clinical staff | ✓ | ✓ | ✓ | x | x |
| Amanda Turner Elected, Non-clinical and support staff | ✓ | | | | |
| Elaine Tomlins Elected, Nursing and midwifery staff | | x | ✓ | ✓ | ✓ |
| Sara Hughes Elected, Non-clinical and support staff | | ✓ | ✓ | ✓ | ✓ |
| Ellen McNicholas Appointed, West Hampshire CCG | ✓ | x | ✓ | ✓ | x |
| Helen Eggleton Appointed, Southampton City CCG | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cllr Keith Mans Appointed, Hampshire County Council | x | | | | |
| Cllr Michael White Appointed, Hampshire County Council | | x | ✓ | ✓ | ✓ |
| Cllr Sue Blatchford Appointed, Southampton City Council | x | x | ✓ | x | x |
| Michelle Cowen Appointed, University of Southampton | ✓ | ✓ | ✓ | ✓ | ✓ |
| Shirley Anderson Appointed, Business South | x | x | X | x | |
| Aimen Maksoud Under 21 representative | x | x | X | x | |
| Lorna Cotter Under 21 representative | x | | | | |
| Rochelle Smicle-Thompson Under 21 representative | | | | x | ✓ |

In 2019/20 the Council of Governors considered a number of items including:

- Membership engagement
- Performance of the Trust
- Review of the draft quality account 2019/20 including quality priorities for 2020/21
- Selection of a local quality indicator for audit
- Approval of the appointment of three new non-executive directors
- Approval of the appointment of a new deputy chair and senior independent director
- Approval of the appointment of an external auditor
- Approval of proposals for changes to the remuneration framework of non-executive directors
- Review and approval of the Trust's constitution
- Review of the Council of Governors terms of reference
- Approval of the annual business programme for 2020/21

Disagreements between the Council of Governors and Trust Board

In the event of any disagreement between the Council of Governors and the Trust Board, the senior independent director would be requested to lead on resolution discussions.

Governors' nomination committee

The Council of Governors is responsible for the appointment, re-appointment and removal of the chair and other non-executive directors of the Foundation Trust, and has established a governors' nomination committee to do so, in accordance with the Trust's constitution.

The committee is responsible for advising and/or making recommendations to the Council of Governors relating to:

- Evaluation of the performance of the chair and non-executive directors
- The remuneration, allowances and other terms and conditions of office for the chair and non-executive directors
- The recruitment process for the selection of candidates for the office of chair or other non-executive directors
- Approving the appointment (by the non-executive directors) of the chief executive
- The senior independent director, other non-executive directors and directors may be invited to attend meetings of this committee.

The governors' nomination committee met on eight occasions during 2019/20 and considered the following topics:

- Approval of the recommendation to appoint a chief executive officer
- Selection of recruitment consultants for filling non-executive director vacancies
- Shortlisting and interviewing of candidates for non-executive director appointments
- Proposals for changes to the remuneration framework for non-executive directors

Governor elections

Governor elections were held in August 2019 for four public constituencies: Southampton City (four seats), New Forest, Eastleigh and Test Valley (two seats), Rest of England and Wales (one seat), Isle of Wight (one seat) and two staff constituencies: non-clinical and support, and nursing and midwifery (one seat each). Eight newly appointed governors started in their roles from 1 October 2019 and two were re-elected. A further newly appointed governor started from 29 October due to an existing governor standing down.

September 2020 will bring an end to the terms of office for one elected public governor in their first term and one in their second term. In addition, two elected staff governors will come to the end of their first term. Arrangements for 2020 elections are still under consideration due to the COVID-19 crisis.

| Constituency | Number |
|---------------------------------------|--------|
| Southampton City | 2,866 |
| New Forest, Eastleigh and Test Valley | 3,438 |
| Rest of England and Wales | 1,390 |
| Isle of Wight | 772 |
| Out of Trust area | 16 |
| Age range | Number |
| 16 | 2 |
| 17 to 21 | 27 |
| 22+ | 8,170 |
| Not known | 283 |

| Ethnicity | Number |
|---------------------|--------|
| White | 7,727 |
| Mixed | 42 |
| Asian/Asian Black | 240 |
| Black/Black British | 89 |
| Other (inc Chinese) | 62 |
| Not stated | 322 |

Engagement with members and the public

Communicating and engaging with our members, whilst offering a variety of opportunities for members and the public to interact with the Trust and Council of Governors, remains a key priority. In order to achieve this, we began the year offering a programme of activities both within the Trust's hospitals and externally by joining existing events or organising our own throughout our constituencies.

Our main entrance at Southampton General Hospital hosts public engagement events on a weekly, sometimes daily, basis. Our footfall here is high with over 10,000 people passing through the main entrance every week and providing opportunities for public engagement and interaction. Over the past year engagement events have included public information stands run by our staff focusing on reducing pressure ulcers, alcohol awareness, antibiotic awareness week, Diwali with our Hindu chaplain, safeguarding awareness week, world kindness day with our patient safety team, national cholesterol month, patient experience week, national pathology week, world radiography day, allied health professionals' awareness day, national operating department practitioner day and play in hospital week.

These events are always shared on our public website and social media and, on some occasions, with the news media if of note. The main entrance was also used as the location to host a visit from the mayor earlier this year to officially open the Trust's new Changing Places toilet facility with the learning disability team.

Since October 2019 we have held a very successful inflammatory bowel disease open day for the public, welcomed members of the public for our council of governors' meetings, hosted a celebration for our neurological centre and fundraisers. We held an audience with the clinical director of our genomic medicine centre on accelerating the discovery and implementation of new diagnostic tools and treatments for patients and we also ran a session on developments in digital technology with more than 80 patients and guests. We also look for opportunities to engage with the wider public through broadcast documentaries as these enable us to provide greater transparency and insight into our services.

The Trust is actively engaged with social media and has more than 10,000 followers on Facebook, 8,000 on LinkedIn and 11,500 on Twitter and 2,300 on Youtube, which enables us to create regular two-way communication with patients, staff, clinicians and interested members of the public. Our Trust website, which is currently undergoing a redevelopment, receives more than 250,000 visits a month.

In January 2020, we re-launched our public-facing Connect magazine. The new A5 version delivers the same human-interest stories and news about the Trust, while generating revenue for the organisation. The publication is delivered quarterly in both digital and print formats.

Membership levels have reduced naturally, but work is being done around encouraging new members to join and increasing their involvement with the Council of Governors. Members continue to receive a bi-monthly e-newsletter.

Governor development

In order to provide ongoing development and support to governors, the annual work programme is developed to include a one-day induction programme for new governors and a Strategy Day for all governors. The formal Council of Governors meeting is supported by a number of focused sub-groups. Each of the sub-groups is chaired by a governor, with the development of work plans being governor-led. Attendance at these groups was reviewed during 2020. Non-executive directors, executive directors and members of the Trust's senior management team are routinely asked to present on a wide range of topics.

Governors are encouraged to complete the National Governor Training Programme offered by the NHS Providers along with attendance at other national conferences, such as the annual NHS Providers Governor conference.

Engagement with Trust Board

The Trust Board engages with the Council of Governors through the chair and senior independent director. Non-executive and executive directors engage with sub-groups of the council where these are related to their portfolios. Board members meet regularly with governors and have an open invitation to attend formal Council of Governor meetings. In addition, council members hold a private meeting with the non-executive directors on a quarterly basis.

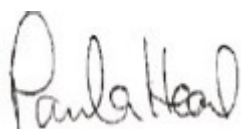
Governor expenses

Governors participating in events such as Council meetings are entitled to claim expenses. Expenses are paid at rates agreed by the Council of Governors and include travel by car or public transport, and carer costs.

All expenses should be receipted. During the year, three governors claimed expenses totalling £553.60.

Governor contact details

For further details of the Council of Governors please contact the associate director of corporate affairs on 023 8120 6829. You can also email your governor at UHSgovernor@uhs.nhs.uk



Paula Head, chief executive officer
22 June 2020

Annual remuneration statement

Executive changes

On 30 September Dr Caroline Marshal retired, leaving her position as chief operating officer (COO). An interim structure was put in place where the chief executive (Paula Head) held the executive accountability for the COO role and was supported by the temporary promotion of two internal directors of operations. Jacqui McAfee was asked to lead on elective pathways. Duncan Linning-Karp was asked to lead on emergency services.

Following an extensive national search, Joe Teape commenced at UHS in the role of chief operating officer on 2 December 2019.

Following a review of portfolios, and in response to the need for a greater voice on the people agenda at Board level, Steve Harris was appointed into the role of interim chief people officer on 1 February 2020 from his existing position as director of human resources. The post is a non-voting executive director. The post will be recruited to substantively during summer 2020.

New non-executive directors

During the year we welcomed Dr Tim Peachey (1 October 2019), David Bennett (15 July 2019) and Keith Evans (1 February 2020) as new non-executive directors following a rigorous recruitment process.

Increases to executive pay

Cost of living increases

NHS Improvement set out the national recommended pay increase for VSM for 2019/20 in February 2020. The recommendation was for a consolidated increase of 1.32% payable from 1 April 2019, plus a one-off non-consolidated cash lump sum of 0.77% (this is commensurate with the percentage increase paid to those at the top pay point of AfC pay band 9 for 2019/20). This was implemented by the remuneration and appointments committee.

The medical director (Dr Derek Sandeman) received an uplift on his consultant contract of 2.5% in line with the national pay award for consultant staff.

Senior managers' remuneration policy

The table below sets out a description of the remuneration package for senior managers:

| | |
|-----------|--|
| Basic pay | Set at point of recruitment, reviewed using pay benchmarking and other relevant information. Recruiting high calibre senior managers is crucial to the delivery of the Trust's objectives. Benchmarking takes into consideration other similar large acute teaching hospitals to ensure salary levels are competitive, but also represent value for money. |
| Other | The Trust does not operate performance-related pay for its executive directors at present. In the current financial context this is seen as the right way to operate. |

Dr Derek Sandeman has remained on the national consultant contract, which includes national and local clinical excellence awards. In addition to this, he is in receipt of allowances as a Board member, which is approved by the remuneration and appointments committee.

| | Basic pay | Clinical Excellence Awards – National NHS Awards | Allowance | Total (in bands of 5000) |
|-------------------|-----------|--|--------------------------------------|--------------------------|
| Dr Derek Sandeman | ✓ | ✓ | Board allowance for medical director | £205-210 |

Service contract obligations

There are no service contract obligations that could impact on remuneration, or payments for loss of office that are not disclosed elsewhere in the remuneration report.

Notice periods

All executive directors have a contractual notice period of six months.

Policy on payment for loss of office

Non-executive directors do not receive a payment for loss of office.

Remuneration for executive directors for loss of office will be defined by the terms and conditions of employment for executive directors. This includes:

- Executive directors are contractually entitled to be provided with a minimum of six months' notice of termination of employment.
- Executive redundancy pay will be based on the prevailing terms, as set out in the national NHS terms and conditions handbook.
- The contractual terms include a provision to enable 'claw back' of a proportion of salary in the event of sustained and or substantial serious under performance or misconduct.

Statement on consideration of employment conditions

The remuneration and appointment committee reviews executive director salaries on an annual basis, taking account of pay benchmarking and other relevant factors, such as recruitment and retention, and market forces.

The remuneration policy for senior managers is consistent with the rest of the workforce. It is broadly based on the principles of job role responsibility and considers market rates. It was therefore not considered necessary to consult with employees when preparing the senior managers' remuneration policy. As stated elsewhere, pay benchmarking and other relevant information is considered as appropriate. The Trust uses the NHS Improvement benchmarking information as its primary guide.

Salaries in excess of the pay received by the prime minister

The remuneration and appointment committee is also mindful of its obligations to ensure value for money, including scrutiny of any salaries above £150,000.

The salaries of executive directors are outlined on page xx. There are five individuals with salaries over this threshold, as outlined below:

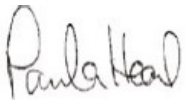
| Role | Rationale |
|--|--|
| Chief executive officer | Consistent with salary benchmarking and market rates for a large acute teaching hospital. Within expected norms for NHSI salary benchmarking for a large acute trust with a turnover of more than £500m. |
| Deputy chief executive officer and chief financial officer | |
| Director of transformation and strategy | |
| Chief operating officer | |
| Medical director | Role is undertaken by senior consultant who has remained on medical terms and conditions with the addition of an allowance for their Board level responsibilities. |

Non-executive director fees

| Role | Approximate time commitment | Fee type payable | Bands of 5k (amount £000) |
|---|-----------------------------|--|---------------------------|
| Chair | 2.5 days per week | Annual fee | £45-50 |
| Senior independent director (SID) | 4 days per month | Annual fee Additional annual payment for SID role | £10-15 £2k |
| Non-executive director (NED) | 4 days per month | Annual fee | £10-15 |
| Chair of audit and risk committee | 1 day per month | Annual payment in addition to NED salary | £2.5k |
| Chair of quality committee | 1 day per month | Annual payment in addition to NED salary | £2.5k |
| Chair of finance and investment committee | 1 day per month | Annual payment in addition to NED salary | £2.5k |
| Chair of people and OD committee | 1 day per month | Annual payment in addition to NED salary | £2k |

Changes to non-executive director pay

NHS Improvement published a new framework for the pay for non-executive directors and chairs in September 2019. This proposed a new flat rate of £14,000 per annum for non-executive directors (NEDs), with a £2,000 per annum payment for additional responsibilities. Through the Council of Governors, the Trust agreed how it would apply this new framework and it was determined that the Trust would continue to pay £15,000 per annum to NEDs on the basis that travel expenses from home to hospital were no longer claimable having been rolled up into pay during 2018/19. The Trust would move to £2,000 per annum for new appointments to committee chair positions but would honour the existing arrangements in place.



Paula Head, chief executive officer
22 June 2020

Remuneration and appointments committee

What is the appointment and remuneration committee?

The committee is set up by the Trust to oversee all aspects of executive pay and appointment. The committee will lead the process of selecting a new executive director.

They will also approve any process of Board reconfiguration or restructure, and subsequent financial expenditure on exit packages that may result. These packages may also require approval from other external bodies, such as NHS Improvement or HM Treasury.

The committee is a formally appointed committee of the Board. Its terms of reference comply with the Secretary of States' 'Code of Conduct and Accountability for NHS Boards'.

The remuneration of executive directors is considered through pay benchmarking and other relevant information. In addition, the pay of executive directors is considered in the context of non-executive positions remunerated on national terms and conditions such as Agenda for Change.

Who attends committee meetings?

The committee is comprised of the Trust chair, the non-executive directors and the chief executive (except where matters relating to the chief executive are under discussion).

The chief people officer attends all meetings to advise the committee. The associate director of corporate affairs also attends to keep an appropriate record of proceedings. Neither are members of the committee and are purely there in an advisory capacity.

Frequency of meetings

The committee is scheduled to meet four times a year. However, on occasion, extraordinary meetings are called. Attendees may participate in person or telephone conferencing is permitted in order to maximise attendance.

Remuneration and appointment committee attendance record

| Board member | 30 May 2019 | 30 July 2019 | 30 Aug 2019 | 31 Oct 2019 Extra | 28 Nov 2019 | 30 Jan 2020 | 10 Mar 2020 |
|--|-------------|--------------|-------------|----------------------|-------------|-------------|----------------|
| Peter Hollins Chair | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Simon Porter non-executive director (senior independent director and deputy chair to 31/01/2020) | ✓ | ✓ | ✓ | ✓ | ✓ | X | |
| Mike Sadler non-executive director | ✓ | ✓ | ✓ | | | | |
| Jenni Douglas-Todd non-executive director (senior independent director and deputy chair from 01/02/2020) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ (telecon) |
| Jane Bailey non-executive director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ (telecon) |
| Cyrus Cooper non-executive director | ✓ | X | ✓ | ✓ | ✓ | ✓ | ✓ (telecon) |
| Keith Evans non-executive director (from 01/02/2020 – designate from 01/02/2020) | | | | | | ✓ | ✓ (telecon) |
| David Bennett non-executive director (from 15/07/2019) | | ✓ | ✓ | ✓ | ✓ | X | X |
| Tim Peachey non-executive director (from 01/10/2019) | | | | ✓ | X | ✓ | ✓ (telecon) |

How is executive performance assessed?

The remuneration and appointment committee also takes an active role in seeking assurance that the performance of executive directors is actively managed by the chief executive. Executive directors are set a series of annual objectives in April, which reflect the short, medium, and long-term aspirations of the Trust as set out in the annual objectives agreed at Trust Board. Their performance is assessed against these objectives at an annual appraisal, and throughout the year.

The chief executive makes a report to the remuneration and appointment committee annually to describe how executive directors have performed, and any appropriate action that should be taken to improve performance or support personal development is considered.

Do any executives receive performance-related pay or bonuses?

The Trust does not operate performance bonus schemes. The chief executive, deputy chief executive and chief operating officer have terms which can take back a proportion of their salary in the event of substantial and or sustained under-performance of duties.

How is a new executive director appointed?

The process for recruiting executive directors is considered by the committee as the need arises and involves an analysis of the skills required by the next appointee to the vacancy, both at Board and functional level.

The recruitment process will always involve external advertisement, and generally includes an executive search. We also assess successful candidates against the nationally mandated 'fit and proper persons' requirements (FPPR).

Governors' nomination committee

What is the governors' nomination committee?

The governors' nomination committee is a formal group led by the chair of the Trust and Council of Governors. Its purpose is to select new non-executive directors, decide pay and remuneration, and to oversee the process of managing performance.

How are non-executive directors appointed?

Non-executive directors are appointed by the governors' nominations committee, a committee of the Council of Governors.

How is pay decided for non-executive directors and the chair?

The remuneration of the chair and non-executive directors is determined by the governors' nomination committee. Their decisions are passed to the full Council of Governors as recommendations for the Council of Governors to endorse, or reject as it sees appropriate.

The committee comprises three governors and the chair. The chief executive and director of human resources are in attendance at all meetings to advise the committee. The associate director of corporate affairs is in attendance to keep an appropriate record of proceedings. None of these Trust officers are members of the committee.

The chair does not attend any part of the meetings when matters relating to the chair's remuneration are discussed. This part of the meeting is chaired by the senior independent director, or an independent chair from another Trust.

How does the committee assess performance of non-executives?

The chair undertakes the performance review of the non-executive directors. The senior independent director will appraise the chair. The performance reviews and appraisals of the chair and non-executive directors are fed back to the governors' nomination committee. This process was agreed by the Council of Governors in December 2011, and has been refreshed in subsequent years.

How long are Board contracts?

- All executive directors have a substantive contract of employment.
- The chair and non-executive directors are appointed for a term of three years; prior to becoming a Foundation Trust the term of office was four years. All may be reappointed for a further term of office should they wish, with the approval of the governors' nomination committee and Council of Governors.

The chair and non-executive director appointments are due for renewal as shown:

| Name | Position | Term of Office commenced | Term of Office ends |
|------------------------|---|--|---|
| Peter Hollins | Chair | 1 April 2016 | 31 March 2022 |
| Simon Porter | Non-executive director/ Senior independent director | 1 June 2015 (This is his second term. His first term was 1 June 2011 to 31 May 2015 and was subsequently extended by Council of Governors) | Left Trust on 31 January 2020 |
| Mike Sadler | Non-executive director | 1 September 2014 | 31 August 2020 Left Trust on 30 September 2019 |
| Jenni Douglas-Todd | Non-executive director/ senior independent director (from 1 Jan 2020) | 1 April 2016 | 31 March 2022 |
| Jane Bailey | Non-executive director | 1 January 2018 | 1 January 2021 |
| Professor Cyrus Cooper | Non-executive director | 1 January 2018 | 1 January 2021 |
| Dr Tim Peachey | Non-executive director | 1 October 2019 | 30 September 2022 |
| David Bennett | Non-executive director | 15 July 2019 | 15 July 2022 |
| Keith Evans | Non-executive director | 1 February 2020 | 31 January 2023 |

Payments for loss of office during 2019/20

There have been no payments to executive directors for loss of office during 2019/20.

Remuneration of senior managers during 2019/20

| Name and title | 2019/20 | | | | | |
|-------------------|---|--|---|--|--|--|
| | Salary (bands of £5000) £000 | Taxable benefits Rounded to the nearest £100 | Annual performance related bonus (bands of £5000) £000 | Long-term performance related bonus (bands of £5000) £000 | Pension benefits (bands of £2500) £000 | Total (bands of £5000) £000 |
| Ms J Bailey | 10-15 | n/a | n/a | n/a | n/a | 10-15 |
| Mr D Bennett | 5-10 | n/a | n/a | n/a | n/a | 5-10 |
| Ms G Byrne | 145-150 | n/a | n/a | n/a | 25-27.5 | 170-175 |
| Prof C Cooper | 10-15 | n/a | n/a | n/a | n/a | 10-15 |
| Ms J Douglas-Todd | 10-15 | n/a | n/a | n/a | n/a | 10-15 |
| Mr D French | 185-190 | n/a | n/a | n/a | 35-37.5 | 225-230 |
| Mr K Evans | 0-5 | n/a | n/a | n/a | n/a | 0-5 |
| Ms J Hayward | 150-155 | n/a | n/a | n/a | 40-42.5 | 190-195 |
| Ms P Head | 230-235 | n/a | n/a | n/a | 47.5-50 | 280-285 |
| Mr P Hollins | 45-50 | n/a | n/a | n/a | n/a | 45-50 |
| Dr C Marshall | 95-100 | n/a | n/a | n/a | 0-2.5 | 95-100 |
| Dr T Peachey | 5-10 | n/a | n/a | n/a | n/a | 5-10 |
| Mr S Porter | 15-20 | n/a | n/a | n/a | n/a | 15-20 |
| Dr M Sadler | 5-10 | n/a | n/a | n/a | n/a | 5-10 |
| Dr D Sandeman | 205-210 | n/a | n/a | n/a | 15-17.5 | 220-225 |
| Mr J Teape | 60-65 | n/a | n/a | n/a | n/a | 60-65 |
| Mr S Harris | 30-35 | n/a | n/a | n/a | 50-52.5 | 80-85 |

Mr D Bennett, non-executive director from 15 July 2019
 Mr K Evans, non-executive director from 6 January 2020
 Mrs C Marshall, chief operating officer until 30 September 2019
 Dr T Peachey, non-executive director from 1 October 2019
 Mr S Porter, non-executive director until 30 September 2019
 Mr J Teape, chief operating officer from 2 December 2019
 Mr S Harris, interim chief people officer from 1 February 2020

Pension benefits are calculated as last year's pension multiplied by 20, plus the lump sum compared with this year's after deducting this year's employee pension contributions. This may result in a significant increase in pension where a director is not in post in a full year.

Comparison with 2018/19

| Name and title | 2018/19 | | | | | |
|-------------------|-----------------------|-----------------------------|----------------------------------|-------------------------------------|-----------------------|-----------------------|
| | Salary | Taxable benefits | Annual performance related bonus | Long-term performance related bonus | Pension benefits | Total |
| | (bands of £5000) £000 | Rounded to the nearest £100 | (bands of £5000) £000 | (bands of £5000) £000 | (bands of £2500) £000 | (bands of £5000) £000 |
| Ms J Bailey | 10-15 | n/a | n/a | n/a | n/a | 10-15 |
| Ms G Byrne | 140-145 | n/a | n/a | n/a | 45-47.5 | 185-190 |
| Prof C Cooper | 10-15 | n/a | n/a | n/a | n/a | 10-15 |
| Ms F Dalton | 15-20 | n/a | n/a | n/a | 0-2.5 | 15-20 |
| Ms J Douglas-Todd | 10-15 | n/a | n/a | n/a | n/a | 10-15 |
| Mr D French | 185-190 | n/a | n/a | n/a | 37.5-40 | 225-230 |
| Mr P Goddard | 25-30 | n/a | n/a | n/a | 0-2.5 | 25-30 |
| Ms J Hayward | 145-150 | n/a | n/a | n/a | 0-2.5 | 140-145 |
| Ms P Head | 130-135 | n/a | n/a | n/a | 137.5-140 | 270-275 |
| Mr P Hollins | 45-50 | n/a | n/a | n/a | n/a | 45-50 |
| Dr C Marshall | 185-190 | n/a | n/a | n/a | 0-2.5 | 185-190 |
| Ms C Mason | 10-15 | n/a | n/a | n/a | n/a | 10-15 |
| Mr S Porter | 15-20 | n/a | n/a | n/a | n/a | 15-20 |
| Dr M Sadler | 15-20 | n/a | n/a | n/a | n/a | 15-20 |
| Dr D Sandeman | 200-205 | n/a | n/a | n/a | 0-2.5 | 200-205 |

Pension benefits of senior managers

| Name | 2019-20 | | | | | | |
|---------------|---|--|---|---|---|---|---|
| | Real increase in pension at age 60 (bands of £2500) | Real increase in pension lump sum at age 60 (bands of £2500) | Total accrued pension at age 60 at 31 March 2020 (bands of £5000) | Lump sum at age 60 related to accrued pension at 31 March 2020 (bands of £5000) | Cash equivalent transfer value at 31 March 2020 | Cash equivalent transfer value at 31 March 2019 | Real increase in cash equivalent transfer Value |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Ms G Byrne | 0-2.5 | 5-7.5 | 55-60 | 170-175 | 1377 | 1263 | 62 |
| Mr D French | 2.5-5 | 0-2.5 | 30-35 | 0-5 | 462 | 403 | 22 |
| Ms J Hayward | 2.5-5 | 0-2.5 | 60-65 | 155-160 | 1341 | 1237 | 53 |
| Ms P Head | 2.5-5 | 0-2.5 | 65-70 | 180-185 | 1490 | 1368 | 56 |
| Dr C Marshall | 0-2.5 | 75-77.5 | 55-60 | 365-370 | 0 | 0 | 0 |
| Dr D Sandeman | 0-2.5 | 5-7.5 | 75-80 | 230-235 | 0 | 0 | 0 |
| Mr S Harris | 0-2.5 | 0 – 2.5 | 20-25 | 40-45 | 301 | 259 | 9 |

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

Mr J Teape has opted out of NHS Pension Scheme

No CETV will be shown for senior managers over NPA. Age 60 in the 1995 section, age 65 in the 2008 section of SPA or age 65, whichever is the later, in the 2015 Scheme

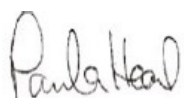
The figures relating to David French's pension value increase are estimates as final figures were not available from NHS Pensions at the time of publication.

Median remuneration

The Trust is required to disclose the relationship between the remuneration of the highest paid director and the median remuneration of the workforce.

The figures for 2018/19 are shown in brackets

- The banded remuneration of the chief executive, who was the highest paid director for the year to 31 March 2020, was £230k to £235k. As she joined the organisation in September 2018, this equated to banded remuneration in a full year of £225k to £230k. This was 7.6 (7.6) times the median remuneration of the workforce which was £30.5k (£29.9k).
- For the year 2019/20 no employees received remuneration in excess of the highest paid director.
- Remuneration ranged from £17.6k to the pay of the chief executive £230 to £235k (£17.1k upwards).



Paula Head, chief executive officer
22 June 2020

Staffing report

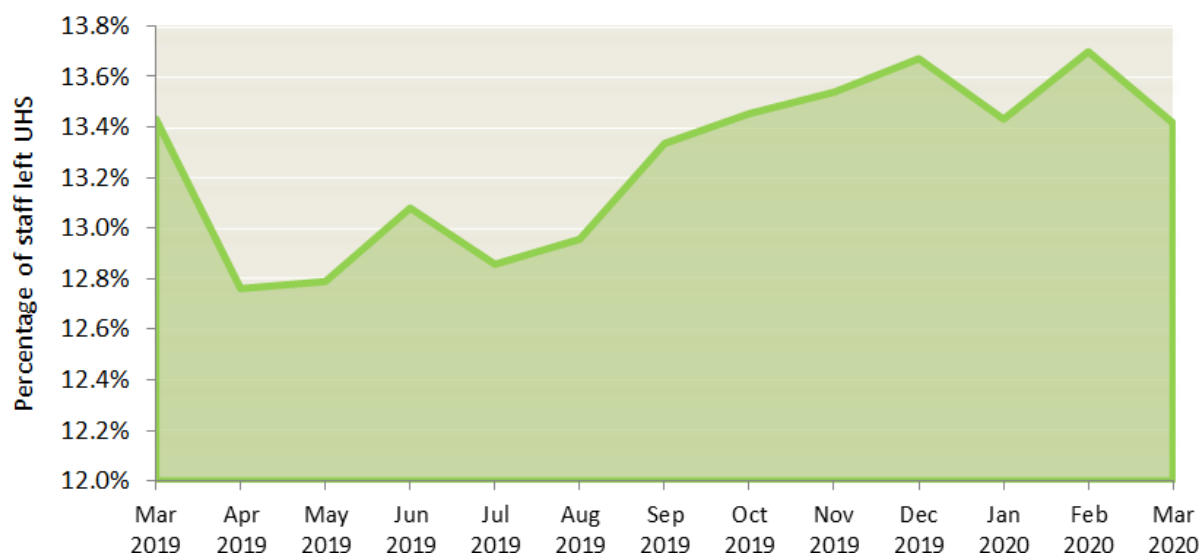
Performance

In 2019/20 recruitment remained steady including the annual surge for newly qualified recruitments in September. Nursing vacancy rates and staff turnover in 2019/20 are shown in the charts below.

UHS nursing (clinical wards) vacancies 2019/20



UHS staff turnover (12 month rolling) 2019/20



We employ in excess of 12,000* staff in a diverse range of roles. The data below presents the staff breakdown for the Trust. Table 1 indicates the substantively employed staff in the organisation.

Table 2 includes staff who are engaged on fixed-term contract, bank, or honorary contract positions. Doctors in formal training are employed on fixed-term contracts, as they will rotate to different employing organisations during their training periods. This accounts for a high number of medical fixed-term contracts.

*Total number of permanent, bank, fixed-term and honorary contract staff.

Table 1: Staff employed as at 31 March 2020

| Staff Group | FTE | Headcount |
|----------------------------------|-----------------|--------------|
| Add Prof Scientific and Technic | 390.61 | 440 |
| Additional Clinical Services | 1963.68 | 2256 |
| Administrative and Clerical | 1915.08 | 2217 |
| Allied Health Professionals | 557.15 | 644 |
| Estates and Ancillary | 504.50 | 556 |
| Healthcare Scientists | 337.53 | 369 |
| Medical and Dental | 1623.21 | 2072 |
| Nursing and Midwifery Registered | 3261.57 | 3736 |
| Grand Total | 10553.34 | 12290 |

Table 2: Staff employed through bank, fixed-term and honorary contracts as at 31 March 2020

| Staff Group | FTE | Headcount |
|----------------------------------|----------------|-------------|
| Add Prof Scientific and Technic | 18.00 | 21 |
| Additional Clinical Services | 78.33 | 73 |
| Administrative and Clerical | 150.27 | 223 |
| Allied Health Professionals | 9.95 | 18 |
| Estates and Ancillary | 6.00 | 18 |
| Healthcare Scientists | 7.12 | 11 |
| Medical and Dental | 936.99 | 1338 |
| Nursing and Midwifery Registered | 23.21 | 49 |
| Grand Total | 1229.87 | 1751 |

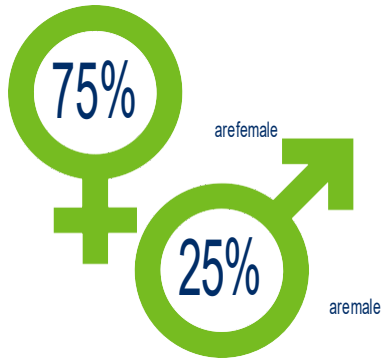
Staffing costs

| | Group | | Trust | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 |
| | Total £000 | Total £000 | Total £000 | Total £000 |
| Salaries and wages | 401,578 | 373,982 | 400,988 | 373,625 |
| Social security costs | 41,090 | 38,409 | 41,090 | 38,402 |
| Apprenticeship levy | 1,989 | 1,856 | 1,989 | 1,856 |
| Pension cost - Employers contributions to NHS Pensions | 48,639 | 45,109 | 48,639 | 45,109 |
| Pension cost - other contributions | 59 | 39 | 59 | 39 |
| Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%) | 21,302 | 0 | 21,302 | 0 |
| Temporary staff - external bank | 27,156 | 23,791 | 27,156 | 23,791 |
| Temporary staff - agency/contract staff | 7,648 | 12,950 | 7,648 | 12,827 |
| NHS Charitable funds staff | 0 | 158 | 0 | 0 |
| Recoveries from Other bodies in respect of staff cost netted off expenditure | (13,807) | (12,760) | (13,807) | (12,760) |
| Total Net Staff Costs | 535,654 | 483,534 | 535,064 | 482,889 |
| Included within: | | | | |
| Employee Expenses - Staff | 531,629 | 481,259 | 531,039 | 480,772 |

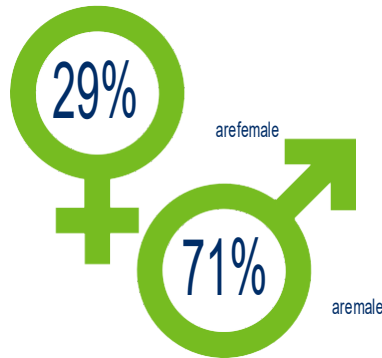
Gender equality

Our workforce is predominantly female, and the Trust is well represented by senior female leaders in executive director positions. You can find the gender breakdown of our staff below.

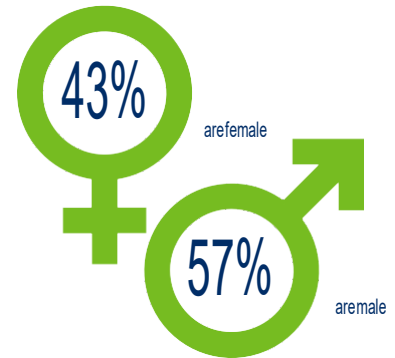
UHS workforce



Chair and non-executive directors



Executive directors



Health and wellbeing of staff

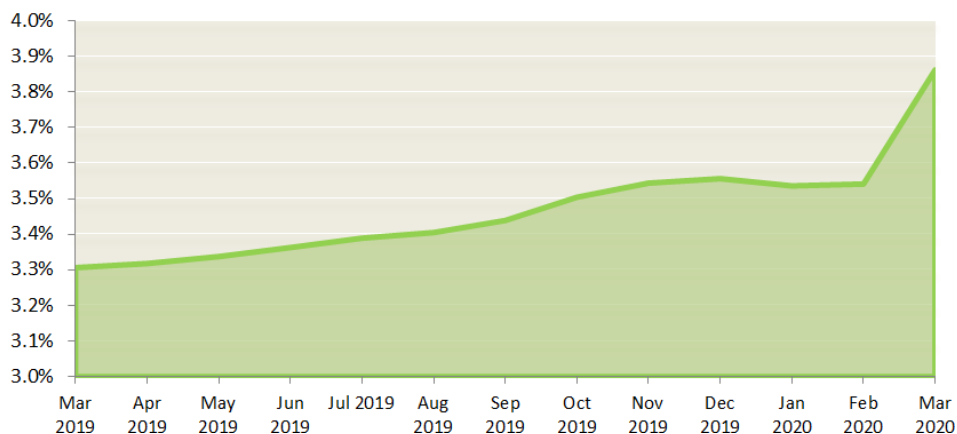
The health and wellbeing of our staff is a key focus for us. Our established occupational health function provides services to UHS and other partner organisations, as well as a range of support services for staff including a 24-hour Employee Assistance Programme providing emergency health and wellbeing advice and support. It will also arrange for support to aid rehabilitation through the 'Return to Health' programme, which was nationally recognised in 2011. This function helps people on long-term sickness absence return to work in a supportive and effective manner.

UHS has worked as one of the exemplar sites for NHS England's Healthy Workplace project. Our 'Live well and inspire' programme has promoted and delivered a range of activities, which include providing health checks for all staff. We have also installed a mini health check machine in the front entrance of Southampton General Hospital, which has proven extremely popular with both staff and the public.

During the year we have introduced additional support for staff who have experienced difficult and traumatic incidents. We have trained 16 individuals to provide support to colleagues using the Trauma Risk Management (TRiM) methodology.

Each staff member's annual appraisal also includes a wellbeing discussion, which helps us to identify any issues at work, or with work-life balance, and discuss what support we can provide. Staff absence is managed robustly by line managers, in partnership with human resources and occupational health. Our sickness absence levels compare favourably to other NHS trusts. Review meetings are held if and when attendance levels fall in order to discuss how we can support the individual. We also provide regular training to line managers throughout the year to help them address sickness absence.

UHS sickness rate (12 month rolling) 2019/20



How do we support staff with disabilities?

The Trust has a range of policies and procedures to support staff who are, or who become disabled. We appropriately manage recruitment applications; ensuring that reasonable adjustments are made at interview, and during employment for individuals who meet the minimum requirements of the person specification for the role. The Trust has guidance in its policies to support disabled employees, and works to retain the employment of disabled staff by considering alternative roles where appropriate.

There is an active long-term illness and disability group who work in partnership with the Trust to drive improvements. The Trust has run masterclasses for line managers on supporting disability in the workplace and has sponsored disabled staff to participate in national leadership development programs.

The Trust published its first set of data as part of the new NHS Workforce Disability Equality Scheme (WDES) during 2019/20.

How does the Trust inform and consult staff?

We have two forums through which we inform and consult staff on a regular basis. For medical staff there is a monthly Local Consultation and Negotiation Forum (LCNC), in which senior managers meet with local staff representatives to discuss a range of issues.

For all other staff, we run a monthly Staff Partnership Forum (SPF) where key representatives from local trade union groups meet with management to share information updates and to discuss issues, consult on plans and so on. A rotational agenda is set up, which ensures a range of briefings on key subjects (IT, training, estates, and commercial development, operational pressures and so on) on a regular basis.

Both forums share chairing arrangements between staff and management, and executive directors and senior managers regularly attend. Major project developments will also include a local staff representative, as part of steering groups to ensure positive levels of union engagement. Information is also provided to staff through a range of briefings, such as monthly Core Brief sessions, weekly staff briefing emails, and monthly blogs from the CEO. Our internal staff website (staffnet) also provides regular updates and a range of information on policy and procedure.

We also use Facebook Workplace as an engagement and communication tool for staff. Over 8300 staff are users of the tool and use the forum to share practice, provide updates and celebrate achievements.

Freedom to Speak Up (FTSU)

All NHS trusts are required by the NHS Contract (2016/17) to nominate a Freedom to Speak Up Guardian and implement the minimum standards set out by NHS Improvement. In 2016, UHS initially appointed Gail Byrne (director of nursing) and Steve Harris (director of HR) as its two Freedom to Speak up Guardians. The national FTSU office has published further recommendations, in line with the Francis review on implementation of FTSU, which encourages the executive director responsible for patient safety to oversee the raising concerns agenda with another person acting as the guardian.

In responding to these recommendations, in October 2017 Christine Mbabazi was appointed to the role of Freedom to Speak up Guardian. Christine focuses two and a half days per week on this role, and also works as a lead for equality and diversity reporting to the head of EDI.

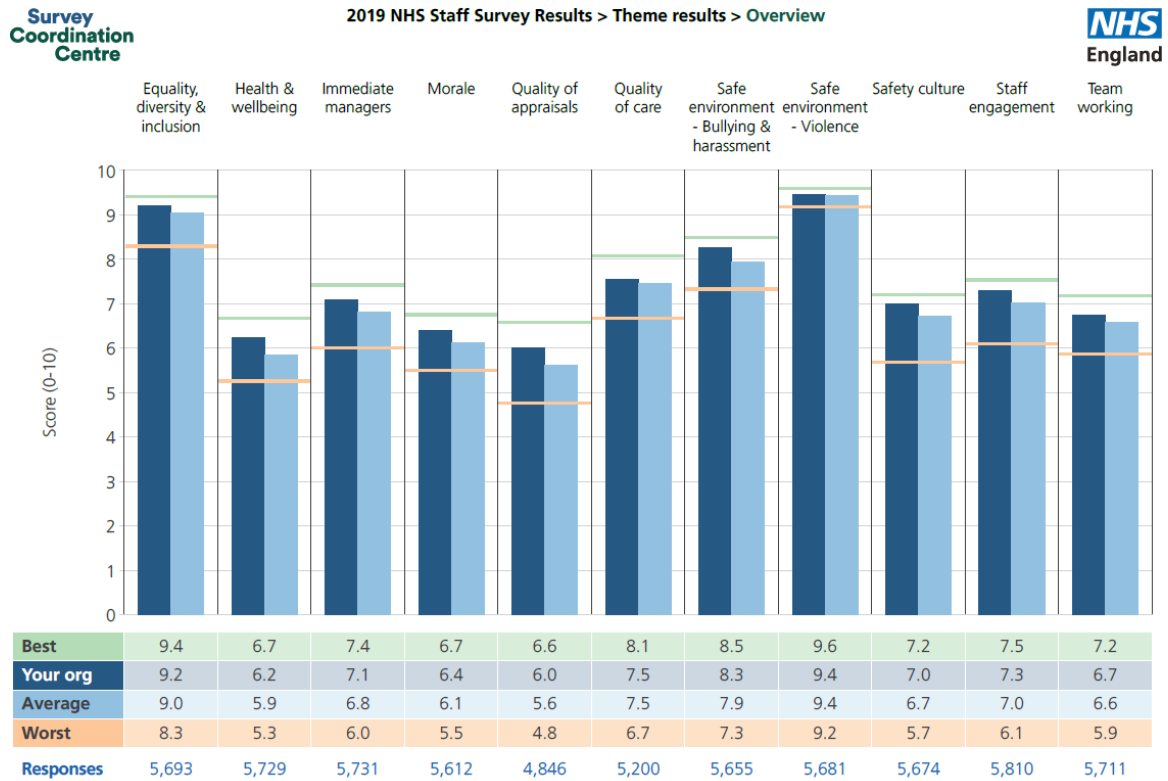
The Trust has implemented the recommendations from the National Freedom to Speak up Guardian. It has also selected 20 Freedom to Speak Up Champions from diverse roles across the organisation. These roles are designed to promote the FTSU agenda and support the FTSU guardian in the delivery of her role.

Responding to the staff annual attitude survey

UHS faced a challenging year in 2019 with significantly increased financial pressure, service demands, and challenges in achieving our key constitutional targets. The staff survey results, however, have remained similar to 2018 with all 10 survey themes remaining above the acute trust average.

Staff survey results

2019 NHS staff survey results - theme results overview



The two areas of significant change were quality of appraisals and staff engagement:

| Theme | 2018 score | 2018 respondents | 2019 score | 2019 respondents | Statistically significant change? |
|--|------------|------------------|------------|------------------|-----------------------------------|
| Equality, diversity & inclusion | 9.2 | 4453 | 9.2 | 5693 | Not significant |
| Health & wellbeing | 6.3 | 4488 | 6.2 | 5729 | Not significant |
| Immediate managers | 7.0 | 4505 | 7.1 | 5731 | Not significant |
| Morale | 6.4 | 4399 | 6.4 | 5612 | Not significant |
| Quality of appraisals | 5.8 | 3791 | 6.0 | 4846 | ↑ |
| Quality of care | 7.5 | 4067 | 7.5 | 5200 | Not significant |
| Safe environment - Bullying & harassment | 8.2 | 4423 | 8.3 | 5655 | Not significant |
| Safe environment - Violence | 9.4 | 4419 | 9.4 | 5681 | Not significant |
| Safety culture | 7.0 | 4434 | 7.0 | 5674 | Not significant |
| Staff engagement | 7.4 | 4622 | 7.3 | 5810 | ↓ |
| Team working | 6.8 | 4588 | 6.7 | 5711 | Not significant |

Participation rates

5,826 of staff completed this year's survey, which equates to 52% of staff, compared to 43% in the previous year (2018/19).

Things to celebrate:

- The UHS results are predominantly above the acute trust average in all 11 themes.
- Staff engagement at UHS has remained consistently high (7.3) compared to the NHS average (7).
- UHS is ranked as 9th in acute trusts for staff engagement overall.
- UHS has seen statistically significant improvements in the 'quality of appraisal' theme. This has increased from 5.8 to 6, which has been driven by improvements in questions relating to values being discussed, objectives being set, and staff feeling valued by the organisation.
- The percentage of BAME staff believing that the organisation provides equal opportunities for career progression or promotion has increased from 74.5% to 82.1%. This is still below the 91.3% reported by white staff; however, the gap is narrowing.
- There was a significant increase in survey participation to 51.5% which is well above the NHS acute trust average.

Areas of challenge:

- UHS has seen a statistically significant decrease in the 'staff engagement' theme. This has decreased from 7.4 to 7.3, but is still above the acute trust average of 7. This has been driven by a general reduction in scores for the 9 questions that make up the engagement theme.
- Experience of staff who have stated that they have a disability still reported consistently lower across most metrics.
- All survey questions relating to bullying, harassment, and violence are better than the acute average; however, the levels reported are still cause for concern.

Moving forward

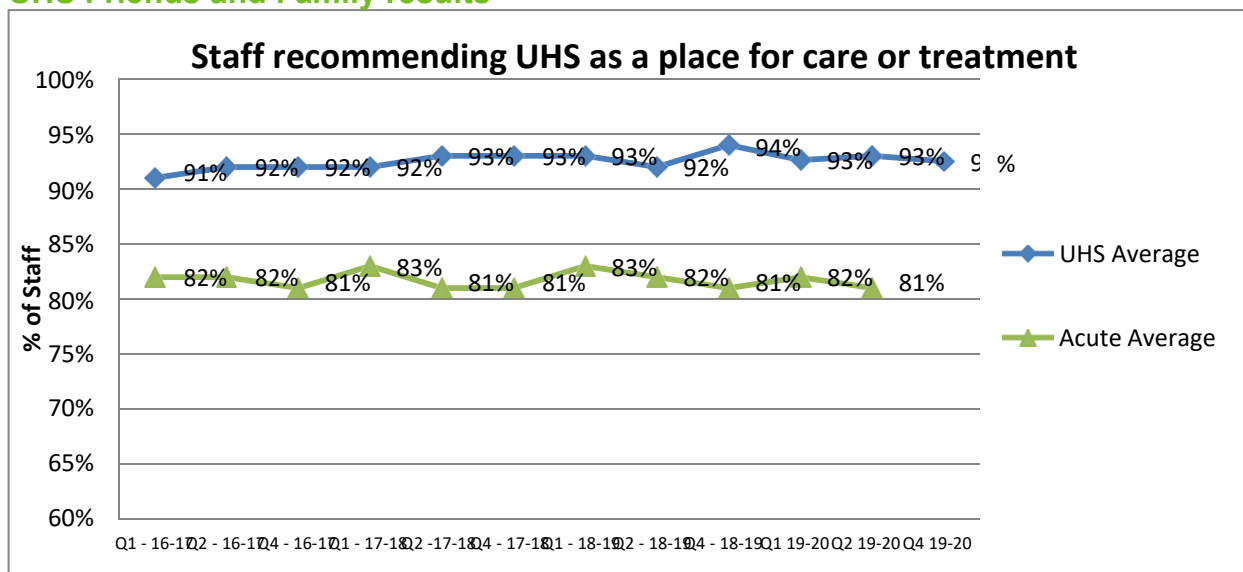
| Area of focus | Detail | Action | Target improvement |
|---|--|---|--|
| Focusing on the Health and Wellbeing of our staff during COVID-19 | Ensuring sufficient support to staff during COVID-19 and beyond | <ul style="list-style-type: none"> Protection of our staff at risk due to health and other factors during COVID-19 To set up 'safe spaces' for staff to discuss concerns with psychological support (bi-weekly) Significant increase in psychological support to the organisation during COVID-19 To ensure TRiM trained individuals are well publicised Continued promotion of the importance of kindness and civility in key communications from key leaders | <ul style="list-style-type: none"> Increase in scores on health and wellbeing to above 6.2 Increase in score relating to safety culture to above 7.0 |
| Pressure at work | Mismatch in Trust demand and capacity | <ul style="list-style-type: none"> Appropriate recruitment plans to meet additional capacity requirements through a further step change in international recruitment post COVID-19 | An improvement in staff saying that they are able to deliver the care they aspire to, from 71.1% to 72%. |
| Implementing the 'always inclusive' quality priority | Engaging with BAME and disabled staff during COVID-19 | <ul style="list-style-type: none"> Regular executive meetings with BAME staff and disabled network groups Co-creation of support and action plans with BAME and disabled staff to bring about improvements | <ul style="list-style-type: none"> Increase the overall staff engagement figure from 7.3 to 7.4 |
| | Implementing year 2 of the equality and diversity strategy to drive improvements in WRES and WDES scores | <ul style="list-style-type: none"> To continue to work with all staff and network groups to improve staff experience for WRES and WDES groups | |
| | Increasing engagement and staff voice across the Trust | <ul style="list-style-type: none"> Create a mechanism to ensure diverse voice (age, race, disability) is heard in Trust strategy and business development Enable staff to give frequent opportunities to show initiative and suggest improvements in own team/department Using technology and other mechanisms to improve two way engagement post COVID-19 | |
| Participation rates in staff survey | To continue to increase participation rates in the 2020 Staff Survey | <ul style="list-style-type: none"> To continue to incentivise staff to participate through a small reward (such as free coffee) | A further increase of at least 1% in return rates to 52.5% in 2020. |

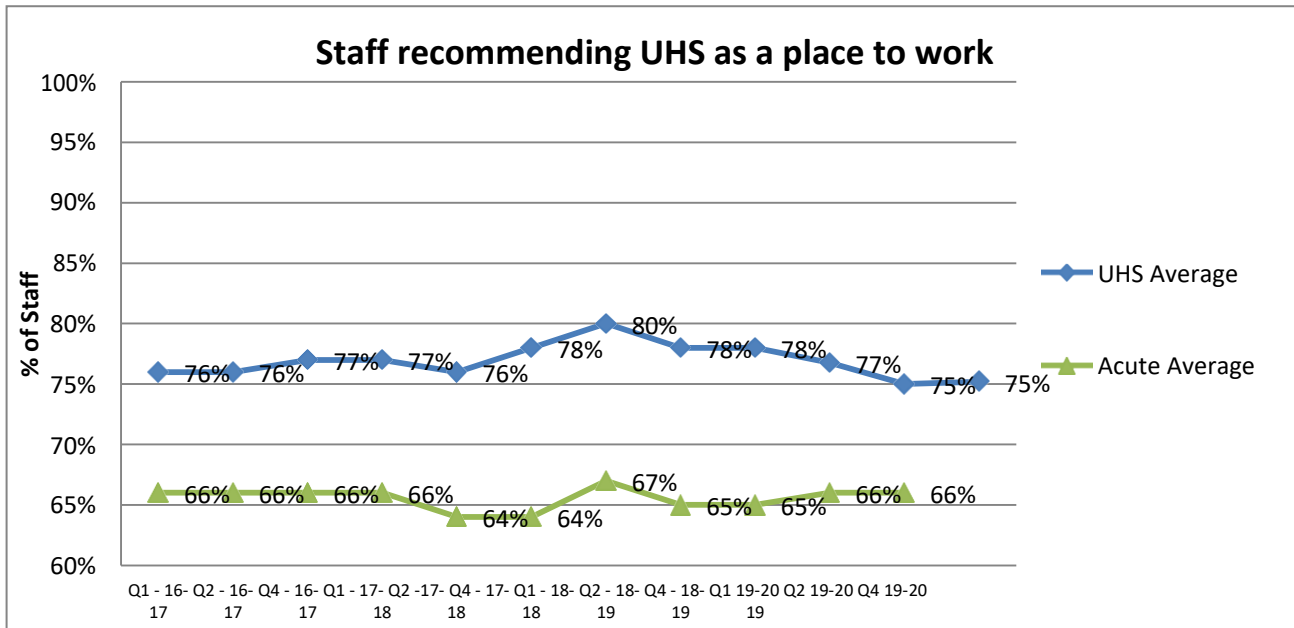
| | | | |
|-----------------------|---|--|--|
| | | <ul style="list-style-type: none"> To promote the actions that have taken place | |
| Safe work environment | Bullying and harassment | <ul style="list-style-type: none"> To implement the Trust bullying and harassment action plan | A reduction in staff reporting bullying and harassment from staff and managers to less than 10% |
| | Violence and aggression | <ul style="list-style-type: none"> To hold a Trust workshop on violence and aggression Creation of a robust trust-wide plan on violence and aggression To pursue an increase in resources to support violence and aggression prevention in budget setting | Reduction in staff experiencing violence and aggression from patients and service users to less than 13% |
| Appraisals | Increase the volume of appraisals taking place in the Trust | <ul style="list-style-type: none"> Ensuring performance improvements in volume of appraisals Delivery of continued training on appraisals to improve quality with a focus on delivering appraisal virtually post COVID-19 | <p>Increase in number of appraisals completed to above 90%</p> <p>Continued increase in overall quality of appraisals in 2020 staff survey from 6.0 to 6.5</p> |

Staff friends and family survey results

Staff experience is of great importance to UHS and in 2018 the friends and family test results showed that UHS was fifth best nationally for our proportion of staff saying that they would recommend the hospital as a place to work or to receive care.

UHS Friends and Family results





Trade union facility time

University Hospital Southampton NHS Foundation Trust (UHS), trade unions and professional organisations share a commitment to working in partnership to ensure that our common long-term objective is ensuring the success of the Trust for the benefit of our patients, employees and the community we serve.

As part of our collective delivery of the core UHS value of ‘working together’ the Trust management and staff side partners work in partnership on a range of strategy, policy, employee engagement and employee relations issues.

Under the Trade Union (Facility Time Publication Requirements) Regulations (2017) UHS is required to publish annual information on its utilisation of trade union facilities time. This information will be published in September 2020 and recorded and published on Gov.net.

Expenditure on consultancy

The Trust spent £897,000 on external consultancy during 2019/20.

Off-payroll engagements

The Trust is required to seek assurances regarding the income tax and national insurance obligations of any senior staff engagements not paid through payroll and to report any engagements of more than £220 per day for more than six months.

There are no off-payroll engagements of Board members or senior officials with significant financial responsibility. The Trust does not have a specific policy on off-payroll arrangements. All permanent staff employed are paid through the Trust’s payroll. Contractors undertaking a temporary assignment for the Trust will be paid through other mechanisms for services provided. The Trust has established a process for dealing with potential off-payroll workers and contracts which has been reviewed by the Trust’s tax advisers and is compliant with HMRC requirements under IR35.

Table 1: For all off-payroll engagements as of 31 March 2020, for more than £220 per day and that last for longer than six months

| | |
|---|-----|
| Existing engagements as of 31 March 2019 | Nil |
| Of which nil have existed for less than one year at time of reporting | |

Staff exit packages

The tables below outline staff exit packages in line with the prescribed guidance for foundation trust reporting.

| Exit package band | Number of compulsory redundancies | Number of other departures | Total number of exit packages by cost band |
|---------------------------------------|-----------------------------------|----------------------------|--|
| <£10,000 | 0 | 0 | 0 |
| £10,000 - £25,000 | 1 | 0 | 1 |
| £25,001 - £50,000 | 0 | 0 | 0 |
| £50,001 - £100,000 | 2 | 0 | 2 |
| £100,001 - £150,000 | 0 | 0 | 0 |
| £150,001 - £200,000 | 0 | 0 | 0 |
| >£200,000 | 0 | 0 | 0 |
| Total number of exit packages by type | 3 | 0 | 3 |
| Total resource costs (£'000) | 164 | 0 | 164 |

Non-compulsory departures payments

| Type of exit | Agreement number | Total value |
|---|------------------|-------------|
| Voluntary redundancies including early retirement contractual costs | 2 | £71,817 |
| Mutually Agreed Resignations (MARS) contractual costs | 0 | 0 |
| Early retirements in the efficiency of the service contractual costs | 0 | 0 |
| Contractual payments in lieu of notice | 14 | £327,573 |
| Exit payment following employment tribunal or court orders | 0 | 0 |
| Non-contractual payments requiring HMT approval (special severance payments) | 1 | £2,000 |
| Total | 0 | £401,390 |
| Of which non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary | 0 | 0 |

Statement of the chief executive's responsibilities as the accounting officer of University Hospital Southampton NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given accounts directions which require University Hospital Southampton NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those directions.


The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of University Hospital Southampton 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 and Social Care 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 and Social Care 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;
- confirm that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy; 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 them 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.



Paula Head, chief executive officer
22 June 2020

Annual governance statement

Scope of responsibility

As accounting officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding 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 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 Accountable Officers' 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 UHS, to evaluate the likelihood of those risks being realised and the impact, should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at UHS for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

The strategic goals for 2019/20 and the associated principal risks were approved by the Board at its April 2019 meeting. They are shown below in **Table 1**.

Table 1

| Strategic goal (SG) | Principal risk |
|--|---|
| <p>SG1: Improving patient journeys</p> | <p>Inability to develop partnerships and redesign services innovatively renders the Trust unable to meet the expectations of the NHS long-term plan, our strategic plan, and sustainable elective and non-elective pathways.</p> <p>Capacity and capability gaps in the workforce lead to an inability to provide safe and timely care.</p> <p>Failure to respond with the necessary organisational changes in design and operation renders the Trust unable to remain a competent NHS Provider.</p> <p>Failure to deliver regulatory requirements causes the Trust to breach the terms of its Provider Licence leading to a loss of local leadership due to an enforced change in Board and executive composition.</p> |
| <p>SG2: Delivering value-based health and care.</p> | <p>Failure to achieve financial targets results in a shortfall in cash required to deliver the capital programme.</p> <p>Reduced access to resources compromises the quality of services. Failure to deliver regulatory requirements causes the Trust to breach the terms of its Provider Licence leading to a loss of local leadership due to an enforced change in Board and executive composition.</p> |
| <p>SG3: Supporting healthy lives.</p> | <p>Poor staff wellbeing and engagement leads to an inability to deliver safe and timely care.</p> <p>Failure to deliver regulatory requirements causes the Trust to breach the terms of its Provider Licence leading to a loss of local leadership due to an enforced change in Board and executive composition.</p> |

| | |
|--|--|
| SG4: Building an expert and inclusive workforce. | Lack of inclusion and diversity results in the failure to get the best from every individual. Failure to deliver regulatory requirements causes the Trust to breach the terms of its Provider Licence leading to a loss of local leadership due to an enforced change in Board and executive composition. |
| SG5: Being agile in meeting people's needs | Lack of capacity and agility renders the Trust unable to respond to the changing operating environment, causing a failure to provide contracted services. Failure to deliver regulatory requirements causes the Trust to breach the terms of its Provider Licence leading to a loss of local leadership due to an enforced change in Board and executive composition. |
| SG6: Creating leading-edge research, education, and innovation. | Inability to offer translational research renders the Trust unable to maintain its cutting-edge teaching hospital status. Failure to deliver regulatory requirements causes the Trust to breach the terms of its Provider Licence leading to a loss of local leadership due to an enforced change in Board and executive composition. |

The means by which strategic and operational risks are managed, monitored and reported in the Trust are set out below.

Capacity to handle risk

As accounting officer I am accountable for the quality of the services provided by the Trust. I have overall responsibility for risk management within the Trust and this responsibility is incorporated within the risk management strategy. During the period, elements of risk management were delegated to members of my executive management team and designated specialist staff:

| Responsibility | Executive team member |
|--|--|
| Overall risk management | Executive director of nursing |
| Clinical governance | Executive director of nursing (Caldicott Guardian) |
| Clinical risk and medical leadership | Executive medical director (responsible officer) |
| Corporate governance | Company secretary |
| Board assurance and escalation | Company secretary |
| Financial risk | Chief financial officer |
| Compliance with NHSI regulatory framework | Chief financial officer and company secretary |
| Compliance with CQC regulatory framework | Executive director of nursing |
| Risks related to acute sustainability and strategic planning | Executive director of transformation and improvement |
| Estates and facilities; business continuity and for the day-to-day management of risk and performance within the clinical divisions. | Chief operating officer |
| Risks related to people and workforce | Director of human resources (chief people officer) |

| | |
|-----------------------------|--|
| Information governance risk | <p>Executive director of transformation and improvement (<i>senior information risk officer</i> (SIRO))</p> <p>Executive director of nursing (Caldicott Guardian)</p> <p>Company secretary, who manages the information governance function.</p> |
|-----------------------------|--|

Staff members have a responsibility for handling the management of clinical and non-clinical risks according to their roles and duties within the Trust. Mandatory training on key risk areas is undertaken by all staff at induction into the Trust and on a regular refresh basis.

Risk management training is part of the Trust's induction programme and mandatory training for all staff throughout the Trust, which includes health and safety, fire, security, incident reporting, claims and complaints.

In order to support staff with writing responses to complaints, formal training has been provided to support all clinical divisions and departments. Training on managing complaints on a face-to-face basis has been in place to support staff on the wards and departments across the Trust.

To support investigations of serious incidents, *root-cause analysis* training has been provided to all areas of the Trust and was well supported by the clinical teams across the Trust.

Sharing learning through risk-related issues, incidents, complaints and claims is an essential component of maintaining the risk management culture within the Trust. Learning is shared through division meetings and Trust-wide forums such as the quality committee. Learning is acquired from a variety of sources which include:

- Analysis of incidents, complaints, claims and acting on the findings of investigations.
- External inspections.
- Internal and external audit reports.
- Clinical audits.
- Outcome of investigations and inspections relating to other organisations.

In accordance with its constitution and standing orders, and as required by the NHS Act 2006 (amended Health & Social Care Act 2012), the Trust has an audit and risk committee whose role is to review and report upon the adequacy and effective operation of the organisation's overall system of governance and internal control which encompasses risk management – both clinical and non-clinical.

The risk management policy has been published on the Trust's intranet, which is available to all staff, and bespoke risk management training is provided to divisions and care groups. To support this training there is documented guidance on risk and safety management, including comprehensive policies and procedures available on the Trust intranet. There is also a Trust 'Freedom to Speak Up (whistleblowing) policy and a 'raising concerns' helpline in place.

We are committed to the sharing of good practice and learning from incidents, complaints and patient feedback and we achieve this through:

- The prompt dissemination of safety alerts, recommendations and guidelines made by central bodies such as NHS England, the Medical Healthcare Regulatory Authority (MHRA) and the National Institute for Health and Care Excellence (NICE);
- Root cause analysis of serious incidents;
- Policies that encourage timely and transparent reporting and investigation of adverse incidents and complaints;
- Feedback on learning and good practice through 'Safety Matters' communications and updates provided to quality governance steering group and divisional and care group governance meetings;

- Clinical audit; and,
- Staff appraisal and development.

All staff are responsible for managing risks within the scope of their role and responsibilities as employees of the Trust. There are structured processes in place for incident reporting, and the investigation of serious incidents. The Trust Board, through the risk management policy and incident reporting policy, promotes open and honest reporting of incidents, risks, and hazards.

UHS has a positive culture of reporting incidents enhanced by accessible online reporting systems available across the Trust. All patient-related incidents which have resulted in harm, as well as 'near-miss' incidents are reported onto the National Reporting and Learning System (NRLS) to aid national trend analysis of incident data. All Trust policies are impact assessed in respect of the nine protected characteristics.

The Board of directors is responsible for the governance of the Trust. It delegates key oversight duties and functions to its committees. There are four Board committees that provide assurance to the Board, these are:

Audit and risk committee: Chaired by a non-executive director, this committee provides objective assurance to the Board and management as to the adequacy and effectiveness of the organisation's system of internal control. In addition to this, the committee is responsible for ensuring that all statutory elements of compliance are adhered to by the Trust; this includes maintaining oversight of the Trust's risk management structures and processes. The committee considers the findings and recommendations of internal and external audit reports, counter-fraud reports and monitors our risk register and assurance framework.

Quality committee: Chaired by a non-executive director, this committee has been established to explore, scrutinise, and gain a deeper understanding of clinical quality on behalf of the Board. The committee provides assurance to the Board on patient safety, patient experience and clinical effectiveness and routinely considers performance against a broad range of qualitative indicators including (but not limited to):

- Integrated performance report
- Access performance (including emergency department and referral to treatment)
- Delayed transfers of care
- Never events/serious untoward incidents
- Complaints
- Emergency re-admissions
- Clinical outcomes
- Hospital standardised mortality rate

Finance and investment committee (formerly strategy and finance committee): Chaired by a non-executive director, this committee was established to provide the Board with assurance regarding the Trust's finances and approval of investment cases. The committee will oversee the implementation of the Estates and Digital strategies.

Trust executive committee: Chaired by the chief executive officer, this is the Trust's nominated risk committee responsible for advising on key issues, which affect the delivery of services within the Trust, specifically with regards to the quality and safety of patient services and staff experience. In addition, the committee is responsible for monitoring operating and financial performance, prioritisation and control of resources, and oversight, assessment and monitoring of risk and governance. There are a range of mechanisms available to these committees to gain assurance that our systems are robust and effective. These include peer review, external inspection, service accreditation, monthly KPI and management reporting, clinical audit, and internal and external audit. The Board of directors receives regular reports from its sub-committees on business covered, risks and issues identified, and actions taken. The chair of each committee is required to provide an update at each Board meeting.

During the year, a review of the effectiveness and remit of Board committees took place and a proposal to establish a **people and organisational committee** was agreed to provide an increased level of assurance on the development and monitoring of workforce, organisational strategy and operational plans. The committee was established in quarter four of the reporting period to provide assurance against safe staffing, workforce and organisational development issues.

The terms of reference for each committee have been updated to reflect their revised remit and to also provide clearer risk allocation to committees, in particular discussion of Board assurance framework risks allocated to each committee for oversight.

The Board's risk strategy sets out the Board's risk appetite and the principles of good governance it requires to be applied to risk management. The risk management policy sets out responsibilities for all staff in relation to risk identification, assessment, and management. The risk management approach of setting objectives and then identifying, analysing, prioritising, and managing risk is embedded throughout the organisation.

The process starts with the systematic identification of risks throughout the organisation via structured risk assessments. Identified risks are documented on risk registers. These risks are analysed to determine their relative likelihood and consequence using a 5x5 matrix.

Risks assessed as 'low' represent the lowest levels of threat, and actions were limited to contingency planning rather than active risk management action. Such risks were recorded in local risk registers with monitoring undertaken through care group meetings.

Risks assessed as 'moderate' represent moderate levels of threat which may have a short-term impact on organisational objectives. Risks in this category were recorded in divisional risk registers along with supporting action plans for risk treatment. All risks have been subject to ongoing review and monitoring via divisional management team and care group meetings, together with the status of controls in place and risk treatment.

A 'significant' risk is defined as any risk which has been identified as being potentially damaging to the organisation's objectives. 'Significant' risks are those assessed as having a risk rating of 15 or above. 'Significant' risks are incorporated into the Trust's operational risk register and are subject to review and scrutiny at the quarterly meetings of the audit and risk committee.

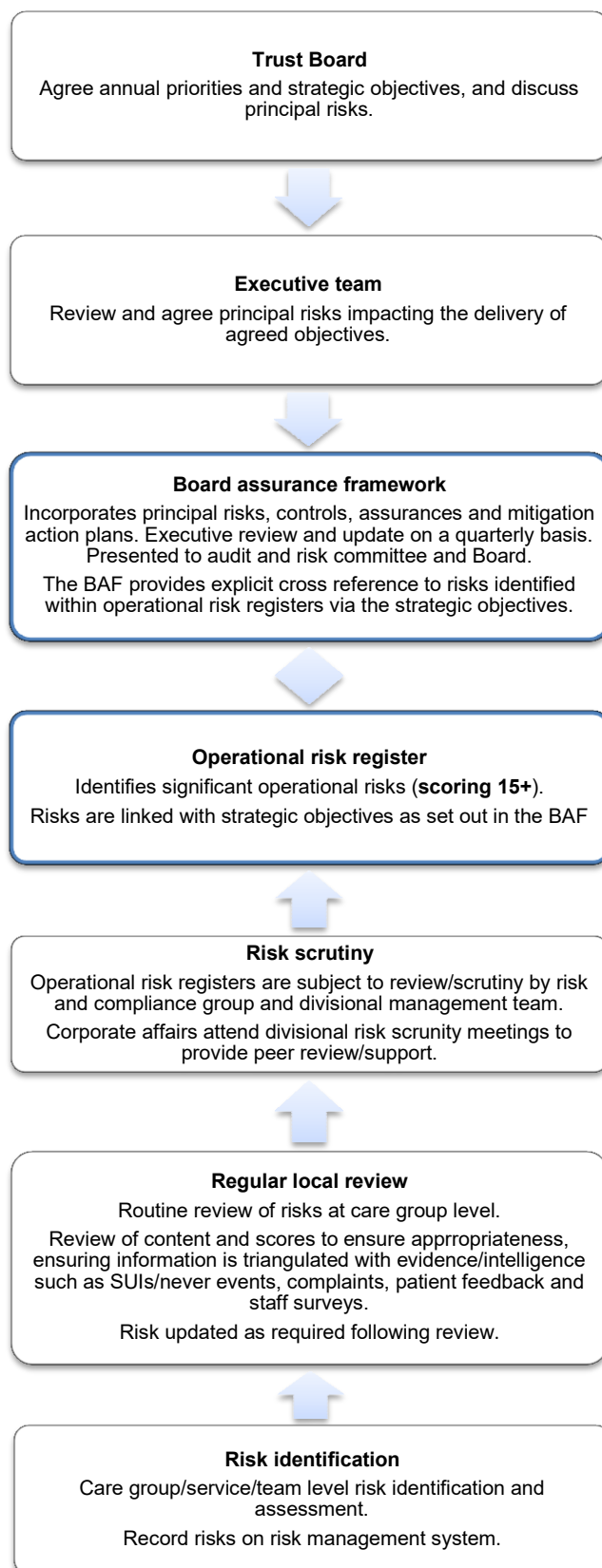
In addition to the operational risk register, we have a Board assurance framework in place, designed to provide the Trust with a method for the effective and focused management of the principle risks which may impact on the achievement of the Trust's strategic priorities. The Board assurance framework sets out:

- Strategic priorities
- Principal risks
- Mitigating controls
- Assurances on controls
- Gaps in control
- Gaps in assurance
- Action plans.

Operational risks scoring 15 or above are mapped to the corresponding priority within the assurance framework; this enables the Board and the audit and risk committee to have oversight of emerging risks and issues which may impact on the achievement of the agreed priorities.

The audit and risk committee undertakes quarterly reviews of the levels of risk identified and the controls in place to manage them. In addition to this, the committee has undertaken a rolling programme of detailed reviews of individual Board priorities and the corresponding risks. A summary of the principal governance risks (managed in the year) is provided below. Given the strategic nature of these risks, these will continue to be managed within future years.

Figure 1 below shows our risk management and escalation process:



The risk and control framework

Risk management by the Board is underpinned by three interlocking systems of internal control:

- The Board assurance framework (BAF)
- Corporate risk register (informed by divisions, departments and teams)
- The annual governance statement

In addition, the audit and risk committee monitors the risk management systems and processes, and receives the BAF on a quarterly basis.

The annual governance statement is a composite report on how risks were managed and how assurances were received in relation to integrated governance and internal control.

Board assurance framework

Board assurance is a systematic method of:

- Identifying
- Analysing
- Evaluating, treating, monitoring, reviewing and communicating all risks, clinical and non-clinical and the integration and management of both types of risks: and
- receiving assurance that the controls in place are effective and mapped against robust actions to close gaps in both controls and assurance

The requirement to develop a Board assurance framework (BAF) was established by the Department of Health (now NHS England), *Assurance: The Board Agenda (July 2002)*. The BAF is a tool for the Board to satisfy itself that risks are being managed and strategic goals are being achieved. The Board has established a BAF so that I, as chief executive officer, can confidently sign the annual governance statement which deals with statements of internal control and assurances.

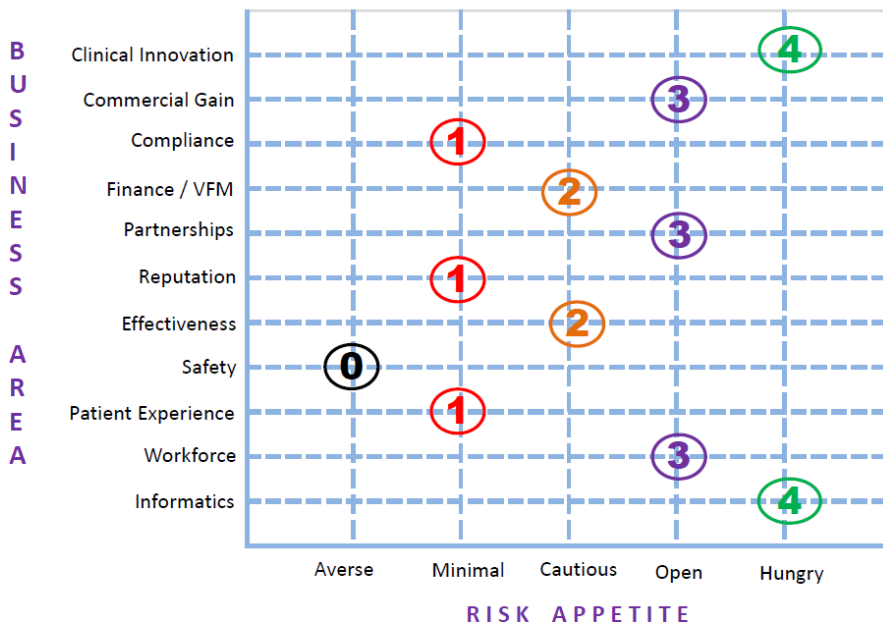
A BAF has been in place throughout the year which is designed and operating to meet the requirements of the 2019/20 annual governance statement. The BAF, which is Board-owned, provides a vehicle for the Board to be assured that the systems, policies and procedures in place are operating in a way that is effective and focused on the principal risks which might prevent the Trust's strategic goals and objectives from being achieved.

The BAF in its entirety is discussed and analysed at the Board on a quarterly basis. The audit and risk committee, like the Board, receives the BAF on a quarterly basis.

Discussions have taken place at Board meetings and workshops concerning the Trust's appetite for risk, the strategic parameters within which decisions involving various types of risks can then be made on a sound and consistent basis.

Risk appetite is *'the level of risk that an organisation is willing to accept'*. The appropriate level will depend on the nature of the work undertaken and the objectives pursued. Precise measurement is not always possible and risk appetite may be defined by a broad statement of approach. The Trust has an approved a risk appetite statement as shown in **Figure 3**:

Figure 3: Risk management statement



Impact of COVID-19 pandemic on the Trust’s capacity to handle risk

In response to the COVID-19 pandemic, and the subsequent declaration of an NHS Level 4 incident, the Trust’s control environment was amended to respond to the national incident command and control structure, led by a national strategic commander and feeding down to STP, CCG and Trust level via NHS England and NHS Improvement. Many of the Trust’s ‘business as usual’ activities were suspended, in line with national direction, whilst all efforts were focused on achieving resilience and capacity in the hospitals and health system to deal with the anticipated pandemic activity. This included suspension of the majority of the Trust’s meetings. Local decision-making capability was maintained through the continuation of weekly executive team meetings, and the ability to hold virtual meetings if required.

It is essential that appropriate financial controls and governance are maintained throughout the COVID-19 response. The Trust has set an emergency COVID-19 budget and introduced temporary and enhanced financial governance arrangements for the approval and capture of all COVID-19 related expenditure. Financial approval limits have remained in place and the Trust’s standing financial instructions have continued to operate. Both business continuity and business resilience plans have been effectively enacted throughout the Trust’s response.

With regards to compliance with NHS Foundation Trust License Condition 4, the Trust has submitted an annual self-certification of its compliance with the following evidence by producing the following annual Board statements during the year:

- Annual operational plan 2019-20
- Annual reports and accounts 2018-19 including annual governance statement and quality accounts/report
- Head of internal audit opinion 2019
- Trust constitution including standing orders, standing financial instructions and scheme of reservation and delegation
- Terms of reference for Board committees
- Management arrangements via an integrated governance structure
- Integrated performance report-monthly to the Board
- Business planning guidance 2019/20
- Integrated risk and assurance reports 2019/20
- 'Fit and proper persons' requirement processes 2019/20
- Appraisal process for executive directors and non-executive directors
- Safe staffing reports
- Robust responsible officer arrangements for medical staff
- Governor induction for new governors
- Local, regional and national training and development opportunities via NHS Providers
- Governor forums and information sessions 2019/20

We involve key public stakeholders with the management of the risks that affect them by:

- Working collaboratively with our clinical commissioning groups;
- Engaging with Healthwatch;
- Consulting the Council of Governors on key issues and risks; and,
- Holding an annual members' meeting.
- University of Southampton
- Wessex Academic Health Sciences Network
- NIHR Wessex
- Hampshire and Isle of Wight (IOW) STP
- NHS Southampton City clinical commissioning group (CCG)
- Healthwatch Southampton
- Cancer Research UK
- Southampton Hospital Charity
- Hampshire and Isle of Wight Air Ambulance
- Research and development patient and public involvement at UHS
- West Hampshire CCG

The Trust has approximately 10,700 members of which 8,245 are public members. Each year we run a number of information events open to all members. We conduct online polls with members to gather their views on what topics they would like us to cover and their preference for where they would like meetings to take place.

We have a representative of Healthwatch as a core member of our quality governance steering group and engage both Healthwatch partners and our Council of Governors in our quality priority setting annually.

These forums, therefore, provide opportunities not only to enable the Trust to consult on innovation, service design and transformation but any associated risks and mitigation related to these initiatives.

Equality, diversity and human rights

UHS is wholly committed to creating a diverse and inclusive environment. We see it as vital to our future success as a leading organisation in which our people and patients thrive.

The Trust has due regard to achieving the general duties set out in the *Equality Act 2010* to:

- Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Equality Act 2010.

- Advance equality of opportunity between people who share protected characteristics and those who do not.
- Foster good relations between people who share protected characteristics and those who do not.

We have always set high standards with regard to diversity and inclusion, but recognise that we have not yet achieved these standards in all aspects of our people practices and in the delivery of patient care.

Our equality, diversity and inclusion (EDI) strategy was approved by Trust Board and includes four goals which are as follows:

- Understanding our local population and reducing health inequalities
- Measuring, monitoring and improving patient experience
- Building inclusive leadership and talent
- Delivering a representative workforce

The strategy was underpinned by an overarching action plan and included improvement on workforce race equality standards (WRES) and workforce disability equality standards (WDES).

Control measures are in place to ensure that the Trust complies with all relevant equality, diversity and human rights legislation and has the following staff groups;

- Black, Asian and minority ethnic (BAME) staff, also called One Voice Network
- Long-term illness and disability group
- Lesbian, gay, bisexual and transgender (LGBT)
- Faith and beliefs

Staff networks are another way by which the Trust complies with all relevant equality, diversity and human rights legislation. These staff networks create an environment that allows staff from vulnerable/minority groups to have a voice and uses these staff networks for organisational consultation that is two way, from staff to management and vice versa. These networks also champion the EDI agenda from the perspective of their identified characteristic.

The Trust publishes on its public website a range of equality diversity and inclusion information:

www.uhs.nhs.uk/AboutTheTrust/PlansPoliciesAndStrategies/EqualityAndDiversity/Equality-reports.aspx

UHS has established itself as a Third Party Reporting Centre for Hate Crimes, providing a safe and supported environment for staff to report any discrimination or harassment they may experience outside of working hours. UHS promoted inclusion through participation in National Inclusion Week, providing a range of activities which seek to raise awareness of the importance of inclusion in the workplace and the business benefits of having a diverse and included workforce. Key equality areas that UHS focused on are as follows:

Race

At quarter four of the reporting period, the Trust Board has 15% BAME representation which reflects the local BAME community. Whilst there have been improvements in staff perception around equal opportunities for promotion and career progression, it does remain lower for BAME staff. Additionally, BAME staff members continue to report higher incidences of bullying, harassment and discrimination than their white counterparts. Appropriate governance arrangements are in place to monitor the action plan to address racial inequality within the workforce. UHS is participating in the WRES frontline staff forum to support the national development of the next stages of WRES. The head of equality, diversity and inclusion has participated in the first WRES experts' programme.

UHS partnered with national development experts to deliver a bespoke programme designed to promote local BAME talent, specifically aimed at mid-grades such as Bands 6 and 7. We are now on the third cohort of this inclusivity programme which has been well received and plans are being developed to consider how this inspired cohort of staff can be developed into coaches, role models and EDI project leads. Additionally, the Board and senior managers have received EDI training from the same experts.

Disability

Disability remains another key issue at UHS. The staff survey results continue to indicate that staff declaring a disability perceive a poor experience working at UHS. However, the staff long-term illness and disability group (LID) has seen an increase in membership and continues to drive improvements for staff with disabilities.

The access group continues to identify and prioritise estates-related access issues. Some of these include the Changing Places Toilet (currently being registered with the national Changing Places organisation), improving provision of hearing loops, installation of electronic doors and improvements to uneven surfaces. UHS renewed its status as a Disability Confident Employer and is beginning work towards achieving Disability Confident Leader status within the next 18 months.

Lesbian, gay, transgender, bisexual (LGBT)

The Trust has an online LGBT Group which provides peer support for LGBT colleagues and provides a voice for LGBT issues within the Trust. In August, UHS again participated in the annual Southampton Pride Event. Its stand was well attended and provided useful information about services, in addition to ensuring a platform to promote UHS as a good employer in Southampton. A transgender patient pathway policy has been drafted and is currently being reviewed by local gender identity issues charity Chrysalis, ahead of final policy approval.

Faith

UHS developed a multi-faith chaplaincy team, with chaplains from a number of Christian denominations, Muslim and Humanist faiths. A number of faith-based celebrations were delivered throughout the year by the chaplaincy team, such as an Eid lunch and a Christmas carol service.

Governance and oversight

The director of nursing chairs the Trust's equality, diversity and inclusion steering group which reports to the Trust executive committee (TEC). The steering group has representation from the network groups, Trust management and clinical divisions. The network chairs are invited to TEC and our formal open Trust Board receive reports on progress within equality and diversity at regular intervals.

Gender pay gaps

As far as the gender pay gap is concerned, control measures are in place to ensure that the Trust complies with all relevant equality, diversity and human rights legislation. They are:

- Trust Board sign-off of key policies relating to these issues
- Establishment of a people and organisational development committee in the last quarter of 2019/20 (although these were monitored elsewhere before the establishment of this committee)
- Equality, diversity and inclusion steering group
- Trust executive committee
- Patient experience group
- Learning disability group
- Dementia group
- Updates to the clinical commission groups (CCGs)
- Updates to NHS England

Equality impact assessment

The Trust has set out to integrate equality impact assessments (EIA) in its core business process and decision-making. It does this by providing training to all service managers and key staff on how to undertake EIA relating to reports that go to the Board itself and its committees for decision making, review and information. The Trust's universal report template makes allowance for this and Trust policies also require EIAs to be completed where applicable before they are finally approved.

Incident reporting

Incident reporting has been encouraged by the Trust as a way of communication, raising concerns and is used to follow trends and themes. These are received centrally and different individuals offer support and follow up. The Freedom to Speak Up Guardian follows up on the bullying and harassment incidents.

Modern Slavery and Human Trafficking Act 2015

With regards to the Modern Slavery and Human Trafficking Act 2015, we are committed to maintaining and improving systems, processes and policies to avoid complicity in human rights violation. We realise that slavery and human trafficking can occur in many forms, such as forced labour, domestic servitude, sex trafficking and workplace abuse.

Workforce safeguards

The Trust has a five-year staff strategy in place that was approved by Board in May 2018. This is currently in the process of being refreshed in line with the new Trust vision, mission, strategic objectives and long-term clinical strategy. It will also ensure it meets the requirements of the NHS People Plan and wider sustainability and transformation partnerships (STPs) planning process. Progress against the strategy is reported on a bi-annual basis to Trust Board.

The Trust has a strong governance framework that systematically monitors short, medium and long-term staffing systems through the education and workforce steering group up to and including Trust Board. A new people and organisational development committee was established in the last quarter of the reporting period.

The National Quality Board guidance is fully embedded for nursing and midwifery and includes:

- Annual review and re-setting of nursing establishment and skill mix using a triangulated methodology and approved tools reported to Board – refreshed six-monthly and reported to Board.
- Availability of staffing information for the public via ward displays and on the public website
- Dynamic staffing risk assessments and formal escalation processes
- Implementation of new roles such as nursing associate, apprentices and advanced practitioners, accompanied by strong quality impact review

The Trust completes an annual top-level workforce plan as part of the wider operational and financial planning process and is working to embed this further and combine with a bottom-up service approach. We regularly monitor all staffing metrics, using a variety of sources including data from the model hospital, and these are reported monthly with a six-monthly focus by the quality committee and Trust Board.

Staffing metrics are combined with the wider integrated performance dashboard to ensure the quality impact is reviewed as a whole. eRostering is well embedded within the Trust, having been introduced in 2009. It is used across the professions and integrated with other workforce systems. We are working to embed this further for medical staff and expand job planning for all staff where this is appropriate in 2019/20. There is formal quality impact assessment sign off from the nursing and medical directors at Board on major workforce change.

In the last quarter of the reporting period, the Trust established a new board committee focusing on people and organisational development. This is chaired by the deputy chair of the Trust, attended by non-executive directors and key executive leads. It focuses on a range of workforce issues: capability and skills, capacity, and culture, and will enable greater assurance to be received on workforce matters in the Trust.

The Trust produces an annual workforce plan in line with NHSI's requirements. The Trust also complies with the Developing Workforce Safeguards recommendations through a bi-annual ward staffing review process, development of a QIA template for service changes and regular reports to Board on staffing establishment. Plans to make significant changes to the workforce are reviewed to assess the impact on safety and quality of services. The Trust's annual cost improvement programme (CIP) is reviewed by the medical director and director of nursing to ensure appropriate mitigation of any negative workforce effects on quality and safety.

CQC registration

UHS has been registered with the CQC since its inception in 2010 and has maintained its registration without conditions or enforcement action ever since, including 2019/20.

The Trust has not been required to participate in any special reviews or investigations by the CQC in 2019/20 but has been inspected under the CQC's routine inspection programme.

The last planned inspection by the CQC was in January 2019 the result of which was the granting of an overall rating of 'Good' for the Trust.

Register of interests

The Trust has published an up-to-date register of interests for the Board of Directors on its website and internally for other decision-making staff within the past twelve months, as required by the 'Managing conflicts of interest in the NHS' guidance. Our policy 'Standards of business conduct and managing conflicts of interests' has clearly set out these obligations which are monitored by the audit and risk committee on behalf of the Board. Additionally, at every meeting of the Board and its committees, sub-committees or groups, it is standard that members and attendees declare interests in relation to items on the agenda. If conflicts arise, the appropriate action is taken and said action recorded as set out in the 'Standards of business conduct and managing conflicts of interests' policy. Finally, every time there is a change to the Board's register of interests, it is brought to the Board for review before the new version is put on the Trust's website.

Pensions

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

As an NHS employer, our core membership is with the NHS Pension Scheme. UHS provides a secondary pension scheme (NEST) which is available for staff who are not eligible for the NHS Pension Scheme (staff already in receipt of their NHS Pension). Control measures are in place to ensure that all employer obligations contained within the regulations for both schemes are adhered to, including deductions from salary, employer's contributions and payments into the schemes. Member records are maintained on ESR, and any queries or requests for data from the scheme managers are responded to in line with the timescales outlined by the regulations. Any complex requests are escalated accordingly within internal structures.

Environmental sustainability and climate change

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the adaptation reporting requirements are complied with.

The Trust is committed to delivering a world-class sustainable healthcare system that works within the available environmental, financial and social resources, protecting and improving health now and for future generations. We will achieve this through continued investment in energy saving initiatives and staff awareness campaigns that focus on promoting sustainability.

Energy consumption

We have spent 18% less in energy costs due to low gas delivered prices achieved on the market. However, we still consumed 3% more power than last year's first three quarters. Gas consumption increased by 30% in the third trimester. This is explained by the cold weather and the fact that both combined power plants (CHPs) worked harder than the previous year. In the next year we will be factoring in the Trust's activity levels, in order to compare to the site growth and energy productivity, bearing in mind that the site is in constant development with new building extensions coming up.

In a move to improve energy efficiency in buildings, the Trust invested in a number of schemes. Roof chillers in Centre Block have been replaced with more energy efficient ones.

The Trust also embarked on a project funded by the NHS Energy Efficiency Fund (NEEF) to replace 17,600 fluorescent light fittings with energy efficient LED. Controls will be included in the LED fitting design in suitable locations to maximise savings with controls such as daylight harvesting and PIR sensor. Also, we have started to tackle the problem of heat loss in plant rooms by insulating hot and cold water pipework. We will continue to invest in energy saving schemes.

Finite resource use - water

The Trust used 294260m³ of water as of February 2020 this year. The usage is a bit lower than the previous year.

Waste management

The Trust is committed to reducing its carbon footprint and improving the understanding of waste management within the health service. Recycling is widely encouraged. Besides our mixed recycling waste stream which includes paper, cardboard, plastics, tins and glass, we have started collecting crisp bags to be sent for recycling. In the space of a year we have collected 70kg of crisp bags, which have been sent to be processed, to remanufacture items such as watering cans or garden benches. The scheme is growing fast and is supported in various departments across the site.

The Bio bin system has now been rolled out to every required area of the Trust. With this process, full bins are taken off site to be emptied and decontaminated for reuse. No plastic is burnt and only the contents are sent to be incinerated.

Between April and September 2019 our records show that 19,327 containers were diverted from incineration. This sustainable waste management process has enabled the Trust to save 103.7 tonnes of carbon.

The Trust generated 2,372 tonnes of waste in the first three quarters with equivalent carbon emission amounting to 57 tonnes Co₂ e. The graph below provides more information on the waste breakdown.

Sustainable travel

We are committed to improving the local air quality and improving the health of our community by promoting active travel to our staff. We will continue to encourage staff to use public transport and/or bikes with the aim to reduce our carbon (CO₂e) output and improve staff wellbeing.

The UHS Travel Promise includes sustainable travel options to all staff working at UHS. The choices include:

- Discounted travel to work by bus or bike.
- 'Park and Stride' approximately 20 minutes' walk away from the SGH
- Electric charging points (06) in the staff multistorey car park (4) to support the transition toward EV
- Efficient 'Park and Ride' scheme based in near Adanac Park (just off junction 1 of the M271)

The 'Park and Ride' scheme was introduced in January 2019 and completed its 100,000th passenger journey on 26 November 2019. The scheme has been a success in terms of increasing parking access to a larger number of staff and reducing pressure on the road system around the hospital site, while improving sustainability, delivering an impressive 63.5 tonne carbon saving over the year so far but there is a need to further assess. In order to assess the complete impact of this initiative, we intend to use the health outcomes of travel tool (HOTT) to identify the financial and health benefit of such a scheme.

Sustainability awareness

In terms of the sustainability awareness programme and staff engagement, this year has been a turning point for the Trust as far as staff engagement is involved. Building on the success from last year's sustainability event held as part of the NHS Sustainability Day celebrations, staff interest keeps growing.

The sustainability team runs a monthly staff group called the Green Guardian Network (GGN). The GGN is made up of staff who, with the backing of their line managers, are raising awareness and supporting environmental sustainability in their various departments. The number of Green Guardians around the Trust rose from 12 to almost 60 during this year and they have been key drivers in the success of various sustainability initiatives undertaken this year.

Information governance

During the period the information governance (IG) team made a concerted effort to improve the Trust's IG training provision as well as update and improve the policies and procedures underpinning information governance within the Trust.

Information governance training remains a standing item on all corporate induction programmes. There is an online virtual learning environment course available, which can be accessed from a non-NHS browser. There are also monthly classroom sessions as part of the rolling half-day training events and bespoke IG training sessions for facilities staff and volunteers to accommodate their service needs. The eLearning data security awareness session is also actively promoted, as is the information governance handbook.

All the information governance training includes an outline of the relevant legal position, NHS guidance and the Trust's policies relating to the safe and appropriate processing, handling and storage of information.

Information security-related incidents are reported via the Trust's incident reporting system and flagged with the data protection officer. When deemed necessary these incidents are escalated to the senior information risk owner, the Caldicott Guardian and the ICO. Where an ongoing information risk is identified, it is recorded on the relevant risk register, along with a note of actions to be taken to minimise the chances of reoccurrence and impact.

There were four serious incidents requiring investigation during the period from April 2019 to March 2020 of which only three were required to be reported to the information commissioner's office (ICO) after submitting them on the DSPT.

The first incident related to a member of contracted staff, uploading a photograph of menu cards from GICU, which included patient names and locations, to the Snapchat platform. This was reported to us by a member of the public and we were able to act upon it. The ICO responded with 'We have considered

the information you have provided and we have decided that no further action by the ICO is necessary on this occasion’.

The second incident involved two CPUs (computer base units) being stolen from the hospital’s main reception. The first was returned within minutes and the second was collected from a local supermarket within 48 hours. The police were involved and the incident was reported on the DSPT. Neither computer was deemed a high risk due to the nature of work for which they were used. There were also high levels of security required to access any patient information. The IT department stripped the units down to ensure that a virus was not introduced. The DSPT deemed that the incident was not reportable to the ICO.

The third incident was reported to the ICO on 20 January 2020 and related to the potential disclosure of a patient’s medical records by way of unauthorised access and disclosure of someone known to the patient. This incident is still under investigation.

The fourth incident was reported to the ICO on 22 January 2020 after a member of the public reported that they had found a plastic wallet full of patient details in a car park in Ocean Village. The wallet was collected the same day and it was confirmed that it contained theatre lists with patient identifiable information. Although the ICO has said that ‘no further action by the ICO was necessary on this occasion’, we are still in the process of an internal investigation and will be writing to the patients in due course.

In 2019/20 there was one complaint to the ICO about the Trust from a person who was dissatisfied with the outcome of a recruitment campaign. The DPO worked alongside the ICO to answer the complaint, and, although the matter is not yet completed, there are no further actions for the DPO or ICO with regards to this complaint.

In December 2019 the Trust was the subject of a voluntary audit of the data security and protection toolkit conducted by PWC, the Trust’s internal auditors. As a result of the audit PWC deemed UHS to be at ‘low risk’ suggesting high confidence of a successful submission. The Trust is on track to make this successful submission on 31 March 2020.

Data quality and governance

The annual quality account is published as part of the Trust’s annual report. The annual quality report for 2019/20 has been developed in accordance with national guidance, with its development being led by the chief nursing officer. Stakeholders receive a draft version of the report for comment, with feedback received reflected within the final version. The Council of Governors, health overview and scrutiny panel, Southampton City Council, Healthwatch and lead commissioners are also consulted on the report’s content.

The quality governance steering group (QGSG) has delegated responsibility from the Trust executive committee and ultimately Trust Board to oversee the Trust’s clinical and quality governance arrangements. The group provides a clear vision for healthcare governance within the Trust. It sets clear performance standards and holds the divisions, corporate functions and, where relevant, other Trust-wide groups to account for the delivery of the healthcare and quality governance agenda.

The Trust operates a clinical accreditation scheme, a process where wards or departments are required to demonstrate adherence to standards of care to become accredited. The Trust monitors ward standards through the clinical quality dashboard which focuses performance against key metrics including patient safety, effectiveness, patient experience and outcomes from matron peer walkabouts.

The Trust’s quality improvement framework (now known as ‘our quality priorities framework’) underpins our quality governance and is updated and reviewed annually. It outlines the Trust’s priority areas of focus for quality, and progress is monitored ‘from ward to Board’.

Data included within the report is based on the descriptors set out in national guidance and is subject to data quality checks as part of the Trust’s performance indicator assurance process.

The quality committee and quality governance steering group (QGSG) have a key role in monitoring the report’s content, the determination of quality priorities, and the ongoing monitoring thereof, and in providing assurance to the Trust Board.

The completed quality report, including comments received from our stakeholders, is subject to review by the Trust's external auditors which assess whether a balanced view of quality is presented based on other information.

The last well-led inspection conducted by the care quality commission found that the Trust continued to be well-led. Processes are established to monitor compliance against care quality commission (CQC) regulations (Health and Social Care Act 2008 Regulated Activities, Regulations 2014) using the updated CQC action plan process which is based on the CQC's key lines of enquiry (KLOEs). Leadership comes from the Trust Board with clearly devolved responsibility and accountability for individual quality improvement priorities.

We use our data quality (DQ) assurance processes to monitor quality. These are shaped by data security and protection toolkit (DPST) guidance and include:

- UHS incorporates national standards, definitions and DQ checks within key systems. Standard updates are managed by informatics.
- External reports are used for monitoring and improvement, including monthly review of secondary use service dashboards and DQ maturity index.
- Procedures for analytics staff incorporate variance checks and trending; DQ is reviewed and reported trends are investigated prior to submission.
- Clinical coding is part of information; analytics work supports clinical coding completeness and depth.
- Internal audit to compare recorded data to source data is in place for core PAS datasets.
- Clinical staff are involved in validating information.
- Key operational performance metrics are audited each year to support the quality account.

Informatics provides dedicated data quality analysis and is responsible for monitoring and reporting on data quality covering internal and external data flows.

Information improvement group is established with responsibility for:

- Use of reporting and incidents to monitor compliance
- Directing improvements in data collection
- Undertaking DQ assurance using internal and external sources
- Identifying DQ issues to be escalated
- Sharing best practice, clinical service knowledge and operational experience
- Identifying learning requirements to support data capture
- DQ policy support by reviewing content, approving changes and monitoring compliance.
- Approving guidelines, operational documents, policies or procedures for data collection
- Directing the work of the data quality resource within informatics
- Supporting compliance with guidance and achievement of standards set out in the DPST
- Supporting the BI platform and data assurance processes.

There is an executive lead for DQ, who is the executive director of transformation and improvement.

Since their establishment, the divisional management teams have attended the monthly performance and accountability reviews with the executive team to monitor the delivery of quality, safety and performance standards in line with the Trust's strategy and operating plan.

The Trust continues to report monthly to the Board on quality and safety metrics as part of the integrated performance report, which provides the Board with assurance against national priorities set by NHS Improvement (NHSI) and NHS England (NHSE), and local priorities.

Quality and performance elements were reviewed in detail monthly, and key issues were escalated to the Board as required. The Trust continues to strive to achieve sustainable improvement in its performance against its priorities, including the referral to treatment (RTT) target and four-hour access standards.

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

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 performance information, including internal and external audit progress reports 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 and risk committee, the quality committee and the strategy

and finance committee (later finance and investment committee), and a plan to take advantage of any scope for improvement is in development at the time of reporting.

My review of the effectiveness of the system of internal control is informed by:

- Care quality commission registration and the results of CQC inspection reports;
- Internal audit reports;
- External audit reports;
- Clinical audits;
- Accreditation and peer reviews;
- Patient and staff surveys;
- Benchmarking information; and,
- Reports by the executive directors, senior managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Trust has an annual financial plan which is approved by the Board and submitted to NHSI. Performance against the plan is monitored by the finance sub-committee and the Trust Board. A monthly integrated performance report is produced which contains performance indicators and Monitor metrics for finance, activity and workforce information. The Trust's resources are managed within the framework set by the prime financial policies and the statutory instruments, which include standing financial instructions (SFIs), standing orders (SOs) and scheme of reservation and delegation (SORD).

Financial governance arrangements are supported by internal and external audit to ensure economic, efficient and effective use of resources.

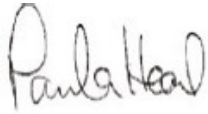
Divisional and corporate departments are responsible for the delivery of financial and other performance targets via a performance management framework incorporating service reviews with the executive team for key areas and compliance with the Trust's financial accountability framework.

Divisions play an active role in the ongoing reviews of financial performance, including cost improvement requirements, quality innovation, productivity and prevention delivery. Regular reports are considered by the executive team on key influences on the Trust's financial position, including activity and workforce indicators. The efficacy of assurance provided to the Board is verified by the Trust's internal and external auditors, thus providing a third line of defence.

The internal audit plan is risk-based and is approved by the audit and risk committee at the beginning of each year. Progress reports are then presented to the audit and risk committee on a quarterly basis with the facility to highlight any major issues. The chair of the audit and risk committee, can, in turn, quickly escalate any areas of concern to the Board via a committee report, and produces an annual report on the work of the committee (this is in the body of the annual report) and a self-evaluation of its performance and effectiveness.

Conclusion

Having assessed the evidence available to me, I have concluded that no significant internal control issues have been identified.

A handwritten signature in black ink that reads "Paula Head". The signature is written in a cursive, flowing style.

Paula Head, chief executive officer
22 June 2020

Voluntary disclosures

Equality, diversity and inclusion

UHS remains committed to creating a diverse and inclusive environment for staff, patients and visitors. In early 2019, Trust Board approved a revised equality, diversity and inclusion strategy which includes the following four goals:

1. Understanding our local population and reducing health inequalities
2. Measuring, monitoring and improving patient experience
3. Building inclusive leadership and talent
4. Delivering a representative workforce

The strategy is underpinned by an overarching action plan which links to our mandatory action plans for the workforce race equality standards (WRES) and the workforce disability equality standards (WDES). UHS have also developed a 'reducing bullying and harassment' action plan in response to a sustained theme arising in the staff survey.

Highlights of progress against the four goals to date include:

Goal 1: Understanding our local population and reducing health inequalities

- EIA process (including training) has been reviewed and redesigned with an imminent roll-out planned
- Community contacts have been expanded and relationships/partnerships developed for outreach health work, i.e. maternity services, diabetes services
- Accessible information improvements and the introduction of flags for vulnerable groups
- Mental health, learning difficulties and dementia strategies are being implemented
- We continue to develop the outreach work in the local community, i.e. diabetes services working with local mosques to raise awareness of services
- The mental health board has been re-established and is working through a programme of priorities

Goal 2: Measuring, monitoring and improving patient experience

- A patient administration system capable of recording and flagging patients' information and communication needs
- Estates improvements which included: a registered Changing Places Toilet, hearing loops installed in all public areas with portable ones available in all clinical areas, purchase of additional wheelchairs, and installation of respite seating along long corridors
- Commissioning AccessAble to conduct an access audit of patient areas making recommendations for improvements, and providing patients and visitors with online visual accessibility guides across all its services and locations for use when planning their visit
- Improved mechanisms by which to provide feedback and complaints which are now available in Hampshire's top five languages, large print, easy read and audio
- A patient inclusivity partnership is in planning stages
- A carers' steering group is being developed to help in-service design and delivery
- Disability lanyard scheme is due to be launched to help patients with disabilities transition through services with more ease
- 'This Is Me' passport has been introduced to support patients in receiving the best care in the way that best suits them and their needs

Goal 3: Building inclusive leadership and talent

- Delivery of inclusive leadership programmes targeted at BAME staff and staff with disabilities has led to a number of this cohort receiving promotions and/or becoming actively engaged in the EDI agenda
- A number of diversity awareness days and celebrations were delivered last year across the Trust with a plan to increase such events in 2020
- The Trust submitted its first WDES data return and developed an action plan by which to move towards disability equality in the workplace
- UHS set an ambitious target of achieving 15% of Band 7 and above roles being occupied by BAME staff.

Goal 4: Delivering a representative workforce

- Worked with external occupational psychology consultancy to review and revise recruitment training provision for managers with specific reference to diversity and unconscious bias.
- 325 staff have received this training and it is mandated that an independent interview sits on all internally advertised interview panels
- Developed and delivered masterclasses on application and interview techniques.
- Monthly reviews of diversity data are in place to identify how candidates with protected characteristics compare to those without.
- Revised the recruitment policy to ensure fair practice across the Trust with regards to secondment, acting up and developmental project opportunities.
- Introduction of recruitment working group to review concerns around fairness within recruitment practices.
- 12 FTSU Champions were recruited and trained to promote and support a culture of speaking up
- All protected characteristics staff networks underwent a change of chair, structure and vision. The BAME network has received external support to develop and opportunities for similar external support is being sought for the other staff networks
- A reducing bullying and harassment action plan has been developed and is addressing disparity for protected characteristics reporting bullying and harassment

The WRES and WDES data identified a number of indicators that UHS needed to focus on as priorities for 2019/20. These were categorised into three specific priorities and action plans developed by which to achieve progress towards them.

Namely:

- 1) **Equal opportunities and recruitment:** The implementation and embedding of new recruitment practices.
The latest staff survey shows improvement in the WRES indicator 'percentage of staff believing that the organisation provides equal opportunities for career progression or promotion': 78% (2017), 74.5% (2018), 82.1% (2019). Whilst this improvement is significant it remains lower than the white average of 91.3% (2019).
- 2) **Employee relations:** Identify mechanisms and root causes of the disproportionality of BAME staff/staff with long-term illnesses and disabilities experiencing discrimination, harassment, bullying and abuse.
- 3) **Development of the reducing bullying and harassment action plan,** which is moving at a good pace. The latest staff survey results indicate a 2.5% decline in discrimination, harassment, bullying and abuse from staff towards BAME colleagues.
- 4) **Staff experience:** Improve the day-to-day experience of working at the Trust for BAME staff and staff with a long-term illness or disability.

- All staff networks have undergone significant changes in their leadership, membership and approach. There is continued support provided to the groups, including by an external consultant and the non-executive director with the lead of EDI.
- All networks are seeing an increase in members and are supporting a larger number of cases.
- The executive team and senior leaders are working collaboratively with the networks to engage with these particular staff groups during the COVID-19 pandemic to ensure they are appropriately supported, kept safe and reassured of their long-term positions.

In addition to the above, the WDES data highlighted that staff declaration is a significant issue for staff with disabilities which urgently needs addressing if UHS is to really tackle the challenges this staff group may face.

Governance and oversight

The director of nursing/OD chairs the Trust's equality, diversity and inclusion steering group which reports to the Trust executive committee (TEC) and latterly the new peoples committee. The steering group has representation from the network groups, Trust management and clinical divisions. The Trust Board receives reports on progress twice yearly. WRES, WDES and EDS2 are undertaken and reported on annually (August).

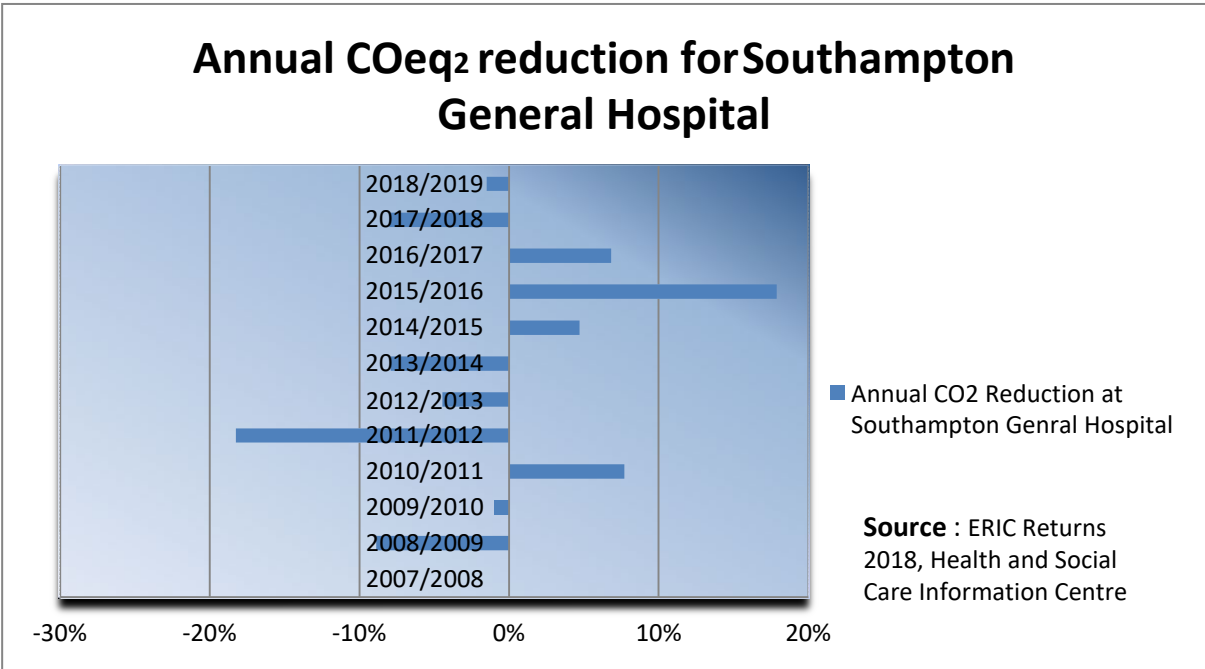
Environmental sustainability and climate change

The Trust is committed to delivering a world-class sustainable healthcare system that works within the available environmental, financial and social resources, protecting and improving health now and for future generations. We will achieve this through continued investment in energy saving initiatives and staff awareness campaigns that focus on promoting sustainability.

The Trust’s focus on sustainability has previously been limited to quantitative data, such as energy or travel-related emissions. Although this data is essential to inform future action, it only tells part of the story. There are other aspects of sustainable development, such as social value and community engagement, for which progress can be difficult to quantify. We have started with the sustainable development assessment of various areas of activity to help understand where good progress has been made, and highlight areas that require further focus and will be submitted on the sustainable development unit portal once all interview questions are returned. This data will then inform our priorities that form part of the Trust’s Green Plan (formerly known as sustainable development management plan).

In 2014 the sustainable development strategy outlined an ambition to reduce the carbon footprint of the NHS by 28% (from a 2013 baseline) by 2020. According to a report published in 2016 by the sustainable development unit, an 11% carbon reduction was achieved by the NHS between 2007 and 2015. The carbon reduction target has been updated and the new goal for the NHS is to reach a 34% reduction by 2020 and 80% by 2050.

UHS achieved the 2015 targets but is not currently on course to achieve 2020 targets as seen in the graph below.



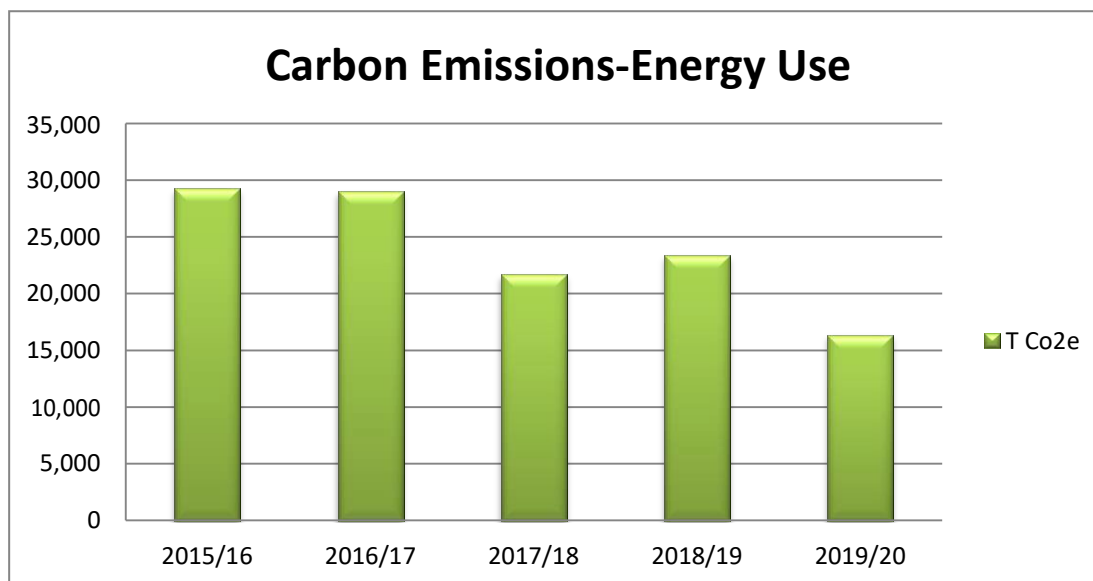
NHS England has identified the key areas or ‘carbon hotspots’ across the healthcare service where we should prioritise our carbon reduction activities to help protect the wellbeing of the UK population.

Energy consumption

We have spent 18% less in energy costs due to low gas delivered prices achieved on the market. However, we still consumed 3% more power than last year's first three quarters. Gas consumption increased by 30% in the third trimester. This is explained by the cold weather and the fact that both combined power plants (CHPs) worked harder than the previous year. In the next year we will be factoring in the Trust's activity levels in order to compare to the site growth and energy productivity, bearing in mind that the site is in constant development with new building extensions coming up.

For the first three quarters in 2019/20 we have imported more electricity than in the whole of the previous year. This is mainly because the CHPs had some operational breakdown and only generated half of the expected output. The installation of solar panels on suitable roofs onsite is currently being explored. It will provide less reliance on the grid and reduce our carbon footprint at the same time.

The graph below tracks carbon emissions over the last five years.

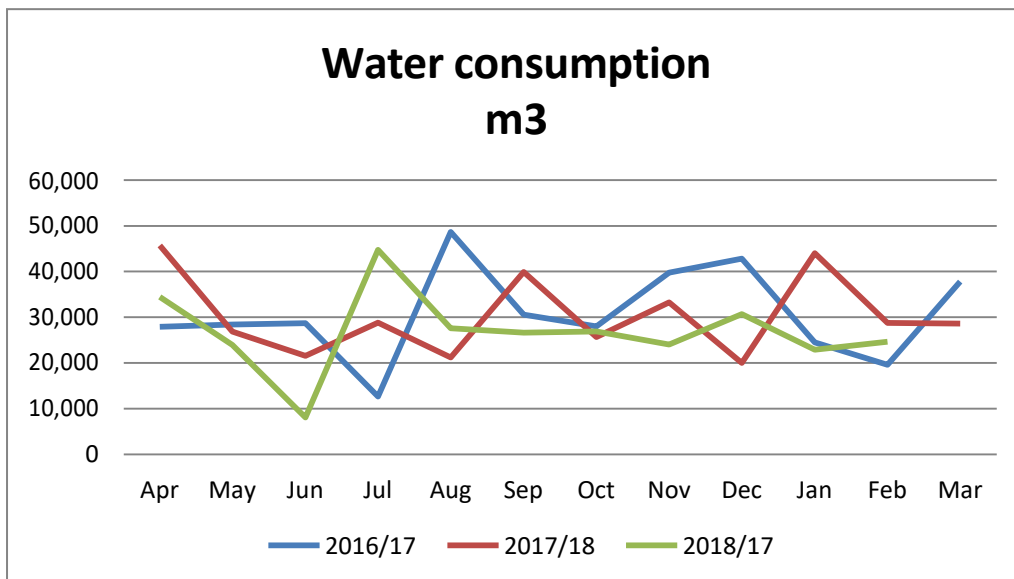


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Finite resource use - water

The Trust used 294260m3 of water as of February this year. The usage is a bit lower than the previous year. Major leak repairs have been carried out this year. This could be explained by the increase in activities/patients onsite. We will continue to encourage individuals to reduce water wastage and report water leakages in order to improve our water efficiency.



Waste management

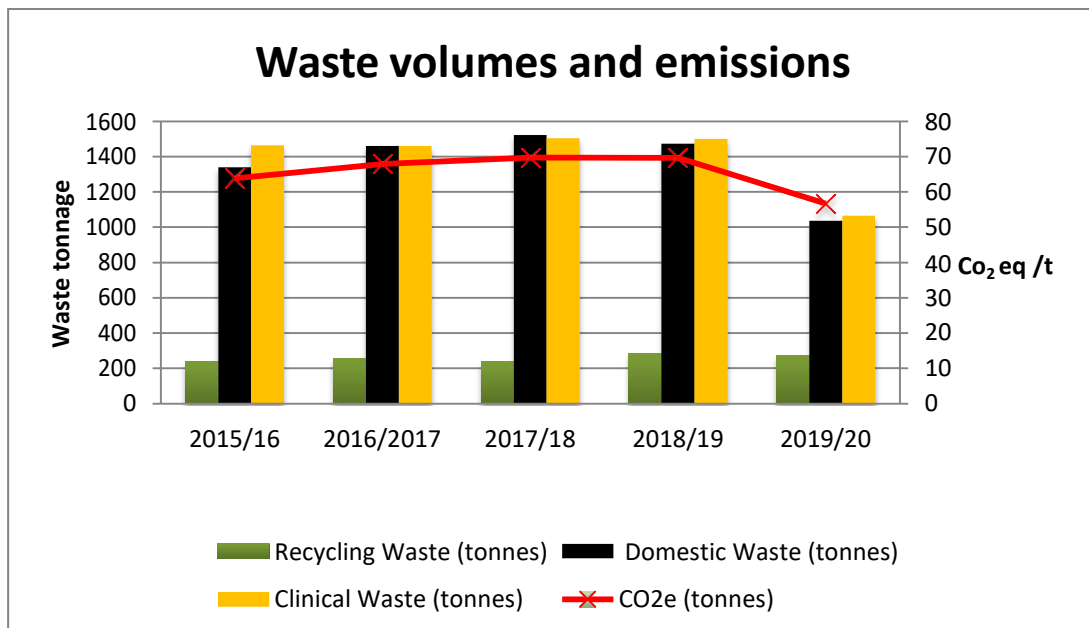
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Another welcome initiative this year was the introduction of pallets recycling. This new waste stream was introduced last November and is responsible for the significant sharp rise in recycling waste. So far, 22.7 tonnes have been collected to be reused in local community projects.

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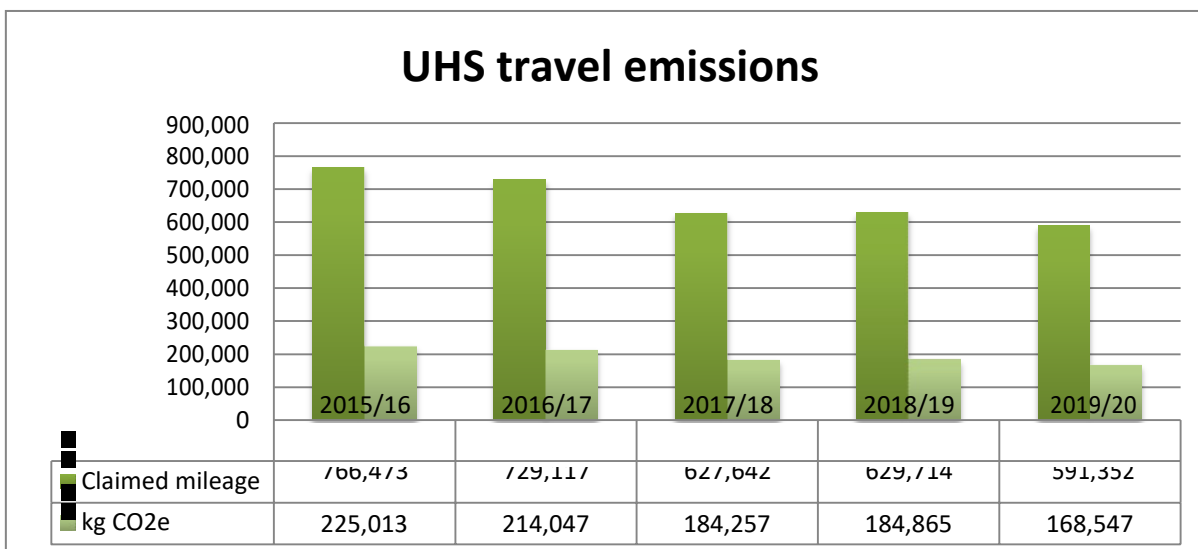
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- Electric charging points (06) in staff multistorey car park (4) to support the transition toward EV
- Efficient ‘Park and Ride’ scheme based near Adanac Park (just off junction 1 of the M271)

The ‘Park and Ride’ scheme was introduced in January 2019 and completed its 100,000th passenger journey on 26 November 2019. The scheme has been a real success in terms of increasing parking access to a larger number of staff and reducing pressure on the road system around the hospital site, while improving sustainability, delivering an impressive 63.5 tonne carbon saving over the year so far. But there is a need to further assess. In order to assess the complete impact of this initiative, we intend to use the health outcomes of travel tool (HOTT) to identify the financial and health benefit of such a scheme.



- The ‘Switch Off’ events. The Trust launched its first ‘Switch Off’ campaign over the Easter bank holidays. Using posters, energy facts, and ‘Switch Off’ checklists, we were able to encourage staff to turn off lights and non-essential equipment in their respective buildings before leaving for the long Easter weekend. The ‘Switch Off’ event was repeated over the August bank holiday and over the Christmas holidays.
- The ‘Switch Off’ challenge. This initiative was started to help embed switch off routines over a three-month period and assess its impact. A ‘Switch Off’ challenge leader board is published every month to provide feedback on each building’s electricity performance for that month compared to the previous year.
- The introduction of the crisp bag recycling
- We have also introduced the inhaler recycling scheme in some specific wards with pharmacy as a central drop off point.
- ‘No Idling’ zones are to be introduced in order to raise awareness to staff around the negative impact of running their vehicle when not in motion. Posters will be placed in key locations to remind staff to turn off their engines.
- We are planning a sustainability event on 19 March 2020 to engage with staff and patients by explaining what we are doing as Trust to provide care with less harm on the environment, and how we can all make a difference, no matter how little.

We are starting to collaborate with a number of external bodies on how we can all work together to achieve the carbon reduction targets wherever possible. This is done through ideas and best practice sharing. We are working with the STP, the UoS, the Southampton Energy Partnership, Hefma Sub-regional and most recently the Hampshire public sector sustainability group.

Single-use plastic reduction

The Trust has signed the NHS plastic pledge reduction and is committed to demonstrating reduction of single-use plastic food containers and other plastic cups for beverages including lids. The immediate targets for the Trust are to:

- No longer purchase single-use plastic stirrers and straws by April 2020.
- No longer purchase single-use plastic cutlery, plates or single-use cups made from expanded polystyrene or oxo degradable plastics by April 2021.
- In order to achieve the above target, we will be working with matrons and care group managers on suitable reusable alternatives and completely removing the single-use items from the buying catalogue.

In addition, we are also working with our outsourced catering provider (Serco) which has started replacing their cookery items in the restaurant. Staff and visitors can now purchase their hot drinks in their own reusable cups.

QUALITY ACCOUNT AND QUALITY REPORT 2019/20



Chief executive's welcome

It is my pleasure to present the Quality Account for 2019/20. This has been another busy year for us at University Hospital Southampton NHS Foundation Trust. This report forms part of our requirement to account for both the quality of our services and the finances that we have managed.

This quality report shows our quality improvements during 2019/20 sets out how we maintain safe services and improve our standards and sets out our priorities for the coming year.

Our Board is accountable for the quality of all of the services we provide as a Trust and sets the strategic direction and the tone for the organisation. We believe that quality – the safety, effectiveness and experience of our services – has improved again this year and that we have achieved this by providing high quality care, whenever and however we are needed, and by working in partnership with patients, supporting them to take an active role in their own health and wellbeing.

To make sure that as an organisation we are ready for the challenges and opportunities ahead we have a new clinical and corporate strategy. As part of this, the staff have shared with our Change Champions their aspirations for the Trust and what really motivates them to do their best for our patients and each other. Based on this we now have a new Trust vision: 'world-class care for everyone' (that includes our patients and their families, our communities and ourselves) and our new mission statement: 'University Hospital Southampton - together we care, innovate and inspire'. These build upon our established core values - patients first, working together, and always improving - and together describe who we are as a Trust.

Our clinical strategy describes an exciting future for the Trust. As a leading teaching hospital with a reputation for innovation and research we will provide world-class clinical care and outcomes to all we serve, and attract the best staff. We will be working with our partners to deliver comprehensive clinical services, providing care for everyone from cradle to grave. This means supporting health and wellness, as well as caring for people when they are ill. We will deliver the safest care through an open culture of learning and by incorporating the best systems and technological support.

Our patients will remain at the centre of all our pathways and care, which will also support the care, delivered by our partners and be organised so that the patients experience seamless care. We will focus on delivering 'realistic medicine', championing shared decision making between patients and clinicians to ensure effective outcomes that bring meaningful benefits to individuals.

Working with others, we will also focus on improving the health of our population, supporting both health and wellbeing. We will make every contact count, supporting healthcare, prevention and early diagnosis to ensure care is provided at the right time and in the right place, delivering the best patient experience.

In 2019 we had a CQC rating of 'good' and some fantastic accolades and developments. These included a prestigious British Medical Journal award for improving care for older patients with the development of our frailty unit and activity hub, and our women's and maternity care at the Princess Anne Hospital being named among the best in the world. In addition, we celebrated the completion of our £2.2 million urology centre and the national adoption of prehabilitation for cancer patients, a pioneering service led by teams at UHS.

We also have the completion of some of our longer-term developments on site to look forward to over the next few years. This includes the expansion of our emergency department and general intensive care unit, our new £5 million Maggie's Centre to provide support for cancer patients, further refurbishment of our medicine for older people wards and a new £3 million research laboratory to tackle antibiotic-resistant infections. There are also many other parts of our estate that require upgrading and we will work extremely hard to secure the funding we need to do that.

Measures of quality and performance are, by their nature, less precise than our financial information, with less internal and external scrutiny than the financial information presented in our annual report and accounts. But I believe this report gives an accurate account of quality at UHS and I hope it will be read widely, by staff as well as by the people who use our services.

These accounts represent our commitment to ensuring that we continue to improve service user and carer experience, and to strengthening recovery-focused care and continuous quality improvement. We have made good progress and believe the quality priorities we have selected for this year will help us achieve our ambition to provide outstanding care for every service user.

I declare that to the best of my knowledge the information in this document is accurate.

Paula Head, chief executive officer

About this report

Every year all NHS hospitals in England must write an annual report for the public about the quality of their services. This is called the quality account and makes us at University Hospital Southampton NHS Foundation Trust (UHS) more accountable to our public and helps drive improvement in the quality of our services.

Quality in healthcare is made up of three dimensions:

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

This report tells you how well we did against the quality priorities and goals we set ourselves for 2019/20 (last year). It sets out the priorities we have agreed for 2020/21 (next year), and how we plan to achieve them. It also contains an overview of our quality performance based on mandated and locally chosen indicators.

Our approach to quality assurance

At UHS we have a strong sense of professionalism and pride in our work, robust quality assurance and governance. Quality is something that is not someone's job but our uniting purpose. Our 'always improving' value means that we seek to make UHS 'better every day' and focus on excellence through research, innovation and continuous quality improvement (QI). Our mission: 'together we care, innovate, and inspire' and our vision of 'world-class care for everybody' further supports these values.

In line with these values all staff are expected to participate in quality improvement as part of their routine work, focusing on making measurable improvements to our services for patients and staff in a structured way. Staff are encouraged to listen, be curious and focus on improvements that matter to patients. Leaders at all levels are expected to be a visible presence to frontline teams, listening to and empowering staff to share their ideas and successes about quality and to implement improvements.

We want all staff to feel their ideas are welcomed and valued. We also want all teams to work together to make improvements happen that really benefit our patients and staff. All staff can, and are welcome to, be an ambassador of our Trust values and be involved in making improvements. This year we have introduced 74 staff members working as 'quality ambassadors' who actively support the Trust to develop

strategy and embed a quality improvement culture. All leadership and management courses at UHS now incorporate quality improvement training.

Quality improvement is just one element of a coordinated and Trust-wide approach to quality. Last year we structured our quality priorities under the Care Quality Commission (CQC) domains of safe, effective, responsive, caring and well-led. The priorities were set against outcomes, safety and experience and we called this 'our quality priorities' to further focus our staff's minds on improving quality rather than solely quality assurance.

This year we have further developed our approach by generating 'quality priorities' with plans to ensure we deliver the highest quality care shaped by a range of national, regional, local and Trust-level factors. We recognise the overriding issues of the significant operational pressures which are being felt right across the health and social care system and affect our approach at every level. Our challenge is to deliver the highest quality care in the context of these operational pressures. These quality priorities are described in the 'our priorities for improvement 2020/21' section of this quality account.

In order to embed quality and provide assurance at ward and department level we run a quality assurance framework which includes a clinical quality dashboard (CQD), a clinical accreditation scheme (CAS) and clinical quality reviews (CQR's).

The CQD monitors ward standards by focusing performance against key metrics including patient safety, effectiveness, patient experience and outcomes from matron peer walkabouts. The metrics are used throughout the Trust from ward to board.

CAS is a process where wards and departments are required to demonstrate adherence to standards of care to become accredited. The wards gain this accreditation by submitting information on key quality performance indicators and patient feedback, complaints and compliments to a senior clinical panel, and this year we have also introduced mandatory evidence of quality improvement work. A CAS team which includes patient representatives also undertake unannounced visits to the ward or department. Successes are celebrated and shared across the organisation, and areas for improvement are agreed where necessary. During 2019/20 we completed 52 CAS reviews.

Our CQR's are conducted based on the CQC inspections and their identified key lines of enquiry. The CQR's provide an internal assurance process which is proportionate, risk based, professionally informed and linked to what matters to patients and staff. This information includes feedback around areas of good practice from the division, direct observation during the review and other information collected during the CQR which provides evidence for the overall judgement framework. A formal report and action plan is generated following the review. Two reviews were completed in 2019/20 – adult spinal services and children & young persons services.

Our commitment to safety

In a large organisation, such as the NHS, things will sometimes go wrong and this will have an impact on all those involved. We recognise the importance of a culture where staff are comfortable to report when things go wrong, and we ensure that, where needed, the appropriate support for staff is available in an effective, efficient and timely way. We provide a range of support processes for Trust staff involved in an incident, complaint or claim. Individuals have the opportunity to share their experiences and provide feedback regarding the support they have received. We continually work to improve safety in the Trust, learn from incidents and celebrate successes.

In July 2019 the national patient safety strategy was launched by NHS Improvement (NHSI), and UHS held a series of workshops to look at how we can implement this and use it to inform our own strategy. Our own strategy is due to be launched alongside a year of kindness and civility in April 2020.

In November 2019 UHS also held a workshop to review the concept of adopting the principle of a patient safety zone. The patient safety zone is achieved by having a defined set of principles which

staff must perform while in the presence of the patient - within the 'patient safety zone'. These principles include staff introducing themselves by name, asking patients to state their name and date of birth before any action is performed, and checking against the documentation (or checking a wristband when appropriate), and ensuring all non-urgent interruptions and distractions are reduced.

During September 2019 UHS took part in the first World Health organisation (WHO) patient safety day with a focus on kindness. On the day our centre block theatres were commended by Wessex Academic Health Science Networks for their work on an action card to be used if a swab is found to be missing.

Throughout 2019/20 we focused on improving our compliance with our venous thromboembolism (VTE) risk assessments. We have been pleased to note that during October, November and December 2019 and January 2020 we consistently met or exceeded the 95% target.

We have also improved on medicines reconciliation (the process of comparing a patient's medication orders to all of the medications that the patient has been taking over the year). Our pharmacy team has redesigned how they measure that reconciliation to ensure it captures all eligible patients and matches the updated national definition. A review of areas where rates are significantly lower than the target has successfully identified three key areas (child health, oncology and women's health). An action plan is being developed to resolve the shortfall in these areas.

This year Southampton City CCG have funded an Acute Kidney Injury (AKI) nurse- led follow up clinic .This is already supporting a reduction in readmissions and improved safety-netting for those with more acute AKI. Work is on-going to make this service 'business as usual', and expand to include West Hampshire CCG patients.

The Trust now has a full time falls lead in post. The lead is focusing on Quality Improvement (QI) development, reviewing and updating our falls policy, with particular attention to our head injury guidance and management. She is also developing a Trust-wide education programme for all staff groups.

UHS have also supported two Healthcare Safety Investigation Branch (HSIB) maternity national investigations this year. These are independent investigations of patient safety concerns in NHS-funded care across England. The recommendations they make aim to improve healthcare systems and processes nationally in order to reduce risk and improve safety.

Looking to the coming year we are planning improvements in our 'ask not tell' culture to support correct patient identification and maintaining a focus on continuing to build on improvements in the recognition and treatment of patient deterioration. There will also be a Trust wide focus on ensuring patients receive a timely follow up in out-patients.

Duty of candour

'Duty of Candour, Regulation 20 of the Health and Social Care Act 2008', is a statutory requirement for all providers registered with the CQC. It covers any patient safety incident that appears to have caused (or has the potential to cause) significant harm. It requires us to undertake an initial disclosure of the incident, provide a written account, complete an investigation and share investigation findings including a formal apology.

At UHS we are committed to being open and transparent to our patients and their families and have worked hard to ensure that our staff are aware of their obligations against Regulation 20.

Our 'Being Open Policy – a Duty to be Candid' policy clearly outlines the requirements for the Trust to comply with Regulation 20. The key responsibilities for staff are regularly shared and updated through mandatory training, induction, education days, rolling local programmes, cascade training and newsletters.

Our intranet provides up to date resources and advice and we have an information leaflet to explain how we investigate and learn from incidents. This information includes how we will be open, involve our patients and their families and keep them updated. Every patient (or their family) is contacted by letter following a moderate or high harm incident and are invited to ask any questions they would like answered as part of the investigation. We offer to meet patients and families if they would find this beneficial.

Compliance for Duty of Candour is supervised by our divisional governance groups, and the corporate patient safety team ensures it is completed for any serious incidents that occur. We also carry out regular monitoring through the relevant fields on our risk management system 'Ulysses' to monitor compliance.

Our commitment to improve our patient's experience

In the past year we have taken significant steps to improve the quality of the experience of all of our patients, families, and carers. We recruited a carers' experience lead to work with carers to co-produce a strategy to ensure we support carers accessing our services. We have redesigned our patient surveys and created a new 'we're listening' visual campaign to encourage patients and carers to engage and give feedback.

Every month a patient attends our Trust Board meeting to share their experience of using our services, giving our directors a direct insight into their experience. We have also worked with a not-for-profit organisation to create accessibility guides for all of our sites and services which allow patients with disabilities to plan their visit in advance and request that reasonable adjustments are made to make their visit easier. We have also been proactive in identifying, recording, and meeting patients' accessible information and communication needs.

In the next twelve months we will be launching the sunflower lanyard disability initiative, a scheme that allows those with disabilities, hidden and visible; to signify to staff that they may require further support. This is a national initiative that will make our services more responsive and inclusive.

We are also working on achieving 'veteran aware' hospital accreditation, that would reflect our commitment to supporting the veteran community in our region. We will be taking forward our support for carers, re-launching our carers' cafe and improving staff awareness of the needs of carers.

We continue to grow our volunteers, with new roles being explored that support staff and patients in high-demand services. Our youth volunteering programme has been highly successful in engaging 16-24 year olds in NHS volunteering, and we have ambitions to launch a patient inclusivity partnership in the summer that will provide

the opportunity to bring together patients and staff from across the protected characteristics and local communities to provide a diverse and inclusive central hub for consultation, improvement, and involvement.

Our commitment to improving the environment for our patients

Patient-led assessments of the care environment (PLACE) assessments are an annual appraisal of the non-clinical aspects of the NHS undertaken by teams made up of staff and members of the public. The assessments involve local people (known as patient assessors) going into hospitals as part of teams to assess how the environment supports the provision of clinical care. They assess areas such as privacy and dignity, food, cleanliness and general building maintenance and, more recently, the extent to which the environment is able to support the care of those with dementia or disabilities.

UHS has been committed to PLACE since 2013. We find PLACE assessments provide motivation for improvement by providing a clear message directly from patients about how our environment or services might be enhanced.

During 2019 the format of these assessments was changed by NHSI. Staff and patient assessors from UHS were involved in the national steering group looking at the changes and successfully piloting a 'mini PLACE' assessment to evaluate the new forms and process.

We also worked hard to engage a wider range of PLACE assessors, bringing in a more representative breadth of assessors including college students, condition support groups and Trust members to ensure all service users are represented.

UHS completed the 2019 PLACE assessments in the autumn, and we received our local results. National results are not yet available to benchmark against.

The PLACE review resulted in over 400 changes to the assessment process and questions, so it is important to note that the results this year are not directly comparable to historic results, however they provide a valid view of the areas assessed.

| Standard | 2019 SCORE | Range High | Range Low |
|---------------------------------------|------------|------------|-----------|
| Cleanliness | 97.2% | 99.32 | 96.41 |
| Food | 88.33% | 93.57 | 87.87 |
| Privacy, Dignity and Well Being | 76.5% | 85% | 75.6% |
| Condition, Appearance and Maintenance | 95.98% | 98.02% | 94.59% |
| Dementia | 73.2% | 85.29% | 60% |
| Disability | 77.23% | 78.16% | 62.07% |

In response to our results we have incorporated PLACE as a standing agenda item into the environmental steering group, estates management and governance meetings. This ensures there is integrated clinical and estates collaboration in identifying opportunities to improve and deliver action plans.

The low dementia and accessibility scores remain a concern although are consistent with many Trusts results, and we have already taken steps to improve our patient's experience. These include adding door wraps to better use colour for orientation and incorporating dementia standards in refurbishment, development and remedial works such as flooring choices. We are now looking at introducing large, familiar designed clocks with dates included; handrails of contrasting colours, contrasting toilet furniture and familiar design of flush and tap mechanisms.

The concerns of patients with a physical disability had been partly addressed by providing new wheelchairs for the main entrance with a deposit system. This has been further improved with greater portering wheelchair stock across the site. Handrails along corridors have been improved, and some rest chairs provided.

The PLACE system had identified an issue for patients with hearing problems, so hearing loops have been updated and are now installed in all the main reception areas with additional portable hearing loops available on request. There has been an additional focus on promoting awareness and visibility of the system.

We have several key priorities to focus on for the coming year: privacy and dignity will be addressed by reviewing the visibility of patient data on display and conversations overheard; a lack of separate treatment rooms in some areas; lack of free TV access, day rooms or social spaces; security of patient belongings; and the restricted physical space around patient beds.

Cleaning issues were identified including bed frames, equipment, windows and high level dust. Our independent service provider Serco have implemented an action plan which has delivered improvements. Focus on clinical cleaning has also improved significantly.

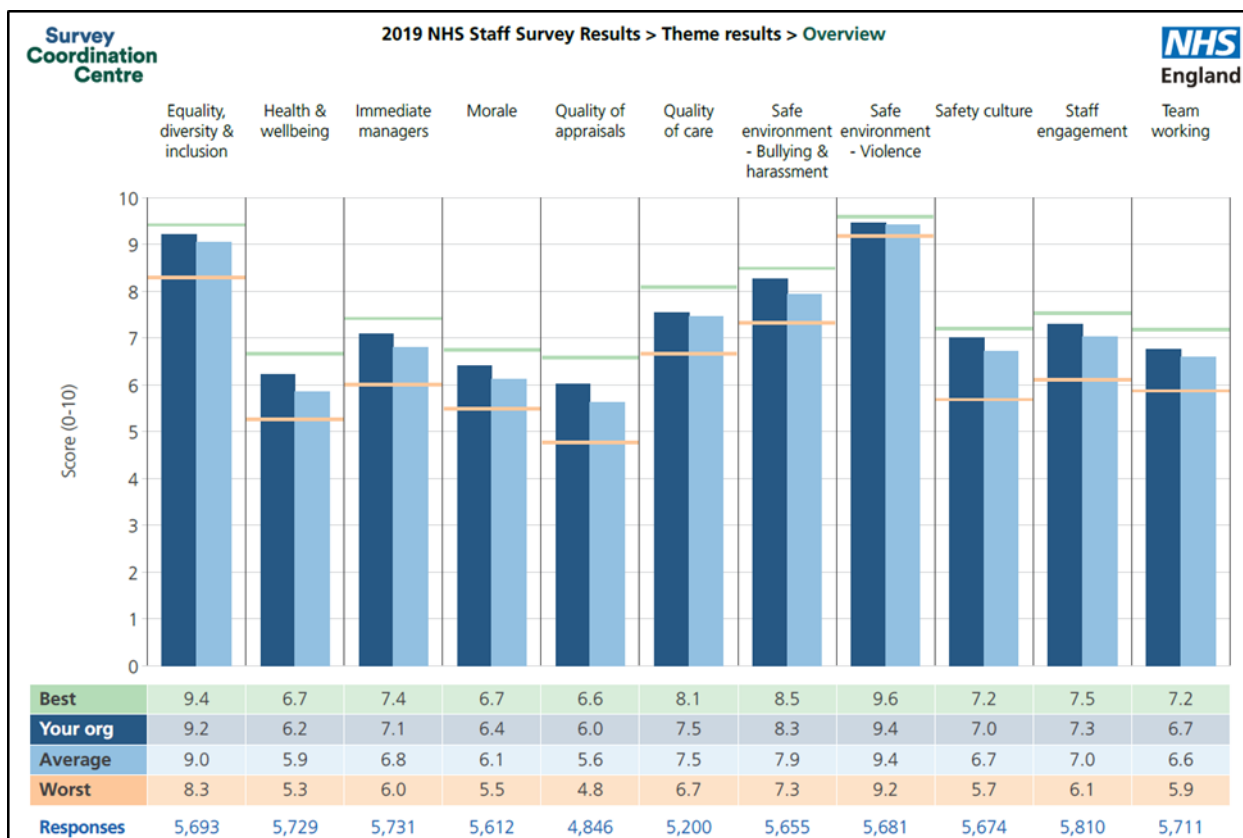
There were many comments about the condition and appearance of our estate. Space, storage and tidiness, maintenance of internal fixtures and fittings, and general decoration, discoloration of floors and inadequate seating were cited. We are working hard to respond to these concerns with local and capital plans in progress.

We were pleased to see the food service scored well, however there remain some areas for improvement. We are looking at solutions to address the lack of separate dining areas and reminding our staff to help patients get ready for when their meals are delivered. We are also promoting protected meal times and encouraging ward staff to engage fully in the meal service.

Our commitment to staff

UHS has a growing reputation as a top teaching hospital in the UK and overseas. It attracts candidates locally, nationally and internationally and is also one of the largest employers in Southampton. With over 11,500 staff and 1000 volunteers working in a diverse range of healthcare related fields, we believe the Trust offers an exciting and rewarding place to work.

To understand how staff feel about working for the Trust, and to continue to make improvements to our services, we use the results of the annual NHS Staff Attitude Survey and Friends and Family Test to consider how we perform against the pledges set out in the NHS constitution and against other similar acute trusts.



Based on the results from the 2019 staff survey, the Trust performed better than the Acute Trust average in all 11 survey themes. Other results to celebrate were:

- Participation rates for the survey have risen from 39.1% of staff in 2015 to 52% in 2019. This includes over 1700 registered nurses and midwives.
- Staff engagement at UHS has remained consistently high (7.3) compared to the NHS average (7).
- UHS has seen significant improvements in the 'quality of appraisal' theme. This has increased from 5.2 in 2015 to 5.8 in 2019.

A key aspect of staff experience is the quality of appraisal. Over the last 3 years, the Trust has been focused on improving the appraisal process and experience for staff through updated paperwork and a new training programme. This has resulted in improvements in staff survey results since 2015, particularly in questions relating to values being discussed, objectives being set, and feeling valued by the organisation.

The Workforce Race Equality Standards (WRES) and the Workforce Disability Equality Standards (WDES) scores also show signs of improvement, particularly in areas such as staff reporting harassment, bullying or abuse from staff, and providing equal opportunities for career progression or promotion. There continue to be areas in need of improvement which will be addressed in the Trust's updated equality, diversity and inclusivity (EDI) strategy.

The Friends and Family Test asks every quarter (except for Q3 when the annual survey is conducted) whether a member of staff would recommend the Trust as a place for care or treatment and whether a member of staff would recommend the Trust as a place to work. In the latest results from Q2 of 2019/20, the Trust achieved a 93% result for question 1 (against an acute average of 81%), and a 75% result for question 2 (against an acute average of 66%).

Over the coming year the Trust will continue to promote the NHS staff survey and Friends and Family Test to encourage as much staff participation as possible. Any issues or concerns identified will be reported to the Board and a suitable action plan developed and implemented for every care group. We will use the feedback from the survey to support staff to improve the services we deliver and

share our findings so that we can learn from our mistakes. This includes working with our trade union colleagues and networks to ensure views from all staffing groups are taken into account.

Here are some positive staff responses from the 2018 and 2019 surveys:

“Thank you for being part of this amazing organisation. I love the NHS and UHS in particular for the daily service it provides to the public and to its employees. I am equivalently proud that I’m now able to help and mould the future of this service.”

“Love being able to cycle to work, lock my bike up in a secure facility, shower and change ready for the day.”

“I am happy and proud to be part of my team, organisation and my Trust. I believe that we deliver a very high standard of care to our patients and a very high standard of work ethic. I believe my team makes significant contributions to make the life of our patients better and we have the support of our colleagues and our management team.”

“As a research nurse we are in a privileged position to work with research participants over the longer trajectory of their entire pathway. I love the continuity, flex and unpredictability of the job.”

“I have worked for my organisation for 30+ years now. I am passionate and love my job, yes it has got harder as the years have passed because of the strain on the NHS as a whole, but at the heart of everything we do is the patients that we care so much about and that will never change.”

“This is an excellent teaching hospital with lots of opportunities; I am proud to work here and would be happy for myself or any of my family members to have care here. I love my job.”

“I love and am proud to work at UHS - I've moved organisations in the past, and nowhere has felt like a family like UHS does. Healthcare professionals work together in a multidisciplinary team to get the best outcome for the patient.”

“I love working here. I have recently been on the other side as a patient and cannot fault the care I received from so many departments I previously knew so little about. I feel there is real transparency here and we constantly strive for standards of excellence.”

Freedom to speak up (FTSU)

Speaking up about any concern our staff may have at work is important to our Trust. In fact we consider it to be vital because it helps us to keep improving our services for patients, and the working environment for staff.

The Trust's freedom to speak up guardian is the central point of contact for staff who would like to raise a concern. The guardian is available via a dedicated mobile phone number and e-mail address and responds to all concerns within 48hrs.

Once a concern is raised, it is logged on a central spreadsheet along with the following information: summary of concern, whether it is a protected disclosure, if the issue has been raised previously, the desired outcome, details of the action taken and the date it is considered closed, and equality data and staff group (UHS staff or agency). Areas we encourage staff to report include:

- Unsafe patient care or poor quality of care.
- Unsafe working conditions.
- Inadequate induction or training for staff.
- Lack of, or poor, response to a reported patient safety incident.
- Suspicions of fraud or financial mismanagement.
- A bullying culture across a team or department.

The Trust also has a dedicated FTSU helpline and raising concerns policy. The policy establishes clear lines of escalation for concerns to be raised which are as follows:

- Raise the matter with your line manager.
- Contact the FTSU guardian or FTSU champion.
- Contact the executive director responsible for FTSU.
- Contact the non-executive director responsible for FTSU.
- Raise the concern externally.

It also explains how staff will be supported through the process and how feedback will be given when the matter has been looked into and resolved.

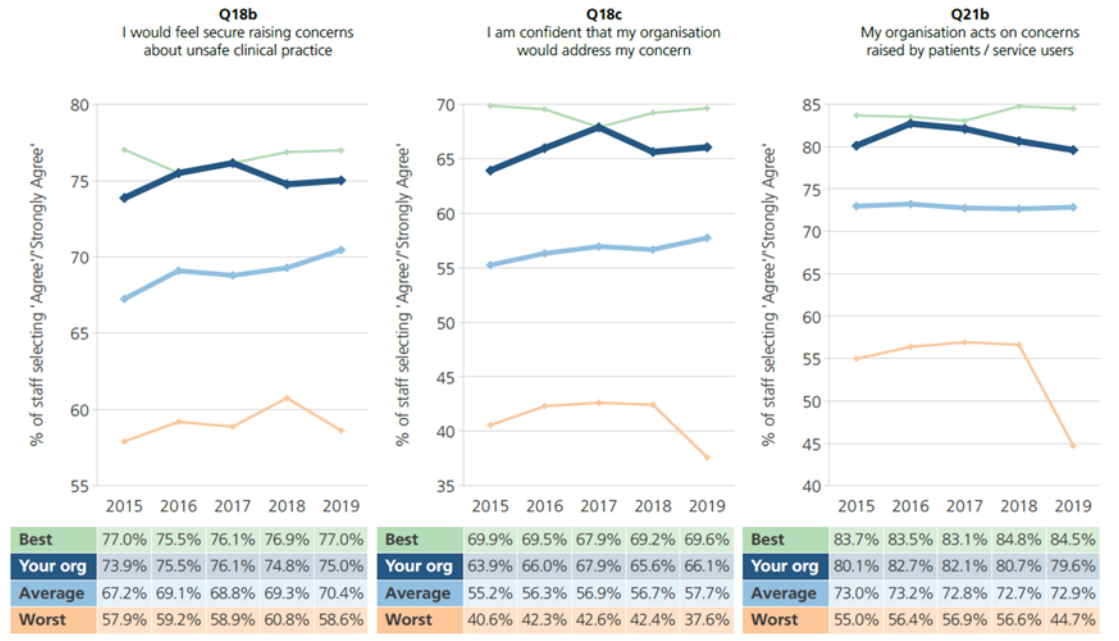
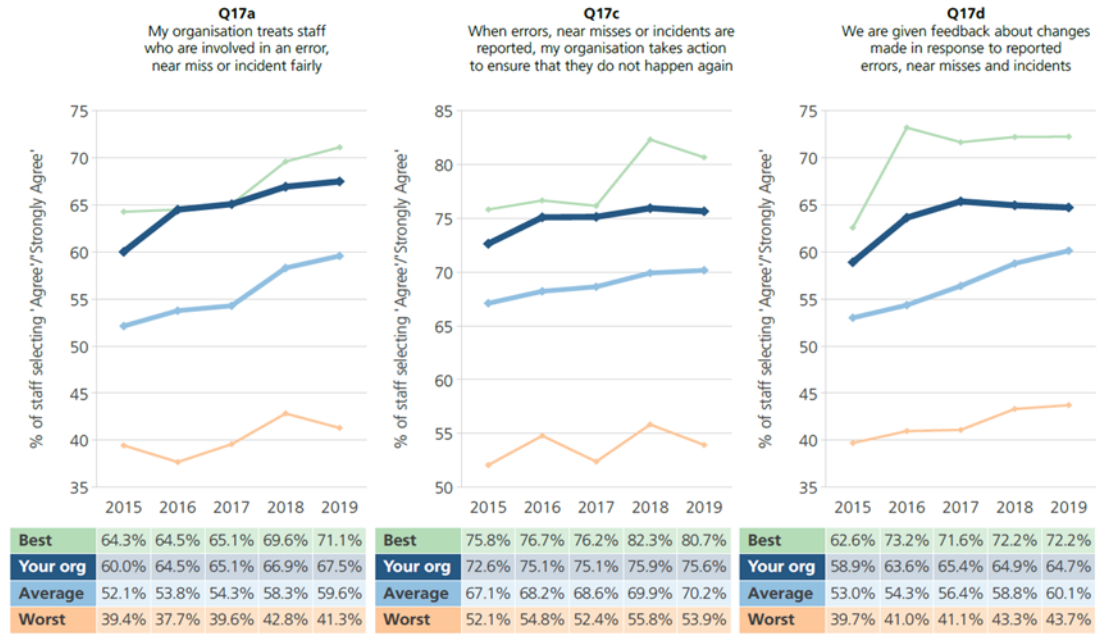
Where investigations at UHS have resulted in recommendations to support improvement these have been taken forward, including some modification to enhance local clinical practices from Royal College recommendations. In addition, FTSU data has been triangulated with data from the staff survey results and incident reporting which has in turn helped the organisation find solutions to wider issues and develop/review policies and take action as appropriate. For example, a Trust wide Reducing Bullying and Harassment Action Plan has been developed to address the most common concerns raised.

The Trust now has 12 FTSU champions appointed and trained in FTSU practices. They provide another way of raising the profile for raising concerns and promoting speaking up. There is a particular focus on reaching vulnerable staff groups, e.g. minority/vulnerable groups and agency staff.

The FTSU guardian meets quarterly with the CEO and bi-annually with the executive and non-executive leads. Auditing of compliance of standards and effectiveness is the responsibility of the FTSU Guardian in conjunction with the executive and non-executive leads and the raising concerns steering group. A summary of all cases is reported to Trust Board bi-annually and to the national FTSU office quarterly.

Staff are also encouraged to contact the executive lead and/or non-executive lead for whistleblowing issues if their concerns have not been addressed by their line manager. The raising concern (whistleblowing) steering group acts as the oversight group for all cases logged with the Trust. The group is chaired by the executive lead and attended by the FTSU guardian and senior HR/patient safety leads.

The 2019 staff attitude survey results show the Trust's ratings for a safety culture compared with the acute Trust averages:



Our commitment to education and training

Throughout 2019/20 the training, development and workforce team have continued to lead and contribute to many initiatives and work streams that help ensure UHS has a workforce which is fit for purpose. We aim to nurture a workforce capable of providing the highest quality patient care in a supportive and developmental working environment.

Key achievements this year include continuing to grow apprenticeships (especially within the nursing family), and securing funding and approval to upgrade and refurbish our clinical simulation centre in January 2020. We have an excellent postgraduate medical training programme with very positive General Medical Council (GMC) survey feedback. UHS has continued to work in partnership with other surrounding placement providers and higher education institutes.

These partnerships have resulted in Nursing and Midwifery Council (NMC) approvals for the Future Nurse (standards for proficiencies and development of new curricula), and the introduction of new approved providers in Winchester whilst continuing to build capacity for programmes from Solent University. We have also agreed to support radiotherapy students from the University of West England from April 2020, and continue to work with AECC University College (formally known as the Anglo-European College of Chiropractic) to develop their programme

We are actively working with education providers and placement providers to improve the experience of learners in clinical practice following a Hampshire and Isle of Wight nursing supply workshop. We are confident this will lead to further development in supporting the future workforce increases whilst assuring quality education and placement experience.

There are now over 200 apprenticeship programmes being undertaken across the Trust. This includes 72 nursing degree and 42 nursing associate apprenticeships. The Trust's own apprenticeship centre has been successful in completing a number of apprentices this year in pharmacy Level 2 and senior healthcare support worker Level 3, with some gaining distinctions. Some of these apprentices have progressed or have applied to progress to higher level programmes such as the pharmacy technician Level 3 or nurse degree apprenticeship. These apprenticeships have enabled widening participation opportunities for the support workers in the Trust. This is part of the Trust's approach to building a sustainable workforce.

In addition UHS talent management strategy has recruited four more graduates who are undertaking a management or project management apprenticeship to help develop their skills whilst rotating through various managerial roles in clinical divisions.

Development of the non-medical workforce in advanced practice roles continues across all departments and specialities within the Trust. Increasing capacity in the history taking physical assessment course (HTPA) has allowed joined up working with primary care organisations to improve development of this workforce between emergency department and the community setting. 126 staff have received HTPA training during 2019/20, with courses in 2020/21 filling fast. UHS promoted a high response rate to the recent Health Education England advanced clinical practitioner (HEE ACP) census with a Trust report expected in spring 2020. Numbers of staff with independent prescribing qualifications continue to grow, with 284 active non- medical prescribers within the organisation.

Ensuring we have a workforce fit for purpose, providing the highest standards of patient care is more than a 'numbers game' – it is the quality of our staff (particularly their capacity to lead) which will play a significant role in delivering our vision of 'world-class care for all'.

This is the driving force behind our talent management strategy, which is all about enabling our staff (and leaders) to fulfil their potential, which ensures we have firm succession plans for our senior, hard to fill posts. This year we have been focusing on care group leadership, introducing a number of initiatives to develop individuals at this challenging level. These have included action learning sets, master classes and a bespoke programme of development. We are now in the process of planning a fourth cohort. In the next financial year we will continue with these initiatives and consolidate the learning and outcomes into a formal talent review for care group managers, clinical leads and matrons.

We continue to be involved in career events with local schools and colleges and to support career experiences to help inspire the next generation to consider a career in healthcare. This has included hosting our annual event at UHS for local school children to come and meet professionals across a variety of healthcare science and allied health professionals (AHP's) careers.

Funding for a new simulation centre has enabled the Trust to update the clinical simulation facilities on site. The skills for practice team continue to provide high quality clinical skills training, preparation for examinations and organise the observed simulated (OSCEs) for University of Southampton medical students. Clinical skills and simulation training is also provided for UHS clinical teams, helping to ensure staff are safe to practice

In medical education there has been a notable increase in overall satisfaction on the GMC survey of post medical trainees in the past 5 years. Our ranking for 2019 has slipped a little compared to 2018, but we remain in the top 20 UK teaching hospitals. This result has been supported by a culture of listening to trainees and actively seeking their views including recruitment to a chief registrar post, a senior trainee doctor who provides both leadership and liaison with the wider trust and management teams.

Our commitment to staffing rota gaps and the plan for improvement to reduce these gaps

In 2018 UHS established a systematic, evidence based and triangulated methodological approach to reviewing staffing levels six monthly linked to budget setting to reflect requirements arising from any developments.

A Staffing Status Report is submitted to the Trust executive committee (TEC) monthly and a consolidated annual report submitted to Trust Board and includes updates on rota gaps and the plan for improvement to reduce those gaps for all staffing groups.

All consultant recruitment is controlled through business case approval.

Focused work to fill remaining gaps in rotas remains through transfer to the NHS Professionals (NHSP) Bank platform.

In 2019 workforce planning in UHS shifted to improve integrated work between various departments and services as we worked to align our internal direction with national policy initiatives such as the NHS Long Term Plan, the Interim People Plan and NHS Improvement guidance on developing workforce safeguards.

We recruited more registered nurses and doctors this year. Junior doctors increased by 28 full time equivalent (FTE) and medical consultants by 7. Our continued recruitment drives for registered nurses were successful, gaining 96 extra nurses and reducing our vacancy rate to 14.2%.

UHS use of high cost agency registered nurses has reduced significantly and a greater proportion of consistent bank staff are now used, a more cost-effective alternative, releasing resources for patient care.

Our focus on retaining our European colleagues led to a fall in leavers from the European economic area during 2019, from 3.5% to 2.6%.

Workforce and workforce planning are reported monthly to the Trust executive committee (TEC) in line with our constitutional requirements, with any risk areas highlighted.

We participated in various workforce returns for external NHS agencies, such as Health Education England. We also work collaboratively with NHS organisations at sustainability and transformation partnership (STP) level and beyond on regional workforce issues. These include staff retention (many staff in the STP area commute away from where they reside) and supply issues via course provision, including apprenticeships.

Work has continued in embedding good use of workforce technology to ensure we deploy and utilise all of our staff in the most effective way. Electronic staff systems and eRostering have continued to be developed to capture the contribution of all staff and to link more effectively the patient acuity and dependency and the staff required. In 2019 we also participated in a number of research projects looking at the effectiveness of staff planning and rostering practices.

Our commitment to technology to support quality

The Trust is committed to using modern technology to help improve the quality of care, safety and patient experience. In 2017 UHS was one of sixteen Trusts awarded the status of acute Global Digital Exemplar (GDE), having been recognised as one of the more digitally advanced healthcare organisations in the country and we have continued to strive for innovation ever since.

In 2019/20 we concentrated on using information technology (IT) in a number of initiatives.

We worked to reduce the burden of ward rounds on clinicians and staff. Ward rounds are an essential part of inpatient care where patients are reviewed by consultants, junior doctors, senior nurses and other clinical staff. The care for the rest of the day is decided here including how clinicians assess the patients' health, decisions on further investigations, and whether the patient is ready to go home, but they are often time consuming and it can be difficult to collate all the information required for decision making.

DigiRounds is a project which provides a solution that allows clinical teams to see the patient information they need during the ward round. This is presented in a format that is concise and quick to use using a handheld mobile device. DigiRounds has been developed in-house between clinical staff and UHS digital and is designed to be a digital window at the end of the bed. Tablets work better when you are mobile and are designed to work for touch and the ability to scroll back in time. The data is presented in a way doctors 'learnt to be a doctor' and allows pattern recognition and problem solving.

Ewhiteboards have now been rolled out Trust wide on every ward. This touch screen technology displays information taken directly from a patient's electronic record including clinical alerts such as existing medical conditions, length of admission and estimated date of discharge. It also acts as a tracking system to identify what is preventing discharge when patients are medically fit to leave hospital. Previously this information was handwritten on boards when patients were admitted or moved. This required staff to take time out to interpret and re-write a patient's notes and increased the risk of inaccuracies during translation. The solution includes a site view which can be used to get a real time perspective of the bed state across the whole hospital.

We have also had success in giving people the tools to access information and services directly. Our clinical handover and record treatment (CHARTs) is the Trust's electronic patient record (EPR) system which has continued to be developed to provide more tools to help staff work more effectively and safely. With CHARTs the outpatient work list has been shown to save 14 minutes per outpatient clinic for clinicians and it also improves patient safety and quality by enabling clinicians to be able to check tests ahead of clinic.

The new discharge summary which was rolled out in February 2020 has been designed to improve the way that clinical staff document the discharge information for patients. It will improve information quality for patients and GP's to understand the next actions needed for their care and will save GP time in reading the document improving the patient experience as patients will find the new summary easier to understand.

The new electronic 'to come in' (eTCI) process in CHARTs which supports the transfer of patients to a waiting list is eliminating the risk of cards getting lost or waylaid and removing legibility issues.

The Trust now has a complete digital record (called Metavision) in all of its critical care units which is used by all doctors, nurses and therapy staff. This solution has delivered improvements for patient safety as the doctor's targets for the patient are at the top of the screen and instantly viewable for nursing staff. Links to guidance are included to ensure that users are directed to clinical standards and protocols. Delivering complete digital records across a service has improved care as the whole clinical team is now viewing one digital record.

UHS is now using My Medical Record which is a patient online service developed and operated by our Trust. The service has been designed to support patients whilst they are away from the hospital and is an ideal tool in the management and support of patients with long-term conditions. The patient can access their records and information anywhere, anytime, but the real power of the service is its ability to support the transformation of the way we provide clinical services. In the four years the service has been running over 14,000 patients have been registered across thirteen hospital sites. The wider rollout of My Medical Record now includes cancer, paediatric nephrology, paediatric cardiology, cystic fibrosis, multiple sclerosis, sleep teams (adult and paediatric), inflammatory bowel disease and rheumatology. These systems and the way clinicians and patients may now interact is delivering significant improvements in care provision.

In 2019 we introduced Attend Anywhere. This initiative is a purpose-built suite of services, tools, and resources to facilitate video consultations between clinicians and patients. The Trust is working with NHSE on a pilot which includes clinical genetic, paediatric cardiology, hepato-pancreato-biliary (HPB) outpatients, urgent asthma clinic, and occupational health and cardiology outpatients.

"My patients have said that they have found our video consultations useful as they do not have to attend the hospital. They prefer it to a telephone call." Occupational health clinician.

We are currently in the pilot phase of patient hub which is a secure and easy digital system to confirm, rebook or cancel a hospital appointment online. The patient hub will remove the need for patients to phone the hospital to cancel their appointments. It is simple to use and there are no logon details to remember. Patients will use either their hospital number, mobile or email address, together with their date of birth. Once they have logged in, they will be able to view all of their appointments, letters and messages. Using the patient hub patients will be able to access a map of the Trust. The patient hub is extremely secure, and patients can customise the way they receive and manage their appointments reminders e.g. text, email or post to suit their needs.

To ensure clinical information can be safely accessed, wherever it is needed, the Trust transitioned during 2019 from traditional paper record keeping to an electronic programme known as electronic patient record (EPR). The off-site paper records store is now closed. The benefits are significant with clinicians now able to access electronic records instantly.

To help improve patient safety we introduced Sample 360 which is an electronic digital blood sample system used on an iPod. Using the handheld device clinical care teams can positively identify the patient at the bedside and safely take the blood sample. The blood test can be traced from the patient to the laboratory staff and the results. Formerly blood sample requests were processed without any positive patient identification. This paper process was prone to mistakes and could lead to delays in patient care because of wrong information and lost samples. Sample 360 was developed by doctors, nurses, phlebotomists, and laboratory and informatics staff. Safety has been shown to be improved – for example in 187,000 completed blood samples there have been zero 'wrong blood and tube' events. Sample 360 has also alerted 800 occasions where mistakes have been avoided. Patients are no longer bled unnecessarily, or receive the wrong set of results due to mis-identification. Staff can deliver care on the wards using mobile devices.

Safe track is a digital patient acuity monitoring system which is now live across all general wards throughout the Trust. This solution enables nursing and medical staff to record patient observations and some assessments without the need for paper charts. In addition to providing nurses and doctors with accurate and real-time information to review a patient's progress, the system automatically calculates early warning scores to alert staff to patients who may require urgent intervention to prevent their conditions worsening. This early warning score is now based upon the National Early

Warning Score (NEWS2) protocol which is recommended for use throughout the NHS – standardising on a single protocol reduces risks.

Currently, drug storage is completely manual, with drugs being hard to categorise and find. Many drugs are reordered unnecessarily. We are starting a project in 2020 on AMU where electronic cabinets will be stored in the ward to allow for the automated dispensing of drugs. The cabinets will use biometric security access, electronic controlled drug registers and automated patient alerts from our electronic prescribing medication system. The cabinets will increase patient safety, with clinical staff having more time available for care.

UHS has now developed the e-consent form with clinical stakeholders to provide a simplified process. The e-consent form pre-populates all the data such as the patient demographics and the patient signs using their finger. Improving consenting is a key action relating to assisting reporting for morbidity and mortality management. The project also aims to improve the patient experience through a consistent, standardised and comprehensive consenting process. E-consent links to national best practice to inform patients of risks. The new consent form is user friendly, clear and concise and adapted perfectly for our needs.

In order to improve productivity and to replace the inefficient and old-fashioned bleep system the Trust has developed an instant messaging system known as MedXnote. This has the ability to exchange information with the electronic patient records. It was launched in July 2018 as part of the GDE programme and continued to be refined in 2019. Using MedXnote staff can send and receive secure messages to individuals, groups and roles in real time. The MedXnote system integrates with the Trust's clinical systems, improving staff efficiency. Staff using MedXnote can receive specific patient results directly to their mobile devices and can receive notifications of new referrals and view the latest observation chart for their patients.

Digital Pathology has been introduced in the histopathology service. Digitising the workflow makes the process more efficient and therefore faster. Measuring is much more accurate on digital images than on physical slides, and can also be annotated much more extensively and easily. Digital pathology images can be viewed together with the radiology image, which improves the diagnostics for both departments and enables pathologists to work flexibly.

Our commitment to the Care Quality Commission (CQC)

UHS is required to register with the Care Quality Commission and its current registration status is registered without conditions. UHS has no conditions on registration.

The Care Quality Commission has not taken enforcement action against the Trust during 2019/20.

UHS has not participated in any special reviews or investigations by the CQC during the reporting period.

The registration details are available on the Care Quality Commission website.

The Care Quality Commission last inspected the Trust between December 2018 and January 2019. The inspection focused on the quality of four core services: urgent and emergency care, medicine, maternity and outpatients, as well as management, leadership and the effective and efficient use of resources. In January 2019 NHS Improvement carried out a Use of Resources (UoR) inspection and the CQC completed their inspection.

The report was published on the 17th April 2019 and the Trust was rated as 'good' overall and 'outstanding' for providing effective services.

All sites and services across the organisation are now rated as 'good' in the effective and caring domains, with Southampton General Hospital 'outstanding' in these areas.

Urgent and emergency care received an overall rating of 'good', with 'outstanding' scores for effective and caring services. Medicine, including medicine for older people, was rated 'good' overall with 'outstanding' for caring and responsive services.

Maternity received a 'good' rating overall and in all individual categories other than safety which recorded a 'requires improvement' rating, while outpatient services were rated 'requires improvement' – both largely due to the quality and age of the estates and facilities.

Southampton Children's Hospital remains 'good' overall and 'outstanding' for care.

As part of the report, the CQC also published the trust's UoR report, which is based on an assessment undertaken by NHS Improvement of how effectively and efficiently trusts are using resources.

UHS was rated as 'good' in the well-led category and for using its resources productively, with its combined UoR and quality rating now 'good'.

"There is so much for us to celebrate across the organisation in this report given the challenges facing the NHS and our 'good' rating is testament to the quality and commitment of our staff, who continue to work tirelessly to provide the best possible services" said Gail Byrne, director of nursing and organisational development at UHS.

"We are particularly pleased all of our services are now rated either good or outstanding in the effectiveness and caring domains and to receive such positive feedback regarding the culture across teams and departments."

"The inspection has highlighted some areas in need of improvement, particularly around the difficulties of an ageing estate and increasing volume of patients, but the report also acknowledges how our staff work hard to mitigate any risks presented."

Dr Nigel Acheson, the CQC's deputy chief inspector of hospitals for the south, said: "Our inspectors found a strong patient-centred culture with staff committed to keeping their people safe, and encouraging them to be independent. Patients' needs came first and staff worked hard to deliver the best possible care with compassion and respect."

"Inspectors saw many areas of outstanding practice, with care delivered by compassionate and knowledgeable staff. Several teams led by example with a continuous focus on quality improvement."

“The Trust did face some challenges especially with the ageing estates. Some patient environments were showing significant signs of wear and tear – but again staff were doing their utmost to deliver compassionate care.”

Progress with the action plan from the inspection is being closely monitored to completion by the Trust Board and the Quality Governance Steering Group, augmented by visits by commissioners and NHS Improvement.

| Overall rating for this Trust | Good | <input type="checkbox"/> |
|--|----------------------|--------------------------|
| Are services at this trust safe? | Requires improvement | <input type="checkbox"/> |
| Are services at this trust effective? | Outstanding | <input type="checkbox"/> |
| Are services at this trust caring? | Good | <input type="checkbox"/> |
| Are services at this trust responsive? | Requires improvement | <input type="checkbox"/> |
| Are services at this trust well-led? | Good | <input type="checkbox"/> |

Review of quality performance

All NHS trusts are required to report their performance against statutory quality indicators in a set format as part of their quality accounts to enable the public to compare performance across organisations.

The tables in appendix one provide information against a number of national priorities and measures that, in conjunction with our stakeholders, form part of our key performance indicators which are reported monthly to Trust Board.

These measures cover patient safety, experience and clinical outcomes. Where possible we have included national benchmarks or targets so that progression can be seen and performance compared to other providers.

UHS provides local acute and elective care for around 700,000 people living in Southampton, the New Forest, Eastleigh and Test Valley. We also provide care for residents of the Isle of Wight for many services. As the major university teaching hospital on the south coast, UHS provides the full range of tertiary medical and surgical specialties to nearly 4 million people in central southern England and the Channel Islands.

UHS was not subject to the Payment by Results (PbR) clinical coding audit report for 2019/20 by the Audit Commission.

The last PbR audit was in 2013/14 and no further external audits were recommended for the Trust, as we were found to be fully compliant. The Trust continues to maintain an internal audit programme, carried out by Approved NHS Digital Clinical Coding Auditors.

Clinical research

AT UHS our research improves the quality of people’s lives and health through world-leading studies and trials across all clinical specialties. As a result, our patients have some of the best access to the latest medical advances, diagnoses, therapies and treatments in the country.

In 2019/20 we are on target to involve 18,000 patients in research studies, and are expected to maintain a top ten ranking for research recruitment in England, and top five placing when taking study complexity into consideration. In 2019/20 we secured over £30 million of external funding to support

and further expand our research activities in collaboration with the University of Southampton. This included £2.8M capital funding for an antimicrobial resistance laboratory to bring cutting edge experimental technologies, methods and treatments into the clinical frontline faster. £9M was also awarded for the national institute of health research (NIHR) Wessex applied research collaboration, a region-wide centre applying research to key health needs in the health system.

We have over 850 studies active at any one time, which ensures research is happening across all clinical services at UHS, building our understanding of the conditions we treat and improving care for our patients.

That work includes research delivered through the NIHR Southampton biomedical research centre (BRC), taking discoveries from laboratory to clinic across respiratory and critical care, nutrition, microbial science, data science and behavioral science. The BRC links with the NIHR Southampton clinical research facility (CRF), our dedicated centre for cutting edge experimental medicine, including world-first infectious disease studies and specialist paediatric research.

The BRC and CRF combined to yield this year's discovery that the bacteria that cause whooping cough can live silently in the noses and throats of healthy people. That work has shed new light on the worldwide increase in sporadic cases of this debilitating disease, and paved the way for new vaccination and treatment approaches. Elsewhere, we've shown that high intensity exercise can shrink cancer tumours ahead of surgery, found new genetic markers predicting childhood obesity and identified new biological markers that allow doctors to personalise asthma treatments.

UHS leads the world in research into point of care testing (POCT) of infections, cutting diagnosis times from days to under an hour through on-ward testing of samples with cutting edge analysers. This year the GastroPOC trial of POCT diarrhea diagnoses opened, testing whether the reduced antibiotic use, lower infection spread and savings seen in our pioneering POCT respiratory infection trials can be achieved in gastroenteritis.

Our POCT work benefits to the whole NHS by informing new national institute for health and care excellence (NICE) guidelines, a theme across research areas. This year saw NICE recommend use of the commercial AIRLOCK® wound dressing (using gentle suction to keep wounds closed) across the NHS based on trials in Southampton and elsewhere. This simple innovation robustly trialed here will cut secondary infection rates and speed wound healing for thousands nationwide.

We are also improving use of existing technologies, including work building on studies linking brain activity patterns and the speed and nature of dementia progression. Early diagnosis is critical to giving dementia patients and their families the best possible quality of life for as long as possible, and this work is showing promise in using routine brain scans to get the right treatments, support and care to be put into place, faster.

In several areas, our studies combine to drive whole-pathway innovation. In 2019/20 our world leading perioperative medicine research drove real change in surgical care here, and across the UK through world-first experimental studies and the Wes Fit trial.

2019/20 saw our 'prehabilitation' pre-surgical exercise research influence national policy and practice through its inclusion in Macmillan's national cancer prehabilitation guidelines and expansion of the groundbreaking Wes Fit study. Wes Fit builds on our groundbreaking finding that structured exercise in the weeks before cancer surgery improves patients' recovery and quality of life. It is comparing the benefits to patients of exercise training, psychological support or both together pre-surgery. Originally a Wessex-wide study funded through the regional STP, the quality and uniqueness of this work is such that 2019/20 saw almost all regional NHS cancer alliances applying to join the study with it expected to go nationwide over the next 12 months.

By partnering with gyms to deliver exercise sessions and cancer charities for psychological support sessions the study is also transforming delivery of care. It is also more accessible and more likely to lead to lifelong activity and wellbeing improvements for patients, and also models a way to ease pressures on the NHS and hospital services.

In the operating theatre our world first combination of nerve stimulation implants relieved a patient of pain for the first time in 40 years, and we opened a study to define safe, optimum oxygen concentrations for surgery patients – something that to this day remains unknown. Elsewhere our researchers showed that ‘preconditioning’ kidneys before transplant, by temporarily cutting off the blood supply to the donor’s arm, can boost the long-term effectiveness of the transplanted kidney.

Alongside new studies aimed at improving the nutrition and gut micro biome of surgery patients before and after surgery, our wide-ranging work is advancing surgical care and outcomes, and transforming health professionals’ and patients’ approach to major surgery.

Review of services

During 2019/20 UHS provided and/or sub-contracted 107 relevant health services (from Total Trust activity by specialty cumulative 2018/19 contractual report). UHS has reviewed all the data available to them on the quality of care in all of these NHS services.

The income generated by the NHS services reviewed in 2019/20 represents 100% of the total income generated from the provision of NHS services by University Hospital Southampton NHS Foundation Trust for 2019/20.

CQUINS payment framework

The Commissioning for Quality and Innovation (CQUIN) payment framework makes a proportion of NHS healthcare providers’ income conditional upon achieving certain improvement goals. The framework aims to support a cultural shift by embedding quality and innovation as part of the discussion between service commissioners and providers.

NHS England define CQUIN as ‘a mechanism to secure improvements in the quality of services better outcomes for patients and drive to transformational change by linking a proportion of English healthcare providers’ income to the achievement of local quality improvement goals’.

A proportion of UHS income in 2019/20 was conditional upon achieving quality improvement and innovation goals agreed between UHS 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 2019/20 and for the following 12 month period are available electronically at <https://www.england.nhs.uk/nhs-standard-contract/cquin/cquin-19-20/>

The conditional income in 2019/20 upon achieving quality improvements and innovation goals was £8,165,131. This compares to the 2018/19 figure of £14,182,000.

Our CQUIN priorities for 2019/20 can be found in appendix two.

Data quality

Data quality refers to the tools and processes that result in the creation of the correct, complete and valid data required to support sound decision-making.

UHS submitted records during April 2019 and November 2019 to the Secondary Uses Service for inclusion in Hospital Episode Statistics which are included in the latest published data.

As at November 2019 (latest reporting month) the percentage of records in the published data which included a valid NHS number were:

- 99.3 % for admitted patient care.

- 99.7 % for outpatient care.
- 94.8 % for accident and emergency care.

Which included a valid General Medical Practice Code were:

- 99.8 % for admitted patient care.
- 98.5 % for outpatient care.
- 95.8 % for accident and emergency care.

UHS was not subject to the Payment by Results clinical coding audit during 2019/20 by the Audit Commission.

UHS will be taking the following actions to improve data quality:

- Generating clear responsibilities for data domains (e.g., customer, product, financial figures), as well as roles (data owner, operational data quality assurance / data stewards).
- Use benchmarking tools such as the Model Hospital data to compare performance against peers.
- Use of electronic white boards on wards benefitting data accuracy and patient flow.

Participation in national clinical audits and confidential enquiries

During 2019/20 59 national clinical audits and 5 national confidential enquiries covered NHS services that UHS provides.

During 2019/20 UHS participated in 95% of 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 UHS was eligible to participate in, and participated in during 2019/20 are as follows:

- Physical healthcare provided to inpatients in mental health hospitals.
- Dysphagia in Parkinson's disease.
- In Hospital management of out of hospital cardiac arrest.
- Long term ventilation in children, teenagers and young people (waiting for report).
- Young people's mental health (report published).

The national clinical audits and national confidential enquiries that UHS participated in, and for which data collection was completed during 2019/20, are listed below in Appendix three table 1 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.

The locally selected quality indicator our Council of Governors is due to be agreed 6th March 2020.

How we are implementing the priority clinical standards for seven day hospital services

The seven day hospital services (7DS) programme was developed to support providers of acute services to deliver high quality care and improve outcomes on a seven-day basis for patients admitted to hospital in an emergency.

Ten 7DS clinical standards were originally developed and since 2015 Trusts have been asked to report on four priority standards:

- Clinical standard 2: consultant-directed assessment.
- Clinical standard 5: diagnostics.
- Clinical standard 6: interventions.
- Clinical standard 8: on-going review.

The Trust currently meets all four of these standards and delivers and delivers a comprehensive seven day service which helps keep patients safe and helps with flow through the hospital seven days a week.

Clinical standard 2: patients should not wait longer than 14 hours for initial consultant review:

All emergency specialties have consultant on call rotas with either planned ward round review to support the standard or continuous review throughout the shifts. The timing of review is entered through the electronic system which enables monitoring.

In November 2019 UHS audited compliance and demonstrated we achieved the standard 95.52% of the time. On average patients waited 3hrs 17mins for an assessment, 3hs 41mins on a weekday and 2hrs 20mins at the weekend.

Clinical standard 5: patients should get access to specialist, consultant-directed interventions:

UHS consistently achieve this standard across seven days a week, all specialties provide consultant cover and interventions 7 days a week:

- Within 1 hour for critical patients
- Within 12 hour for urgent patients
- Within 24 hour for non-urgent patients

We also provide many of these services for neighbouring Trust's: interventional radiology, MRI, interventional endoscopy, emergency surgery, percutaneous coronary intervention and complex cardio arrhythmia and microbiology.

Clinical standard 6: Hospital inpatients must have timely 24 hour access, seven days a week, to key consultant-directed interventions that meet the relevant specialty guidelines, either on-site or through formally agreed networked arrangements with clear written protocols:

Due to radiology working practices and economies of scale UHS consistently achieve Clinical Standard 6 target across seven days a week for:

- Critical Care
- Interventional radiology
- Interventional endoscopy
- Emergency surgery
- Emergency renal
- Replacement therapy
- Urgent radiotherapy
- Stroke thrombolysis
- Percutaneous coronary
- Intervention
- Cardiac pacing

Clinical standard 8: All patients with high dependency needs should be seen and reviewed by a consultant twice daily (including all acutely ill patients directly transferred and others who deteriorate). Once a clear pathway of care has been established, patients should be reviewed by a consultant at least once every 24 hours, seven days a week, unless it has been determined that this would not affect the patient's care pathway:

The Trust is meeting this standard by:

- Twice daily consultant reviews take place in admission areas, intensive and high care areas and once daily review in other inpatient wards. The Trust has doubled consultant ward rounds over the past two years and consistently achieves this target.
- UHS supported achieving this standard by implementing NEWS2 across all adult areas (excluding obstetrics). Patient acuity and needs are updated daily on DoctorsWorklist. This provides detail on handover and to the on call team. Patients requiring urgent review are seen by the duty team as highlighted through NEWS2 or by nursing team.

Learning from deaths

In the year of 2019/2020 there have been 1,963 deaths of patients whilst under the care of University Hospital Southampton NHS Foundation Trust. Of these patients, 10 patients were under our care within the community. These figures are in keeping with previous years, after removing deaths that occurred at the Countess Mountbatten Hospice which was previously part of the trust.

| Quarter | SGH | Home deaths | Total | CMH | Paed/neonates |
|---------|------|-------------|-------|-----|---------------|
| Q1 | 509 | 3 | 512 | 94 | 9 |
| Q2 | 430 | 4 | 434 | 106 | 10 |
| Q3 | 493 | 1 | 494 | 95 | 14 |
| Q4 | 531 | 2 | 533 | 87 | 14 |
| Total | 1963 | 10 | 1,973 | 382 | 47 |

Between 01 April 2019 to 31 March 2020, 2,402 cases have been reviewed by our Medical Examiners, 382 of these were from the outside organisation Countess Mountbatten House, previously part of the Trust. On top of these there have been 32 paediatric Deaths, 4 of these were reviewed through the Medical Examiner's office with all cases being reviewed through the Child Death and Deterioration Group (CDAD). The Medical Examiner's Office has reviewed a further 18 neonatal deaths, we are notified and discuss these cases with the teams at Princess Anne Hospital, we started reviewing these in August 2019 our approach is to have a 'light touch' on these cases, as guided by the National Medical Examiner's office, as they are subjected to extensive reviews both internally and externally.

| Quarter | M&M | TMRG | Scoping | CDAD | Neonates | LeDeR |
|---------|-----|------|---------|------|----------|-------|
| Q1 | 24 | 13 | 8 | 9 | - | 1 |
| Q2 | 18 | 16 | 14 | 7 | 3 | 1 |
| Q3 | 24 | 12 | 12 | 8 | 6 | 3 |
| Q4 | 15 | 16 | 21 | 5 | 9 | 4 |
| Total | 81 | 57 | 55 | 29 | 18 | 9 |

Further to the Medical Examiners reviews, 202 (10%) of adult cases were sent for further clarification or review.

- 81, or 4.1% of cases were sent to sub-speciality Morbidity and Mortality (M&M) reviews for further questions / clarification
- 57, or 2.8% of cases went on to have a more detailed case notes review at the Trust Mortality Review Group (TMRG) using the nationally approved Structured Judgement Review (SJR) methodology.
- 9 cases have been reviewed by the learning disabilities mortality group, (LeDeR).
- 55, 2.8% of cases were sent for an urgent case review (commonly known as a Scoping meeting) with the patient safety team.

14 cases, representing 0.7% of patient deaths during this current reporting period, are judged to be more likely than not to have been due to problems in care provided to the patient.

In relation to each quarter this consisted of

| Quarter | Amount | Percentage per quarter |
|---------|--------|------------------------|
| Q1 | 1 | 0.2% |
| Q2 | 7 | 1.6% |
| Q3 | 2 | 0.4% |
| Q4 | 4 | 0.7% |

These figures have been established using the structured Judgement Review (SJR) and Root Cause Analysis (RCA) methodologies. In both type of review, a multidisciplinary meeting takes place to examine the details of the case, where a classification score is given. Within the RCA process the next step is to set out the terms of reference, including:

- Key questions that need to be looked at for further investigation
- Who needs to be interviewed or provide a statement
- The appropriate support that needs to be offered to the patients, relatives and staff
- That duty of candour has been observed.

Information is then gathered from people, documentation, equipment and the site of the incident for the investigation. This is documented in chronological order, and problems identified. All issues that are identified are then analysed to see which had the most significant impact, the root causes are most significant and fundamental of these issues, but there may be many significant contributory factors. From the root causes, solutions will need to be found and actions/preventative measures will need to be put in place to stop or mitigate the risk of recurrence of a similar incident.

| Main areas of failing identified in RCA | |
|---|---|
| Communication | 5 |
| Pathway | 4 |
| Delay | 4 |
| Fall | 4 |
| Missed clinical Diagnosis | 3 |
| Identification/recognition of deterioration | 2 |
| Non compliance | 2 |
| Education | 1 |
| Escalation | 1 |

The learning from our RCA's indicate that communication is a continued issue in the problems that are identified in cases where there are concerns or avoidable features related to death. Delays in obtaining the correct medical treatment, failings in patient pathways and falls are also commonly identified issues. This year we have seen a small increase in the number of avoidable deaths following falls, work by the Falls lead for the trust and the manual handling lead, continue to raise awareness and work to prevent further falls where possible.

Where systems and processes are found to be the principal areas of concern learning focuses on improving these and introducing appropriate changes or developing new pathways, processes or guidelines to improve direct care and provide better safety netting for patients accessing our services

The broad themes for actions (from the RCA's reporting during 2019/20) are:

- Trust-wide learning
- Clearer guidance
- Development of pathways, processes and guidelines
- Individual learning and reflection
- RCA's to be shared at sub-specialities morbidity and mortality (M&M) meetings
- RCA's to be given/shared with the Divisional Governance team and named clinician

Trust-wide learning includes all learning points that are published in:

- Organisational Wide Learning (OWLs) – a practical based article, addressing recurring safety issues for example delaying antibiotics for patients with sepsis
- Patient Safety Alerts – actions that come from a serious adverse event case review or RCA which immediately needs implementation across the Trust and require notification of all clinical staff or relevant non-clinical staff

Where we were a forerunner in the field of mortality reviewing, we are in danger of slipping behind other trusts due to understaffing, therefore for our next reporting period we aim to expand the medical examiners service to become fully staffed in line with the national standards and our peers around the region. As well as strengthening our existing team we are looking to the future requirements for reviewing deaths in primary care. We have already made plans for us to work closer with the Hampshire head coroner to help improve primary care death certification. This will give us a platform to start to communicate and engage with the primary care professional to encourage them to get involved and link in with our existing medical examiners system.

Within the trust we aim to improve the way we share learning points from all the mortality panels with relevant clinicians and morbidity and mortality leads so that they can feed back to as many colleagues as possible with better triangulation between these processes.

The intention is to improve individual awareness for those involved in incidents, raise awareness in teams and put additional safety checks of immediate actions in place to mitigate risk and reduce recurrence with organisational awareness of key safety themes.

Ongoing themes are considered and reviewed by the patient safety team and the Trust mortality Review Group (TMRG). Quarterly reports are submitted to the Quality Governance Steering Group (QGSG) and the Trust Board about the continued strive for improvement.

With additional staffing resource we will be able to better support the trust mortality review group to ensure that themes identified within this forum are translated in to meaningful trust wide actions as well and better publicised around the trust. We also would like to see improved feedback to clinicians and teams whose patients are reviewed at trust mortality review group.

Looking forwards, the first quarter of the coming year is due to be heavily disrupted by the coronavirus pandemic, the medical examiner's team have moved to expedite the discussion of deaths and will be providing an out of hours service to ensure that the potential increased number of deaths can be processed in a timely fashion, ensuring data collection for Public health England and other interested parties within their required timeframes. It is envisaged that the medical examiners service will continue to run throughout the pandemic unless weekly deaths exceed 200. Potentially avoidable deaths and adverse events will still be noted for further action during this time, although further investigation by the patient safety team will be somewhat curtailed due to staff redeployment.

Progress against 2019/20 priorities

This section of our quality report provides a look back over the 2019/20 quality priorities at UHS. We put in place action plans and developed measures for each of the priorities and our performance has been monitored throughout the year by our clinical teams and hospital committees.

Each priority related to one of the three core areas of quality:

Patient experience: meeting our patients' emotional as well as physical needs.

Patient safety: having the right systems and staff in place to minimise the risk of harm to our patients and, if things do go wrong, to be open and learn from our mistakes.

Clinical effectiveness: providing high quality care, with world-class outcomes, whilst being efficient and cost effective.

How we did – in summary

Of the 3 priorities, UHS has made good progress across one with two partially achieved. An update on the work completed or underway to achieve against the three priorities is described in the section below.

Overview of success

| Quality Aim | Priority | Progress |
|---|--|----------------------------|
| Priority 1: Safe discharge and transfer of care | Reduce harm to patients and avoidable readmissions due to a failure in continuity of care for patients discharged from secondary to primary, community and social care. | Amber – partially achieved |
| Quality Aim | Priority | Progress |
| Priority 2: Staff are competent and confident in applying Mental Capacity and Deprivation of Liberty Safeguards (DoLS) | No patients will be detained unlawfully. UHS will not be in breach European directive of human rights (The Human Rights Act (2007)). Staff will feel supported in the application of Mental Capacity Act (MCA). UHS will remain up to date with legal changes such as with the pending changes to the MCA/DoLS currently being debated in the House of Commons. | Green- fully achieved |
| Quality Aim | Priority | Progress |
| Priority 3: Improved cancer performance standards | 2 week wait (from referral until first appointment for patients suspected of having cancer). 62 days to first treatment (from GP referral until first definitive treatment of the cancer). | Amber- partially achieved |

Summary of progress against each indicator

Priority 1 Patient experience

What we said we would do

- Patients will be discharged with adequate and timely communication of essential information at the point of handover to all relevant staff and teams in primary and social care.
- There will be reduced medication errors when patients transition between healthcare providers.
- There will be continued joint working between partners in the system to improve the transfer of information at admission and discharge.
- Staff will understand their roles in the discharge process and be able to deliver care to the standards agreed.

What we have achieved in 2019/20

In 2019 we launched the discharge task and finish group, chaired by our director of nursing and deputy director of nursing, which has enabled multiple stakeholders to meet regularly and generate some outputs that will improve the successful, safe and timely discharge of our patients.

Currently successes include the production of discharge standards, a new electronic discharge summary, discharge checklist for medications and the introduction of 'golden patients'. The 'golden patient' is a patient who is 'pulled' from the assessment area before 10am. This is part of the SAFER patient flow bundle which also includes the standard of achieving 33% of discharges before midday. Focus is given to working with the patient, family or carers on the issues which could delay discharge such as transport. Daily 'imminent and failed' discharge information is shared quickly with the matrons who can work to help overcome problems and support a successful, safe discharge.

The Trust achieves between 20 to 30 complex discharges every weekday, with the largest proportion of these being patients returning to existing care provision. A new process was introduced in 2019/20 to streamline this process, working collaboratively with Hampshire County Council (HCC) and Southampton County Council (SCC) to agree one process. This has resulted in a reduced length of stay for this patient group.

In 2019/20 we implemented an executive level flow and discharge group to align the ED/AMU, safer patient care flow bundle (SAFER), and delayed transfer of care (DToC) agendas. The action plan for ED performance recovery also has a DToC/complex discharge focus, with weekly operational system calls to monitor progress and escalate barriers.

In October/November 2019 UHS took the decision to work alongside PriceWaterhouseCoopers (PWC) to further support the discharge 'task and finish' group agenda, now called 'always improving inpatients'. This work focused on adding capacity to deliver against SAFER and reduce length of stay (LoS) across medicine, trauma and orthopaedics and surgery. Phase 2 started in January 2020 with neurology services, cardiac, thoracic and vascular services and on AMU, our acute surgical unit (ASU) and surgical admissions ward F6.

PWC methodology includes vision-driver diagrams, visual management boards, huddles, problem solving coaching, standards and process confirmation, planning and control, operating rhythm, coaching and capability, celebrating success and sustainability and has been well received by staff.

Our draft discharge standards are pending publication whilst the programme is underway to ensure they are fit for purpose once internal improvement projects have been implemented and tested.

The education of staff in the field of discharge has been commenced by the introduction of updated Staffnet pages, ward based training sessions on new support level processes, class room sessions to newly qualified nurses, senior nurse study days, foundation doctor (FY1) and consultant sessions, and drop in sessions held by the integrated discharge bureau (IDB).

The coaching approach being implemented by PWC has galvanised the ward teams to apply an 'always improving' attitude to the process of discharge planning, and the Trust has demonstrated good engagement across all bands and professions. A draft education strategy for discharge describes a suite of resources available to support all staff with discharge, again pending publication whilst PWC colleagues are supporting the Trust in line with the draft standards as described above.

Initiatives such as the introduction of the IDB transport and Red Cross transport services have demonstrated a desire by UHS to achieve safe and timely discharge on the day that it is planned, reducing further days spent in hospital and increasing patient satisfaction. Introducing a fast track dashboard has allowed us to better understand where barriers to discharge for this patient group exist. This dashboard was well received by system partners and fed into a wider piece of transformation work to streamline the fast track provision for Hampshire and Southampton patients, led by the CCG's.

In July 2019 UHS rolled out a standardised discharge checklist across all adult ward areas. The checklist is automatically printed when the discharge summary is printed at the end of a patient stay

and has been designed to include checks for the most common discharge problems reported in incidents and via our UHS helpline. We have devised a robust reporting mechanism to measure progress and are continually reviewing the content of the checklist when new discharge errors are reported.

The UHS pharmacy team referred over 1700 patients electronically to their community pharmacy during the period. These are patients that have been identified as requiring follow-up either due to the complexity of their medicines regimen or because of the changes made to their medicines whilst in our Trust. Our comparative data during the pilot period suggested that we now save 1 re-admission for every 25 patients referred.

The UHS pharmacy helpline continues to provide a valuable service to our patients post discharge. A random survey of users reports an average satisfaction score of 5.6/6.0.

We have updated and published a new procedure that ensures standardisation around those cases where we need to deliver medicines after a discharge. Whilst making it clear this should be the exception, the procedure mandates that prior agreement must have been achieved before any medicines are dispatched.

Key areas identified of opportunities for further improvement

Despite these improvements the Trust continues to experience a number of failed discharges each day. This is often due to 'big' process problems such as generating the discharge summary and organising medication to take out in a timely fashion, transport, and the interface with social care. Opportunity exists to tackle these 'big' problems within the always improving inpatients programme, and there is engagement from care group, divisional and executive level to do so.

Particular pathways also provide challenge, namely the fast track and continuing healthcare (CHC) pathways, with some of our most vulnerable patients dying in hospital whilst waiting for care, or facing long waits for on-going assessment of care/health needs in the community. The introduction of the fast track dashboard in 2019/20 provided opportunity to track our progress with this work stream. An opportunity exists to further develop the front doors services in our ED, AMU and same day emergency care (SDEC) to have a greater focus on early discharge planning, and admission avoidance.

UHS helpline calls still continue to highlight discharges where the checklist would have prevented the cause for concern. There is recognition that we need to complete some further work to embed the checklist into all ward areas. This includes digitising the checklist to make it more accessible and focused on the individual needs of the patient being discharged.

Policies for the delivery of medicines have been updated and but need some more focused publicity across the trust.

Feedback

November 2019 a favourable event reporting form (FERF) submitted - a discharge officer received two cards from her wards. One from the matrons which read:

"Just a little card to say a huge thank you for all your hard work over the past few weeks. It has been just a little challenging in the trust recently with black alert and our medical patients so a huge thank you for all your hard work. We can see the trust values in all you do. Don't forget to look after yourself."

The other card was from a patient that read:

"Just a few lines to say a special thank you for all your help you have given me over the time I have been in hospital for looking for a home. Once again thank you."

December 2019 a FERG submitted - one of the advanced discharge officers managed to prevent a complex patient's discharge from failing by linking with the ward team in a timely manner to gain information to ensure the patient's discharge was safe. She ensured outpatient's appointment was booked and the follow up therapy was also in place. Without this the patient would have not been able to be discharged.

A number of ward nurses have indicated that the checklist has prompted them to remember items that they have previously forgotten.

December 2019: a family member had written a complaint about the rehabilitation process for Hampshire. The patient was eventually discharged with a family member sourcing a private respite, but they assumed this would be funded for a period of time. Learning for further improvement would be ensuring the trust are issuing the Fact A as part of the 'managing complex discharge policy' and having early conversations around setting the expectation.

November 2019: a family were asking about the fast track process post discharge, they felt they did not understand the process and the timeline. The learning outcome was to promote early conversations with patients/relatives to 'set the expectation and estimate timeline'; provide any relevant leaflet information to help support the discussion; and to direct family/patients/relatives to the online support available around CHC/fast track processes.

Priority 2 Patient safety

What we said we would do

- No patients will be detained unlawfully.
- UHS will not be in breach European directive of human rights (The Human Rights Act 2007).
- Staff will feel supported in the application of Mental Capacity Act (MCA).
- UHS will remain up to date with legal changes such as with the pending changes to the MCA/deprivation of liberty (DoLS) currently being debated in the House of Commons

What we have achieved in 2019/20

UHS has robust procedures in place to ensure oversight of all DoLS applications. There is a national backlog in getting best interest assessments undertaken by the supervisory body which is noted on the Trust risk register. Therefore any cases where concerns are identified (e.g. where there are objections) are escalated directly to the supervisory body by the Trust safeguarding team so that assessment can be prioritised. Where there are questions raised about detention / restrictions being lawful under the MCA these are now jointly reviewed by safeguarding and patient safety team (PST) to establish if there is any harm to an individual and whether there is any learning identified.

In December 2019 a Trust-wide MCA audit was undertaken which included CQC key lines of enquiry (the relevant KLoE's can be found in Appendix four).

This identified that whilst there are many areas in the Trust that apply the MCA in practice well, there are still areas where improvement is required and staff need support to feel confident in working within the Act.

Work undertaken in 2019/20 to support staff in line with the KLoE's includes;

- Embedding of new MCA and DoLS e-learning packages as well as accurate profiling of staff to ensure the right staff are undertaking the right level of training.
- Bi-monthly MCA forums have been developed and held for all staff to attend which includes both an education and supervision component.
- An initial MCA champions meeting was held. Terms of reference and outline of the role were discussed and drafted.
- MCA and DoLS Staffnet pages have been updated to ensure that information is easy to find and easy to follow. Information includes support tools for assessing capacity and following best interest processes.
- The safeguarding team are readily available Monday to Friday (9am - 5pm) for advice and support in relation to MCA & DoLS, as is the department of clinical law. Legal services & social services are available to support out of hours in emergencies.
- The development of the band 3 safeguarding support worker role has significantly improved the quality and oversight of all DoLS referrals. This role is responsible for screening all referrals to ensure care plans are proportionate and least restrictive, and that clear and comprehensive information is detailed prior to referrals being sent to the supervisory body. Where referrals are sub-optimal, the support worker works with staff in clinical areas to appropriately complete them, providing an element of training and supervision at the same time.
- There is good engagement and oversight of the MCA agenda by the executive lead.
- The Trust is linking with both national and local working groups to start planning for the implementation of the Mental Capacity Amendment Act (2019) in October 2020.

- Awareness is being raised across child health for 16 and 17 year olds.
- The transition facilitator sees all 16 and 17 year olds in adult areas and one of their roles is to ensure that the correct legislative frameworks are being followed or considered where appropriate.

Opportunity for improvement in 2020/21

- Development of an electronic module to record mental capacity assessments and support in improving the quality of completion.
- Development of an electronic module to record DoLs referrals in order to streamline the process for front line staff, as well as for oversight and monitoring.
- Linking with Education leads to ensure the Mental Capacity Act is firmly embedded in existing training forums.
- Using the implementation of the Mental Capacity Amendment Act (2019) as an opportunity to 're-launch' the Act with focused resource, training and education
- Three MCA master classes are being developed that will be delivered in early-mid 2020 by legal services for all front line staff.
- Furthermore, the Trust is working with partners across the STP to develop an action plan for further embedding the MCA in practice as it has been noted as a challenge across the system.

Priority 3 clinical effectiveness

What we said we would do

- We have committed to achieving the 62 day target across all specialties excluding Urology.
- Increase our surgical capacity.
- Substantive appointments to key posts in breast and prostate services.
- Purchase of an additional robot to undertake robotic assisted radical prostatectomy.

What we have achieved in 2019/20

We have achieved our commitment to deliver the national two week wait (2ww) performance standard whilst receiving 8% more referrals in 2019/20 compared to 2018/19. Year to date (YTD) we are at 96.4% against the 93% standard. In 2018/19 we delivered 85.1% performance.

In relation to the 62 day target we have shown an improvement this year against an increasing number of referrals at a time when the national picture is one of decreasing performance. Our average performance for the year 2019/20 YTD is 76% compared to 74.2% for the previous financial year. In December 2019 we delivered 81.8% which is the best monthly performance since December 2017. However we have not achieved the 62 day target of 85%. The Trust has faced a significant challenge in respect of surgical capacity and we have had to make significant contingency plans to increase bed capacity for emergency patients needing admission which has involved using beds and areas normally used for surgical patients.

As a result of the continual failure to achieve the 62 day standard for our patients a detailed recovery plan has been developed. The recovery plan includes both high level and operational actions that we have committed to, to ensure patients receive more timely cancer treatments. In addition, extra resource has been requested for additional support into the cancer centre to manage the growth in cancer referrals/activity.

Over the past six months UHS has been working closely with Wessex Cancer Alliance to secure investment (£260k) which has been used to support additional resources going into the oversight of patients with a diagnosis of actual or suspected cancer. Examples include training for staff and additional capacity/resources purchased. We have also recruited two additional posts to support our data analytics. This has led to the implementation of additional reports to improve the visibility of patients on cancer pathway and highlights those most at risk of not being treated in a timely way. These are now shared on a weekly basis across the trust to ensure that operational teams have better data available faster to ensure we can reduce the risk of patients breaching cancer standards.

UHS has also worked collaboratively with NHSI to utilise analytical expertise which has supported the identification of delays. This is on-going with further meetings scheduled and has already benefitted lower gastro-intestinal patients as we have been able to identify various issues and take corrective actions with endoscopy colleagues.

Delivery of the 62day standard is reliant on additional surgical capacity. As such we have increased theatre capacity for cancer patients within the new theatre (Theatre K) as of August 2019. This has primarily benefitted patients within HPB and urology services. We have recently revised HPB and lung pathways to enable earlier diagnostics which supports the delivery of a new 28 day to diagnosis target (the target is 85% and this is live from April 2020 and includes all patients referred on a 2ww pathway being informed if they do or do not have a malignancy by day 28). Our November 2019 performance against this standard is 80%.

In July 2019 we took over the management and the operational running of the medical linear accelerator (Linac) in Basingstoke. A Linac is the device most commonly used for external beam radiation treatments for patients with cancer. It delivers high-energy x-rays or electrons to the region of the patient's tumour. This has been a significant step for UHS and will enable us to provide local patients with opportunities to have their radiotherapy (for prostate or breast cancer) on various hospital sites with the ultimate aim of being ready to better manage the growth in demand for radiotherapy.

Southampton CCG and UHS have also received national funding to support earlier detection of patients with lung cancer. The programme had a soft start seeing its first patients in January 2020 followed by a full introduction on schedule for April 2020 when UHS's own mobile computerised tomography (CT) scanner and support vehicle are delivered.

In November 2019 UHS also opened the urology centre to support more patients with cancer being seen faster as a result of this additional space. As urology is the tumour site with the highest number of breaches of the 62day standard this additional space is hugely significant as it will also enable the service to change pathways and have patients seen on a 'one stop' basis to enable us to tell patients if they have cancer (or not) within a few weeks of their referral. We have also replaced all but one of our radiotherapy Linacs; and we are in discussions with NHSE to agree external funding to replace the final one. In addition we have purchased an additional robot to undertake robotic assisted radical prostatectomy.

We continue to work with clinical and executive colleagues to ensure that UHS is at the forefront of cancer treatments e.g. Carr-T cell development as a personalised medicine will be a significant driver in how we treat patients with cancer going forward and therefore models of care (and seeing cancer as a chronic health condition) will need to change.

The most recent national patient experience survey shows that we continue to have some areas for improvement and this work is being overseen by the head of cancer nursing in conjunction with the clinical and clinical nurse specialist (CNS) teams. The primary areas that the Trust needs to focus on include the environment that patients visit and the holistic support patients receive. However our patients rate UHS highly for the quality of clinical care they receive.

Opportunity for improvement in 2020/21

Delivery of the 62day standard is one of the Trusts highest priorities going forward. As a hospital we will continue to see and treat more patients every year for the next 5-10years and with a growth rate in excess of 8% growth year on year. UHS will need to support a growth in capacity within outpatients/ambulatory care and theatre capacity to ensure we have sufficient resources to manage this demand as part of the long term plan which sets ambitious targets for identifying patients with cancer at an earlier stage with the overall aim of more patients surviving cancer.

Priorities for improvement 2020/21

In order to determine our priorities for improvement for 2020/21 we have consulted with a number of stakeholders including our Trust Quality Committee, Trust Board, TEC, commissioners and patient representatives (through our Healthwatch group), and our governors. We have aligned our consultation with feedback from patient surveys and complaints as well as incidents. We have used our progress against last year's priorities to help decide which priorities need continuing focus in 2020/21.

Priorities are built around our ambitions and intention to deliver well-led, safe, reliable and compassionate care in a transparent and measurable manner.

The Quality Committee on behalf of the board approved the priorities and there will be regular reports on progress to the committee throughout the year.

Each priority relates to one of the three core areas of quality:

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

Improvement priorities 2020/21

The quality priorities for the year ahead cannot be viewed in isolation and instead should be viewed in the context of other Trust strategies and plans, many of which have a direct influence on our patients' experiences of the care they receive. For example there is a well-established link between staff experience and patient experience. In addition, patients frequently cite access and waiting times as having significant influence over their overall experience. Furthermore there is a body of research linking access and waiting times to patient safety and clinical effectiveness, which are widely acknowledged as key components of quality in healthcare.

Our plans to ensure we deliver the highest quality care are shaped by a range of national, regional, local and Trust-level factors. However, the overriding issues are of the significant operational pressures which are being felt right across the health and social care system affect our approach at every level. Our challenge is to deliver the highest quality care in the context of these operational pressures. The priorities below were proposed from information gained by:

- Review of data relating to quality to identify areas for improvement.
- Incorporating relevant findings and recommendations from the inspection undertaken by the CQC in December 2018 - January 2019.
- Incorporating relevant national priorities and objectives.
- Discussion with staff at workshops to focus on developing a UHS safety strategy.

Patient experience

Priority One: always improving patient pathways

Aim

Our aim is to improve the quality of care that we provide across the whole of our patients' journey at UHS by utilising the resources we have more effectively, promoting patient safety and experience, improving access to our services and improving our efficiency and our performance. By doing this we aim to better align our capacity with the demand for our services, To do this we need to ensure that our patients are seen in an optimum way by reducing unwarranted variation, improving health and outcomes and ensuring our patients have the right care at the right time delivered in a place and at a time that is convenient to them. Our aims include:

- Valuing every hour a patient spends in our hospital ensuring they are able to return home as soon as possible without avoidable delays.
- Meeting all of our patients urgent care needs by making sure there is always a bed available to them at any time of day, enabling admission through our Emergency Department and assessment units.
- Reducing delays in our elective pathways ensuring that ensuring that sufficient beds are available to enable all surgery and interventional procedures scheduled to proceed without delay.
- Improving the access and safety of our outpatient care including all patients that require follow up care.
- Delivering the performance targets we have committed to in relation to planned and urgent care and specifically cancer.
- Reduce delays in our elective pathways ensuring that ensuring that sufficient beds are available to enable all surgery and interventional procedures scheduled to proceed without delay.
- Improve the access and safety of our outpatient care including all patients that require follow up care.
- Deliver the performance targets we have committed to in relation to planned and urgent care and specifically cancer.

How/measures

The 2020/21 always improving patient pathways programme which started in November 2019 includes rolling this approach out to operations and theatres as well as sustaining inpatients and ED.

For our emergency patients

- Improving the time to initial assessment on arrival at our emergency department.
- Reducing the time to treatment at our emergency department.
- A higher proportion of patients receiving care without overnight stay.

For our inpatients

- Reducing the average length of stay in hospital.
- Increasing the number of patients that are home before lunch.
- Reducing the number of patients in hospital for more than 7 days.
- Reducing our readmission rates.

For our outpatients

- Reducing avoidable harm through delays in follow up outpatients.
- Increasing the number of patients seen in non face to face settings where appropriate.
- Measuring the delays across our hospital for patients waiting a follow up appointment and prioritising those with the highest clinical need.
- Reducing our Did Not Attend (DNA) rates across our outpatient pathways.

Across our theatres

- Improving the percentage of patients receiving their scheduled care in day care settings.
- Reducing the number of operations cancelled on the day or the day before for non-clinical reasons.
- Increasing the number of operations we perform across our theatre programme.

For our cancer patients

- Ensuring 95% of our patients with suspected cancer are diagnosed within 28 days.
- Achieving the cancer standards within the NHS constitution for 62 days (referral to treatment) and 31 days (from decision to treat) and GP referrals seen within 2 weeks.

Patient safety

Priority two: patient safety always improving safety

Aim

To improve quality, safety and reduce harm, with an organisation where all members of staff understand their role in patient safety, are able to speak up and make changes where there are safety concerns and constantly learn from incidents, litigation and proactive assessment of patient pathways.

How

Always Improving Safety will be launched in 2020 as part of a year of safety. The approach is centred around daily safety huddles and a focus on kindness and civility.

Objectives:

- We will make kindness and civility the focus of our year of patient safety.
- We will embed a safety education syllabus guided by the NHS safety curriculum.
- We will involve patients as partners in safety by training a group of patient representatives in patient safety and human factors so that they can co-design patient safety initiatives, and be present at and contribute to patient safety through the trusts governance structure.
- We will ensure a just and learning culture where staff feel supported to report incidents, raise concerns and learn when things go wrong.

Measures

- Increase the number of staff trained in human factors and investigation techniques.
- Number of staff trained in patient safety.
- Maintain or improve our staff survey results of the culture of reporting and learning.
- Reduction in the number of staff reporting bullying from peers.
- Numbers of Patient Safety Partners (PSP) starting and completing the training programme.
- Hours of PSP “work” and numbers of events, projects and committees supported by PSPs.
- Number of Trauma Risk Management (TRiM) sessions delivered and feedback from staff on the effectiveness of that support. (TRiM aims to support individuals following exposure to significantly traumatic events/incidents).

Clinical effectiveness

Priority Three: always improving inclusion

Aim

Always improving inclusion is embedded in all of our work and is an integral part of our daily and weekly huddles with a specific part of the visual management board associated with the respect and benefits that every single person brings to UHS with full regard to their background and personal characteristics. This is a key component of delivering our vision of world class care for everyone where every single person (staff or patient), gets world class care that matches their personal needs and circumstances.

Our aims include:

- Building inclusive leadership and talent.
- Providing an inclusive voice for staff and patients.
- Building strong and compassionate teams.

How/measures

- Building inclusive leadership and talent. Our leaders and managers consistently demonstrate and role model inclusive leadership behaviours in line with our values.
- Leaders and managers are confident in creating the conditions in which every member of the team can be their true self and fulfil their full potential, and progress.
- Inclusive Leadership and development programmes are as standard in our training provision.
- Facilitate the voices of all staff, patients and communities, providing forums for individuals to come together, to share ideas, raise awareness of challenges, and provide support to each other and feedback to the Trust on issues of equality, diversity and inclusion.
- Staff feel safe and empowered and skilled to apply improvement methods in partnership with colleagues, patients and local communities.
- UHS nurtures well led, and well organised inclusive teams across the Trust
- Build a continuing culture inclusive team working ensuring staff voice in improving team performance.
- Diverse staff voice is included in making decisions, developing strategy across the Trust.
- Providing an inclusive voice for staff and patients.
- Building strong and compassionate teams.
- To achieve outstanding in the 'well-led' domain.
- Improvements in levels of progression and continuous professional development (CPD) take up within staff groups from protected characteristics.
- Current and future senior management vacancies are filled by representative and appropriately developed people (15% of staff at Band 7 and above from BAME backgrounds by 2023).
- BAME and disabled staff reporting the same experiences as other groups in Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES) data.
- Reduce the gap in engagement, and bullying and harassment scores between protected characteristic groups.
- Improvements in the staff and patient engagement scores.

- Established Patient Inclusion Partnership (PIP) provides for co-production of service improvement and ensuring wide contribution of voices from diverse backgrounds.
- We will have staff and networks that actively support a speaking up culture and cultivate positive action.
- Improvements in staff survey results relating to involvement in decision making from all groups.
- Measured improvements in two way engagement between leaders and staff.
- Improvement in scores that measure the organisation of teams in the staff survey. This includes teams having clear shared purpose and reflecting on performance and supporting each other.

Conclusion

We are proud of the advances we have made in the quality of services we provide. However, our mission is to be better every day, and we recognise that maintaining high quality services relies upon continual day-to-day improvements alongside longer term strategic developments. We are not complacent and know that we are still on a journey to achieve excellence in all areas.

This report enables us to comprehensively qualify our improvements and demonstrate that in 2019/20 we made good progress against our quality priorities. We see this quality account as an essential vehicle for us to work closely with our Council of Governors, Healthwatch, Commissioners and the local and wider community on our future quality agenda, as well as celebrating our successes and progress. Working with all our key stakeholders, including patients, we are determined to continue improving to achieve leading healthcare for the benefit of our patients.

We are confident that we have the necessary priorities, processes and plans in place to further improve our patients' care and hospital experience as we continue striving to deliver excellence throughout 2020/21.

Pending:

- Response to the Quality Account from Southampton City and West Hampshire Commissioning Groups
- Response to the Quality Account from Healthwatch Southampton
- Response to the Quality Account from our lead Governor on behalf of the Council of Governors
- Response to the Quality Account from the Health Overview and Scrutiny Panel



**Southampton City Clinical Commissioning Group
West Hampshire Clinical Commissioning Group**

22 June 2020

Paula Head
Chief Executive Officer
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Dear Paula

University Hospital Southampton Quality Account 2019/20

NHS Southampton City and NHS West Hampshire Clinical Commissioning Groups (CCGs) are pleased to comment on University Hospital Southampton NHS Foundation Trust's (UHSFT) Quality Account for 2019/20. The CCGs have continued to work with the Trust as part of the local health system, in monitoring the quality of care provided to all patients, including the local population of Southampton and West Hampshire, and in identifying areas for improvement and system wide learning.

The Quality Account is well presented and clearly demonstrates the Trust's values and vision for quality and the initiatives to be undertaken to continue driving improvements.

The CCGs congratulate the Trust on their achievements and quality improvement initiatives, which include:

- The national adoption of prehabilitation for cancer patients, a pioneering service led by teams at UHSFT.
- The recruitment of a carers' experience lead to work with carers to co-produce a strategy to ensure the support of carers accessing services.
- Continuing to grow apprenticeships, with now over 200 apprenticeship programmes being undertaken across the Trust.
- The continued development of the non-medical workforce in advanced practice roles across all departments and specialities at UHSFT.
- The appointment of 12 Freedom to speak up (FTSU) champions trained in FTSU practices, providing another way of raising the profile for highlighting concerns and promoting speaking up.
- The implementation of the Southampton City CCG funded Acute Kidney Injury (AKI) nurse-led follow up clinic which is already supporting a reduction in readmissions and improved safety-netting for those with more acute AKI.
- National staff survey results whereby UHS has seen improvements including the 'quality of appraisal' theme.
- Reporting achievement on four priority standards developed to support the delivery of high quality care and improve outcomes for patients admitted as an emergency seven days a week.
- Improved in year compliance with the venous thromboembolism (VTE) risk assessments standard.
- The Care Quality Commission report published in April 2019 rating the Trust as 'good' overall and 'outstanding' for providing effective services.

The Quality Account provides a detailed summary of progress made against the 2019/20 priorities. The narrative could have been further enhanced with the inclusion of examples of feedback from patients, carers and staff for each of the initiatives.

Key areas of note include:

- The continued work to improve patient's experiences of discharge from hospital, to reduce harm and avoidable readmissions due to a failure in continuity of care for patients discharged from secondary to primary, community and social care. Whilst recognising the progress made the CCGs agree with the continued focus in 2020/21 to further improving processes and communication across all acute and community services.
- Working to ensure staff are competent and confident in applying Mental Capacity and Deprivation of Liberty Safeguards (DoLS).
- Continued working to improve cancer performance standards.

The CCGs are pleased to note the Trust's achievement of elements within their 2019/20 priorities and look forward to seeing these continue to be embedded in practice during 2020/21. The CCGs fully support the Trust in continuing their focus on those elements of the 2019/20 priorities that have not yet been achieved along with the quality improvement priorities for 2020/21 around improving:

- the quality of care provided across the whole patient journey.
- safety and reducing harm.
- the embedding of inclusion across the Trust.

Whilst acknowledging the positive results over the last year (2019/20) in the context of the Covid-19 pandemic there may be some challenges to setting and achieving key milestones for the quality improvement initiatives planned for 2020/21. The CCGs thank the Trust for their part in the system response to COVID-19 management and look forward to working together during 2020/21 to build on the quality initiatives developed as part of our system learning.

The Quality Account continues to provide details and transparency of the learning from deaths reviews undertaken including areas identified for improvement.

The CCGs note and commend the processes established to embed quality and provide assurance at ward and department level. Of note the Trust's quality assurance framework which includes a clinical quality dashboard, a clinical accreditation scheme and clinical quality reviews.

Commissioners look forward to the Trust continuing to work with system partners to demonstrate further progress in 2020/21 to continue improving the quality, timeliness and safe discharge or transfer of care for all patients. The CCGs also look forward to seeing ongoing progress in the achievement of the constitutional standards including those for cancer and the local network wide effectiveness for the safe and timely management of all patient care.

Overall the Quality Account reflects the challenges experienced by the UHSFT over the last 12 months including challenges around failed discharges and delivery of the 62 day treatment standard. The Quality Account also highlights some of the work undertaken through the Trust's continued ambition to improve the quality of services. The CCGs opinion is that it meets the minimum national expected reporting requirements and provides details of levels of achievement.

NHS Southampton City and NHS West Hampshire CCGs are satisfied with the Quality Account for 2019/20 and support the quality priorities identified for 2020/21. The CCGs look forward to continuing to work closely with the Trust over the coming year to further improve the quality of services.

Yours sincerely



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Managing Director
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Chief Operating Officer
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cc: Stephanie Ramsey – Director of Quality and Integration / Chief Nurse
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Appendix One: Quality performance data

The following agreed metrics used in previous years are no longer available as we do not collect this information any more:

- Patient outcome indicators :groin hernia surgery and varicose vein surgery. In the past neither hernia repair or varicose vein surgery were reported on in the Quality Account because the low numbers being performed meant it was not statistically significant. This was confirmed by checking the registries via NHS Digital for hernia and varicose vein surgery for 2017/18 and continues to date. There were only small numbers for hernia repair and no data available for varicose veins. Varicose veins are treated at UHS, but they are dealt with at the independent treatment centre.

All the Core Indicators are updated with the most recent publications from NHS digital/NHS England/NHS.

Improvement/Gov.uk

UHS considers that this data is as described for the following reasons: performance data is consistently gathered and data quality assurance checks made .Robust reporting and monthly scrutiny is carried out at multidisciplinary quality committees.

Performance against core indicators

The value and banding of the Summary Hospital-level Mortality Indicator ('SHMI')

| SHMI | May 18 – April 19 | | June 18 – May 19 | | July 18 – June 19 | |
|---------------------|---------------------|------------|--------------------------|------------|---------------------------|------------|
| | Value | OD Banding | Value | OD Banding | Value | OD Banding |
| UHS | 0.93 | 2 | 0.92 | 2 | 0.93 | 2 |
| National Ave | 1 | 2 | 1 | 2 | 1 | 2 |
| Highest Trust Score | 1.21 | 1 | 1.19 | 1 | 1.19 | 1 |
| Lowest Trust Score | 0.7 | 3 | 0.7 | 3 | 0.7 | 3 |
| | August 18 – July 19 | | September 18 – August 19 | | December 18 – November 19 | |
| | Value | OD Banding | Value | OD Banding | Value | OD Banding |
| UHS | 0.93 | 2 | 0.92 | 2 | 0.89 | 2 |
| National Ave | 1 | 2 | 1 | 2 | 1 | 2 |

| | | | | | | |
|---------------------|------|---|------|---|------|---|
| Highest Trust Score | 1.18 | 1 | 1.19 | 1 | 1.2 | 1 |
| Lowest Trust Score | 0.68 | 3 | 0.69 | 3 | 0.69 | 3 |

NB: UHS is part of the acute (non specialist) cluster now (1 of 136 organisations) – the acute teaching trusts cluster ended in 2014 when the NRLS had an internal reconfiguration of how they benchmark organisations.

UHS has taken the following actions to improve the SHMI indicator and so the quality of its services by introducing and embedding the IMEG process described in this quality account.

The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the trust for the reporting period.

| SHMI | May 18 – April 19 | | June 18 – May 19 | | July 18 – June 19 | |
|---------------------|---------------------|------------|--------------------------|------------|---------------------------|------------|
| | Value | OD Banding | Value | OD Banding | Value | OD Banding |
| UHS | 0.93 | 2 | 0.92 | 2 | 0.93 | 2 |
| National Ave | 1 | 2 | 1 | 2 | 1 | 2 |
| Highest Trust Score | 1.21 | 1 | 1.19 | 1 | 1.19 | 1 |
| Lowest Trust Score | 0.7 | 3 | 0.7 | 3 | 0.7 | 3 |
| | August 18 – July 19 | | September 18 – August 19 | | December 18 – November 19 | |
| | Value | OD Banding | Value | OD Banding | Value | OD Banding |
| UHS | 0.93 | 2 | 0.92 | 2 | 0.89 | 2 |
| National Ave | 1 | 2 | 1 | 2 | 1 | 2 |
| Highest Trust Score | 1.18 | 1 | 1.19 | 1 | 1.2 | 1 |
| Lowest Trust Score | 0.68 | 3 | 0.69 | 3 | 0.69 | 3 |

UHS has taken the following actions to improve the percentage of patient deaths with palliative care coded and so the quality of its services by working with NHS Digital and the specialist palliative care coding team and by continuing to monitor palliative care coding against national best practice in order to ensure that the number of expected deaths is accurately recorded.

The trust's patient-reported outcome measures scores for:

Hip replacement surgery

| SHMI | May 18 – April 19 | | June 18 – May 19 | | July 18 – June 19 | |
|---------------------|---------------------|------------|--------------------------|------------|---------------------------|------------|
| | Value | OD Banding | Value | OD Banding | Value | OD Banding |
| UHS | 0.93 | 2 | 0.92 | 2 | 0.93 | 2 |
| National Ave | 1 | 2 | 1 | 2 | 1 | 2 |
| Highest Trust Score | 1.21 | 1 | 1.19 | 1 | 1.19 | 1 |
| Lowest Trust Score | 0.7 | 3 | 0.7 | 3 | 0.7 | 3 |
| | August 18 – July 19 | | September 18 – August 19 | | December 18 – November 19 | |
| | Value | OD Banding | Value | OD Banding | Value | OD Banding |
| UHS | 0.93 | 2 | 0.92 | 2 | 0.89 | 2 |
| National Ave | 1 | 2 | 1 | 2 | 1 | 2 |
| Highest Trust Score | 1.18 | 1 | 1.19 | 1 | 1.2 | 1 |
| Lowest Trust Score | 0.68 | 3 | 0.69 | 3 | 0.69 | 3 |

Knee replacement surgery

| | 2016/17 | 2017/18 | 2018/19 |
|-----|---------|---------|---------|
| UHS | 16.33 | 17.43 | 17.49 |

| | | | |
|-------------------------------------|-------|-------|-------|
| National Ave (All Providers) | 16.39 | 17.05 | 17.15 |
| Highest Trust Score (All Providers) | 19.72 | 20.39 | 20.17 |
| Lowest Trust Score (All Providers) | 12.17 | 12.90 | 12.24 |

UHS is taking the following action to improve PROMs outcomes for hip and knee replacement surgery and so the quality of its services by continuing to focus on improving participation rates for those surveys which we have responsibility for and by continued oversight of the feedback provided by the elective orthopaedic team.

The percentage of patients readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the trust during the reporting period.

| Age Range | 201718 | 201819 | 201920 (up to Feb20) |
|-----------|--------|--------|----------------------|
| 0-15 | 9.57% | 10.35% | 6.76% |
| 16+ | 11.23% | 11.66% | 9.16% |

UHS has taken the following actions to improve the percentage of patients readmitted to a hospital , and so the quality of its services by continuing to focus on the actions described in priority one 2019/20 in this quality account , and by and working closely with systems partners to ensure safe discharge practice.

The Trust's responsiveness to the personal needs of its patients during the reporting period.

| | 2016-17 | 2017-18 | 2018-19 |
|-------------------------------|---------|---------|---------|
| UHS | 69.20 | 68.30 | 67.40 |
| Average (All Providers) | 67.20 | 68.60 | 68.10 |
| Lowest Score (All Providers) | 60.00 | 60.50 | 58.90 |
| Highest Score (All Providers) | 85.20 | 85.00 | 85.00 |

UHS has taken the following actions to improve the Trust's responsiveness to the personal needs of its patients , and so the quality of its services by continuing to collect real time feedback from patients as part of its inpatient survey.

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.

| Staff Recommends Care % | 2017/18 Q1 | 2017/18 Q2 | 2017/18 Q4 | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q4 | 2019/20 Q1 | 2019/20 Q2 |
|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| UHS | 93% | 93% | 93% | 94% | 92% | 94% | 93% | 93% |
| Highest Score | 100% | 100% | 100% | 100% | 100% | 100% | 98% | 100% |
| Lowest Score | 55% | 43% | 36% | 53% | 39% | 46% | 64% | 62% |

UHS has taken the following actions to improve the percentage of staff who would recommend the Trust as a care provider , and so the quality of its services by continuing to encourage participation in this survey and by developing local action plans and responses to the feedback received.

The percentage of patients who were admitted to hospital and who were risk-assessed for venous thromboembolism during the reporting period.

| | Q1 2017/18 | Q2 2017/18 | Q3 2017/18 | Q4 2017/18 |
|--|------------|------------|------------|------------|
| UHS | 94.48% | 93.47% | 93.60% | 92.78% |
| National Ave (Acute Providers) | 95.09% | 95.19% | 97.34% | 95.18% |
| Highest Trust Score) (Acute Providers) | 100.00% | 100.00% | 100.00% | 100.00% |
| Lowest Trust Score (Acute Providers) | 51.38% | 71.88% | 76.08% | 67.04% |
| | Q1 2018/19 | Q2 2018/19 | Q3 2018/19 | Q4 2018/19 |
| UHS | 93.13% | 92.91% | 92.49% | 92.95% |
| National Ave (Acute Providers) | 95.62% | 95.44% | 95.65% | 95.50% |
| Highest Trust Score) (Acute Providers) | 100.00% | 100.00% | 100.00% | 100.00% |

| | | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| Lowest Trust Score (Acute Providers) | 75.84% | 68.67% | 54.86% | 74.03% |
| | Q1 2019/20 | Q2 2019/20 | Q3 2019/20 | Q4 2019/20 |
| UHS | 92.37% | 92.19% | 95.99% | - |
| National Ave (Acute Providers) | 95.41% | 95.28% | 95.04% | - |
| Highest Trust Score) (Acute Providers) | 100.00% | 100.00% | 100.00% | - |
| Lowest Trust Score (Acute Providers) | 69.76% | 71.72% | 71.59% | - |

UHS has taken the following actions to improve the number of patients who are risk assessed for VTE , and so the quality of its services by investing in patient education, introducing a more comprehensive e-learning education package for staff. continuing to challenge off track performance through the monthly divisional performance meetings.

The rate per 100,000 bed days of cases of *C. difficile* infection reported within the trust among patients aged 2 or over during the reporting period.

| | | | |
|--|--------|--------|--------|
| | 201617 | 201718 | 201819 |
|--|--------|--------|--------|

| | | | |
|-------------------------------|------|------|-------|
| UHS | 9.8 | 8.9 | 10.6 |
| National Average | 13.2 | 13.7 | 11.71 |
| Highest Trust Score | 82.7 | 91 | 79.65 |
| Lowest Trust Score | 0 | 0 | 0 |
| Lowest Trust Score (non-zero) | 1.2 | 1.4 | 1.6 |

UHS has taken the following actions to improve the rate of C difficile infection, and so the quality of its services by focusing on improving hand hygiene; by adopting national and local campaigns including visual prompts and hand hygiene stations prominently positioned at entrances to the hospital and ward areas; raising the profile of infection prevention throughout the Trust and at Board level; training staff on infection prevention and hand hygiene; focusing on high standards of cleanliness, screening of emergency and elective patients and focusing on effective antibiotic stewardship and ensuring that patients are effectively isolated.

The number and, where available, rate of patient safety incidents reported within the trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death.

| | Apr - Sep 2016 | Oct 2016 - Mar 2017 | Apr - Sep 2017 | Oct 2017 - Mar 2018 | Apr2018-Sep2018 | Oct18-Mar19 | Apr19-Sep19 |
|---|----------------|---------------------|----------------|---------------------|-----------------|-------------|-------------|
| UHS | | | | | | | |
| Rate Incidents per 1000 admissions | 44.50 | 43.90 | 44.55 | 34.67 | 35.55 | 39.71 | 36.70 |
| Number Incidents | 8519 | 8594 | 8364 | 6712 | 6631 | 7429 | 6909 |
| Number Severe Harm | 54 | 47 | 38 | 44 | 37 | 40 | 37 |
| % Severe harm or death | 0.63% | 0.55% | 0.45% | 0.66% | 0.56% | 0.54% | 0.54% |
| Highest Scores (Non-Specialist Trusts) | | | | | | | |
| Rate Incidents per 1000 admissions | 71.80 | 69.00 | 111.69 | 124.00 | 107.37 | 95.94 | 103.80 |
| Number Incidents | 13485 | 14506 | 10016 | 11325 | 9467 | 8289 | 11620 |
| Number Severe Harm | 98 | 92 | 13 | 5 | 14 | 28 | 1 |
| % Severe harm or death | 0.73% | 0.63% | 0.13% | 0.04% | 0.15% | 0.34% | 0.01% |

| Lowest Scores (Non-Specialist Trusts) | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|
| Rate Incidents per 1000 admissions | 21.10 | 23.10 | 23.47 | 24.19 | 13.10 | 16.90 | 26.30 |
| Number Incidents | 1485 | 1301 | 1133 | 1311 | 566 | 1580 | 2173 |
| Number Severe Harm | 1 | 1 | 19 | 0 | 3 | 15 | 26 |
| % Severe harm or death | 0.07% | 0.08% | 1.68% | 0.00% | 0.53% | 0.95% | 1.20% |
| National Ave (Non-Specialist Trusts) | | | | | | | |
| Rate Incidents per 1000 admissions | 40.77 | 41.10 | 42.84 | 42.55 | 44.52 | 46.06 | 49.80 |
| Number Incidents | 4955 | 5122 | 5226 | 5449 | 5583 | 5841 | 6276 |
| Number Severe Harm | 19 | 19 | 18 | 19 | 19 | 19 | 19 |
| % Severe harm or death | 0.37% | 0.38% | 0.35% | 0.35% | 0.34% | 0.32% | 0.30% |

UHS has taken the following actions to improve these indicators, and so the quality of its services by continuing to encourage staff to report incidents of harm. The Trust routinely monitors incident rates and the proportion of incidents which result in severe death or harm

Part 3: Other Information

| Safety indicators | 2017/18 | 2018/19 | 2019/20 |
|---|---------|---------|---------|
| Serious Incidents Requiring Investigation (SIRI) | 41 | 49 | 48 |
| Never Events | 1 | 3 | 6 |
| Healthcare Associated Infection MRSA bacteraemia reduction | 2 | 1 | 2 |
| Healthcare Associated Infection Census" (as average of monthly %) | 329% | 324% | 326% |
| Healthcare Associated Infection Clostridium difficile reduction | 34 | 40 | 70 |
| Avoidable Hospital Acquired 33* Grade III and IV Pressure Ulcers | 25 | 20 | 46 |

| Safety indicators | 2017/18 | 2018/19 | 2019/20 |
|--|---------|---------|---------|
| Falls - Avoidable Falls | 5 | 0 | 19 |
| Thromboprophylaxis (VTE) % Patients Assessed | 93.65% | 92.56% | 93.97% |
| Thromboprophylaxis (VTE) Pharmacological prophylaxis (as average of monthly %) | 93.25% | 92.75% | 89.85% |

| Effectiveness indicators | 2017/18 | 2018/19 | 2019/20 |
|--|---------|---------|-------------|
| Emergency readmissions, within 28 days (as average of monthly %) | 10.87%. | 11.37% | 11.76%* |
| Hospital Standardised Mortality Rate (HSMR) University Hospital Southampton NHS Foundation Trust | 88.70% | 86.60% | 85.70% |
| Hospital Standardised Mortality Rate (HSMR) Southampton General Hospital | 82.30% | 79.80% | 83.10% |
| Hospital Mortality Rate (%) | 1.7 | 1.5 | 1.3** |
| Patient Reported outcome measures. PROMS hip replacement data contributed | 63.40% | 63.77% | No new data |
| Knee replacemnet data contributed | 59.30% | 69.70% | No new data |

*To month 11 only

** To month 7 only

| Patient indicators | experience | 2015/16 | 2016/17 | 2018/19 | 2019/20 |
|--|------------|---------|---------|---------|---------|
| National Friends & Family Test Response Rate | | | | | |
| Emergency Department | | 10.76% | 6.21% | 0.91% | 0.04% |
| Inpatients | | 21.74% | 20.28% | 12.71% | 10.29% |
| Maternity | | 23.38% | 29.07% | 34.97% | 28.34% |
| Percentage of patients recommending UHS to their friends & family | | | | | |
| Emergency Department | | 92.26% | 95.42% | 92.81% | 73.33% |
| Inpatients | | 96.16% | 96.68% | 96.98% | 97.37% |
| Maternity | | 95.81% | 97.66% | 97.04% | 95.16% |
| Same Sex Accommodation (Non clinically justified breaches) | | 5 | 3 | 828 | 114 |
| Nutrition: % Patients with a care plan in place | | 82% | 80.47% | 91.68% | 96.46% |

| | 2017/18 | 2018/19 | 2019/20 |
|--|---------|---------|---------|
| Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway | 89.1% | 86.6% | 82.2% |
| A&E: maximum waiting time of four hours from arrival to admission/ transfer/ discharge | 87.9% | 86.3% | 79.0% |

| | | | | |
|--|---|--------|--------|-------|
| All cancers- 62 day wait for first treatment from: | Urgent GP referral for suspected cancer | 89.8% | 73.8% | 74.7% |
| | NHS Cancer Screening Service referral | 92.4% | 84.1% | 83.5% |
| C.difficile variance from plan | | -17.4% | -25.0% | +9.4% |
| Maximum 6-week wait for diagnostic procedure | | 98.2% | 97.9% | 97.1% |

Appendix two: CQUIN data

| Clinical | CQUIN Scheme | CQUIN Target | National or local scheme | Financial reward for achieving scheme |
|----------|---|--|--------------------------|---------------------------------------|
| CCGs | 1a – Infections in lower TUI in older people | Achieve 90% of antibiotic prescription for lower UTI and PHE diagnosis of UTI guidance in terms of diagnosis and treatment | National | £403,000 |
| CCGs | 1b – Antibiotic Prophylaxis in Colorectal surgery | Achieve 90% of antibiotic surgical prophylaxis prescriptions for elective colorectal surgery being a single dose and prescribed in accordance to local antibiotic guidelines | National | £403,000 |
| CCGs | 2 - Staff Flu vaccinations | Achieve 80% uptake of flu vaccinations by frontline clinical staff | National | £807,000 |
| CCGs | 3a – Alcohol & Tobacco – Screening | Achieve 80% of inpatients admitted to an inpatient ward for at least one night who are screened for both smoking and alcohol use | National | £269,000 |
| CCGs | 3b - Alcohol & Tobacco – Brief advice – smoking | Achieve 90% of identified smokers given brief advice | National | £269,000 |
| CCGs | 3b - Alcohol & Tobacco – Brief advice – Alcohol | Achieve 90% of patients identified as drinking above low risk levels, given brief advice or offered a specialist referral | National | £269,000 |

| | | | | |
|-------|--|--|----------|----------|
| CCGs | 7 – Three high impact actions to prevent Hospitals Falls | Achieve 80% of older inpatients receiving key falls prevention actions | National | £807,000 |
| CCG's | 11a – SDEC – Pulmonary Embolus | Achieve 75% of patients with confirmed pulmonary embolus (PE) being managed in a same day setting where clinically appropriate | National | £269,000 |
| CCG's | 11b – SDEC – Tachycardia with atrial fibrillation | Achieve 75% of patients with confirmed atrial fibrillation being managed in a same day setting where clinically appropriate | National | £269,000 |
| CCG's | 11c – SDEC – Community acquired pneumonia | Patients with confirmed Community Acquired Pneumonia (CAP) should be managed in a same day setting where clinically appropriate | National | £269,000 |
| NHSE | GE3: Hospital Medicines Optimisation | Transitioning to new arrangements for the use and management of medicines commissioned by specialised services. Adoption of best value generic/biologic products of 90% new patients and 80% of existing patients. Priorities of CQUIN are to improve value from medicines, reduce waste and reduce unwarranted variation. | Local | £732,810 |

| | | | | |
|------|---|--|-------|----------|
| NHSE | TR3 - Spinal surgery; Networks, Data, MDT Oversight | Establishment and operation of regional spinal surgery networks, data flows and MDT for surgery patients. The scheme aims to promote the better management of spinal surgery by creating and supporting a regional network of a hub centre and partner providers that will ensure data is collected to enable evaluation of practice effectiveness and that elective surgery only takes place following MDT review and at suitable location. | Local | £240,000 |
| NHSE | IM2 - Cystic Fibrosis Patient Adherence | This scheme employs an electronic Cystic Fibrosis (CF) adherence indicator captured by an IT platform (CFHealthHub) to deliver a complex behavioral intervention that increases patient activation and adherence, thus delivering better patient outcomes and avoidance of costly escalations. Southampton are a data observatory site reporting trial findings to Sheffield data observatory who in turn report on CQUIN compliance. | Local | £450,900 |

| | | | | |
|------|---|--|-------|------------|
| NHSE | BI1 Improving HCV Treatment Pathways through ODNs | Extension of 2016/17 CQUIN to manage the infrastructure governance and partnership working across the healthcare providers. Management and co-ordination of Hepatitis C networks to ensure clinical and cost effective care is delivered with oversight from Hepatitis C centre's and MDTs. Ensure patients have access to both clinical expertise and local delivery of care. | Local | £1,702,470 |
| NHSE | PSS8 Severe Asthma | There is currently no assurance process in place to ensure that the right patients are receiving the right high cost biologic medications in severe asthma. Not all patients with severe asthma who are receiving biologics are currently cared for under the auspices of severe asthma networks. This CQUIN looks to address this. | Local | £201,163 |
| NHSE | Dental | Trust staff trained to use DERS. Trust rejecting non DERS referrals. | Local | £40,000 |

| | | | | |
|-------|---------------|---|-------|------------|
| NHSE | Local CQUIN | Analysis of T1 activity (UHS activity undertaken at a peripheral location) and T2 activity (Peripheral site activity undertaken by UHS staff at that peripheral location) to establish viability of more T2 activity becoming T1 activity. Part year NHSE concluded transfer from T2 to T1 is not viable so have asked UHS to also report on shared care arrangements being documented and formalized by Pharmacy. | Local | £690,000 |
| NHSE | Public Health | Reducing inequalities and increasing overall coverage of screening programs. The CQUIN is relevant to three screening programs Breast, AA and Bowel however this is on a best endeavors basis and does not require quarterly reports. | Local | £73,788 |
| Total | | | | £8,165,131 |

Appendix three: Clinical audit and confidential enquiries data

The national clinical audits that UHS participated in, and for which data collection was completed during 2019/20, are listed in table 1 Research

Table 1:

| | Total number of NCAs UHS were eligible to participate in (n=59) | Eligible (59) | Participated (56 = 95%) | % Actual cases submitted / expected submissions |
|-----|--|--------------------------|--------------------------|---|
| 1. | Assess Cognitive Impairment in Older People / Care in Emergency Department | <input type="checkbox"/> | <input type="checkbox"/> | In progress |
| 2. | BAUS Cystectomy | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 3. | BAUS Nephrectomy | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 4. | BAUS Percutaneous Nephrolithotomy (PCNL) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 5. | BAUS Radical Prostatectomy Audit | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 6. | BAUS Female Stress Urinary Incontinence Audit | <input type="checkbox"/> | X | *Contributes to BSUG instead |
| 7. | Endocrine and Thyroid National Audit (BEATS) | <input type="checkbox"/> | X | ** Partial completion |
| 8. | Care of Children in Emergency department | <input type="checkbox"/> | <input type="checkbox"/> | In progress |
| 9. | Elective Surgery (National PROMs Programme) hips and knees | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 10. | Falls and Fragility Fractures Audit Programme (FFFAP) national hip fracture database | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 11. | Falls and Fragility Fractures Audit Programme (FFFAP) fracture liaison database | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 12. | Falls and Fragility Fractures Audit Programme (FFFAP) national audit inpatient falls | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 13. | ICNARC care mix programme (CMP) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 14. | Inflammatory Bowel Disease (IBD) Registry - Biological therapies adult and Paeds | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |

| | | | | |
|-----|---|--------------------------|--------------------------|-------------------|
| 15. | Mandatory surveillance of bloodstream infections and clostridium difficile infection | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 16. | Major Trauma: The Trauma Audit & Research Network (TARN) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 17. | Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK) – Perinatal Mortality | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 18. | Maternal, Newborn and Infant Clinical Outcome Review Programme - Perinatal morbidity and mortality confidential enquiries (reports alternate years) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 19. | Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK) – Maternal Mortality | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 20. | Mental Health – Care in Emergency Department | <input type="checkbox"/> | <input type="checkbox"/> | In progress |
| 21. | National Asthma & COPD audit programme (NACAP) (asthma in children and adults) | <input type="checkbox"/> | <input type="checkbox"/> | 100% |
| 22. | National Asthma and COPD Audit Programme (NACAP) (COPD secondary care) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 23. | National Asthma and COPD Audit Programme (NACAP) Pulmonary rehabilitation | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 24. | National Audit of Breast Cancer in Older People (NABCOP) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 25. | National Audit of Care at the End of Life (NACEL) | <input type="checkbox"/> | <input type="checkbox"/> | Complete |
| 26. | National Audit of Dementia (NAD) | <input type="checkbox"/> | <input type="checkbox"/> | Complete |
| 27. | National Audit of Seizure management in Hospitals (NASH) | <input type="checkbox"/> | <input type="checkbox"/> | Complete |
| 28. | National Audit of Seizures and Epilepsies in Children and Young People (Epilepsy12) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 29. | National Cardiac Arrest Audit (NCAA) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 30. | National Cardiac Audit Programme (NCAP) - Adult cardiac surgery | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 31. | National Cardiac Audit Programme (NCAP) - Cardiac Rhythm Management | <input type="checkbox"/> | <input type="checkbox"/> | ***Not able to do |
| 32. | National Cardiac Audit Programme (NCAP) - Congenital Heart disease (CHD) Paeds | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 33. | National Cardiac Audit Programme (NCAP) - Acute Heart Failure audit | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |

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| 34. | National Cardiac Audit Programme (NCAP) - Acute Coronary Syndrome or Acute Myocardial Infarction | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 35. | National Cardiac Audit Programme (NCAP) - Percutaneous coronary interventions (PCI) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 36. | National Clinical Audit of Rheumatoid and Early Inflammatory Arthritis (NCAREIA) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 37. | National Diabetes Audit - in pregnancy | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 38. | National Diabetes Audit - paediatric | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 39. | National Diabetes Audit - inpatient | <input type="checkbox"/> | <input type="checkbox"/> | Complete |
| 40. | National Diabetes Audit -Harms | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 41. | National Emergency Laparotomy Audit (NELA) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 42. | National Gastrointestinal Cancer Programme - National Bowel Cancer Audit (NBOCA) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 43. | National Gastrointestinal Cancer Programme - National Oesophago-gastric Cancer (NOGCA) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 44. | National Joint Registry (NJR) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 45. | National Lung Cancer Audit (NLCA) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 46. | National Maternity and Perinatal Audit (NMPA) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 47. | National Neonatal Audit Programme (NNAP) (Neonatal Intensive and Special Care) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 48. | National Ophthalmology Audit | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 49. | National Prostate Cancer Audit (NPCA) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 50. | National Smoking Cessation Audit (BTS) | <input type="checkbox"/> | <input type="checkbox"/> | Completed 100% |
| 51. | National Vascular Registry (NVR) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 52. | Neurosurgical National Audit programme | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 53. | Paediatric Intensive Care Audit Network (PICANet) | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 54. | Sentinel Stroke National Audit Programme (SSNAP) continuous SSNAP Clinical patient Audit | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 55. | Sentinel Stroke National Audit Programme (SSNAP) SSNAP Post-Acute Organisational Audit | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 56. | Serious Hazards of Transfusion (SHOT) UK National haemovigilance scheme | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 57. | Surgical Site Infection Surveillance Service | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |

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| 58. | UK Cystic Fibrosis Registry | <input type="checkbox"/> | <input type="checkbox"/> | Continuous |
| 59. | UK Parkinson's Audit: | <input type="checkbox"/> | X | Parkinson's clinic no longer under SGH |

*British Society for Urogynaecology

** Only 1 consultant adding their data to the database

***Problems with database linkage which resulted in less than 100% completion. This has now been fixed ready for next year

Appendix A

National Clinical Audit: actions to improve quality

The reports of [8] national clinical audits were reviewed by the provider in 2019/20 and UHS intends to take the following actions to improve the quality of healthcare provided (See table 2).

Table 2

| National audit title | Actions |
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| 1. RCEM Fractured neck of femur (#NOF) (Report published October 2018) | <ul style="list-style-type: none"> To continue to drive forward improvement in documentation of observation and pain score. To undertake regular hot audits. To undertake a project to look at why we struggle to achieve adequate analgesia in patient with severe pain. To feedback the audit outcomes to South Central Ambulance Service (SCAS). To reduce the time to admission and x-ray as part of #NOF protocol. Regular hot audits of documentation around observations and pain scores being undertaken. |
| 2. Patient Reported Outcome Measures (PROMs) (Hip and Knee replacements) | <ul style="list-style-type: none"> To review monthly analysis of SNAP data collected by pre-assessments for any problems. |
| 3. National Confidential Enquiries in to Patient Outcomes and Death | <ul style="list-style-type: none"> There has been progress made within the community palliative care services. |

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| (NCEPOD) - For Better, For Worse - Systemic Anti-Cancer Therapy review | <ul style="list-style-type: none"> • The trust has established a supportive care clinic which is being offered to appropriate patients. |
| 4. Inflammatory Bowel Disease (IBD) registry - biological therapies | <ul style="list-style-type: none"> • To work with Education Management Information System (EMIS) to improve the data extraction to ensure capture of all data entered. |
| 5. National Audit of Dementia (NAD) round 4 - dementia care in hospitals | <ul style="list-style-type: none"> • UHS education leads to review and consider role out of Tier 3 Dementia Training for expert groups such as; old age psychiatrists, geriatricians, neurologists to evidence higher level of face to face training in experts in the organisation as discussed at Dementia Working Group (DWG). • Occupational Therapy (OT) Leads to agree a standardised way to assess function for people with dementia. • Division A management and DWG will update trust dementia strategy and highlight areas needed for improvement and agree ways for executives and DWG to do this. |
| 6. Get It Right First Time (GIRFT) service reviews - Ophthalmology surgery | <ul style="list-style-type: none"> • To optimise Cataract Surgery Patient Pathway theatre list by increasing to 1 case every 30 minutes or 8 patients per 4 hour list. • To develop Health Care Professional (HCP) staff to improve capacity and reduce costs by using consultant time more efficiently. • To continue to train and develop the multi-disciplinary team. • To liaise with clinical coding to ensure patients are being coded appropriately. • To ensure that specialised and complex services are added to the correct tariff to ensure the right payment is received. • If UHS did not use a Qualified Provider (AQP) for cataract work, the workload would exceed space and staffing capacity. • Issue within glaucoma has created a backlog of more complex patients although the Trust has supported procurement of equipment, this has added to theatre pressures and bed capacity issues. • GIRFT and NHS England Elective Care Transformation Programme (ECTP) to have a joint approach for Ophthalmology High Impact Intervention. |
| 7. National Maternity and Perinatal Audit (NMPA) - live births | <ul style="list-style-type: none"> • To review of a subset of notes for data quality of babies fitting the cohort. • To complete a review of clinical information of babies fitting the cohort. • To review a subset of notes for data quality information of babies fitting the cohort. • To complete an audit on the new APGAR sheet. |

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| | <ul style="list-style-type: none"> To discuss the NMPA findings through the Governance groups. To ensure the UHS Communication team are aware of the findings for any public engagement aspects. |
| 8. National audit on the impact of chronic pain on inpatient pain services (CHIPS) | <ul style="list-style-type: none"> To hold an away-day to discuss the findings and to consider recommendations and action plan. |

Appendix B

Local Clinical Audit: actions to improve quality

The reports of [62] Trust-wide and local clinical audits were reviewed in 2019/20 and as result the Trust will take action to improve the quality of healthcare provided (See Table 3)

Table 3

| Audit Title | Actions |
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| 1. UHS Saving Lives Audit Urinary Catheter Care | <ul style="list-style-type: none"> 11 areas requires review by care group managers / care group clinical leads to ensure that all areas that are required to, submit audits in line with the infection prevention annual audit programme. 3 areas scored below 85% and will be required to produce action plan to address non-compliance. 2 areas to be referred to have Aseptic Non Touch Technique (ANTT) training. 3 areas to re-audit within one month. 1 area scoring between 85% and 94% will be required to re-audit within 3 months. |
| 2. UHS Audit of Central Venous Catheter Care | <ul style="list-style-type: none"> 3 areas requires review by care group managers / care group clinical leads to ensure that all areas that are required to, submit audits in line with the infection prevention annual audit programme. 4 areas scored below 85% and will be required to produce action plan to address non-compliance. 2 areas to be referred to have Aseptic Non Touch Technique (ANTT) |

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| | <p>training.</p> <ul style="list-style-type: none"> • 1 area scoring between 85% and 94% will be required to re-audit within 3 months. |
| 3. Examining staff knowledge of local anaesthetics, the safe doses and how to treat local anaesthetic toxicity. | <ul style="list-style-type: none"> • To ensure all theatre areas have clear signage as to location of nearest intra-lipid. |
| 4. Audit to ensure new Local Safety Standards for Invasive Procedures (LocSSIP) checklist is being used for instrumental deliveries | <ul style="list-style-type: none"> • To send out reminders through group e-mail, 'theme of the week', and communication board for each handover. • To place stickers and blue postnatal narrative sheets with instrumental trolleys. |
| 5. Assessment of knowledge of local anaesthetic toxicity in Emergency department (ED) | <ul style="list-style-type: none"> • To introduce a Local Anaesthetic Toxicity (LAT) 'Rescue Box' in the ED department (containing Intralipid, giving set and AABGI guidelines on LAT). • To increase knowledge and awareness in the department by teaching on LAT, at SHO and Registrar training days, • To email a bulletin to all staff highlighting the signs & symptoms of LAT and how to treat. |
| 6. Compliance with Speech and Language Therapy (SLT) Case note standards | <ul style="list-style-type: none"> • To feedback results to SLT team and discuss areas for improvement and development. • To agree action points following discussion of the results. |
| 7. Out of Hours Patient Transfer within Surgery, including use of basic airway yellow transfer bag | <ul style="list-style-type: none"> • Band 7 and 6 Sisters to ensure local guidelines are cascaded to all staff especially new starters and agency staff. • Hospital at Night Sisters to promote the local guidelines by reminding all wards at the beginning of each shift. • To discuss with Band 7 sisters possibility of laminated reminder to check necessity of investigations with the hospital at night team and to confirm a location for this reminder i.e. on notes trolley or alternative. • To audit the reduction of unnecessary out of hours investigation following implementation of guidelines. |
| 8. Are hypoglycaemia episodes in patients with diabetes treated as per trusts guidelines? | <ul style="list-style-type: none"> • Changes required within the new JAC System to allow more documentation of hypo treatment. • To educate all new staff on their training days to give in-depth information on how to recognise, treat and manage hypoglycaemia and discuss how to correctly document it in the patient's medical and nursing notes. • To discuss all hypoglycaemic episodes that occur with the nursing and medical staff, giving both positive and negative feedback. • To record any practice that could or has put the patient at risk / harm by |

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| | <p>completing an incident form so the ward / medical staff can learn from the incident.</p> |
| 9. Improving the detection and management of sepsis. | <ul style="list-style-type: none"> To develop an automatic electronic escalation for all deteriorating patients, to enable timely recognition, escalation and clinical review of the patient. |
| 10. An audit to evaluate the recording processes of data and outcome measures within the Musculoskeletal (MSK) outpatient department at UHS. | <ul style="list-style-type: none"> To liaise with administrative support to get discharge slips kept separately from discharged notes. To work on moving forwards with my medical record and digital recording of outcome measures. |
| 11. Prostate Patient Triggered Follow Up (PTFU) audit | <ul style="list-style-type: none"> To discuss with consultants / IT the idea of having a tick box on the Equest referral to confirm leaflet given and discussion about PTFU / Supported Self-Management (SSM) has taken place. Prostate Healthcare Support Worker (HCSW) to attend clinic to introduce PTFU to new patients. For those not seen in clinic at time of referral, HCSW will phone the patient when the Equest referral is received to introduce to PTFU. During patient workshops patients will be shown where to view their surveillance protocol and the importance of good compliance will be reiterated. To improve / maintain communication with My Medical Record (MyMR) team to highlight concerns / offer suggestions for improvements. To discuss with IT rolling out MedXnote for all other Prostate PTFU protocols. To discuss with wider PTFU team where responsibility lies to track / monitor recalled patients and ensure that consultants are re-referring patients that are eligible to return to PTFU. Daily listing of patients that require contact re: symptoms and spread-sheet to be created to ensure Holistic Needs Assessment (HNA)'s sending / returns are staggered. |
| 12. Audit of babies needing hip referral from Newborn Infant Physical Examination (NIPE) | <ul style="list-style-type: none"> To develop a parent information leaflet regarding what is hip clinic and why they are being referred. |
| 13. Midwifery -Led Pathway Birth Environment Records Audit: The Standards audited: Standard 2:1 Care of Women in Labour Standard 4.7 Clinical | <ul style="list-style-type: none"> To report and share findings in all relevant care group meetings. |

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| Risk Assessment Intermittent Auscultation | |
| 14. Audit of turnaround times for reporting lung cancer diagnostic specimens including molecular analysis | <ul style="list-style-type: none"> To reiterate the need to cellular pathology team to release material for Estimated Glomerular Filtration Rate (EGFR) testing as soon as possible and discuss with molecular pathology re: optimising batching of cases and run frequency (currently one per week but should look to move to two per week). |
| 15. UHS Trust wide Audit of Hand Hygiene Compliance of Out Patient Areas - May 2019 | <ul style="list-style-type: none"> 13 areas to send audit submission in by the end of June. 4 areas scored below 85% to complete an action plan, have hand hygiene training. 6 areas scored between 86% and 94% to re-audit within 3 months. |
| 16. UHS Trust Wide Self Assessed Audit of Hand Hygiene Practice of Inpatient Areas - May 2019 | <ul style="list-style-type: none"> 13 areas to send audit submissions in by the end of June. Care group managers / care group clinical leads to provide support suboptimal areas. 16 areas scoring between 94% and 85% to re-audit within 3 months. 4 areas scoring below 85% will be required to produce an action plan, re audit and will be referred for hand hygiene training. |
| 17. Paediatric Patient Clinical Assessment and Documentation in the Post-operative Care Setting | <ul style="list-style-type: none"> Actions are being put in to place via the senior paediatric recovery team. |
| 18. Worldwide Network for Blood & Marrow Transplant (WBMT) Clinical coding procedures | <ul style="list-style-type: none"> All errors are to be identified to clinical coding and amended as appropriate. |
| 19. Compliance with Paediatric Observation and Monitoring Policy (PEWS) | <ul style="list-style-type: none"> To continue teaching PEWS at mandatory days for all nursing bands. PEWS teaching to be included on newly qualified nurse induction training. Each month's PEWS feedback to be sent to ward leader & PEWS link nurse (with matron cc'd) highlighting that ward's key points. |
| 20. Audit of Sialendoscopy at Southampton General Hospital (SGH) | <ul style="list-style-type: none"> To set up a database for procedures. |
| 21. Delegated reporting of diagnostic investigations using ionising radiation | <ul style="list-style-type: none"> To make explicit reference to radiological investigation and outcomes in dictated letters. Findings to be communicated in monthly Morbidity & Mortality (M&M) meeting. To re-audit in one year. |

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| 22. Continuous electronic fetal monitoring audit | <ul style="list-style-type: none"> • To present findings at audit meeting. • To communicate results with staff through email and communication board. |
| 23. Audit of Referrals to Countess Mountbatten House (CMH) from Southampton General Hospital for Rehabilitation | <ul style="list-style-type: none"> • To liaise with Band 7 therapists at CMH and Oncology at SGH to discuss possibilities / processes for rehabilitation referrals. |
| 24. Ward compliance with supporting patients meeting hydration requirements on the Stroke unit | <ul style="list-style-type: none"> • Dietetics and Speech and Language (SLT) to feedback the findings of the audit and recommendations to the Stroke team at the monthly Morbidity and Mortality meeting. • To present a poster at the UHS Always Improving conference. • Dietetics and SLT to send email feedback on the audit findings to the ward manger of the Stroke Units. |
| 25. A re audit of the documentation of critical care rehabilitation for those patients admitted to general intensive care | <ul style="list-style-type: none"> • To investigate the potential to fund rehabilitation coordinator post (job description has been written, awaiting funding approval). • To develop current information pack (ICU Steps) given to patients on ICU admission to include details about rehabilitation pathway. • Information regarding potential discharges from the unit will be included in the daily therapist handover meeting. • Reminders to review patients prior to discharge will now be included in the daily therapist handover meeting. • To develop the information pack to give to patients on discharge from General Intensive Care Unit in order to provide information about their on-going care and rehabilitation with the contact details for follow up clinic. • Reminders to complete the Chelsea Critical Care Physical Assessment (CPAx) tool scores 3 times weekly, the Barthel scores and review goals will now be included in the daily therapist handover meeting. |
| 26. An audit to measure adherence to falls guidelines for patients over 65 admitted to Wessex Neurosciences Centre (WNC) with an injury as a result of a fall | <ul style="list-style-type: none"> • To educate the therapy team on the Falls Prevention Pathway (FPP). • To feedback to the therapy team on findings of the audit and inform action plans to be completed where required. • To ensure FPP documentation available for therapy staff and added to each ward therapy file. • To add prompt questions for falls history to be added on the Integrated Neuro assessment sheet. • To order the Staying Steady booklet and make available to all therapy staff to use when required. • New members of the therapy team to be familiarised on induction with the FPP. |

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| | <ul style="list-style-type: none"> To inform nursing staff on importance of flagging up to therapy team older patients at risk of falls. This will be the responsibility of each physio therapist and occupational therapist working on the audited wards to communicate this issue with the nurse in charge on a daily bases. This will be an on-going goal to achieve compliance. |
| 27. Ward environment dementia assessment | <ul style="list-style-type: none"> To order dementia friendly signs with pictures and text and fix to appropriate toilets and bathrooms within ward areas. To feedback to ward managers results of the ward dementia assessment to include the need to ensure that when toilet seat replacement is required that new seats are ordered in a contrasting colour. To look into the feasibility of changing all toilet & bathroom doors to one distinctive colour. As part of on-going replacement and refurbishment programme suitably marked taps for toilets & bathrooms and flooring to be ordered. Large faced clocks displaying day and date to be ordered & installed in all patient bays & side rooms. |
| 28. Management of patients with Dysphagia on the Acute Medical Units. | <ul style="list-style-type: none"> To feedback results to Speech & Language team at weekly operational meetings. To feedback to clinical effectiveness meeting. To produce posters for wards AMU1, 2 &3 to display. |
| 29. Cystic Fibrosis (CF) admission proforma update | <ul style="list-style-type: none"> Discuss results with CF care group lead and the respiratory lead clinician. Present audit report in the next CF Multidisciplinary Team (MDT) meeting. Implement required changes to ensure better compliance. |
| 30. Time awaited for antibiotics prescription and sufficient use of bed space | <ul style="list-style-type: none"> To utilise the SAFER care bundle better to increase earlier discharges which will increase earlier admissions. |
| 31. Lying and Standing Blood Pressure (L/S BP) Completion | <ul style="list-style-type: none"> To share the results with the Trust Falls Steering Group (TFSG), and to add information in the Organisational Wide Learning (OWL) newsletter. To complete educational / awareness sessions for staff as part of Falls Focus February, this will include ward visits, OWL, core brief information and staff briefing updates. To work with Safetrack systems team to change the override options for non-completion of L/S BP and require staff to input clinical reasoning into the override. To re-audit compliance with L/S BP completion following education and Safetrack changes. To consider whether continuous audit may be appropriate through inpatient |

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| | falls Adverse Event Form (AER) questionnaire. |
| 32. Falls prevention measures | <ul style="list-style-type: none"> • To review the UHS documentation in relation to falls. This should include multi-factorial assessments and interventions which can be tailored to individuals. This should also include the ability to document clinical reasoning in relation to falls risks and reduction measures. • To update Safetrack for lying and standing BP completion. This will update the reasons given as to why a patient has not had one taken and enable ward level data collection. • To ensure varied sizes of slipper socks are available to patients who require them. • To review availability of walking aids around UHS in more detail. This will likely require an audit / stock take. Further actions on how to improve mobility aid availability can be determined based upon this. • To identify a method through which patients can have their walking aid labelled successfully to ensure it stays within reach. • To develop accessible patient information. Need to explore what format this will take i.e. do leaflets need redesign, do electronic methods need to be considered such as my medical record and do posters / banners need consideration. • To review falls education methods to ensure staff are aware of the risks and how to reduce them. • To update the Trust Falls policy utilising this audit information as evidence for interventions required. |
| 33. An audit of compliance with RCPATH cancer resection reporting dataset criteria February 2019 (Merkel cell carcinoma, ovary, oral cavity, neck dissection and parathyroid) | <ul style="list-style-type: none"> • Oral cavity cancer actions - Potential actions discussed with Head & Neck lead. • Remind staff to include all required core data items, especially Tumour, Node and Metastasis (TNM) staging. • Neck dissection actions - Results discussed with H&N lead. • Remind staff to include all required core data items, especially TNM staging. |
| 34. Pharmacy compliance with UHS Controlled Drugs Policy | <ul style="list-style-type: none"> • To share audit results with both dispensary and the clinical pharmacy teams who work late nights and weekends. • To identify the record keeping process which should be followed when To Take out (TTO) s are dispensed without a signed copy. |
| 35. Auditing ward compliance with the newly implemented | <ul style="list-style-type: none"> • To feedback results to Speech & Language Team (SLT) team. • To present audit findings at the Clinical Effectiveness (CE) Conference in |

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| <p>International Dysphagia Diet Standardisation Initiative (IDDSI) fluid and diet guidelines and protocols (not included medicine for older people wards)</p> | <p>poster format.</p> <ul style="list-style-type: none"> • To circulate report and prompt sheet to ward leads / matrons / division leads etc. via email. • To meet with ward managers and matrons of the respective audited ward areas to share audit results and together create a ward specific action plan for improvement include bespoke training for clinical staff. • To provide training to wards as appropriate. • SLT to ensure all wards have all correct reference posters on display. • To liaise with Serco management and Dietitian to ensure training package in place for Serco hosts. • To attend SERCO huddles to keep staff up to date with commonly raised issues. • To remove the IDDSI item on the Division C risk register as roll out of IDDSI is complete. • Head of Clinical Engineering & Medical Devices Safety Officer to raise this issue at National patient Safety forum to establish how other Trusts are managing the challenge with regards the term 'soft' and its translation to new diets. • To re-audit around December/January 19/20. • To present audit results and actions at Nutrition and Hydration meeting. |
| <p>36. An audit of compliance with RCPATH cancer resection reporting dataset criteria – February 2019 (Merkel cell carcinoma, ovary, oral cavity, neck dissection, parathyroid)</p> | <ul style="list-style-type: none"> • To remind staff to include all required core data items, especially Tumour, node and metastasis (TNM) staging. |
| <p>37. An audit of compliance with RCPATH cancer resection reporting dataset criteria.</p> | <p>Colorectal Cancer</p> <ul style="list-style-type: none"> • Findings to be discussed with GI lead pathologist. • To remind colleagues to use the macroscopic proforma and record all macroscopic core data items. <p>Melanoma</p> <ul style="list-style-type: none"> • Findings to be discussed with skin lead pathologist. • To remind colleagues to measure specimens in three dimensions, where appropriate. <p>Lung Cancer</p> <ul style="list-style-type: none"> • Findings to be discussed with lung lead pathologist. |

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| | <ul style="list-style-type: none"> To remind colleagues to use the macroscopic proforma and record all macroscopic core data items. |
| 38. An audit of compliance with RCPATH cancer resection reporting dataset criteria - UKAS standards of accreditation (ISO 15189) | <ul style="list-style-type: none"> To discuss potential actions with paediatric lead. To remind staff to include all required microscopic core data items. To re-audit in <2 years' time, in line with UKAS requirements. |
| 39. Auditing medicine for older people wards compliance with the newly implemented IDDSI fluid and diet guidelines and protocols | <ul style="list-style-type: none"> To circulate report and a prompt sheet to ward leads / matrons / division leads, etc. via email. SLT to ensure all wards have all correct reference posters on display. Meet with ward managers and matrons of the respective audited ward areas to share audit results and together create a ward specific action plan for improvement including bespoke training for clinical staff. Liaise with Serco management and Dietitian to ensure training package in place for Serco hosts. Head of Clinical Engineering & Medical Devices Safety Officer to raise this issue at National patient Safety forum to establish how other Trusts are managing the challenge with regards the term 'soft' and its translation to new diets. |
| 40. Assessing accuracy of ASA grading in patients with fractured neck of femurs (NOFs) | <ul style="list-style-type: none"> To comply with new standard of completing the National Hip Fracture Database (NHFD) they have introduced a new form for every patient operated on with traumatic fractured femur. |
| 41. Radial Arterial Blood Gas (ABG) Expanded Scope of Practice (ESP) Cancer Care Audit | <ul style="list-style-type: none"> To disseminate new ESP guidelines to Advanced Nurse Practitioner (ANP) / Emergency Nurse Practitioner (ENP) once approved at clinical governance. To feedback to ENP/ANP changes that need to occur to improve practice and patient safety based on recommendations. |
| 42. Accuracy of Recorded Penicillin Allergy Histories | <ul style="list-style-type: none"> Recording of allergy history has been discussed with the lead allergy consultant. Aspects relating to allergy history-taking are discussed in the teaching section and a short guidance will be part of the teaching session in future. Aspects relating to the specialist allergy team involvement are to be postponed until national guidance is released (which is currently in progress). In our electronic prescribing system (JAC), documentation on allergic reaction involves selecting from a list of allergens and selecting from a list of reactions. There are three actions required to ensure JAC is completed more accurately. |

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| | <ul style="list-style-type: none"> • Actions discussed with pharmacy IT lead and deputy chief pharmacist. Plan to introduce changes once approved by drugs committee, specialist allergy team, and pharmacy IT. • A Standard Operating Procedure (SOP) for ward-based staff, which is easily accessible during history taking and medicines reconciliation to be produced. • Local guidance for pharmacy department has been developed and will be implemented in departmental teaching. • Development of trust-wide guidance has been postponed until national guidelines are released (currently in progress). • To redesign the drug history template to include specific allergen, nature of reaction, age at the time of reaction, whether similar drugs of same class has been taken and whether patient was ever re-challenged with that antibiotic can aid in deducing a true allergy for clinicians. This recommendations will be incorporated into the departmental guidance and teaching session, and will form part of pharmacy practice. • A focused teaching session aimed to educate the staff on the clinical presentation of true allergies, features of a side effect and features of drug intolerance or sensitivity, particularly for penicillin-based drugs should be conducted. Education on how to take a good allergy history for those conducting drug histories would also be useful. • For pharmacists, teaching could be conducted on how to de-label incorrect allergy status with focus on good documentation practice. Training on how to critically evaluate a patient's report of an allergy, especially when it is a historic case may aid in unnecessarily withholding vital antibiotics. • A pharmacy department-wide teaching session is planned for November 2019, aimed at best practice for allergy history-taking. • Further sessions are planned to discuss de-labelling and prescribing decision-making. However, the latter session will be guided by national guidelines that are currently in progress • To re-audit following the teaching session to assess whether the quality of allergy recording has changed. The re-audit could also assess perceptions of healthcare professionals and their views on barriers to de-labelling inappropriate allergy statuses, through conducting an online survey. Plan for re-audit with the pre-registration pharmacist cohort of August 2020 - August 2021. |
| 43. Emergency Department Record Keeping Audit | <ul style="list-style-type: none"> • To discuss with admin team regarding additions of two small boxes on the ED assessment proforma for DNACPR status and special monitoring |

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| | <p>status.</p> <ul style="list-style-type: none"> • In order to provide on-going rather than spontaneous education and reminder regarding record-keeping a "mock" ideal recordkeeping ED assessment to be put up in clinical areas. • To discuss with ED Symphony leads regarding the addition of either a prompt or additional box under the "Referral" tab that requires the clinician to input the name of the clinician referred to. • To liaise with appropriate department in SGH about the possibility of a telephone etiquette campaign - this could be started locally in ED - that focuses around introduction of name and role and a positive phrase such as "How are you". |
| 44. Post Falls Management of Patients on Medicine for Older people (MOP) | <ul style="list-style-type: none"> • To review falls grab pack availability on all wards on MOP. • To review with Trust medical falls lead the outcome of this audit and review medical components specified in recommendations. • To work with therapy falls champions to develop a proforma which could be utilised for post falls therapy reviews. This could ensure all relevant components are covered and support staff. |
| 45. VTE prevention in pregnancy | <ul style="list-style-type: none"> • To discuss with Community Matron about possibility of adding VTE assessment to booking document. • To discuss with Inpatient Leads re: admission sticker. If VTE not risk assessed on Labour ward then could be assessed on admission to ward to ensure compliance with 12hrly postnatal / antenatal admission assessments. • To promote VTE compliance through prompts, Theme of the week, labour-ward board etc. • To hold specific VTE training for all midwives and medical staff. • To consider amendments to VTE guideline and TEST tool to ensure ease of use. • To further audit the TEST tool this year. |
| 46. Intevo gamma camera CT dose audit | <ul style="list-style-type: none"> • To review cardiac CT parameters. • To review parathyroid CT protocol parameters. • To review classification of bone spine images. • To disseminate results via presentation to clinical Nuclear Medicine team and broader Nuclear Medicine community. |
| 47. Audit to ensure new LocSSIP checklist is being used for instrumental deliveries | <ul style="list-style-type: none"> • To add a reminder regarding LocSSIP checklist / stickers on the mandatory study day over next year to cover staff turnover / Doctors rotation. • To review K2 to see if 'sign out' check box could / may be added. |

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| | <ul style="list-style-type: none"> To review current instrumental checklist on Athena that Doctors complete after an instrumental birth to see if the LocSSIP checklist is in fact covered in there already. |
| 48. Completion of recommended onward referrals following diagnosis of a permanent childhood hearing impairment (PCHI). | <ul style="list-style-type: none"> To present overall findings at staff meeting. |
| 49. A re-audit of the adherence to the British Society of Audiology (BSA) guidelines for the fitting of a hearing aid within tolerance using. | <ul style="list-style-type: none"> To present overall findings at staff meeting. |
| 50. Nuclear Medicine Thyroid Imaging and Processing Audit | <ul style="list-style-type: none"> To present results to all clinical staff in Nuclear Medicine at the next training session / staff meeting. To reiterate the importance of scanning the patient on time (15-30mins post injection) during the next training session / staff meeting. A short training session with one member of staff on the importance of entering the correct injection activity and injection time on CRIS. To reiterate the importance of measuring and recording pre- and post-injection syringe activities (to allow quantification to be carried out) during the presentation / training session on the 8th of August. |
| 51. Hip Arthroplasty Surgery Documentation | <ul style="list-style-type: none"> To present the results of this audit at the next local M&M meeting. This will inform surgeons key aspects which are currently poorly documented. A subsequent re-audit will then take place to ensure improvement. |
| 52. An audit of compliance with national guidelines for external and internal examination at coronial autopsy | <ul style="list-style-type: none"> To discuss at consultant meeting. To share findings with Health Technology Assessment (HTA) lead. |
| 53. Central Venous Catheter Audit | <ul style="list-style-type: none"> To remind staff to use the care form which indicates reason for removal of line. To complete a re-audit. |
| 54. An audit of Physiotherapy Adherence to the Association of Chartered Physiotherapists in Cystic Fibrosis inpatient exercise guidelines | <ul style="list-style-type: none"> To feedback to staff to improve documentation to add in whether the patient is not being offered the exercise guidelines or the patient is declining. To carry out a questionnaire asking patients for their views and opinions on inpatient exercise. |
| 55. Patient reported feedback for | <ul style="list-style-type: none"> To share findings with the Speech and Language Team (SLT), Multi- |

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| patients with communication difficulties on the stroke ward | <p>disciplinary Team (MDT) and wider department.</p> <ul style="list-style-type: none"> To re-audit patient reported feedback. To consider other ways of patient's giving feedback to be inclusive of all patients' in this client group. |
| 56. Fetal blood sampling | <ul style="list-style-type: none"> To email reminders to staff and add to communication board about accurate recording on HICSS. To add fetal blood sampling as a theme of the week. |
| 57. An audit on the use of abbreviation on consent forms | <ul style="list-style-type: none"> To add a prompt on the Fracture Neck of Femur (NOF) folder consent forms not to add abbreviations. To update colleagues of our findings and educate them not to use abbreviations after this audit is presented. To re-audit once above actions have been completed. |
| 58. Opioid and Gabapentinoid Prescribing for Hospital Inpatients | <ul style="list-style-type: none"> To add a button for staff to tick. To have presets on discharge summary for instructions with regards to prescribing opioids /gabapentinoids. The pain team to deliver opioid education programme to ward pharmacists. |
| 59. Review of management of infants who are not independently mobile presenting to the emergency department with an actual or suspected bruise | <ul style="list-style-type: none"> To share the Bruising Protocol audit at peer review, date to be confirmed. A memo to go out to emergency department clinicians to remind them of the bruising protocol and application in practise. To include Bruising Protocol training for emergency department clinicians. If social services has not been contacted for cases of non-independently mobile infants where a bruise/mark has been noted on the information sharing form, Social Services to be contacted retrospectively. To share audit results at the next safeguarding governance steering group. To share audit results at division B governance group. To include the Bruising Protocol audit report in to the Q3 safeguarding report. To re-audit in 6 months. |
| 60. Age-related Macular Degeneration (AMD) referrals from Lymington | <ul style="list-style-type: none"> The Lymington administration team to action change to GP referral choose and book letter. |
| 61. Intevo gamma camera CT dose audit | <ul style="list-style-type: none"> To review cardiac CT parameters. To review parathyroid CT protocol parameters. To review classification of bone spine images. To disseminate results via presentation to clinical Nuclear Medicine team and broader Nuclear Medicine community. |
| 62. A clinical audit assessing the | <ul style="list-style-type: none"> To highlight the missing patient ID's to the staff at the next team brief. |

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| accuracy of electronic Off-Protocol Concession forms in Radiotherapy Physics | <ul style="list-style-type: none">• To update the 2 documents found in this study to include the patient ID's and dates of birth. |
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Appendix four: CQC Key Lines of Enquiry

1. E6 Is consent to care and treatment always sought in line with legislation and guidance?
2. E6.1 Do staff understand the relevant consent and decision making requirements of legislation and guidance, including the Mental Capacity Act 2005 and the Children's Acts 1989 and 2004 and other relevant national standards and guidance?
3. E6.2 how are people supported to make decisions in line with relevant legislation and guidance?
4. E6.3 how and when is possible lack of mental capacity to make a particular decision assessed and recorded?
5. E6.4 how is the process for seeking consent monitored and reviewed to ensure it meets legal requirements and follows relevant national guidance?
6. E6.5 when people lack the mental capacity to make a decision, do staff ensure that best interest's decisions are made in accordance with legislation?
7. E6.6 how does the service promote supportive practice that avoids the need for physical restraint? Where physical restraint may be necessary, how does the service ensure that it is used in a safe, proportionate and monitored way as part of a wider person-centred support plan?
8. E6.7 Do staff recognise when people aged 16 and over and who lack mental capacity are being deprived of their liberty, and do they seek authorisation to do so when they consider it necessary and proportionate?

Appendix five: Registration with the Care Quality Commission (CQC)

The Care Quality Commission (CQC) is the independent regulator of health and adult social care in England. It ensures that health and social care services provide people with safe, effective, compassionate, high quality care and encourages care services to improve.

Registration with the Care Quality Commission: UHS is required to register with the Care Quality Commission and its current registration status for locations and services is as below.

Regulated activity: Surgical procedures:

Provider conditions: This regulated activity may only be carried on at the following locations:

- Princess Anne Hospital, Coxford Road, Southampton, SO16 5YA
- Southampton General Hospital, Tremona Road, Southampton, SO16 6YD

Regulated activity: Treatment of disease, disorder or injury

- Princess Anne Hospital, Coxford Road, Southampton, SO16 5YA
- Royal South Hants Hospital, Brintons Terrace, Southampton, SO14 0YG
- Southampton General Hospital, Tremona Road, Southampton, SO16 6YD
- Lymington New Forest Hospital - Surgical patient pathway and outpatients Wellworthy Road Lymington Hampshire SO41 8QD

Regulated activity: Maternity and midwifery services

- New Forest Birth Centre, Ashurst Hospital, Lyndhurst Road, Ashurst, Southampton, SO40 7AR
- Princess Anne Hospital, Coxford Road, Southampton, SO16 5YA

Regulated activity: Diagnostic and screening services

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- Princess Anne Hospital, Coxford Road, Southampton, SO16 5YA
- Royal South Hants Hospital, Brintons Terrace, Southampton, SO14 0YG
- Southampton General Hospital, Tremona Road, Southampton, SO16 6YD
- New Forest Birth Centre, Ashurst Hospital, Lyndhurst Road, Ashurst, Southampton, SO40 7AR

Regulated activity: Transport services, triage and medical advice provided remotely

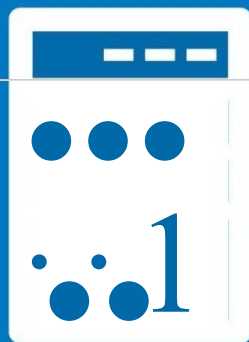
- Princess Anne Hospital, Coxford Road, Southampton, SO16 5YA
- Southampton General Hospital, Tremona Road, Southampton, SO16 6YD
- Hampshire and Isle of Wight Air Ambulance (HLOWAA)

Regulated activity: Assessment or medical treatment for persons detained under the 1983 (Mental Health) Act Provider conditions:

- Princess Anne Hospital, Coxford Road, Southampton, SO16 5YA
- Southampton General Hospital, Tremona Road, Southampton, SO16 6YD

UHS was registered with the CQC since its inception in 2010 and has maintained its registration without conditions or enforcement action ever since, including 2019/20.

ANNUAL ACCOUNTS



Statement from the chief financial officer and deputy chief executive

Whilst the financial year 2019/20 only ended on 31 March, it seems like a lifetime ago as I write this report in May. So much has changed in such a short period of time across all aspects of our lives and society as a whole. Inevitably this includes the finances of this hospital and the wider NHS. The COVID-19 outbreak affected the Trust's financial performance in 2019/20 to only a limited extent; the impact in 2020/21 will be far more significant.

The income of the hospital is overwhelmingly determined by the volume of clinical activity we perform, with every unit of activity such as an outpatient appointment, an emergency admission with a fractured hip, or scheduled cardiac surgery etc. each being charged at a nationally determined price. Consequently, as the COVID-19 outbreak entailed stopping some activity and repurposing ward and intensive care bed capacity to prepare for high numbers of anticipated COVID-19 patients, the volume of activity performed in March 2020 reduced significantly. We were fortunate that, through the support of our colleagues in NHS clinical commissioning groups, we were protected from the income loss of £11m that otherwise would have occurred. Similarly, the Trust's expenditure on COVID-19 preparations, such as ventilator and monitoring equipment, was reimbursed in full by the central NHS team and this reimbursement has continued into the current year to protect the continued provision of outstanding patient care.

Looking back at the year 2019/20 as a whole, our total income was £912m and we delivered a surplus of almost £4m. As in previous years, NHS trusts achieving their quarterly financial targets were eligible for additional national cash funding (known as PSF) and this brought an additional £9m for UHS, bringing our total surplus to £12.5m. This cash has helped to support the Trust's ambitious programme of capital investment, with more than £50m spent in 2019/20 and £62m earmarked for 2020/21. The new urology day unit has now opened, £6m was spent on IT improvements and a new theatre was completed. Work on the construction of a five-floor building extension is now nearing completion with fit-out scheduled over the next two years. This building will house an expanded and refurbished general intensive care unit, plus eight new surgical theatres to provide the additional capacity and quality of patient environment that these areas of the hospital desperately need.

However, our surplus performance, whilst still strong compared to our peers in both relative and absolute terms, was £11m lower than our target of £15m, which in turn reduced the PSF we earned. The causes of this shortfall date back to the end of 2018/19 when the Trust encountered significant financial difficulty. The Trust responded immediately with a financial recovery programme which included new controls on expenditure, particularly non-clinical recruitment. These initiatives began to have a positive effect in the early months of 2019/20 and by the end of the first quarter (Apr-Jun 2019), the Trust had successfully converted a deficit of approximately £2m per month back to an underlying surplus. Performance improved again during the second quarter and by the end of the third quarter, the Trust had returned to its target level of monthly surplus and cash generation. However, the financial gap generated during the early months of the year could not be closed without unacceptable risk to clinical services, so the Trust Board agreed to a revised surplus forecast for the year which was subsequently delivered. I would like to thank the entire organisation for the way in which it responded to the Trust's financial position by working tirelessly to improve our finances so that the capital investment programme could continue. The Trust's collective efficiency improvement efforts (known as CIP) yielded £33m for the year, without which the strong financial position of the hospital would now be very different.

During the current COVID-19 crisis, the central NHS team have introduced measures to protect trusts' financial positions. In effect, trusts are receiving fixed monthly income sufficient to match expenditure. The net result is that for the early months of 2020/21, we expect to break even with no profit or loss. Whilst I acknowledge that full financial protection from HM Treasury is a privilege that no private sector company enjoys, break even financial performance is £7m less than the annual surplus we had previously planned to create. This may mean in the future that we have less cash than we previously anticipated for investment across the hospital. If this turns out to be the case, I know my colleagues and I will work together to find a solution because we are more determined than ever to expand and improve the hospital so that our brilliant staff can provide patients with the standard of care they deserve.



David French
Chief financial officer and deputy chief executive



Independent auditor's report

to the Council of Governors of University Hospital Southampton NHS Foundation Trust

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of University Hospital Southampton NHS Foundation Trust ("the Trust") for the year ended 31 March 2020 which comprise the Group and Trust Consolidated Statement of Comprehensive Income, Group and Trust Consolidated Statement of Financial Position, Group and Trust Consolidated Statement of Changes in Taxpayers Equity and Group and Trust Consolidated Statement of Cash Flows, and the related notes, including the accounting policies in note one.

In our opinion:

- the financial statements give a true and fair view of the state of the Group and the Trust's affairs as at 31 March 2020 and of the Group and Trust's income and expenditure for the year then ended; and
- the Group and the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2019/20 and the Department of Health and Social Care Group Accounting Manual 2019/20.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group and Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview

Materiality: £15.4m (2018/19: £15.6m)
Group financial statements as a whole 2% (2018/19: 2%) of total group operating income from continuing operations

Coverage 2% (2018/19: 2%) of total group operating income from continuing operations

Risks of material misstatement vs 2018/19

| Risks of material misstatement | | vs 2018/19 |
|--------------------------------|------------------------------------|------------|
| Recurring risks | Valuation of land and buildings | ◀▶ |
| | Revenue Recognition | ◀▶ |
| | Fraudulent expenditure recognition | ◀▶ |

Key

- ◀▶ Risk level unchanged from prior year
- ▼ Decreased risk in the year
- ▲ Increased risk in the year

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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. We summarise below, the key audit matters (unchanged from 2018/19), in decreasing order of audit significance, in arriving at our audit opinion above together with our key audit procedures to address those matters and our findings from those procedures in order that the Trust's governors as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters. All of these key audit matters relate to the Group and the parent Trust.

| | The risk | Our response |
|--|---|--|
| <p>Valuation of land and buildings</p> <p>(£280.8 million; 2018/19: £287.7 million)</p> <p><i>Refer to page 35 (Audit and Risk Committee Report), page 200 (accounting policy) and page 218 (financial disclosures)</i></p> | <p>Subjective valuation</p> <p>Land and buildings are required to be held at current value. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with an equivalent asset.</p> <p>When considering the cost to build a replacement asset the Trust may consider whether the asset would be built to the same specification or in the same location. Assumptions about changes to the asset must be realistic.</p> <p>The Trust engaged a valuer to carry out a full valuation of its land and buildings as at 31 March 2020. The valuation figures included in the Trust accounts are estimates. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.</p> <p>The valuer indicated that the valuation indices could be relied upon as at 31 March 2020 but there existed a materiality uncertainty as a result of the outbreak of the COVID-19 pandemic, which resulted in the need for the Trust to more frequently consider impairment of assets in the future.</p> | <p>Our procedures included:</p> <ul style="list-style-type: none"> — Assessing valuer's credentials: We critically assessed the expertise and qualifications of the valuer engaged by the Trust. We inspected the instructions for preparing the valuation to confirm that it was prepared in accordance with the requirements of the RICS Red Book; — Benchmarking assumptions: We critically assessed the assumptions used within the valuation by assessing the assumptions used to derive the carrying value of assets against BCIS all in tender price index and industry norms; — Methodology choice: We used our own valuation specialist to critically assess the methodology used in preparing the valuation, including the choice of indices used to determine the valuation; — Test of details: We undertook the following tests of details: <ul style="list-style-type: none"> — We considered the carrying value of the land and buildings, including any material movements from the previous revaluations; — We tested the completeness of the estate covered by the valuation to the Trust's underlying estate records, including additions and floor area calculations; — We re-performed the gain or loss on revaluation for all applicable assets and assessed whether the accounting entries were consistent with the DHSC Group Accounting Manual; — For a sample of assets added during the year we agreed that an appropriate valuation basis had been adopted when they became operational and that the Trust would receive future benefits. <p>Our findings:</p> <p>We found the resulting valuation of land and buildings to be balanced (2018/19: balanced)</p> |

| The risk | Our response |
|---|--|
| <p>Revenue Recognition</p> <p>(£912 million; 2018/19: £882 million)</p> <p><i>Refer to page 35 (Audit and Risk Committee Report), page 198 (accounting policy) and page 211 (financial disclosures).</i></p> | <p>Accounting treatment:</p> <p>Of the Trust's reported total income, £757.4 million (2019: £696.0 million) came from commissioners (Clinical Commissioning Trusts (CCG), other NHS Bodies and NHS England). Income from CCGs, other NHS Bodies and NHS England make up 83% (2019: 81%) of the Trust's income. Income is contracted based on expected levels of activity and standard tariff prices for procedures, however the actual income for the year is based on the actual levels of activity completed during the year. Other performance based income is received from NHS Improvement (via local CCGs). This results in estimates being required at the year end.</p> <p>Income from NHS England and CCGs is captured through the Agreement of Balances exercises performed at months 6, 9 and 12 to confirm amounts received and owed. Mismatches in income and expenditure, and receivables and payables are recognised by the Trust and its counterparties to be resolved. Where mismatches cannot be resolved they can be reclassified as formal disputes.</p> <p>The Trust reported total other income of £132.9 million (2019: £164.0 million) from other activities principally, research and development income, private patient income and education and training. Much of this income is generated by contracts with other NHS and non-NHS bodies which are based on achieving financial targets, varied payment terms, including payment on delivery, milestone payments and periodic payments. The amount also includes £16.4million (2019: £36.0 million) Provider Sustainability Funding (PSF) received from NHS Improvement. This is received subject to achieving defined financial and operational targets on a quarterly basis.</p> <p>The Trust is eligible for additional revenue (matched to additional expenditure incurred as a result of Covid-19) in 2019/20.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> — Control observations: We tested the design and operation of process level controls over revenue recognition; — Test of details: We undertook the following tests of details: <ul style="list-style-type: none"> — We agreed commissioner income to the signed contracts and selected a sample of the ten largest balances (comprising 88% of income from patient care activities). — We inspected invoices for income in the month prior to and following 31 March 2020 to determine whether income was recognised in the correct accounting period, in accordance with the amounts billed to corresponding parties; — We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant income recorded in the Trust's financial statements to the expenditure balances recorded within the accounts of Commissioners. Where applicable, we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising income; — We assessed the judgements made to receive the transformation funding recorded in the financial statements as part of the Trust's performance against the required targets to confirm eligibility for the income and agreed bonus amounts to correspondence from NHSI; and — We tested NHS income balances by agreeing a sample of income transactions through to supporting documentation and/or cash receipts. — We tested material other income balances by agreeing a sample of income transactions through to supporting documentation and/or cash receipts. <p>Our findings:</p> <ul style="list-style-type: none"> — We found no errors which are above our £300,000 reporting threshold (2018-19: no errors). |

| The risk | Our response |
|---|---|
| <p>Fraudulent expenditure recognition</p> <p>(£357 million; 2018/19: £345 million)</p> <p><i>Refer to page 35 (Audit and Risk Committee Report), page 199 (accounting policy) and page 212 (financial disclosures)</i></p> | <p>Fraudulent recognition of non pay expenses</p> <p>In the public sector, auditors also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). This may arise due to the audited body manipulating expenditure to meet externally set targets.</p> <p>As a Foundation Trust fulfils some of the characteristics of a governmental body there is as much focus on the expenditure being incurred as the generation of revenue. The risk of material misstatement due to fraud related to expenditure recognition may therefore be as significant as the risk of material misstatements due to fraud related to revenue recognition and so we have had regard to this when planning and performing audit procedures. We consider this risk to relate to the completeness of the expenditure recorded (focused on the year end) as there may be an incentive to seek to defer expenditure in order to achieve financial targets.</p> <p>The Trust agreed a target for its financial performance with NHS Improvement for 2019/20, achievement of which entitled it to Provider Sustainability Funding. There may therefore be an incentive to defer expenditure or recognise commitments at a reduced value in order to achieve the control total agreed with NHS Improvement.</p> |
| | <p>Our procedures included:</p> <ul style="list-style-type: none"> — Control observations: We tested the design and operation of process level controls over expenditure approval; — Test of details: We undertook the following tests of details: <ul style="list-style-type: none"> — We inspected invoices for material expenditure in the month prior to and following 31 March 2020 to determine whether expenditure was recognised in the correct accounting period relevant to when services were delivered; — We assessed the completeness and judgements made within the expenditure balance, specifically accrued expenditure, through comparison to historical performance; and — We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant payables recorded in the Trust's financial statements to the receivables balances recorded within the accounts of other providers and other bodies within the AoB boundary. Where applicable, we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising expenditure with other providers and other bodies within the AoB boundary. — We performed assessment of expenditure accruals between 31 March 2019 and the 31 March 2020. <p>Our results:</p> <ul style="list-style-type: none"> — We found no errors which are above our £300,000 reporting threshold (2018-19: no errors). |

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £15.4 million (2018/19: £15.6 million), determined with reference to a benchmark of total operating income from continuing operations (of which it represents approximately 2%) (2018/19: 2%). We consider operating income from continuing operations to be more stable than a surplus- or deficit-related benchmark.

Materiality for the parent Trust's financial statements as a whole was set at £14.4 million (2018/19: £15.6 million), determined with reference to a benchmark of operating income (of which it represents approximately 2%) (2018/19: 2%).

We agreed to report to the Audit and Risk Committee any corrected and uncorrected identified misstatements exceeding £0.3 million (2018/19: £0.3 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 5 (2018/19: 4) reporting components, one (2018/19: one) was subject to a full scope audit for group purposes.

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Trust will continue in operation.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Trust's business model, including the impact of Brexit, and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement in Note 1.1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

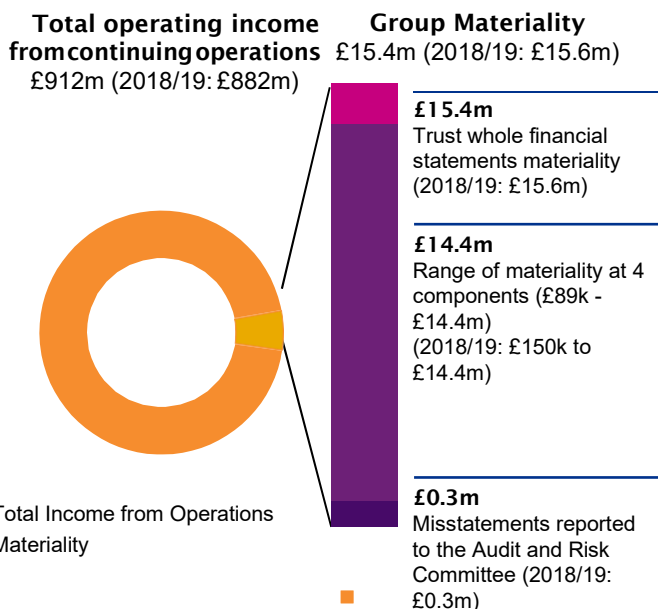
Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2019/20.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy; or



4. We have nothing to report on going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Group or the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

- the section of the annual report describing the work of the Audit and Risk Committee does not appropriately address matters communicated by us to the Audit and Risk Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2019/20, is misleading or is not consistent with our knowledge of the Group and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 72, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They 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; assessing the Group and parent 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 they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources..

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources..

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

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 the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had 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 and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements to secure economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

We did not identify any significant risks.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of University Hospital Southampton NHS Foundation Trust for the year ended 31 March 2020 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.



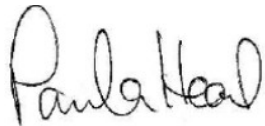
Neil Thomas
for and on behalf of KPMG LLP

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GI

25 June 2020

Foreword to the Accounts

These accounts for the period to 31 March 2020 have been prepared by University Hospital Southampton NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006, and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

A handwritten signature in black ink that reads "Paula Head". The signature is written in a cursive, flowing style.

Paula Head
Chief Executive
22 June 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

| | NOTE | Group | | Trust | |
|--|------|--|-------------------------------------|--|-------------------------------------|
| | | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
| Operating income from patient care activities | 2.1 | 779,013 | 718,332 | 779,013 | 718,332 |
| Other operating income | 2.1 | 132,881 | 163,994 | 132,709 | 160,334 |
| Operating income from continuing operations | | <u>911,894</u> | 882,326 | <u>911,722</u> | 878,666 |
| Operating expenses of continuing operations | 3 | <u>(889,984)</u> | <u>(836,277)</u> | <u>(890,169)</u> | <u>(832,844)</u> |
| OPERATING SURPLUS | | 21,910 | 46,049 | 21,553 | 45,822 |
| Finance income | 7 | 644 | 1,097 | 817 | 1,274 |
| Finance expenses | 8 | (2,175) | (495) | (2,175) | (495) |
| PDC dividends payable | | <u>(7,854)</u> | <u>(7,363)</u> | <u>(7,854)</u> | <u>(7,363)</u> |
| NET FINANCE COSTS | | (9,385) | (6,761) | (9,212) | (6,584) |
| Share of Profit Joint Ventures accounted for using the equity method | | 65 | 0 | 65 | 0 |
| Other gains/ (losses) | | (83) | 111 | (83) | 113 |
| Gain from transfer by absorption | | <u>0</u> | <u>1,421</u> | <u>0</u> | <u>1,421</u> |
| SURPLUS FOR THE YEAR | | 12,507 | 40,820 | 12,323 | 40,772 |
| Impairments charged to reserves | 10 | (14,131) | 0 | (14,131) | 0 |
| Revaluations | 10 | <u>513</u> | <u>8,354</u> | <u>513</u> | <u>8,354</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | (1,111) | 49,174 | (1,295) | 49,126 |

Reconciliation of NHS Improvement regulatory financial compliance performance to published annual accounts

| | Group | | Trust | |
|---|--|-------------------------------------|--|-------------------------------------|
| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
| Operating income from continuing operations | 911,894 | 882,326 | 911,722 | 878,666 |
| Less: Provider Sustainability Funding (PSF)* | (9,157) | (36,046) | (9,157) | (36,046) |
| Less: Additional pension contribution central funding | <u>(21,302)</u> | 0 | <u>(21,302)</u> | 0 |
| Operating income excluding PSF and additional pension contribution | 881,435 | 846,280 | 881,263 | 842,620 |
| Operating expenses of continuing operations | (889,984) | (836,277) | (890,169) | (832,844) |
| Less: Additional pension contribution central funding | <u>21,302</u> | 0 | <u>21,302</u> | 0 |
| Operating expenses excluding additional pension contribution | (868,682) | (836,277) | (868,867) | (832,844) |
| Surplus for the year | 12,507 | 40,820 | 12,323 | 40,772 |
| Less: Provider Sustainability Funding (PSF)* | (9,157) | (36,046) | (9,157) | (36,046) |
| Add: Net "below the line" items - impairments & capital grants & charity position | <u>490</u> | <u>(350)</u> | <u>490</u> | <u>(350)</u> |
| Surplus for the year as per NHS Improvement regulations | 3,840 | 4,424 | 3,656 | 4,376 |
| Surplus for the year as per NHS Improvement regulations - including PSF* | 12,997 | 40,470 | 12,813 | 40,422 |

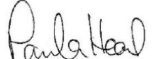
* PSF includes £0.917m awarded in 2019/20 related to the 2018/19 financial year

The notes on pages 197 to 226 form part of these accounts.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2020

| | NOTE | Group | | Trust | |
|--|------|------------------|------------------|------------------|------------------|
| | | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | | £000 | £000 | £000 | £000 |
| Non-current assets | | | | | |
| Intangible assets | 11 | 17,919 | 18,320 | 17,919 | 18,320 |
| Property, plant and equipment | 12 | 357,308 | 344,976 | 349,732 | 338,241 |
| Investment Property | 13.1 | 123 | 123 | 0 | 0 |
| Investments in joint ventures and associates | 14 | 116 | 1 | 116 | 1 |
| Other Investments | 13.2 | 2,997 | 2,997 | 14,041 | 5,541 |
| Trade and other receivables | 16 | <u>5,784</u> | <u>3,532</u> | <u>33,171</u> | <u>13,034</u> |
| Total non-current assets | | 384,247 | 369,949 | 414,979 | 375,137 |
| Current assets | | | | | |
| Inventories | 15 | 15,227 | 16,504 | 14,387 | 15,688 |
| Trade and other receivables | 16 | 71,940 | 105,750 | 71,600 | 106,428 |
| Cash and cash equivalents | 18.1 | <u>101,319</u> | <u>65,524</u> | <u>97,255</u> | <u>60,199</u> |
| Total current assets | | 188,486 | 187,778 | 183,242 | 182,315 |
| Current liabilities | | | | | |
| Trade and other payables | 19 | (104,663) | (100,635) | (116,905) | (101,910) |
| Borrowings | 20 | (10,806) | (10,302) | (10,806) | (10,302) |
| Provisions | 23.1 | (2,776) | (656) | (2,776) | (656) |
| Other liabilities | 22 | <u>(11,800)</u> | <u>(9,371)</u> | <u>(11,800)</u> | <u>(9,371)</u> |
| Total current liabilities | | (130,045) | (120,964) | (142,287) | (122,239) |
| Total assets less current liabilities | | 442,688 | 436,763 | 455,934 | 435,213 |
| Non-current liabilities | | | | | |
| Trade and other payables | 19 | (658) | (908) | (21,686) | (6,956) |
| Borrowings | 20 | (44,901) | (47,603) | (44,901) | (47,603) |
| Provisions | 23.1 | (3,487) | (2,748) | (3,487) | (2,748) |
| Other liabilities | 22 | <u>(14,104)</u> | <u>(14,582)</u> | <u>(14,104)</u> | <u>(14,582)</u> |
| Total non-current liabilities | | (63,150) | (65,841) | (84,178) | (71,889) |
| Total assets employed | | 379,538 | 370,922 | 371,756 | 363,324 |
| Financed by | | | | | |
| Taxpayers' equity | | | | | |
| Public Dividend Capital | | 220,708 | 210,981 | 220,708 | 210,981 |
| Revaluation reserve | | 20,214 | 33,832 | 20,214 | 33,832 |
| Income and expenditure reserve | | 131,942 | 119,435 | 130,834 | 118,511 |
| Charitable fund reserves | | <u>6,674</u> | <u>6,674</u> | <u>0</u> | <u>0</u> |
| Total taxpayers' equity | | 379,538 | 370,922 | 371,756 | 363,324 |

The financial statements on pages 192 to 226 were approved by the Board on 18 June 2020 and signed on its behalf by:

Signed:  (Chief Executive)

Date: 22 June 2020

The notes on pages 197 to 226 form part of these accounts.

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2020

| Group | NHS | Public Dividend Capital | Revaluation Reserve | Income and Expenditure Reserve | Total |
|---|---|------------------------------------|--------------------------------|---|----------------|
| | Charitable Funds Reserves £000 | | | | |
| Taxpayers' and Others' Equity at 1 April 2019 | 6,674 | 210,981 | 33,832 | 119,435 | 370,922 |
| Surplus/ (deficit) for the year | 0 | 0 | 0 | 12,507 | 12,507 |
| Net Impairments | 0 | 0 | (14,131) | 0 | (14,131) |
| Revaluations - property, plant and equipment | 0 | 0 | 513 | 0 | 513 |
| Public Dividend Capital received | 0 | 9,727 | 0 | 0 | 9,727 |
| Taxpayers' and Others' Equity at 31 March 2020 | 6,674 | 220,708 | 20,214 | 131,942 | 379,538 |
| Taxpayers' and Others' Equity at 1 April 2018 | 7,113 | 203,929 | 25,478 | 78,176 | 314,696 |
| Surplus for the year | (439) | 0 | 0 | 41,259 | 40,820 |
| Revaluations - property, plant and equipment | 0 | 0 | 8,354 | 0 | 8,354 |
| Public Dividend Capital received | 0 | 7,052 | 0 | 0 | 7,052 |
| Taxpayers' Equity at 31 March 2019 | 6,674 | 210,981 | 33,832 | 119,435 | 370,922 |
| Trust | | Public Dividend Capital | Revaluation Reserve | Income and Expenditure Reserve | Total |
| | | £000 | £000 | £000 | £000 |
| Taxpayers' and Others' Equity at 1 April 2019 | | 210,981 | 33,832 | 118,511 | 363,324 |
| Surplus for the year | | 0 | 0 | 12,323 | 12,323 |
| Impairments | | 0 | (14,131) | 0 | (14,131) |
| Revaluations - property, plant and equipment | | 0 | 513 | 0 | 513 |
| Public Dividend Capital received | | 9,727 | 0 | 0 | 9,727 |
| Taxpayers' and Others' Equity at 31 March 2020 | | 220,708 | 20,214 | 130,834 | 371,756 |
| Taxpayers' and Others' Equity at 1 April 2018 | | 203,929 | 25,478 | 77,739 | 307,146 |
| Surplus for the year | | 0 | 0 | 40,772 | 40,772 |
| Revaluations - property, plant and equipment | | 0 | 8,354 | 0 | 8,354 |
| Public Dividend Capital received | | 7,052 | 0 | 0 | 7,052 |
| Taxpayers' and Others' Equity at 31 March 2019 | | 210,981 | 33,832 | 118,511 | 363,324 |

The notes on pages 197 to 226 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

| | NOTE | Group | | Trust | |
|--|---------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 |
| | | £000 | £000 | £000 | £000 |
| Operating surplus | | 21,910 | 46,049 | 21,553 | 45,822 |
| Depreciation and amortisation | 11/12.1 | 23,636 | 22,496 | 23,043 | 22,181 |
| Impairments | 10 | 1,158 | 2,593 | 1,158 | 2,593 |
| Non-cash donations/grants credited to income | | (2,092) | (3,459) | (2,092) | (3,459) |
| (Increase)/ decrease in Trade and Other Receivables | 16 | 32,450 | (24,319) | 15,222 | (29,504) |
| (Increase)/ decrease in Inventories | 15 | 1,277 | (285) | 1,301 | (64) |
| Increase in Trade and Other Payables | 19 | 3,504 | 19,345 | 15,530 | 23,549 |
| Increase/ (decrease) in Other Liabilities | 22 | 1,951 | (6,498) | 1,951 | (6,498) |
| Increase/ (decrease) in Provisions | 23 | 2,851 | (110) | 2,851 | (110) |
| Movements in charitable fund working capital | | 0 | (19) | 0 | 0 |
| Net cash generated from operations | | 86,645 | 55,793 | 80,517 | 54,510 |
| Interest received | 7 | 644 | 1,097 | 817 | 1,274 |
| Purchase of financial assets | | (50) | 0 | (8,550) | (2,100) |
| Purchase of intangible assets | 11 | (5,568) | (7,840) | (5,568) | (7,840) |
| Purchase of Property, Plant and Equipment | 12 | (35,859) | (29,122) | (20,143) | (25,843) |
| Sales of Property, Plant and Equipment | 9 | - | 129 | 0 | 129 |
| Receipt of cash donations to purchase capital assets | | 2,092 | 3,459 | 2,092 | 3,459 |
| Net cash (used in) investing activities | | (38,741) | (32,277) | (31,352) | (30,921) |
| Public dividend capital received | | 9,727 | 7,052 | 9,727 | 7,052 |
| Loans repaid to the Department of Health | 20 | (3,089) | (3,489) | (3,089) | (3,489) |
| Other loans repaid | 20 | 0 | (134) | 0 | (134) |
| Capital element of finance lease rental payments | | (7,799) | (9,132) | (7,799) | (9,132) |
| Capital element of Private Finance Initiative Obligations | | (390) | (371) | (390) | (371) |
| Interest on DHSC loans | 8 | (316) | (378) | (316) | (378) |
| Interest on other loans | 8 | (24) | (36) | (24) | (36) |
| Interest element of finance lease | 8 | (1,766) | 0 | (1,766) | 0 |
| Interest element of Private Finance Initiative obligations | 8 | (67) | (87) | (67) | (87) |
| PDC Dividend paid | | (8,385) | (8,017) | (8,385) | (8,017) |
| Net cash (used in) financing activities | | (12,109) | (14,592) | (12,109) | (14,592) |
| Increase in cash and cash equivalents | | 35,795 | 8,924 | 37,056 | 8,997 |
| Cash and Cash equivalents at 1 April | | 65,524 | 56,600 | 60,199 | 51,202 |
| Cash and Cash equivalents at 31 March | | 101,319 | 65,524 | 97,255 | 60,199 |

The notes on pages 197 to 226 form part of these accounts.

Appendix A

Notes to the Accounts - 1. Accounting Policies

Accounting Policies

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health 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 DHSC Group Accounting Manual 2018-19, issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FReM) 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 DHSC Group Accounting Manual permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS Foundation Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Going concern

The Foundation Trust's annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.3 Basis of consolidation

In addition to the Trust itself, the Trust has consolidated into its group accounts the following entities: Southampton Hospital Charity, UHS Pharmacy Limited and UHS Estates Limited. The Trust and subsidiary accounts are prepared separately and then inter-group transactions are manually netted off.

NHS Charitable Fund

Southampton Hospital Charity ("SHC") is a registered charity. University Hospital Southampton NHS Foundation Trust ("the Trust") is the sole trustee of SHC. The Trust has determined that SHC is a subsidiary of the Trust because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with SHC and has the ability to affect those returns and other benefits through its power over SHC. However, as trustee of SHC the Trust is legally obliged to act exclusively in the interests of the charity's beneficiaries - NHS patients – and not (insofar as they diverge) in the interests of the Trust itself or its staff. The balance of funds of SHC at 31st March 2020 was £4.256m (unrestricted) and £2.418m (restricted).

SHC's accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to SHC's assets, liabilities and transactions to:

- recognise and measure them in accordance with the Foundation Trust's accounting policies; and
- eliminate intra-group transactions, balances, gains and losses.

Other Subsidiaries

The Trust wholly owns UHS Pharmacy Ltd and UHS Estates Ltd which form part of the consolidated accounts. UHS Pharmacy Ltd provides outpatient pharmacy services. Its turnover for the period ended 31st March 2020 was £16.426m and its gross assets at 31 March 2020 totalled £2.494m. UHS Estates Ltd provides building management services to the Trust for buildings that the company develops. Completed developments include Minerva House, Compton House and the Children's Hospital and it is now working on the GICU development. Its turnover for the period ended 31st March 2020 was £2.44m and its gross assets at 31 March 2020 totalled £27.122m.

Entities over which the Trust has the power to exercise control are classified as subsidiaries and are consolidated. The Trust has control when it has the ability to affect the variable returns from the other entity through its power to direct relevant activities. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where subsidiaries' accounting policies are not aligned with the Trust or where the subsidiaries' accounting dates are not coterminous. The amounts consolidated are drawn from the financial statements of Southampton Hospital Charity, UHS Pharmacy Ltd and UHS Estates Ltd. Intra-entity balances, transactions and gains/losses are eliminated in full on consolidation.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.4 Joint arrangements

Arrangements over which the Trust has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement. A joint arrangement is either a joint operation or a joint venture.

A joint operation exists where the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. Where the Trust is a joint operator it recognises its share of, assets, liabilities, income and expenses in its own accounts.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are recognised as an investment and accounted for using the equity method.

The Trust has two joint ventures: Southampton CEDP LLP, which is a commercial partnership with Partnering Solutions (Southampton) Limited for undertaking various developments, the latest of which relates to a new multi-storey car park due to open in 2021/22; and Wessex Procurement Ltd, in partnership with Hampshire Hospitals NHS Foundation Trust, for the provision of procurement and materials management services to the two Trusts. The Trust accounts for its joint ventures using the net equity method at its financial year end which is 31st December for Southampton CEDP LLP and 31st March for Wessex Procurement Ltd. Southampton CEDP LLP broke even for the year up to 31st December 2019; Wessex Procurement Ltd made a surplus of £131k for the year to 31st March 2020.

1.5 Transfer of functions

As public sector bodies are deemed to operate under common control, business reconfigurations within the DH group are outside the scope of IFRS 3 Business Combinations. Where functions transfer between two public sector bodies, the GAM requires the application of 'absorption accounting'. Absorption accounting requires that entities account for their transactions in the period in which they took place. Where assets and liabilities transfer, the resulting gain or loss is recognised in the Statement of Comprehensive Income, and is disclosed separately from operating costs.

1.6 Operating segments

Income and expenditure are analysed in the Operating Segments note and are reported in line with management information used within the Trust.

1.7 Revenue

The transition to IFRS 15 has been completed in accordance with paragraph C3 (b) of the Standard, applying the Standard retrospectively recognising the cumulative effects at the date of initial application.

In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

- As per paragraph 121 of the Standard the Trust will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less,
- The Trust is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.
- The FReM has mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

The main source of revenue for the Trust is contracts with commissioners in respect of healthcare services. Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. At the year end, the Trust accrues income relating to activity delivered in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued and agreed with the commissioner. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued in the same manner as other revenue. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred. The method adopted to assess progress towards the complete satisfaction of a performance obligation is based upon the completion of obligations as per the contracts, generally in the Research & Development area. Some research income alternatively falls within the provisions of IAS 20 for government grants.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.7 Revenue (continued)

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

The Trust sells some goods, such as drugs, to other NHS Trusts. Income is recognised on delivery of the goods to the customer. Grants and donations are recognised as income on receipt. Where the funder imposes a condition that the grant or donation must be used to acquire or construct an asset the income is deferred until that asset is brought into use.

Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred. Payment terms are standard reflecting cross government principles, generally 14 days.

The value of the benefit received when the Trust accesses funds from the Government's apprenticeship service are recognised as income in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, non-cash income and a corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

Provider sustainability fund (PSF) and Financial recovery fund (FRF)

The PSF and FRF enable providers to earn income linked to the achievement of financial control totals. Income earned from the funds is accounted for as variable consideration.

1.8 Other forms of income

Grants and donations

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. Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

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 from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit. The Trust used £1.032m of the sum available within its account for the financial year 2019/20.

1.9 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees. The cost of leave 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 two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are . 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.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.10 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

1.10 Other expenses

Other operating expenses are recognised when and to the extent that the goods or services have been received. They are measured at the fair value of the consideration payable.

Where grant funding is not intended to be directly related to activity undertaken by a grant recipient in a specific period, the Trust recognises the expenditure in the period in which the grant is paid. All other grants are accounted for on an accruals basis.

1.10.1 Value Added Tax

Most of the activities of the Trust are outside the scope of value added tax (VAT). Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.10.2 Corporation Tax

Section 148 of the Finance Act 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year. In determining whether or not an activity is likely to be taxable a three-stage test may be employed:

- The provision of goods and services for purposes related to the provision of healthcare authorised under Section 14(1) of the Health and Social Care Act 2003 (HSCA) is not treated as a commercial activity and is therefore tax exempt;
- Trading activities undertaken in house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax;
- Only significant trading activity is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity.

The majority of the Trust's activities are related to core healthcare and are not subject to tax. However, the Trust's commercial subsidiaries are subject to corporation tax. UPL did not incur any corporation tax in 2019/20. UEL did not incur any corporation tax for 2019/20, although following a review by the Trust's tax advisers, an £8k payment was made for corporation tax related to 2018/19 that was accounted for in financial year 2019/20.

1.11 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably;
- the item has a cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

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

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.11 Property, plant and equipment (Continued)

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. Assets are measured subsequently at valuation. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

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. Current values in existing use are determined as follows:

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

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the service being provided. The site used for the Trust's valuation is adjacent to the M27. The Trust's valuers are RICS registered valuers and partners of Gerald Eve LLP. A full revaluation has been carried out at 31 March 2020, as is required every 5 years.

The valuation exercise was carried out in March 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the Trust's estate on the basis the construction would be completed by a special purpose vehicle and the costs have recoverable VAT for the trust.

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 IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset, and thereafter to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income

Depreciation

Freehold land, assets under construction or development, investment properties and assets held for sale are not depreciated/amortised.

Otherwise, depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible assets, less any residual value, on a straight-line basis over their estimated useful lives. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.11 Property, plant and equipment (continued)

Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful life, unless the Trust expects to acquire the asset at the end of the lease term, in which case the asset is depreciated in the same manner as for owned assets.

At each financial year end, the Trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 12.1.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met. The sale must be highly probable and the asset available for immediate sale in its present condition.:

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 useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.12 Investment properties

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

Only those assets which are held solely to generate a commercial return are considered to be investment properties. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment. Properties occupied by employees, whether or not they pay rent at market rates, are not classified as investment properties.

1.13 Donated assets

Donated non-current assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are treated in the same way as for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.14 Government grant funded assets

Government grant funded assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.15 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.

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 implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property, plant and equipment. The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.15 Leases (Continued)

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities statement of financial position 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.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as 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.

Imaging Infrastructure Support Service (IISS)

During 2012/13 the Trust entered an agreement for the provision of a comprehensive replacement and maintenance service contract for all major radiology imaging equipment. The contract term is 13 years with a fixed unitary payment covering asset replacement and on-going maintenance. The asset replacements are treated as finance leases and accounted for as above. Where the element of the unitary payment relating to asset replacement is made in advance of the actual asset acquisition that payment is treated as a prepayment. The element of the unitary charge relating to maintenance is charged to the Statement of Comprehensive Income.

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.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.16 Private Finance Initiative (PFI) transactions

PFI transactions that meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with IAS 17 the underlying assets are recognised as property, plant and equipment at their fair value together with an equivalent finance lease liability.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Services received

The cost of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.16 Private Finance Initiative (PFI) transactions (Continued)

PFI Assets, liabilities and finance costs

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 current value in existing use.

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 initial 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.

The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

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 cost.

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.

Other assets contributed by the Trust to the operator

Other assets contributed (e.g. cash payments, surplus property) by the Trust to the operator before the asset is brought into use, where these are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. When the asset is made available to the Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.17 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of sale 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 and the cost is at least £5,000.

Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset.

Expenditure on research is not capitalised. Expenditure on development is capitalised when it meets the requirements set out in IAS 38.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.17 Intangible assets (Continued)

Measurement

Intangible assets acquired separately are recognised initially at cost. The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria for recognition are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market, or, where no active market exists, at the lower of amortised replacement cost (modern equivalent assets basis) and value in use where the asset is income generating. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

Revaluations 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 where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

1.18 Inventories

Inventories are valued at the lower of cost and net realisable value, using the weighted average cost method.

1.19 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.

1.20 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 HM Treasury's discount rates effective for 31 March 2020:

| | | Nominal rate |
|-------------|------------------------------|--------------|
| Short term | Up to 5 years | 0.51% |
| Medium term | After 5 years up to 10 years | 0.55% |
| Long term | Exceeding 10 years | 1.99% |

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation rate

| | |
|-----------------|-------|
| Year 1 | 1.90% |
| Year 2 | 2.00% |
| Into perpetuity | 2.00% |

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% in real terms.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.20 Provisions (Continued)

Clinical negligence costs

NHS Resolution (formerly the NHS Litigation Authority) operates a risk pooling scheme under which the Trust pays an annual contribution, and in return NHS Resolution 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 23.3 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 as and when they became due.

1.21 Financial assets and liabilities

Financial assets are recognised when the Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or when the asset has been transferred and the Trust has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices, where possible, or by valuation techniques.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

Financial assets at amortised cost

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and where there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value, other than impairment losses, taken to Other Comprehensive Income. Accumulated gains or losses are recycled to the Statement of Comprehensive Income on de-recognition.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.21 Financial assets and liabilities (continued)

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are those held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest.

Financial assets at fair value through profit and loss

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

Impairment

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the Trust recognises a loss allowance representing expected credit losses on the financial instrument.

The Trust adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Financial liabilities

Financial liabilities are recognised when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged – that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historic cost. Otherwise, financial liabilities are initially recognised at fair value.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability. In the case of DHSC loans that would be the nominal rate charged on the loan.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.21 Financial assets and liabilities (continued)

Public Dividend Capital (PDC) and PDC dividend

Public dividend capital is a type of public sector equity finance, which represents the Department of Health and Social Care's investment in the trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, 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.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health and Social Care as PDC dividend. The charge is calculated at the real rate set by the Secretary of State with the consent of HM Treasury (currently 3.5%) on the average relevant net assets of the trust. Relevant net assets are calculated as the value of all assets less all liabilities, except for:

- donated and grant funded assets
- average daily cash balances held with the Government Banking Service (GBS) and National Loans Fund (NLF) deposits (excluding cash balances held in GBS accounts that relate to a short term working capital facility)
- any PDC dividend balance receivable or payable.
- Provider Sustainability Fund incentive receivable balances in 2018/19 and 2019/20.

The average relevant net assets is calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health and Social Care, the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts. The PDC dividend calculation is based upon the trust's group accounts (i.e. including subsidiaries), but excluding consolidated charitable funds.

1.22 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The Trust is registered with the CRC scheme, and would normally be required to surrender to the Government an allowance for every tonne of CO2 it emits during the financial year. However, the Trust (along with other NHS organisations) has been granted an exemption from the requirements of managing and trading allowances.

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

1.23 Contingent liabilities and contingent assets

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or
- a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably.

Contingent liabilities are not recognised, but are disclosed at note 24, unless the possibility of a payment is remote.

A contingent asset is a possible asset arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Trust's control. Contingent assets are not recognised as assets, but are disclosed in note 24 where an inflow of economic benefits is probable.

Where the time value of money is material, contingent liabilities and contingent assets are disclosed at their present value.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.24 Foreign currencies

The Trust's functional currency and presentational currency is pounds sterling, and figures are presented in thousands of pounds unless expressly stated otherwise.

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. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March.

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 the Statement of Comprehensive Income in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.25 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts.

1.26 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.

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.

1.27 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.

1.28 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Classification of Leases

Under IAS 17 a finance lease is one that transfers to the lessee 'substantially all the risks and rewards incidental to ownership of an asset'. This requires the consideration of a number of factors for each lease such as the lease transferring ownership of the asset to the lessee by the end of the lease term; the lessee having the option to purchase the asset at a price sufficiently lower than fair value at the date the option becomes exercisable for it to be reasonably certain at the inception of the lease that the option will be exercised; the lease term being for the major part of the economic life of the asset even if economic title is not transferred; the present value of the minimum lease payments amounting at the inception of the lease to at least substantially all of the fair value of the leased asset; and the lease assets being of such a specialised nature that only the lessee can use them without major modifications; or lessor's losses associated with cancelling the lease being borne by the lessee; gains or losses from fluctuations in the fair value of the residual accruing to the lessee; and the ability to continue the lease for a secondary period at a rent substantially lower than market rent. The total outstanding commitment for operating leases at 31st March 2020 is £34.459m, and for finance leases £50.877m.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.28 Critical accounting judgements and key sources of estimation uncertainty (continued)

Asset lives and residual values

Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values. 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 tables below.

The range of asset lives for intangible assets is as follows:

| | Min Life Years | Max Life Years |
|----------|-------------------|-------------------|
| Software | 5 | 10 |

The ranges of asset lives for property, plant and equipment are as follows:

| | Min Life Years | Max Life Years |
|-------------------------------|-------------------|-------------------|
| Buildings excluding dwellings | 2 | 71 |
| Dwellings | 45 | 45 |
| Plant & Machinery | 3 | 20 |
| Transport Equipment | 5 | 10 |
| Information Technology | 5 | 15 |
| Furniture & Fittings | 10 | 10 |

Impairment of assets

At each balance sheet date, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually. From 2015/16, the Trust has adopted a basis of valuation for building assets which excludes VAT from the cost of rebuilding assets.

1.29 Other accounting judgements and sources of estimation uncertainty

Recoverability of receivables

Provision for non payment is made against all non-NHS receivables that are greater than 180 days old unless recoverability is certain. Provision is made against more recent receivables where there is some doubt concerning recoverability. The provision for impaired receivables at 31st March 2020 was £10.344m (see note 17).

Impairment of assets

At each balance sheet date, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment

Sources of estimation uncertainty

There are no 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.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 12.

1.30 Accounting Standards that have been issued but not adopted.

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations. Following the impact of the COVID-19 pandemic HM Treasury and the Financial Reporting Advisory Board have decided that implementation will be deferred for a further year and is therefore applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2021, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate (1.27%). The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2020 for existing finance leases. The Trust has not yet completed its work in calculating the balances under the new standard following the delay in implementation.

For leases commencing in 2021/22, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

Notes to the Accounts
2.1 Operating Income by activity

| | Group | | Trust | |
|--|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 |
| | Total | Total | Total | Total |
| | £000 | £000 | £000 | £000 |
| Income from patient care activities | | | | |
| Elective income | 140,390 | 136,407 | 140,390 | 136,407 |
| Non elective income | 216,483 | 195,968 | 216,483 | 195,968 |
| Outpatient income | 33,853 | 31,583 | 33,853 | 31,583 |
| Follow up outpatient income | 49,513 | 42,670 | 49,513 | 42,670 |
| A & E income | 22,607 | 18,459 | 22,607 | 18,459 |
| High cost drugs income from commissioners | 94,832 | 108,605 | 94,832 | 108,605 |
| Other NHS clinical income | 189,827 | 167,485 | 189,827 | 167,485 |
| Private patient income | 5,579 | 5,619 | 5,579 | 5,619 |
| AfC pay award central funding | 0 | 6,546 | 0 | 6,546 |
| Additional pension contribution central funding | 21,302 | 0 | 21,302 | 0 |
| Other clinical income | 4,627 | 4,990 | 4,627 | 4,990 |
| Total income from patient care activities | 779,013 | 718,332 | 779,013 | 718,332 |
| Other operating income | | | | |
| Research and development | 20,649 | 29,786 | 20,649 | 29,786 |
| Education and training | 36,493 | 36,370 | 36,493 | 36,370 |
| Cash donations for the purchase of capital assets - received from other bodies | 2,092 | 3,459 | 2,092 | 3,459 |
| Charitable and other contributions to expenditure - received from other bodies | 221 | 697 | 221 | 697 |
| Non-patient care services to other bodies | 15,893 | 16,128 | 15,794 | 16,519 |
| Provider Sustainability Fund income | 16,447 | 36,046 | 16,447 | 36,046 |
| Rental revenue from operating leases | 0 | 34 | 0 | 34 |
| NHS Charitable Funds: Incoming Resources excluding investment income | 0 | 3,986 | 0 | 0 |
| Other Operating Income: | | | | |
| Car parking | 3,552 | 4,416 | 3,552 | 4,416 |
| Staff accommodation rentals | 39 | 42 | 39 | 42 |
| Crèche services | 1,556 | 1,543 | 1,556 | 1,543 |
| Clinical excellence awards | 3,690 | 3,922 | 3,690 | 3,922 |
| Other | 32,249 | 27,565 | 32,176 | 27,500 |
| Total other operating income | 132,881 | 163,994 | 132,709 | 160,334 |
| TOTAL OPERATING INCOME | 911,894 | 882,326 | 911,722 | 878,666 |

Of total Operating Income, £756.737m was for commissioner requested services (2018/19: £688.139m), and £153.115m was for non-commissioner requested services (2018/19: £194.185m). As per the terms of the Trust's Foundation Trust licence, commissioner requested services are based upon income from NHS England and Clinical Commissioning Groups. Total Operating income from non-NHS sources totalled £49.4m (2018/19: £35.18m). The figure of £30.207m above for Other income includes £4.8m Hosted income, £4.8m local research project income, £4.7m Cancer Drugs Fund income, and £3.2m related to COVID-19.

| | Group | | Trust | |
|---|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 |
| | Total | Total | Total | Total |
| | £000 | £000 | £000 | £000 |
| 2.2 Operating lease income | | | | |
| Rental revenue from operating leases - minimum lease receipts | 0 | 34 | 0 | 34 |

2.3 Analysis of income from activities by source

| | Group | | Trust | |
|--|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 |
| | £000 | £000 | £000 | £000 |
| NHS Foundation Trusts | 212 | 410 | 212 | 410 |
| NHS Trusts | 82 | 194 | 82 | 194 |
| NHS England | 402,818 | 348,784 | 402,818 | 348,784 |
| Clinical Commissioning Groups | 353,919 | 339,355 | 353,919 | 339,355 |
| Local Authorities | 321 | 722 | 321 | 722 |
| Department of Health and Social Care | 0 | 6,546 | 0 | 6,546 |
| Non NHS: Private patients | 5,579 | 5,619 | 5,579 | 5,619 |
| Non-NHS: Overseas patients (non-reciprocal) | 1,359 | 1,022 | 1,359 | 1,022 |
| NHS injury scheme (was RTA) | 2,947 | 3,246 | 2,947 | 3,246 |
| Devolved administrations and Channel Islands | 11,776 | 12,434 | 11,776 | 12,434 |
| Total income from patient care activities | 779,013 | 718,332 | 779,013 | 718,332 |

Notes to the Accounts

| | Group | | Trust | |
|--|--|-------------------------------------|--|--|
| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
| 2.4 Overseas Visitors | | | | |
| Income recognised this year | 1,359 | 1,022 | 1,359 | 1,022 |
| Cash payments received in-year (relating to invoices raised in current and previous years) | 996 | 1,304 | 996 | 1,304 |
| Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years) | 232 | 69 | 232 | 69 |
| Amounts written off in-year (relating to invoices raised in current and previous years) | 108 | 387 | 108 | 387 |
| 2.5 Fees and charges - aggregate of all schemes that, individually, have a cost exceeding £1m (Group and Trust) | | | | |
| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 | | |
| Group and Trust | | | | |
| Income | 4,438 | 5,281 | | |
| Full cost | (2,142) | (4,499) | | |

This relates to income from car parking fees. All surplus income is reinvested in services.

2.6 Additional information on contract revenue (IFRS 15) recognised in the period (Group and Trust)

| Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
|--|-------------------------------------|
| | |

2.7 Transaction price allocated to remaining performance obligations (i.e. revenue not recognised this year) (Group and Trust)

IFRS 15 requires the Trust to disclose the remaining transaction price of partially completed contracts that will be recognised when performance obligations are met in future periods, subject to the following exclusions for materiality: (i) contracts with a duration of one year or less and (ii) contracts where the provider recognises revenue from the right to consideration corresponding to work done to date (para B16). The Trust has no such contracts where these exclusions do not apply.

| | Group | | Trust | |
|---|--|-------------------------------------|--|--|
| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
| 3 Operating expenditure | | | | |
| Purchase of healthcare from NHS and DHSC bodies | 10,306 | 12,964 | 12,048 | 12,964 |
| Purchase of healthcare from non-NHS and non-DHSC bodies | 16,820 | 18,341 | 16,820 | 18,341 |
| Staff and executive directors costs | 531,629 | 481,417 | 531,039 | 480,772 |
| Non-executive directors | 142 | 152 | 142 | 152 |
| Supplies and services – clinical (excluding drugs costs) | 93,240 | 92,460 | 93,240 | 92,460 |
| Supplies and services - general | 19,883 | 19,637 | 19,648 | 19,381 |
| Drugs costs (drugs inventory consumed and purchase of non-inventory drugs) | 111,000 | 108,991 | 112,086 | 110,002 |
| Inventories written down (net including drugs) | 95 | 12 | 0 | 0 |
| Consultancy | 897 | 166 | 897 | 164 |
| Establishment | 5,034 | 3,635 | 4,994 | 3,615 |
| Premises - business rates collected by local authorities | 3,325 | 3,173 | 3,312 | 3,154 |
| Premises - other | 29,617 | 23,315 | 28,758 | 24,486 |
| Transport (business travel only) | 1 | 309 | 1 | 309 |
| Transport - other (including patient travel) | 2,737 | 1,945 | 2,737 | 1,945 |
| Depreciation | 21,153 | 20,580 | 20,560 | 20,265 |
| Amortisation | 2,483 | 1,916 | 2,483 | 1,916 |
| Impairments net of (reversals) | 1,158 | 2,593 | 1,158 | 2,593 |
| Movement in credit loss allowance: contract receivables/assets | 4,660 | 1,998 | 4,660 | 1,998 |
| Change in provisions discount rate | 206 | (51) | 206 | (51) |
| Audit fees payable to the external auditor: | | | 0 | 0 |
| Audit services - statutory audit | 79 | 63 | 63 | 63 |
| Other auditor remuneration (payable to external auditor only) | 9 | 9 | 9 | 9 |
| Charitable fund audit | 0 | 9 | 0 | 0 |
| Internal audit - non-staff | 131 | 114 | 131 | 114 |
| Clinical negligence - amounts payable to NHS Resolution (premium) | 19,078 | 18,031 | 19,078 | 18,031 |
| Legal fees | 507 | 579 | 490 | 562 |
| Insurance | 665 | 746 | 664 | 746 |
| Research and development - non-staff | 7,975 | 10,995 | 7,975 | 10,995 |
| Education and training - non-staff | 2,226 | 1,778 | 2,226 | 1,778 |
| Operating lease expenditure (net) | 2,549 | 898 | 2,549 | 891 |
| Redundancy costs - non-staff | 92 | 150 | 92 | 150 |
| Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS b | 1,164 | 1,095 | 1,164 | 1,095 |
| Car parking and security | 823 | 798 | 823 | 798 |
| Other losses and special payments - non-staff | 10 | 23 | 10 | 23 |
| Other services (e.g. external payroll) | 566 | 888 | 566 | 888 |
| Other NHS charitable fund resources expended | 0 | 4,256 | 0 | 0 |
| Other | (276) | 2,292 | (460) | 2,235 |
| TOTAL | 889,984 | 836,277 | 890,169 | 832,844 |

| | Group | | Trust | |
|---|--|-------------------------------------|--|--|
| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
| 3.1 Group Other Audit remuneration | | | | |
| Other auditor remuneration paid to the external auditor is analysed as follows: | | | | |
| Audit-related assurance services | 9 | 9 | 5 | 9 |
| Total | 9 | 9 | 5 | 9 |

Notes to the Accounts

3.2 Group and Trust Losses and Special Payments

| | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
|--|--------------------------|--------|--------------------------|--------|
| | Number | £000's | Number | £000's |
| Losses and special payments paid out in the year were as follows: | | | | |
| Bad debts and claims abandoned | 137 | 123 | 283 | 441 |
| Damage to buildings, property etc. (including stores losses) due to: | 0 | 0 | 1 | 12 |
| Total Losses | 137 | 123 | 284 | 453 |
| Ex gratia payments | 24 | 7 | 27 | 21 |
| Total Special Payments | 24 | 7 | 27 | 21 |
| Total Losses and Special Payments | 161 | 130 | 311 | 474 |

| | Group | | Trust | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 |
| | Total £000 | Total £000 | Total £000 | Total £000 |
| 4.1 Employee Expenses | | | | |
| Salaries and wages | 401,578 | 373,982 | 400,988 | 373,625 |
| Social security costs | 41,090 | 38,409 | 41,090 | 38,402 |
| Apprenticeship levy | 1,989 | 1,856 | 1,989 | 1,856 |
| Pension cost - Employers contributions to NHS Pensions | 48,639 | 45,109 | 48,639 | 45,109 |
| Pension cost - other contributions | 59 | 39 | 59 | 39 |
| Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%) | 21,302 | 0 | 21,302 | 0 |
| Temporary staff - external bank | 27,156 | 23,791 | 27,156 | 23,791 |
| Temporary staff - agency/contract staff | 7,648 | 12,950 | 7,648 | 12,827 |
| NHS Charitable funds staff | 0 | 158 | 0 | 0 |
| Recoveries from Other bodies in respect of staff cost netted off expenditure | (13,807) | (12,760) | (13,807) | (12,760) |
| Total Net Staff Costs | 535,654 | 483,534 | 535,064 | 482,889 |
| Included within: | | | | |
| Costs capitalised as part of assets | 4,025 | 2,117 | 4,025 | 2,117 |
| Employee Expenses - Staff | 531,629 | 481,259 | 531,039 | 480,772 |
| NHS Charitable funds: Employee expenses | 0 | 158 | 0 | 0 |
| Total Employee benefits excluding capitalised costs | 535,654 | 483,534 | 535,064 | 482,889 |

The difference between net staff costs and total employee benefits relates to capitalised staff costs. Total remuneration paid to executive directors for the year ended 31st March 2020 (in their capacity as directors) totalled £1,369k (2018/19 £1,047k). No other remuneration was paid to directors in their capacity as directors. There were no advances or guarantees entered into on behalf of directors by the Trust. Employer contributions to the NHS Pension Scheme for executive directors for the year ended 31st March 2020 totalled £160k (2018/19 £129k). The total number of directors to whom benefits are accruing under the NHS defined benefit scheme (the NHS Pension Scheme) was 6 (2018/19 6).

In 2019/20 the NHS Pension Scheme employer contributions increased from 14.38% to 20.68%. A transitional arrangement was in operation in 2019/20 where employers continue to pay 14.38%, with the additional 6.3% paid directly by NHS England. This is shown as expenditure in note 4.1 and income in note 2.1.

Notes to the Accounts

| | Group | | Trust | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 |
| 4.2 Average number of employees (WTE basis) | | | | |
| | Total Number | Total Number | Total Number | Total Number |
| Medical and dental | 1,649 | 1,511 | 1,649 | 1,511 |
| Ambulance staff | 11 | 0 | 11 | 0 |
| Administration and estates | 2,269 | 2,064 | 2,269 | 2,064 |
| Healthcare assistants and other support staff | 1,770 | 1,896 | 1,770 | 1,896 |
| Nursing, midwifery and health visiting staff | 3,411 | 3,534 | 3,411 | 3,534 |
| Scientific, therapeutic and technical staff | 1,248 | 985 | 1,248 | 985 |
| Healthcare science staff | 193 | 510 | 182 | 499 |
| Other | 0 | 107 | 0 | 107 |
| Total | 10,551 | 10,607 | 10,540 | 10,596 |

Number of Employees (WTE) engaged on capital projects 85 55 85 55

The apparent reduction on nursing and healthcare support staff and large increase in healthcare science staff relates to a change in the methodology of calculating these numbers based on staff working in each specific period which was considered more appropriate as a basis of measurement.

4.3 Early retirements due to ill health

From April 2019 to March 2020 there was 1 (Apr 2018- Mar 2019:6) early retirements from the organisation agreed on grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements is £38k (Apr 2018- Mar 2019: £342k) . The cost of these ill-health retirements will be borne by the NHS Business Services Authority-Pensions Division.

| 4.4 Reporting of other compensation schemes- exit packages | Group and Trust | | Group and Trust | |
|---|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| | Number of compulsory redundancies | Value of compulsory redundancies | Number of compulsory redundancies | Value of compulsory redundancies |
| Exit package cost band (including any special payment element) | Number | £000 | Number | £000 |
| | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
| £10,001 - £25,000 | 1 | 18 | 4 | 61 |
| £25,001 - £50,000 | 0 | 0 | 1 | 35 |
| £50,001 - £100,000 | 2 | 146 | 0 | 0 |
| Total | 3 | 164 | 5 | 96 |

| 4.5 Exit packages: other (non-compulsory) departure payments | Group and Trust | | Group and Trust | |
|--|---------------------------------|---------------------------|---------------------------------|---------------------------|
| | Number of other departures | Value of other departures | Number of other departures | Value of other departures |
| | Number | £000 | Number | £000 |
| | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
| <£10,000 | 0 | 0 | 2 | 12 |
| £10,000 - £25,000 | 0 | 0 | 2 | 29 |
| £50,001 - £100,000 | 0 | 0 | 1 | 63 |
| Total | 0 | 0 | 5 | 104 |

Notes to the Accounts

5 Pensions

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as 31 March 2018, updated to 31 March 2020 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 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

The government introduced automatic enrolment of staff into a workplace pension in April 2013 (although staff can continue to opt out again after enrolment). In general the Trust's staff are enrolled into the NHS pension scheme. However, there is a small group of staff who cannot be enrolled into the NHS scheme; for example, where they have already started drawing their NHS pension. These staff are auto-enrolled into the National Earnings Savings Trust (NEST) scheme managed by the NEST corporation which is a non-departmental public body accountable to the Department of Work and Pensions. NEST is a defined contribution pension scheme that was created as part of the government's workplace pensions reforms under the Pensions Act 2008. The employer contribution rate for NEST adopted by the Trust currently stands at 1.2% of annual earnings between £5824 and £43000 (this is the minimum rate stipulated). This rose to 4% in April 2019. At 31st March 2020 the Trust had 136 members in NEST (31st March 2019: 91) and had made total contributions for 2019/20 of £59k (2018/19: £12k).

Notes to the Accounts

| | Group | | Trust | |
|-----------------------------|--|-------------------------------------|--|--|
| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
| 6.1 Operating leases | | | | |
| Minimum lease payments | 2,549 | 898 | 2,549 | 891 |
| TOTAL | 2,549 | 898 | 2,549 | 891 |

6.2 Arrangements containing an operating lease

| Group | Year ended 31 March 2020 | | | Year ended 31 March 2019 | | |
|--|--------------------------|-------------------|---------------|--------------------------|-------------------|--------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| | Buildings | Plant & Machinery | Total | Buildings | Plant & Machinery | Total |
| Future minimum lease payments due: | | | | | | |
| - not later than one year; | 2,377 | 184 | 2,561 | 195 | 289 | 484 |
| - later than one year and not later than five years; | 7,031 | 136 | 7,167 | 659 | 190 | 849 |
| - later than five years. | 24,731 | 0 | 24,731 | 4,285 | 0 | 4,285 |
| Total | 34,139 | 320 | 34,459 | 5,139 | 479 | 5,618 |
| Trust | | | | | | |
| Future minimum lease payments due: | | | | | | |
| - not later than one year; | 2,377 | 184 | 2,561 | 195 | 289 | 484 |
| - later than one year and not later than five years; | 7,031 | 136 | 7,167 | 659 | 190 | 849 |
| - later than five years. | 24,731 | 0 | 24,731 | 4,285 | 0 | 4,285 |
| Total | 34,139 | 320 | 34,459 | 5,139 | 479 | 5,618 |

6.3 Interest on late payments

There was no interest incurred on late payments in 2018/19 or 2019/20

7 Finance revenue

| | Group | | Trust | |
|--|--|-------------------------------------|--|-------------------------------------|
| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
| Interest on bank accounts | 644 | 396 | 644 | 396 |
| Interest income on finance leases | 0 | 701 | 0 | 701 |
| Interest on other investments / financial assets | 0 | 0 | 173 | 177 |
| Total | 644 | 1,097 | 817 | 1,274 |

8 Finance expenses

| | Group | | Trust | |
|---------------------------------------|--|-------------------------------------|--|-------------------------------------|
| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
| Capital loans | 308 | 369 | 308 | 369 |
| Interest on other loans | 29 | 36 | 29 | 36 |
| Interest on finance lease obligations | 1,763 | 0 | 1,763 | 0 |
| PFI finance costs | 67 | 87 | 67 | 87 |
| Total interest expense | 2,167 | 492 | 2,167 | 492 |
| Unwinding of discount on provisions | 8 | 3 | 8 | 3 |
| Total Finance expenses | 2,175 | 495 | 2,175 | 495 |

9 Other gains and losses

| | Group | | Trust | |
|--|--|-------------------------------------|--|-------------------------------------|
| | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 | Year ended 31 March 2020 £000 | Year ended 31 March 2019 £000 |
| Gains on disposal of property, plant and equipment | 0 | 113 | 0 | 113 |
| Losses on disposal of property, plant and equipment | (83) | 0 | (83) | 0 |
| Total gains/(losses) on disposal of assets | (83) | 113 | (83) | 113 |
| Fair value gains/(losses) on charitable fund investments & investment properties | 0 | (2) | 0 | 0 |
| Total other gains/(losses) | (83) | 111 | (83) | 113 |

Notes to the Accounts

10 Impairments

| Group and Trust | Year ended 31 March 2020 | | | Year ended 31 March 2019 | | |
|--|--------------------------|---------------------|-------------------|--------------------------|---------------------|-------------------|
| | Net impairment £000 | Impairments £000 | Reversals £000 | Net impairment £000 | Impairments £000 | Reversals £000 |
| Diminution from normal operations | 513 | 513 | 0 | 0 | 0 | 0 |
| Impairments - charged to Revaluation Reserve | 14,131 | 14,131 | 0 | 0 | 0 | 0 |
| Changes in market price | 645 | 3,486 | (2,841) | 2,593 | 2,593 | 0 |
| Total Impairments | 15,289 | 18,130 | (2,841) | 2,593 | 2,593 | 0 |

Of the amount above £1.158m was debited to the Statement of Comprehensive Income and £14.131m to the Revaluation Reserve. In 2018/19 a revaluation of £8.354m as credited to the Revaluation reserve.

11 Intangible assets

| Group and Trust | Movements for year ended 31 March 2020 | | Movements for year ended 31 March 2019 | |
|--|--|---------------|--|---------------|
| | Software licences (purchased) £000 | Total £000 | Software licences (purchased) £000 | Total £000 |
| Valuation/Gross Cost at 1 April | 30,839 | 30,839 | 24,311 | 24,311 |
| Transfers by absorption | 0 | 0 | 9 | 9 |
| Additions - purchased / internally generated | 5,568 | 5,568 | 7,279 | 7,279 |
| Impairments charged to operating expenses | (3,486) | (3,486) | 0 | 0 |
| Disposals | 0 | 0 | (760) | (760) |
| Valuation/Gross cost at 31 March | 32,921 | 32,921 | 30,839 | 30,839 |
| Amortisation at 1 April | 12,519 | 12,519 | 11,363 | 11,363 |
| Provided during the year | 2,483 | 2,483 | 1,916 | 1,916 |
| Disposals | 0 | 0 | (760) | (760) |
| Amortisation at 31 March | 15,002 | 15,002 | 12,519 | 12,519 |
| Net Book Value at 31 March | 17,919 | 17,919 | 18,320 | 18,320 |

The transfer by absorption related to an asset transfer relating to the Public Health England Microbiology service. The impairments follow reviews of the Trust's electronic patient record and finance systems.

Notes to the Accounts

| | Land | Buildings excluding dwellings | Dwellings | Assets Under Construction and Payments on Account | Plant & machinery | Transport equipment | Information Technology | Furniture & fittings | Total |
|---|---------------|-------------------------------|--------------|---|-------------------|---------------------|------------------------|----------------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| 12.1 Property, plant and equipment 2019/20 | | | | | | | | | |
| Group | | | | | | | | | |
| Valuation/Gross cost at 1 April 2019 | 38,491 | 291,338 | 1,418 | 7,214 | 115,352 | 792 | 9,117 | 22 | 463,744 |
| Additions - purchased | 0 | 12,414 | 33 | 11,988 | 8,065 | 0 | 1,180 | 0 | 33,680 |
| Additions - leased | 0 | 0 | 0 | 0 | 9,086 | 0 | 0 | 0 | 9,086 |
| Additions - grants / donations of cash to purchase assets | 0 | 0 | 0 | 1,759 | 333 | 0 | 0 | 0 | 2,092 |
| Impairments charged to the revaluation reserve | (10,380) | (3,751) | 0 | 0 | 0 | 0 | 0 | 0 | (14,131) |
| Reclassifications | 0 | 1,945 | 0 | (1,945) | 0 | 0 | 0 | 0 | 0 |
| Revaluations | 0 | (50,895) | 375 | 0 | 0 | 0 | 0 | 0 | (50,520) |
| Disposals | 0 | 0 | 0 | 0 | (6,049) | 0 | 0 | 0 | (6,049) |
| Valuation/Gross cost at 31 March 2020 | 28,111 | 251,051 | 1,826 | 19,016 | 126,787 | 792 | 10,297 | 22 | 437,902 |
| Accumulated depreciation at 1 April 2019 | 0 | 43,277 | 109 | 0 | 69,368 | 593 | 5,402 | 19 | 118,768 |
| Provided during the year | 0 | 10,030 | 29 | 0 | 9,868 | 80 | 1,145 | 1 | 21,153 |
| Impairments charged to operating expenses | 0 | 513 | 0 | 0 | 0 | 0 | 0 | 0 | 513 |
| Reversal of impairments credited to operating expenses | 0 | (2,841) | 0 | 0 | 0 | 0 | 0 | 0 | (2,841) |
| Revaluations | 0 | (50,895) | (138) | 0 | 0 | 0 | 0 | 0 | (51,033) |
| Disposals | 0 | 0 | 0 | 0 | (5,966) | 0 | 0 | 0 | (5,966) |
| Accumulated depreciation at 31 March 2020 | 0 | 84 | 0 | 0 | 73,270 | 673 | 6,547 | 20 | 80,594 |
| Net Book Value at 31 March 2020 | 28,111 | 250,967 | 1,826 | 19,016 | 53,517 | 119 | 3,750 | 2 | 357,308 |

All of the disposals shown above relate to the accounting disposal of Commissioner Requested Services assets at or beyond the end of their useful economic lives; the assets shown as disposals have all been replaced or superseded by new arrangements, so there is no implication for the delivery of those services.

| | Land | Buildings excluding dwellings | Dwellings | Assets Under Construction and Payments on Account | Plant & machinery | Transport equipment | Information Technology | Furniture & fittings | Total |
|---|---------------|-------------------------------|--------------|---|-------------------|---------------------|------------------------|----------------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| 12.2 Property, plant and equipment 2018/19 | | | | | | | | | |
| Group | | | | | | | | | |
| Valuation/Gross cost at 1 April 2018 | 31,031 | 269,440 | 1,358 | 5,076 | 108,007 | 792 | 8,102 | 22 | 423,828 |
| Transfers by absorption | 0 | 1,044 | 0 | 0 | 368 | 0 | 0 | 0 | 1,412 |
| Additions - purchased | 62 | 14,194 | 9 | 6,034 | 3,712 | 0 | 1,079 | 0 | 25,090 |
| Additions - leased | 0 | 0 | 0 | 369 | 6,333 | 0 | 0 | 0 | 6,702 |
| Additions - government granted | 0 | 3,095 | 0 | 0 | 358 | 0 | 6 | 0 | 3,459 |
| Reclassifications | 0 | 2,660 | 0 | (4,265) | 1,605 | 0 | 0 | 0 | 0 |
| Revaluations | 7,398 | 905 | 51 | 0 | 0 | 0 | 0 | 0 | 8,354 |
| Disposals | 0 | 0 | 0 | 0 | (5,031) | 0 | (70) | 0 | (5,101) |
| Valuation/Gross cost at 31 March 2019 | 38,491 | 291,338 | 1,418 | 7,214 | 115,352 | 792 | 9,117 | 22 | 463,744 |
| Accumulated depreciation at 1 April 2018 | 0 | 31,500 | 81 | 0 | 64,287 | 498 | 4,295 | 18 | 100,679 |
| Provided during the year | 0 | 9,184 | 28 | 0 | 10,095 | 95 | 1,177 | 1 | 20,580 |
| Impairments charged to operating expenses | 0 | 2,593 | 0 | 0 | 0 | 0 | 0 | 0 | 2,593 |
| Disposals | 0 | 0 | 0 | 0 | (5,014) | 0 | (70) | 0 | (5,084) |
| Accumulated depreciation at 31 March 2019 | 0 | 43,277 | 109 | 0 | 69,368 | 593 | 5,402 | 19 | 118,768 |
| Net Book Value at 31 March 2019 | 38,491 | 248,061 | 1,309 | 7,214 | 45,984 | 199 | 3,715 | 3 | 344,976 |

12.3 Property, plant and equipment- other entities in Group

| | Movements for year ended 31 March 2020 | | | Movements for year ended 31 March 2019 | | |
|---|---|------------------------|-------|---|------------------------|-------|
| | Buildings excluding dwellings | Information Technology | Total | Buildings excluding dwellings | Information Technology | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Of the movements above, the following relate to UHS Pharmacy Ltd: | | | | | | |
| Valuation/Gross cost at 1 April | 115 | 101 | 216 | 115 | 86 | 201 |
| Additions - purchased | 64 | 18 | 82 | 0 | 15 | 15 |
| Valuation/Gross cost at 31 March | 179 | 119 | 298 | 115 | 101 | 216 |
| Accumulated depreciation at 1 April | 54 | 79 | 133 | 38 | 62 | 100 |
| Depreciation provided during the year | 30 | 9 | 39 | 16 | 17 | 33 |
| Accumulated depreciation at 31 March | 84 | 88 | 172 | 54 | 79 | 133 |
| | | | | | | |
| | Movements for year ended 31 March 2020 | | | Movements for year ended 31 March 2019 | | |
| | Assets Under Construction and Payments on Account | Plant & machinery | Total | Assets Under Construction and Payments on Account | Plant & machinery | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Of the movements above, the following relate to UHS Estates Ltd: | | | | | | |
| Valuation/Gross cost at 1 April | 2,939 | 4,007 | 6,946 | 1,605 | 2,401 | 4,006 |
| Additions - purchased | 0 | 1,353 | 1,353 | 2,940 | 0 | 2,940 |
| Reclassifications | (2,939) | 2,939 | 0 | (1,606) | 1,606 | 0 |
| Valuation/Gross cost at 31 March | 0 | 8,299 | 8,299 | 2,939 | 4,007 | 6,946 |
| Accumulated depreciation at 1 April | 0 | 301 | 301 | 0 | 20 | 20 |
| Depreciation provided during the year | 0 | 553 | 553 | 0 | 281 | 281 |
| Accumulated depreciation at 31 March | 0 | 854 | 854 | 0 | 301 | 301 |

These additions relate to Radiotherapy equipment.

Notes to the Accounts
12.4 Property, plant and equipment financing
Net book value at 31 March 2020

| | Land | Buildings excluding dwellings | Dwellings | Assets Under Construction and Payments on Account | Plant & machinery | Transport equipment |
|-----------------------------------|---------------|-------------------------------------|--------------|--|----------------------|------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Group | | | | | | |
| Owned | 28,111 | 218,040 | 1,826 | 17,257 | 23,663 | 10 |
| Finance Lease | 0 | 7,652 | 0 | 0 | 27,704 | 14 |
| On-balance-sheet PFI contracts | 0 | 3,764 | 0 | 0 | 0 | 0 |
| Donated | 0 | 21,511 | 0 | 1,759 | 2,150 | 95 |
| NBV Total at 31 March 2020 | 28,111 | 250,967 | 1,826 | 19,016 | 53,517 | 119 |

Net book value at 31 March 2019

| | Land | Buildings excluding dwellings | Dwellings | Assets Under Construction and Payments on Account | Plant & machinery | Transport equipment |
|-----------------------------------|---------------|-------------------------------------|--------------|--|----------------------|------------------------|
| Group | | | | | | |
| Owned | 38,491 | 207,746 | 1,309 | 7,214 | 18,934 | 13 |
| Finance Lease | 0 | 8,297 | 0 | 0 | 24,875 | 49 |
| On-balance-sheet PFI contracts | 0 | 3,627 | 0 | 0 | 0 | 0 |
| Donated | 0 | 28,391 | 0 | 0 | 2,175 | 137 |
| NBV Total at 31 March 2019 | 38,491 | 248,061 | 1,309 | 7,214 | 45,984 | 199 |

Of the balance above, the following relates to UHS Pharmacy Ltd:

| | £000 | £000 | £000 | £000 | £000 | £000 |
|-------------------------|------|------|------|------|------|------|
| At 31 March 2020 | 0 | 95 | 0 | 0 | 0 | 0 |
| At 31 March 2019 | 0 | 61 | 0 | 0 | 0 | 0 |

Of the balance above, the following relates to UHS Estates Ltd:

| | £000 | £000 | £000 | £000 | £000 | £000 |
|-------------------------|------|------|------|-------|-------|------|
| At 31 March 2020 | 0 | 0 | 0 | 0 | 7,445 | 0 |
| At 31 March 2019 | 0 | 0 | 0 | 2,939 | 3,706 | 0 |

None of the balance relates to the Trust charity.

13.1 Investments property

| | Group | | Trust | |
|----------------------------|---|--|---|--|
| | Movements for year ended 31 March 2020 | Movements for year ended 31 March 2019 | Movements for year ended 31 March 2020 | Movements for year ended 31 March 2019 |
| | £000 | £000 | £000 | £000 |
| Carrying value at 1 April | 123 | 125 | 0 | 0 |
| Fair value gains/ (losses) | 0 | (2) | 0 | 0 |
| Carrying value at 31 March | 123 | 123 | 0 | 0 |

13.2 Other Investments/financial assets (non-current)

| | Group | | Trust | |
|----------------------------|---|--|---|--|
| | Movements for year ended 31 March 2020 | Movements for year ended 31 March 2019 | Movements for year ended 31 March 2020 | Movements for year ended 31 March 2019 |
| | £000 | £000 | £000 | £000 |
| Carrying value at 1 April | 2,997 | 2,997 | 5,541 | 3,441 |
| Additions | 0 | 0 | 8,500 | 2,100 |
| Carrying value at 31 March | 2,997 | 2,997 | 14,041 | 5,541 |

Additions relates to UHS investment in UHS Estates Ltd.

14 Investments in joint ventures and associates

| | Group | | Trust | |
|----------------------------|---|--|---|--|
| | Movements for year ended 31 March 2020 | Movements for year ended 31 March 2019 | Movements for year ended 31 March 2020 | Movements for year ended 31 March 2019 |
| | £000 | £000 | £000 | £000 |
| Carrying value at 1 April | 1 | 1 | 1 | 1 |
| Additions | 50 | 0 | 50 | 0 |
| Share of profit/(loss) | 65 | 0 | 65 | 0 |
| Carrying value at 31 March | 116 | 1 | 116 | 1 |

Notes to the Accounts

| 15 Inventories | Group | | | Trust | | |
|---------------------------------|---------------|---------------------|---------------|---------------|---------------------|---------------|
| | Drugs £000 | Consumables £000 | Total £000 | Drugs £000 | Consumables £000 | Total £000 |
| Current | | | | | | |
| Carrying Value at 31 March 2019 | 4,516 | 11,988 | 16,504 | 3,700 | 11,988 | 15,688 |
| Carrying Value at 31 March 2020 | <u>5,080</u> | <u>10,147</u> | <u>15,227</u> | <u>4,240</u> | <u>10,147</u> | <u>14,387</u> |

| 16 Trade and other receivables | Group | | Trust | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Total 31 March 2020 | Total 31 March 2019 | Total 31 March 2020 | Total 31 March 2019 |
| | £000 | £000 | £000 | £000 |
| Current | | | | |
| Contract receivables (IFRS 15): invoiced | 53,723 | 60,438 | 54,817 | 60,431 |
| Contract receivables (IFRS 15): not yet invoiced / non-invoiced | 7,055 | 33,626 | 6,436 | 34,441 |
| Allowance for impaired contract receivables / assets | (9,407) | (4,941) | (9,407) | (4,941) |
| Prepayments (revenue) (non-PFI) | 17,194 | 14,539 | 17,191 | 14,535 |
| PDC dividend receivable | 892 | 0 | 892 | 361 |
| VAT receivable | 2,350 | 1,955 | 1,671 | 1,418 |
| Other receivables | 0 | 0 | 0 | 183 |
| NHS charitable funds: trade and other receivables | 133 | 133 | 0 | 0 |
| Total Current | <u>71,940</u> | <u>105,750</u> | <u>71,600</u> | <u>106,428</u> |
| Non-Current | | | | |
| Contract receivables (IFRS 15): invoiced | 4,587 | 4,371 | 4,588 | 4,371 |
| Allowance for impaired contract receivables / assets | (937) | (839) | (937) | (839) |
| Clinician pension tax provision reimbursement funding from NHSE | 2,134 | 0 | 2,134 | 0 |
| Other receivables | 0 | 0 | 27,386 | 9,502 |
| Total Non-Current | <u>5,784</u> | <u>3,532</u> | <u>33,171</u> | <u>13,034</u> |
| Total Trade and other Receivables | <u>77,724</u> | <u>109,282</u> | <u>104,771</u> | <u>119,462</u> |

The Trust non-current receivable relates to a loan to UHS Estates Ltd

| 17 Allowances for credit losses (doubtful debts) | Group | Trust |
|---|--|--|
| | Movements for year ended 31 March 2020 | Movements for year ended 31 March 2020 |
| | £000 | £000 |
| Allowance for credit losses at 1 April 2018 - restated | 5,780 | 5,780 |
| New allowances arising | 7,147 | 7,147 |
| Reversals of allowances (where receivable is collected in-year) | (2,487) | (2,487) |
| Utilisation of allowances (where receivable is written off) | (96) | (96) |
| Total allowance for credit losses at 31 March 2019 | <u>10,344</u> | <u>10,344</u> |

| 18.1 Cash and cash equivalents | Group | | Trust | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 March 2020 £000 | 31 March 2019 £000 | 31 March 2020 £000 | 31 March 2019 £000 |
| Cash at commercial banks and in hand | 4,178 | 5,448 | 114 | 123 |
| Cash with the Government Banking Service | 97,141 | 60,076 | 97,141 | 60,076 |
| Cash and cash equivalents as in SoFP | <u>101,319</u> | <u>65,524</u> | <u>97,255</u> | <u>60,199</u> |

18.2 Third party assets held by the NHS Foundation Trust

| Group and Trust | 31 March 2020 | 31 March 2019 |
|-----------------|---------------|---------------|
| | £000 | £000 |
| Bank balances | <u>0</u> | <u>11</u> |

Notes to the Accounts

| 19 Trade and other payables | Group | | Trust | |
|--|----------------|----------------|----------------|----------------|
| | Total | Total | Total | Total |
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | £000 | £000 | £000 | £000 |
| Current | | | | |
| Trade payables | 48,951 | 48,715 | 67,340 | 52,686 |
| Capital payables (including capital accruals) | 4,343 | 4,491 | 4,281 | 4,816 |
| Accruals (Revenue costs only) | 13,117 | 13,623 | 7,602 | 10,800 |
| Social Security costs | 5,692 | 5,373 | 5,692 | 5,373 |
| Other taxes payable | 4,867 | 4,791 | 4,876 | 4,791 |
| PDC dividend payable | 0 | (361) | 0 | 0 |
| Other payables | 27,134 | 23,444 | 27,114 | 23,444 |
| NHS Charitable funds: Trade and other payables | 559 | 559 | 0 | 0 |
| Total Current | 104,663 | 100,635 | 116,905 | 101,910 |
| Non-current | | | | |
| Capital payables (including capital accruals) | 564 | 503 | 21,281 | 6,551 |
| Other payables | 94 | 405 | 405 | 405 |
| Total Non Current | 658 | 908 | 21,686 | 6,956 |
| Total Trade and other payables | 105,321 | 101,543 | 138,591 | 108,866 |

An amount of £6.862m (2018/19 £6.434m) relating to outstanding pension contributions is included within other payables; this liability was due in April 2020.

| 20 Borrowings | Group | | Trust | |
|--|---------------|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | £000 | £000 | £000 | £000 |
| Current | | | | |
| Capital Loans from Department of Health | 3,141 | 3,149 | 3,141 | 3,149 |
| Other loans (non-DHSC) | 243 | 187 | 243 | 187 |
| Obligations under finance leases | 7,012 | 6,575 | 7,012 | 6,575 |
| Obligations under Private Finance Initiative contracts | 410 | 391 | 410 | 391 |
| Total Current | 10,806 | 10,302 | 10,806 | 10,302 |
| Non-current | | | | |
| Capital Loans from Department of Health | 10,953 | 14,042 | 10,953 | 14,042 |
| Other loans (non-DHSC) | 503 | 559 | 503 | 559 |
| Obligations under finance leases | 32,568 | 31,715 | 32,568 | 31,715 |
| Obligations under Private Finance Initiative contracts | 877 | 1,287 | 877 | 1,287 |
| Total Non Current | 44,901 | 47,603 | 44,901 | 47,603 |
| Total Borrowings | 55,707 | 57,905 | 55,707 | 57,905 |

The Foundation Trust has the following loans with the Department of Health:

| Original Advance Date | Original Loan | Balance | Balance | Interest Rate |
|---------------------------|---------------|--------------------------------|--------------------------------|---------------|
| | | outstanding at 31st March 2020 | outstanding at 31st March 2019 | |
| | £000 | £000 | £000 | % |
| September 2010 | 8,000 | 2,927 | 3,461 | 2.74% |
| October 2011 | 10,000 | 1,500 | 2,500 | 1.57% |
| September 2012 | 5,000 | 1,108 | 1,664 | 0.76% |
| June 2013 | 15,000 | 8,506 | 9,506 | 1.91% |
| Total balance outstanding | | 14,041 | 17,131 | |
| Repaid in year | | 3,489 | | |

21 Reconciliation of liabilities arising from financing activities (Group)

| | Total liabilities from financing activities for year ended 31 March 2020 |
|--|--|
| | £000 |
| Carrying value at 1 April 2019 - brought forward | 57,905 |
| Financing cash flows - principal | (11,278) |
| Financing cash flows - interest (for liabilities measured at amortised cost) | (1,923) |
| Additions | 9,086 |
| Interest charge arising in year (application of effective interest rate) | 1,917 |
| Carrying value at 31 March 2020 | 55,707 |

This disclosure is a new requirement of IAS 7.

Notes to the Accounts

22 Other liabilities

| | Group | | Trust | |
|--------------------------------|---------------|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | £000 | £000 | £000 | £000 |
| Current | | | | |
| Deferred income | 11,800 | 6,797 | 11,800 | 9,371 |
| Deferred grants | 0 | 2,574 | 0 | 0 |
| Total Current | 11,800 | 9,371 | 11,800 | 9,371 |
| Non-current | | | | |
| Deferred income | 14,104 | 14,582 | 14,104 | 14,582 |
| Total Non-current | 14,104 | 14,582 | 14,104 | 14,582 |
| Total Other liabilities | 25,904 | 23,953 | 25,904 | 23,953 |

Current

23.1 Provisions for liabilities and charges
Group and Trust

| | Current | | Non-current | |
|-------------------------------------|---------------|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Pensions - Early departure costs | 63 | 61 | 583 | 582 |
| Pensions - Injury benefits | 158 | 155 | 2,904 | 2,166 |
| Other legal claims | 421 | 440 | 0 | 0 |
| Clinician pension tax reimbursement | 2,134 | 0 | 0 | 0 |
| Total | 2,776 | 656 | 3,487 | 2,748 |

23.2 Movements in Provisions for liabilities and charges for year
Group and Trust

| | Pensions - Early departure costs | Other legal claims | Clinician pension tax reimbursement | Pensions - Injury benefits | Total |
|--|----------------------------------|--------------------|-------------------------------------|----------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 April 2019 | 643 | 440 | 0 | 2,321 | 3,404 |
| Change in the discount rate | 22 | 0 | 0 | 184 | 206 |
| Arising during the year | 36 | 238 | 2,134 | 670 | 3,078 |
| Utilised during the year - cash | (46) | (78) | 0 | (119) | (243) |
| Reversed unused | (11) | (179) | 0 | 0 | (190) |
| Unwinding of discount | 2 | 0 | 0 | 6 | 8 |
| At 31 March 2020 | 646 | 421 | 2,134 | 3,062 | 6,263 |
| - not later than one year; | 63 | 421 | 2,134 | 158 | 2,776 |
| - later than one year and not later than five years; | 252 | 0 | 0 | 632 | 884 |
| - later than five years. | 331 | 0 | 0 | 2,272 | 2,603 |
| Total | 646 | 421 | 2,134 | 3,062 | 6,263 |

23.3 Clinical Negligence liabilities
Group and Trust

| | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Amount included in provisions of NHS Resolution in respect of clinical negligence liabilities of the Foundation Trust | 325,827 | 301,323 |

24 Contingent liabilities
Group and Trust

| | 31 March 2020 | 31 March 2019 |
|-------|---------------|---------------|
| | £'000 | £'000 |
| Other | 98 | 110 |

This has been calculated by the NHSLA in respect of the Trust's contingent liabilities in respect of non-clinical claims.

Notes to the Accounts

25.1 Related Party transactions

University Hospital Southampton NHS Foundation Trust is a public benefit corporation authorised by Monitor (now part of NHS Improvement, the independent regulator for NHS Foundation Trusts).

During the year none of the board members or members of senior management or parties related to them has undertaken any material transactions with the Group.

The Department of Health is regarded as a related party. The Trust has had a significant number of transactions with the Department and with other entities for which the Department is regarded as the parent department.

The transactions relate mainly to the provision of healthcare services and the purchase of services in the ordinary course of business. The entities are:

| Group | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
|--|--------------------------|---------------------|--------------------------|---------------------|
| | Income £000 | Expenditure £000 | Income £000 | Expenditure £000 |
| Department of Health | 27,970 | 0 | 34,336 | 0 |
| Portsmouth Hospitals NHS Trust | 1,963 | 7,595 | 1,626 | 9,384 |
| NHS Resolution | 0 | 19,435 | 0 | 18,465 |
| NHS Southampton CCG | 152,821 | 0 | 155,298 | 0 |
| NHS West Hampshire CCG | 155,561 | 0 | 148,828 | 0 |
| NHS England | 408,041 | 0 | 395,055 | 0 |
| Health Education England | 37,890 | 0 | 36,954 | 0 |
| Salisbury NHS Foundation Trust | 1,506 | 2,724 | 1,572 | 2,629 |
| Solent NHS Trust | 1,867 | 1,642 | 1,789 | 1,610 |
| Southern Health NHS Foundation Trust | 3,824 | 4,345 | 3,579 | 5,700 |
| Hampshire Hospitals NHS Foundation Trust | 1,786 | 0 | 1,829 | 2,893 |
| NHS Fareham and Gosport CCG | 9,415 | 0 | 9,330 | 0 |
| Isle of Wight NHS Trust | 801 | 1,065 | 814 | 1,123 |
| Other NHS Bodies | 45,747 | 9,487 | 41,975 | 14,042 |
| | 849,192 | 46,293 | 832,985 | 55,846 |

In addition, the Group has had a number of material transactions with other Government departments and other central and local government bodies. These are as follows:

| | | | | |
|---|----------------|----------------|----------------|----------------|
| NHS Pension Scheme | 0 | 69,941 | 0 | 45,109 |
| National Insurance Fund | 0 | 43,079 | 0 | 40,293 |
| NHS Blood and Transplant | 100 | 7,178 | 218 | 7,934 |
| NHS Professionals | 7 | 27,627 | 11 | 29,415 |
| University of Southampton | 10,171 | 9,982 | 6,243 | 12,732 |
| Other government bodies | 1,014 | 499 | 2,737 | 557 |
| | 11,292 | 158,306 | 9,209 | 136,040 |
| Total value of transactions with related parties | 860,484 | 204,599 | 842,194 | 191,886 |

The Group comprises the Trust, UHS Pharmacy Ltd, UHS Estates Ltd and Southampton Hospital Charity. The Trust has £1,017k (£2,063k at 31st March 2019) receivables with Southampton Hospital Charity. It has share capital of £841k (£841k at 31st March 2019), receivables of £90k (£603k at 31st March 2019) and payables of £11k (£0k at 31st March 2019) with UHS Pharmacy Ltd, and share capital of £13.2m (£4.7m at 31st March 2019), and receivables of £65k (£9.866m at 31st March 2019) and payables of £19.780m (£11.074m at 31st March 2019) with UHS Estates Ltd. Transactions with related parties are on a normal commercial basis.

25.2 Related Party balances

| Group | At 31 March 2020 | | At 31 March 2019 | |
|--|---------------------|------------------|---------------------|------------------|
| | Receivables £000 | Payables £000 | Receivables £000 | Payables £000 |
| Department of Health | 0 | 0 | 0 | 0 |
| Isle of Wight NHS Trust | 616 | 861 | 265 | 678 |
| Other NHS Bodies | 35,455 | 14,463 | 67,270 | 14,719 |
| Other government bodies | 4,935 | 18,475 | 3,762 | 19,924 |
| Total balances with related parties at 31 March | 41,006 | 33,799 | 71,297 | 35,321 |

25.3 Related Parties- Joint Ventures

As referred to in Page 198 of the accounts, the Trust has two joint ventures. The first is jointly controlled by the Trust and Partnering Solutions (Southampton) Ltd. The latter is a wholly owned subsidiary of Prime Partnering Solutions Ltd. The Trust received £0k (2018/19 £0k) and was charged £0k (2018/19 £0k) from its joint venture for services rendered. The second is jointly controlled by the Trust and Hampshire Hospitals Foundation Trust. The Trust received £200k and was charged £806k for services rendered.

Notes to the Accounts

| | Group | | Trust | |
|--|---------------|---------------|---------------|---------------|
| | Total | Total | Total | Total |
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Group and Trust | £000 | £000 | £000 | £000 |
| Property, Plant and Equipment | 16,367 | 5,955 | 16,367 | 10,854 |
| Imaging Infrastructure Support Service | 15,173 | 20,072 | 15,173 | 20,072 |
| Total | 31,540 | 26,027 | 31,540 | 30,926 |

The Imaging Infrastructure Support Service commitment relates to the purchase of new radiology equipment over the remaining 4 years of the contract.

| | Total | Total |
|--|---------------|---------------|
| 31 March 2020 | 31 March 2019 | 31 March 2019 |
| Group and Trust | £000 | £000 |
| Gross buildings lease liabilities | 15,905 | 6,821 |
| of which liabilities are due: | 0 | 0 |
| - not later than one year; | 1,089 | 1,048 |
| - later than one year and not later than five years; | 4,246 | 3,653 |
| - later than five years. | 10,570 | 2,120 |
| Finance charges allocated to future periods | (3,023) | (1,023) |
| Net buildings lease liabilities | 12,882 | 5,798 |
| - not later than one year; | 930 | 908 |
| - later than one year and not later than five years; | 3,653 | 3,094 |
| - later than five years. | 8,299 | 1,796 |
| Gross other lease liabilities | 34,972 | 35,405 |
| - not later than one year; | 7,546 | 6,494 |
| - later than one year and not later than five years; | 23,367 | 16,731 |
| - later than five years. | 4,059 | 12,180 |
| Finance charges allocated to future periods | (8,274) | (2,913) |
| Net other lease liabilities | 26,698 | 32,492 |
| - not later than one year; | 6,082 | 5,667 |
| - later than one year and not later than five years; | 16,610 | 15,284 |
| - later than five years. | 4,006 | 11,541 |

28.1 On-SOFP PFI obligations

| | Total | Total |
|--|---------------|---------------|
| 31 March 2020 | 31 March 2019 | 31 March 2019 |
| Group and Trust | £000 | £000 |
| Gross PFI liabilities | 1,376 | 1,678 |
| of which liabilities are due | | |
| - not later than one year; | 459 | 391 |
| - later than one year and not later than five years; | 917 | 1,287 |
| Finance charges allocated to future periods | (89) | 0 |
| Net PFI obligation | 1,287 | 1,678 |
| - not later than one year; | 410 | 391 |
| - later than one year and not later than five years; | 877 | 1,287 |
| Total | 1,287 | 1,678 |

28.2 On-SOFP PFI commitments

| | Total | Total |
|--|---------------|---------------|
| 31 March 2020 | 31 March 2019 | 31 March 2019 |
| Group and Trust | £000 | £000 |
| Commitments in respect of the service element of the PFI | | |
| Within one year | 1,621 | 1,553 |
| 2nd to 5th years (inclusive) | 3,242 | 4,659 |
| Total | 4,863 | 6,212 |

The Trust's PFI Commitment relates to the Energy Supply Agreement with Veolia PLC (principally for steam heat and management of emergency generators)

28.3 Analysis of amounts payable to service concession operators (Group and Trust)

| | Total for 31 March 2020 | Total for 31 March 2019 |
|---|-------------------------|-------------------------|
| Unitary payment payable to service concession | 1,621 | 1,553 |
| Consisting of: | | |
| - Interest charge | 67 | 87 |
| - Repayment of finance lease liability | 390 | 371 |
| - Service element | 1,164 | 1,095 |

Notes to the Accounts

29.1 Imaging Infrastructure Support Service commitments Group and Trust

The total commitment with regard to the Imaging Infrastructure Support Service entered into in 2012/13 is as follows:

| | 31 March 2020 | | | 31 March 2019 | | |
|--|---------------------------------|---|---------------|---------------------------------|---|---------------|
| | Service and maintenance £000 | Finance lease interest and repayments £000 | Total £000 | Service and maintenance £000 | Finance lease interest and repayments £000 | Total £000 |
| - not later than one year; | 3,436 | 5,129 | 8,565 | 3,372 | 5,034 | 8,406 |
| - later than one year and not later than five years; | 13,744 | 20,516 | 34,260 | 13,488 | 20,136 | 33,624 |
| - later than five years. | 1,718 | 2,565 | 4,283 | 5,058 | 7,551 | 12,609 |
| Total | 18,898 | 28,210 | 47,108 | 21,918 | 32,721 | 54,639 |

| 29.2 Other Financial Commitments | Group | | Trust | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 March 2020 £000 | 31 March 2019 £000 | 31 March 2020 £000 | 31 March 2019 £000 |
| The Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements), analysed by the period during which the payment is made: | | | | |
| not later than 1 year | 7,382 | 10,432 | 7,382 | 10,432 |
| after 1 year and not later than 5 years | 14,469 | 18,777 | 14,469 | 18,777 |
| paid thereafter | 597 | 2,635 | 597 | 2,635 |
| TOTAL | 22,448 | 31,844 | 22,448 | 31,844 |

30 Post balance sheet events

There have been no significant post balance sheet events requiring disclosure.

31 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 continuing service provider relationship that the Trust has with commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also 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. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

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. Foundation 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. It 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 5-15 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. Interest charged on finance leased assets is at fixed rates of interest. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has relatively low inherent exposure to credit risk. The maximum exposures as at 31 March 2020 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 commissioners, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from internally generated funds together with funds obtained from external government borrowing when necessary, along with commercial sources through its finance lease and PFI arrangements.

Notes to the Accounts

| | Group Total | Trust Total |
|---|-----------------------|-----------------------|
| | 31 March 2020 | 31 March 2020 |
| | £000 | £000 |
| 31.1 Carrying value and fair value of financial assets | | |
| Trade and other receivables (excluding non financial assets) - with NHS and DH bodies | 41,006 | 41,006 |
| Trade and other receivables (excluding non financial assets) - with other bodies | 16,149 | 16,625 |
| Cash and cash equivalents at bank and in hand | 101,319 | 97,255 |
| NHS Charitable funds: financial assets | 3,130 | 0 |
| Total | <u>161,604</u> | <u>154,886</u> |

| | Group Total | Trust Total |
|---|-----------------------|-----------------------|
| | 31 March 2020 | 31 March 2020 |
| | £000 | £000 |
| 31.2 Carrying value and fair value of financial liabilities | | |
| DHSC loans | 14,094 | 14,094 |
| Other borrowings excluding finance lease and PFI liabilities | 746 | 746 |
| Obligations under finance leases | 39,580 | 39,580 |
| Obligations under PFI, LIFT and other service concession contracts | 1,287 | 1,287 |
| Trade and other payables (excluding non financial liabilities) - with NHS and DH bodies | 35,192 | 35,192 |
| Trade and other payables (excluding non financial liabilities) - with other bodies | 59,570 | 92,831 |
| Total | <u>150,469</u> | <u>183,730</u> |

| | Group Total | Trust Total |
|---|-----------------------|-----------------------|
| | 31 March 2020 | 31 March 2020 |
| | £000 | £000 |
| 31.3 Maturity of Financial liabilities | | |
| In one year or less | 105,564 | 138,825 |
| In more than one year but not more than two years | 9,966 | 9,966 |
| In more than two years but not more than five years | 20,361 | 20,361 |
| In more than five years | 14,578 | 14,578 |
| Total | <u>150,469</u> | <u>183,730</u> |

32 Limitation on auditor's liability

The liability of the Trust's external auditor KPMG, its members, partners and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed £1m, aside from where the liability cannot be limited by law. This is in aggregate in respect of all services.

